

2021

Coretronic

ESG Report



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About the Report

Coretronic has regularly published its CSR Report on an annual basis since 2008, and officially changed its name to the “ESG Report” in 2020, covering its strategies, goals and results of Environmental, Social, and Governance and demonstrating Coretronic’s commitment and determination to sustainable development.

Reporting Standards and Guidelines

The content and structure of the 2021 ESG Report follows the Core Option of the GRI Standards of the Global Reporting Initiative (GRI), and adopts the sustainability indicators of the Sustainability Accounting Standards Board (SASB). We provide an index table at the end of the report comparing the report content with GRI and SASB standards.

Reporting Scope and Boundary ¹⁰²⁻¹⁰

- This report discloses non-controlling and venture capital companies that have actual production, significant impact on Coretronic’s economic, environmental and social aspects, and the upstream and downstream relationships with Coretronic. Also, Coretronic holds over 50% of shares and can control their operations. There companies are Coretronic plants in Taiwan (Headquarters, Chunan Plant, Tainan Plant 1 and 2), plants in China (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan), Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou), plants of subsidiaries in Taiwan (Optoma, Champ Vision Display, Coretronic Intelligent Cloud Service, and Coretronic Intelligent Robotics).
- The major part of this report is about the sustainable performance of Coretronic plants in Taiwan and China. As for subsidiaries’ sustainable performance, please check the chapter 8- Subsidiary Insights.
- Since Young Green Energy, uCare Medical Electronics, InnoSpectra, Nano Precision Taiwan, Coretronic MEMS, Coretronic Reality, Coretronic Intelligent Logistics, Coretronic Vietnam Company Limited, and Calibre UK Limited haven’t had great influence on Coretronic’s economic, environmental and social aspects, the sustainable information of them hasn’t be disclosed in this report.
- The scope of SASB in this report includes Coretronic plants in Taiwan (Headquarters, Chunan Plant, Tainan Plant 1 and 2), plants in China (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan), Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou), plants of subsidiaries in Taiwan (Optoma, Champ Vision Display, Coretronic Intelligent Cloud Service, and Coretronic Intelligent Robotics).

Report Assurance ^{102-54, 102-56}

- Coretronic entrusts SGS Taiwan Ltd. (SGS) to review the materiality of the report and data against the AccountAbility AA1000 Assurance Standard (2008) Type II High Level, GRI Standards, and SASB.
- Financial data was audited by the EY accounting firm and the monetary unit is the New Taiwan Dollar (NTD).
- ISO 9001, ISO 14001, ISO 14064-1, ISO 45001, CNS 45001, and ISO 50001 (Chunan Plant) management system certifications were verified by SGS Taiwan Ltd.

Report Publication ^{102-50, 102-51, 102-52}

The ESG Report is published annually by Coretronic and is available on Coretronic’s ESG website, Market Observation Post System, ESG e -newsletter, and Coretronic’s FB Fan Page.

- Reporting Period: Between January 1, 2021 and December 31, 2021
- Previous Version: Issued in June, 2021
- Current Version: Issued in June, 2022
- Next Version: To be issued in June, 2023

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ESG Website



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ESG Report



Letter from the Chairman 102-14

As the COVID-19 pandemic went on in 2021, besides changing the human everyday life, it has also brought irreversible changes to the global economic and industrial structures. In this year, through perfect risk control and response, robust R&D power, and flexible operational model, we maintained steady growth again adversities, flying high against the wind. Upholding the core concepts of reformation and innovation, we demonstrated Coretronic's robust operational resilience through constant profitability. Here, we wholeheartedly thank all stakeholders for their support and encouragement, which have enabled us to overcome all challenges and look out at the sustainable future from a brand-new point of view through a lively and joyful attitude, vitality, and creativity.

Coretronic has published the ESG report following the GRI Standards for 14 consecutive years since 2008 to establish and strengthen communication with stakeholders. Moreover, we adopt the sustainability indicators of the Sustainability Accounting Standards Board (SASB) in 2021 to show our sustainable performance to all stakeholders, hoping drive the sustainable development by innovation technology and the core competence of Coretronic so as to implement the sustainable strategies and achieve the goals.

Corporate Governance

As a role model of corporate governance, Coretronic has been ranked in the top 5% in the Corporate Governance Evaluation from Taiwan Stock Exchange (TWSE) for 7 consecutive years (2015-2021) and the top 10% in the electronics industry corporations (market value is over NTD 10 billion) in the Corporate Governance Evaluation from Taiwan Stock Exchange (TWSE) for 3 consecutive years (2019-2021), selected as a component of the TPEX Corporate Governance Index for 7 consecutive years (2015-2021), claimed TCSA "Transparency and Integrity Leadership Award" for 4 consecutive years (2018-2021), and selected as a component of the TIP Taiwan TPEX ESG Index and the TIP TPEX ESG IT Elite Total Return Index in 2021. Additionally, we have arranged the on-line course named "Awareness Education on Business Integrity" for all indirect employees since 2020 to enhance the employees' awareness of business integrity, strive to establish the foundation for creating benefits for shareholders, and retain the enterprise's competitiveness and business sustainability.

Social Engagement

Coretronic and Firefly Volunteer Team will implement "Light Wishes for the Rurals", "Farm the Hopes", "Light Pioneer", "Love Followers", and "Dream Walkers" together to eliminate digital divide, pursue equitable quality education, and bridge the urban-rural gap. In 2021, we practice "Fight the Pandemic" to reduce the negative impact on society. Moreover, Coretronic Culture and Arts Foundation was established in 2010 and has continually held "Taiwan Environment Lighting Award" in recent years to highlight Taiwan's culture, promote art and cultural events that feature the element of light, and elevate living quality. What's more, Coretronic Culture and Arts Foundation is using light as the medium, connecting culture and environment, and allowing light to become a part of the art of living. The subsidiary, Optoma, also has long-term sponsorship of major video and art exhibitions with the high-level projection systems, which is a strategic combination of the professional core technology and corporate social responsibility.

Facing the constantly changing competition environment, we ceaselessly provide customers with complete and comprehensive customized display solutions to maintain steady growth. Additionally, in response to the post-pandemic era and global carbon reduction issues, we will further develop a sustainable supply chain actively, integrate internal and external resources to develop cross-industry smart application technology, continue to promote smart manufacturing and smart warehousing projects, enforce global deployment and local operations to enhance overall competitiveness. In the future, we will address the UN Sustainable Development Goals (SDGs) based on the spirit of proactive innovation and teamwork in order to achieve the SDGs in collaboration with stakeholders and thereby demonstrate positive influence to create a sustainable world.

Friendly Workplace

Employees are the core power for the Company's continuous growth and sustainable operation. We fulfilled our responsibility as a sporting and happy enterprise by implementing salary adjustment, increasing employee benefits, enforcing human rights management, holding various sport and recreational activities to enhance the positive work attitude of the employee and help obtain a balance between work and life. To combat COVID-19, we have also established various stringent pandemic control measures for employees to feel safe to come to work, hoping to become a happy enterprise recognized by employees with corporate commitments and strategies that meet their needs more closely.

Sustainable Environment

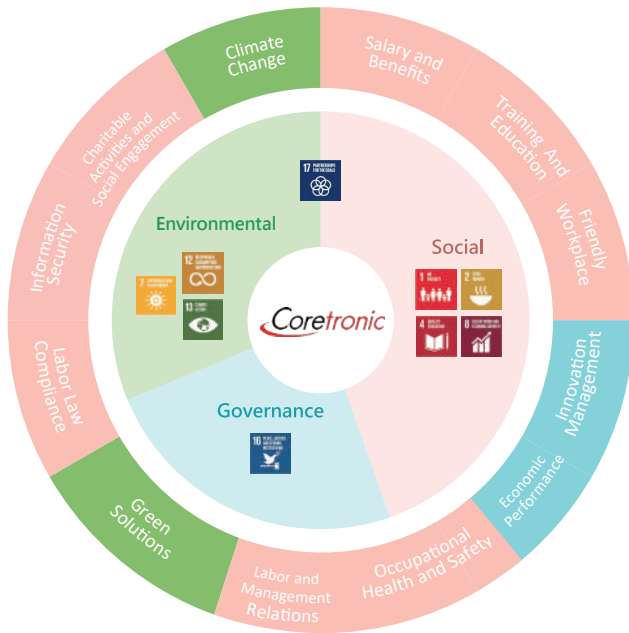
In response to the Paris Agreement and the goal of net zero emissions by 2050, the Environmental Protection Committee has progressively implement various sustainable environment measures in terms of four topics: "green products", "green supply chain", "green production", and "green life". Additionally, in 2020, we also signed up to and implemented climate-related financial disclosures based on the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to re-assess the financial risks caused by climate change. We further agreed to achieve the following targets: "reduce GHG (Category 1 and 2) emissions by 50% in 2032 and net zero emissions by 2050." In the future, we will promote various carbon reduction programs to mitigate the greenhouse effect and extend the green influence in collaboration with stakeholders in order to contribute to fighting climate change as a corporate citizen.

Wade Chang, Chairman and CEO



Sustainable Performance Highlights

Coretronic is the light house of the hopes. Based on glorious performance, we light up the society and green the environment, so as to wish everyone a sustainable and bright future. Based on the core competence, SDGs, international ESG issues, social requirements, and stakeholders' concerns, our ESG Committee, Environmental Protection Committee, Firefly Volunteer Team, and other related units plan and implement ESG projects and strategies together, as well as build the strong and sustainable sharing partnerships between corporation and society with stakeholders.



	Target	Strategy and Performance
Governance	Enhance the Employees' Awareness of Business Integrity	95% indirect employees finished the course -"Awareness Education on Business Integrity."
	Increase Operational Performance	<ul style="list-style-type: none"> Net income attributable to equity holders of the parent company increased by 30% compared to 2020. EPS increased by NTD 1.53 compared to 2020.
Environmental	Implement Climate Change Management	<ul style="list-style-type: none"> The intensity of GHG emissions of plants in Taiwan decreased by 39% compared to 2020. Hold the course called "Implementation of TCFD and External Performance Assessment." Establish the Sustainable Energy Committee under the Environmental Protection Committee. Distribute TCFD risk and opportunity identification questionnaire and produce the map of climate-related risks and opportunities. Net zero by 2050.
	Reduce Electricity Consumption	The electricity consumption intensity of plants in Taiwan decreased by 27% compared to 2020.
	Achieve the Renewable Energy Target	Renewable Energy accounted for over 1% of annual electricity consumed by plants in Taiwan, compared to 2020.
	Reduce Waste Output	With circular economy programs, the waste output intensity of plants in Taiwan decreased by 47%
	Reduce Water Consumption	The water consumption of plants in Taiwan decreased by 8.5% compared to 2020.
	Develop Energy-Saving Products	Optimized the lighting design of projectors to save electricity of about 15.14 GWh and reduce 7,708 tCO ₂ e each year.
	Enhance Suppliers' Awareness of Climate-Related Risks	<ul style="list-style-type: none"> 112 suppliers joined the annual supplier conference and ESG lectures. 15 suppliers shared the green projects and performance at the annual conference, with 5 of them had participated for 3 consecutive years.
	Promote Environmental Education	Hold 13 green activities.
Social	Provide Competitive Compensation	<ul style="list-style-type: none"> Annual Salary Adjustment at the rate of 3~5%. Employee compensation and benefits expense accounted for 11% of annual net income.
	Offer More Job Opportunities	Offer 198 job opportunities : Offer 55 internship opportunities through the industry-academia collaboration.
	Narrow Digital Divide	Invite 42 rural teachers and students to join High-Tech Adventure, build 6 Digital Interactive Classrooms, and hold 2 Future Light Camps.
	Support Sustainable Agriculture	Purchase over 20 tons organic vegetables and 13.2 tons Miaoli Yuanli rice.
	Pursue Equitable Quality Education	Sponsor the elementary baseball team and provide the scholarship.
	Collaborate with Suppliers	Sponsor MINI Baseball Academy, hold one-day baseball camp and "Exchange Love and Warm on X'mas" together.

* All information above is about Coretronic's plants in Taiwan.

Awards and Recognitions

Governance

- Ranked in the top 5% in the Corporate Governance Evaluation from TWSE for 7 consecutive years
- Ranked in the top 10% in the electronics industry corporations (market value is over NTD 10 billion) in the Corporate Governance Evaluation from TWSE for 3 consecutive years
- Selected as a component of the TPEX 50 Index for 12 consecutive years
- Selected as a component of the TPEX High Dividend Yield Index for 8 consecutive years
- Selected as a component of the TPEX Corporate Governance Index and the TPEX Compensation Index for 7 consecutive years
- Selected as a component of the TIP Taiwan TPEX ESG Index and the TIP TPEX ESG IT Elite Total Return Index
- Awarded Comprehensive Digital Transformation of 2021 Digital Transformation Dingge Award in the Manufacturing Pioneer category
- No economic violations for 10 consecutive years



Environmental

- The Chunan Plant was awarded “National Enterprise Environmental Protection Award–Silver Award” by Environmental Protection Administration, Executive Yuan, for 4 consecutive years
- The Tainan Plant 1 was awarded “National Enterprise Environmental Protection Award–Silver Award” by Environmental Protection Administration, Executive Yuan, for 2 consecutive years
- The Headquarters was awarded “National Enterprise Environmental Protection Award–Silver Award” by Environmental Protection Administration, Executive Yuan
- Awarded “Private Enterprise and Private Organization Green Procurement Performance Outstanding Unit Award” by the Hsinchu City Government for 3 consecutive years
- Awarded “Private Enterprise and Private Organization Green Procurement Outstanding Achievement Award - Excellent” by the Miaoli County Government
- Awarded “Excellence Enterprise of Promoting Draw Decomposers” by the Hsinchu County Government



Social

- Won “Excellence in Corporate Social Responsibility Award” by Taiwan's CommonWealth Magazine for 10 consecutive years
- Won the TCSA “Corporate Sustainability Report Awards–Gold Award” for 5 consecutive years
- Won the TCSA “Transparency and Integrity Leadership Award” for 4 consecutive years
- Won the the TCSA "Sustainability Comprehensive Performance Award" for 3 consecutive years
- Won the TCSA “Social Inclusion Leadership Award” for the second time
- Filled out the CECP valuation voluntarily and was selected as the success case on “Global Impact at Scale”
- Won the “Arts & Business Awards–Gold Award” from the Ministry of Culture for 2 consecutive terms
- Won the "Buying Power–The New Product and Service of Social Innovation Purchase Reward Program" Third Prize by Small and Medium Enterprise Administration, Ministry of Economic Affairs
- The Headquarters, Chunan Plant, and Tainan Plant 1 were awarded the “Healthy Workplace Certification - Health Promotion Mark” and “CPR+AED Safe Place Certification” by the Ministry of Health and Welfare
- No social violations for 5 consecutive years





01

Business Operation

- 1.1 About Coretronic
 - 1.2 Economic Performance
 - 1.3 Innovative Products
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 - 1.5 Customer Relations
-

Material Topic Economic Performance



Boundary

tronic plants in Taiwan and China (Kunshan and Wujiang plants)

Materiality

While economic and governance are the major parts of ESG, we will pursue the biggest interest of all shareholders and employees to accomplish the mission of “accessible technology and sustainable operations.”

Strategy

Upholding the mission of leadership in digital display system, we develop innovative display solutions and set image recognition, AI, and value-added cloud service as the new focus.

Evaluation

- Maintained in the top 5% in the Corporate Governance Evaluation from TWSE.
- Maintained the relationship with existing customers and cultivated new customers to increase market shares.
- Improved the development of core and new technologies and made constant patent development.
- Achieved revenue and profit targets and increased product gross profit.

Performance

- Consolidated sales revenue at NTD 49.833 billion, 17.4% up from the previous year.
- Consolidated operating profit at NTD 1.646 billion, consolidated net income before tax at NTD 2.785 billion, with an annual increase by 51.6%.
- Consolidated net income after tax at NTD 2.039 billion, net income attributed to shareholders of the parent company at NTD 2.032 billion, with an annual increase by 30%.
- EPS at NTD 5.12.

Target

【2022】

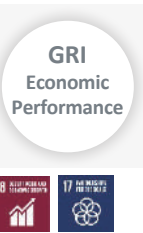
- Continue with the transformation of business and profit models and product competitiveness, and promote lean management and smart manufacturing to enhance efficiency, improve product quality, and create profit.
- Establish a sustainable supply chain, enforce global deployment, and localize operations to enhance competitiveness and secure global market share.
- Develop core technologies and key parts and components to provide innovative display systems and total solutions through the integration and application of optical/mechanical/electrical/thermal/software solutions and system design.
- Focus on high value-added products and multiple visual image solutions, and cultivate the developing of intelligent service platforms such as AI, big data, cloud computing, and intelligent interaction to expand growth momentum and lead future growth trends.

【2023-2025】

- Develop core optical technologies to expand the use of optical components, system products, and semi-system products to increase product added value and price competitiveness to secure global competitive strength in the display and visual technology field.
- Develop digital service platforms that integrate AI, deep learning, computer vision, IoT, and cloud computing to enter the retail, media, business digital transformation, cloud consulting service markets with the service-based business model. Focus on computer vision and deep learning technologies to develop the indoor and outdoor 3D SLAM navigation solutions and core capabilities in image recognition and motion control algorithm based on the multi-device sensor fusion technology. Provide total solutions for air-drones and industrial self-driving cars applied to smart patrol, smart logistics, smart manufacturing and actively develop OEM/ODM services for global brands.
- Enhance overall organizational performance through digital optimization, group resource allocation, and information security maintenance; define the information processes and system resource utilization required for business operations to quickly provide integrated information management platforms; design, plan, and implement the environment and application for cloud architecture, digital platform, and IoT to promote new business types in the group.



Material Topic Innovation Management



Boundary

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

Materiality

Constant innovation and R&D are the key to organizational optimization and sustainable business development.

Strategy

- Develop core optical technologies; the core technologies for optical components, semi-system/system products, and modules; and smart application scenarios.
- Develop digital service platforms that integrate AI, deep learning, computer vision, IoT, and cloud computing.
- Develop new edge LGPs, direct LGLs, special optical control films, Mini-LED BLMs and develop slim, small, lightweight, energy-efficient, HDR, and high value-added application products with privacy protection.
- Use the novel laser light source to address smart voice recognition; use TI high C/P-value DLP to combine high resolution and wider color gamut coverage; and use core intelligent system and touch to create differentiation.
- Constantly develop optical and system integration core technologies; focus on the development of home and outdoor high-brightness, wide color gamut, and high-resolution SSI projectors for commercial use; enhance product efficiency; strengthen vertical integration; increase cost competitiveness; improve user experience with intelligent technologies; and develop digital service platforms with AI, IoT, and cloud computing.

Evaluation

- Besides establishing the chief technology officer (CTO) position under the president, a CTO and innovation and R&D units, such as technology center and R&D division are set up under the head of each business unit to take charge of the assessment and development of advanced technology.
- At the end of each year, the R&D team proposes the annual R&D plan, KPIs, and budget plan. With the approval for implementation by the executive VP, they will be evaluated based on the KPIs in the middle and at end of the year. Additionally, the Control-Item-Improve-Plan (CIIP) cycle is implemented to enhance internal horizontal communication and important issue management.
- Actively strived for government funding for R&D and technology projects to develop more innovative and R&D technologies.

Performance

- ✓ A total of 825 R&D personnel working mainly at plants in Taiwan, accounting for 39% of all employees in Taiwan.
- ✓ R&D investment of nearly NTD 1.9 billion, accounting for 49% of the operating expenses.
- ✓ Received governing grants of over NTD 54 million.

Visual Solution Product

- Constantly introduced the next-gen laser module to mainstream laser projectors and short-throw and ultra-short-throw commercial and educational models to enhance system efficiency and color performance to lower the cost while improving the quality of products at the same time and ensure better performance in energy conservation and carbon reduction compared to previous models.
- Introduced the new-gen UHD, high-brightness LED home smart projectors to provide users to excellent experience.
- Mass-produced the new-gen 20K Im Pro-AV laser projector series to constantly enhance the competitiveness in efficiency, reliability, and color performance of large-area commercial projectors.
- Constantly pursued smaller and noiseless projectors, increased the use of digital simulation to optimize design, enhanced the R&D of related smart technologies to optimize system cooling, vibration reduction, and noise reduction.
- Global market share of about 15.5%, No. 1 in the global DLP market.

Energy Saving Product

- Constantly furthered the various high-efficiency LGP core technologies, display technologies, and system integration technologies to enhance product competitiveness, such as developing IML and MML LGPs with special optical film design can future enhance BLU overall efficiency and extend the size from Tablet/NB to monitor, GD, and automotive applications.
- Constantly mass-produced and developed models using the 5th gen privacy protection display with switchable viewing angle, and proceeded with the POC of lighter and thinner 6th gen privacy protection modules and automotive privacy protection modules in collaboration with customers.
- Successfully mass-produced mini-LED BLMs with 2D dynamic dimming technology, developed new-sized BLMs with various IT and automotive customers, and integrated with our specially developed optical alignment light panel splicing, diffuser, printing technology, and LED design to improve optical quality, picture quality, and production stability.

Target

【2022】

- Constantly engage in the R&D of new edge LGPs, special optical control films, mini-LED BLMs, and other their related optical diffuser films/panels and printing technologies.
- Reduce the thickness, border width, films, and LEDs and enhance the optical efficiency of BLMs to develop slim, small, lightweight, energy-efficient, HDR, and high value-added displays with privacy protection, such as displays for game consoles, tablets, notebooks, industrial monitors, automotive HUDs and touch screens, advanced monitors for medical and gaming uses, AIO monitors, slim and smart high-end TVs, and smart home display modules.
- In response to the market and business model changes and customer demands, product development has been switched from pure shipping-oriented BLMs to semi-system and integrated system products designed and manufactured in combination with tablet displays, notebook displays, automotive and HUD displays, and TV outer parts, aiming to provide the best possible design, production, and global after-sales services for branded manufacturers, system integrators, and panel customers through a highly flexible business model.
- Develop core technologies and key parts and components to supply innovative display systems and total solutions through the integration and application of optical/mechanical/electrical/ thermal software solutions and system design; focus on the R&D of high-resolution SSI projectors; expand the product range of smart home micro projectors; and intensify cooperation with strategic suppliers and quality customers to enhance competitiveness and secure market share.
- Constantly improve projector performance and develop models that can use the power supply unit of other products to reduce user costs and reduce product carbon emissions.

【2023-2025】

- Upholding the mission of leadership in digital display system, we develop innovative display solutions and focus on cloud service, AI, and total solutions for various application scenarios.
- Develop core optical technologies to expand the use of optical components, system products, and semi-system products to other fields and increase product added value and price competitiveness to secure global competitive strength in the display and image technology field.
- Constantly develop towards the core fields of high-end engineering applications, such as high-resolution, high-brightness, and smart terminals, with our DLP technological strength; accelerate and extend to product design simulation and customer and application development; and extend to the immersive applications in the large commercial metaverse.

1.1. About Coretronic 102-1, 102-2, 102-3, 102-4, 102-5, 102-7

Coretronic Corporation was established in the Hsinchu Science Park on June 30, 1992. Since the very beginning, it has positioned itself as an innovative display solution provider. Coretronic was the first LCD backlight module manufacturer in Taiwan and it has taken the lead in developing and mass-producing the smallest and lightest VGA single-panel LCD projectors and XGA DLP projectors in the world through integrated its leading technology, "Optics, Mechanics, Electronic, Thermal Management, Materials and Precision Molds" and other technology. This advancement has opened up a new era for display systems in Taiwan.

Date of Establishment: June 30, 1992	
Capital	NTD 3.9 billion
Chairman	Wade Chang
President	Sarah Lin, SY Chen, Ann Wu
Number of Employees	6,041 employees ¹
Headquarters	No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu 300094, Taiwan, R.O.C.
Location	Taiwan, China, USA, Europe, Vietnam
OTC-listed	1999, Stock Code 5371.TWO

1: Employees of plants in Taiwan and China (Kunshan and Wujiang plants)

Product and Service	
Visual Solution	Digital projectors, Laser TV, AiO LED displays, which project large screens via various video signals, and interactive modules, smart connectors, edge blending and image warping processors, and image signal processing boxes; the system is integrated with software to provide the user-friendly complete visual solutions via smart service platform for diverse applications.
Energy Saving Product	High brightness backlight modules for automobile displays, tablets, notebooks, LCD displays, and LCD TVs; semi-system, system, and whole set assembly of panel modules, electronic whiteboard modules, customized notebooks, LCD displays, and LCD TVs; system solutions for medical, educational, ATM, POS and public digital splicing displays.
2021 Annual Revenue	NTD 49.8 billion

1. Business Philosophy 102-16

Coretronic conducts its R&D and innovative efforts with the business philosophy of maintaining secure operations by focusing on its core business. It controls its key patents and core technology via a business strategy of vertical integration. This has made Coretronic the leader in advanced LCD, digital projector and LCD backlight technology in Taiwan and also one of the top manufacturers in the R&D of these products worldwide.



2. Milestones

2002

Expansion

- 2002 Established Optoma Technology Corporation
- 2002 Established Young Optics Inc.
- 2004 Established Young Lighting Technology Inc.
- 2005 Established Young Green Energy Co., Ltd
- 2010 Established Coretronic System Engineering Corporation
- 2010 Established Coretronic Culture and Arts Foundation

1992

Establishment

- 1992 Established
- 1999 OTC-listed

2017

Transformation

- 2017 Established uCare Medical Electronics Co., Ltd.
- 2017 Established Champ Vision Display Inc.
- 2017 Acquire the leading high-end image processing company - Calibre UK Limited
- 2017 Coretronic System Engineering Corporation was renamed Coretronic Intelligent Cloud Service Corporation
- 2017 Established Coretronic Intelligent Robotics Corporation
- 2017 Established InnoSpectra Corporation
- 2018 Merged Young Lighting Technology Inc.
- 2018 Established Nano Precision Taiwan Limited
- 2019 Established Coretronic MEMS Corporation
- 2019 Established Coretronic Reality Incorporation
- 2020 Established Coretronic (Vietnam) Co., Ltd.
- 2021 Established Coretronic Intelligent Logistics Solutions Corporation



3. Global Location 102-4, 102-6, 102-7

Type	Area
Headquarters	Hsinchu, Taiwan
Branch Office	Tainan, Taiwan
Manufacturing Bases of Visual Solution	Hsinchu, Taiwan Kunshan, China
Manufacturing Bases of Energy-saving	Taiwan: Miaoli, Tainan China: Suzhou, Ningbo, Guangzhou, Fuzhou Vietnam

Type	Area
Marketing and Customer Service Sites of Optoma	New Taipei City, Taiwan America: USA Europe: UK, Netherlands, France, Germany, Norway, Spain China: Shanghai, Hong Kong
Business Office and Manufacturing Bases of Champ Vision Display	Miaoli, Taiwan Kunshan, China
Business Office and Manufacturing Bases of Coretronic Intelligent Cloud Service	Hsinchu, Taiwan
Business Office and Manufacturing Bases of Coretronic Intelligent Robotics	Taiwan: Miaoli, Tainan Japan



1.2 Economic Performance

1. Consolidated Financial Statements ^{201-1, 201-4}

Amount in thousands of NTD

Item	2019	2020	2021
Net Sales	48,711,259	42,438,336	49,833,368
Operating Costs	39,904,813	35,031,579	41,102,386
Gross Profit	8,806,446	7,406,757	8,730,982
Operating Income	1,201,103	692,089	1,646,426
Non-operating Income, Net	500,809	1,144,607	1,138,893
Net Income	1,158,307	1,395,156	2,039,280
EPS	2.65	3.59	5.12
Income Tax Expense	543,605	441,540	746,039
Capital Expenditure	1,574,149	1,146,872	1,465,671
Employee Benefits Expense	8,340,973	7,810,419	8,648,154
R&D Expenses	3,452,548	3,152,490	3,008,812
Total Assets (year-end)	49,323,120	47,275,063	61,470,393
Total Capital (year-end)	21,383,195	22,895,484	22,152,104
Total Market Value of Equity (year-end)	16,833,896	17,615,857	36,126,655
R&D Tax Credit	1,732,087	1,339,164	1,308,022
Tax Relief/ Tax Credit	18,636	13,621	15,653
Government Grants Income	45,090	371,528	159,218

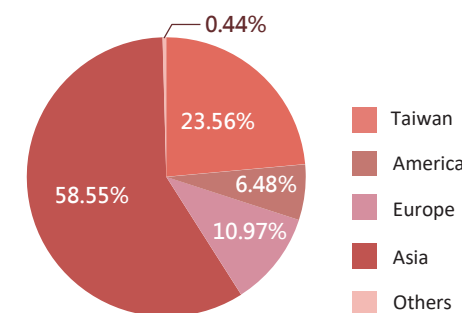
3. Market Analysis ^{102-6, 102-7}

According to market statistics, the estimated shipments of large-size LCD panels were 887 million pieces in 2021. The Company's 2021 total shipments of energy saving products were 60.8 million pieces, and the global market share was about 6.85%. According to market data, it is estimated that the global projector shipments in 2021 will be 5.60 million units due to the COVID-19 pandemic. The Company's 2021 visual solutions product shipments were 0.87 million units, taking up 15.5% of the global market share, which ranks DLP No.1 in certain market segments, such as the 4K/UHD projectors and laser projectors, etc.

2. The Results of Financial Income, Expenditure and Profitability Analysis

Item		2019	2020	2021
Financial Structure	Liabilities to assets ratio (%)	52.25	47.25	60.60
	Long-term capital to property, plant and equipment ratio (%)	335.94	350.31	341.77
Solvency	Liquidity ratio (%)	163.28	180.04	139.23
	Current ratio (%)	135.66	152.86	109.13
	Interest coverage ratio	5.90	13.70	31.32
Profitability	Return on assets (%)	2.94	3.47	3.87
	Return on equity (%)	5.29	7.05	9.02
	Net income before tax to paid-up capital ratio (%)	39.18	42.28	71.24
	Net margin (%)	2.38	3.29	4.09
	Earnings per share (dollar) / average weighted number of outstanding shares	2.65	3.59	5.12
Other	Cash Dividend (NTD / share)	2.0	4.0	4.0
	P/E ratio	16.28	9.77	12.65
	Cash Dividend Yield (%)	4.64	11.41	6.18

Major Regions for Product Sales in 2021



1.3 Innovative Products ¹⁰²⁻²

1. Visual Solutions

Aiming at becoming the world's first-rate provider of total visual solutions, our Visual Solutions Business Group has focused the R&D capacity on various projection and display technologies, such as image processing technology, high-efficiency and high-energy-density light source technology, AR wearable display technology, virtual image display technology, high-power and high-efficiency power supply technology, system thermal management technology, system noise and vibration prevention technology, and high-efficiency optical components and systems integration technology. Additionally, in response to the gradual maturity of SSI products in recent years, forward-looking technologies, such as image recognition technology, AI, and cloud service, have been introduced to maintain the competitiveness of SSL, 4K/8K UHD projectors and thereby develop solutions for advanced projection display applications in collaboration with customers in the AIoT era.

New Technology

- Introduce the new-generation laser module and light superposition technology to the mainstream laser projectors and ultra-short-throw educational and commercial projectors to enhance system efficiency and color performance to lower the cost while improving the performance of products at the same time.
- Constantly develop smart technologies and optimize various auto-adjustment technologies to facilitate projector installation by users.
- Constantly pursue smaller and noiseless projectors; enhance the cooling efficiency of cooling modules, water-cooling systems, and cooling fans; and optimize the vibration and noise reduction design of projector systems.
- Develop new 1-DLP passive 3D display technology for use in Large Venue.
- Constantly improve component and system design with digital simulation technology to enhance efficiency and reduce costs.
- Constantly develop wearable display and optical modules, in-car and out-car and AR HUD-related display technologies.
- Independently develop and manufacture key components such as light-converting wheels, actuators and thermal modules.



New Product

- Mass-produce commercial and educational projectors equipped with the new-generation Blu-ray laser to provide users with products of higher price-to-performance ratio.
- Optimize the 6K-8K lm entry-level Pro-AV laser projector series to constantly enhance the competitiveness in efficiency, reliability, color performance, and price.
- Mass-produce 20,000lm smart-control projectors for large-area outdoor display to provide users with better immersive experience.
- Mass-produce the new-generation home entertainment, easy-to-carry LED projectors.
- Mass-produce embedded projection modules that support built-in game consoles and interactive reading device for children.
- Mass-produce mobile micro projectors that integrate smart projectors, smart speakers, and mood lighting functions.
- Develop optical modules for AR eyewear.



▲ A65 Professional DLP Laser Projector

2. Energy-saving Products

- 1) Injection-molded light guide plates (LGP): Develop newer IML and MML LGPs accompanied with special optical film design to enhance efficiency by over 40-50% than laser LGPs.
- 2) Rolling stamping (RS) LGP: Optimize manufacturing processes and microstructure design to develop new type of RS-IML/CML on PC and PMMA plates. Besides high efficiency, low internal stress, mold-less, and high productivity, the thickness can be reduced down to 0.3mm for use on narrow-bordered slim displays.
- NEW** 3) In response to the display requirements of energy-saving of Energy Star 8.0, we have successfully developed smaller than 27-inch and high energy-efficient thick plate LGPs, with efficiency 10-20% higher than current LGPs.
- NEW** 4) HDR: Mass production of Mini-LED BLMs with local dimming and scan functions has started. They can be used on narrow-border NBs and monitor displays. By integrating with our proprietary developed optical alignment technology of tiling, diffuser, and printing, the optical quality, picture quality, and production stability can be improved significantly.
- 5) E-Privacy display technology: besides reducing power consumption and enhancing privacy protection with switchable viewing angle, development of the 5th generation E-privacy display technology by integrating the core technology of LGP, and special film in BLM, enables customers to dynamically switch the viewing angle as necessary based on the situation without the need to use additional traditional Louver film on displays, which will solve the problem of low picture contrast and inconvenience to use the traditional louver film. Currently, the development and mass production of different models are in progress. Additionally, to meet the requirements from the market the 6th generation E-privacy display module, which is lighter and slimmer and has better privacy protection effect, has been completed the trial run and many projects are in progress. The E-privacy product has also been extended to automotive and industrial display application, such as using the one-direction or two-direction E-privacy display technology on the automotive center information display (CID) and Passenger Display for drivers to dynamically switch the viewing angle based on the situation to reduce the safety concerns while driving of drivers due to the display light interference. Currently, projects with many potential customers are under discussion.
- NEW** 6) Automotive applications: In response to the larger size, higher brightness, and higher contrast trends of automotive displays, we have successfully developed LCD displays integrating optical structure, diffuser film, and LED design, with an OD of only 3-4mm and 2D dynamic dimming, and low light leakage. Currently, collaborative development with many customers is in progress.
- 7) Backlight display semi-system products: Through the business model that combines the integrated technology of in-house manufacturing and assembly of the Open Cell, LGP, and touch screen, we have smoothly won contracts from global customers. We also have the capability to do scribe and break process of mother plate sized Cell to form open cell sized cell and lamination of polarizer in house for E-privacy display technology to provide integrated production services covering from front-end process to LCM assembly.



1.4 Intellectual Property Rights 103-1, 103-2, 103-3

Coretronic develops the roadmap for the development of products and technologies according to the business objectives each year. By taking the quality and quantity into account, they will dynamically change the countries in which patents must be applied for and how many should be applied based on different products, different types and levels of technologies, to create a comprehensive patent portfolio. Also, we shall examine the patent technologies and the scope in the pending patent applications, propose complementary technical designs and innovations, leverage the patent systems and priority claims in different countries, and file patent applications in a timely manner to fill the gaps in the Company's patent portfolio.

For the Company's important products or technologies, the Company will initially encourage the R&D staff to actively apply for patents from different aspects of technology (such as optical, mechanical, thermal, material, software, and electronic control ones) and different parts, components, and modules to build comprehensive protection. When the Company owns a certain amount of patents, it will focus more on the quality of patents. In addition, to ensure the Company's product technologies are protected by their patents, the business unit will invite patent engineers to participate in the product development process for technology mining so as to apply for the corresponding patent applications.

Moreover, for key technologies and components, the Intellectual Property Division prepares relevant patent maps for reference by the R&D unit, so that the R&D unit can understand which technologies are not yet patented and go on to develop relevant technologies to fill the Company's patent technology gaps.

1. Patent Protection Measures

- 1) Accountable Unit: Coretronic developed the "Reward Regulations for Patent Rights and Technology Development," and the Intellectual Property Division is responsible for management of patent applications and maintenance tasks.
- 2) Reward System: Announce the number of patent proposals of each business group and the proposers and patent content of the granted patents at Coretronic's internal website every month. There are 7 kinds of rewards, including the proposal reward, reward for granted patents, reward for implementation of granted patent, reward for implementation of trade secret, reward for Winning an invention and creation award held by government authority, moral encouragement, and reward for bringing a special significant benefit to the Company. Over NTD 1.22 million was issued in 2021.
- 3) Training: In 2021, Wujiang Plants offered courses including "Patent Fundamentals", "2021 Amendment to the Copyright Act", and "2021 Amendment to the Patent Act" for R&D personnel to understand the concept and operation of patent deployment. A total of 53 persons attended these courses. In 2022, we set "Patent Fundamentals" as a required e-learning course. Patent-related courses will also be opened in both Taiwan Plants and Kunshan Plants in 2022.

2. Acquisition/ Disposition of IP Rights

We established the "Instructions on Acquiring, Depositing of, and Licensing Intangible Assets," which specifies the principles of acquiring and depositing of intangible assets by each business group and subsidiaries, including the Intellectual properties, such as patent rights, trademark rights, copyrights, and trade secrets. They also specifying the procedures and methods which the Company has to follow when acquiring intangible assets from third parties or when depositing of them to third parties.

3. Management of Technical Trade Secrets

We established the "Rules for Management of Technical Trade Secrets," which specified the levels, usage, and management methods of technical trade secrets.

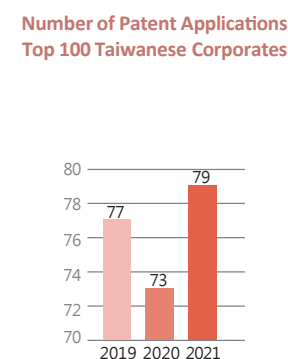
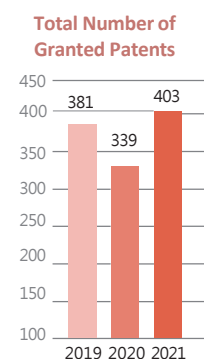
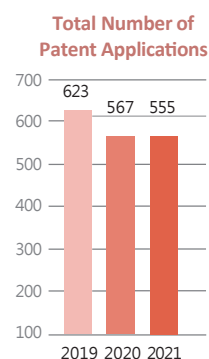
4. Management and Targets of Patents

Each year we periodically report matters related to intellectual property (IP) to the Board. In 2021, we optimized the management process of the patent proposals and completed the digitization of the case assignment, management, and standard operating procedures (SOP) of the patent proposals to facilitate effective traceability and management of the patent proposals. We also cooperated with the related units to review the Company's projection technology in order to understand the patent value of each patent.

In 2022, in addition to revising the "Reward Regulations for Patent Rights and Technology Development" of Company including the manufacturing sites in China, we will integrate the patent application e-approval system and patent-related reward e-approval system respectively for the sites located in Taiwan and China.

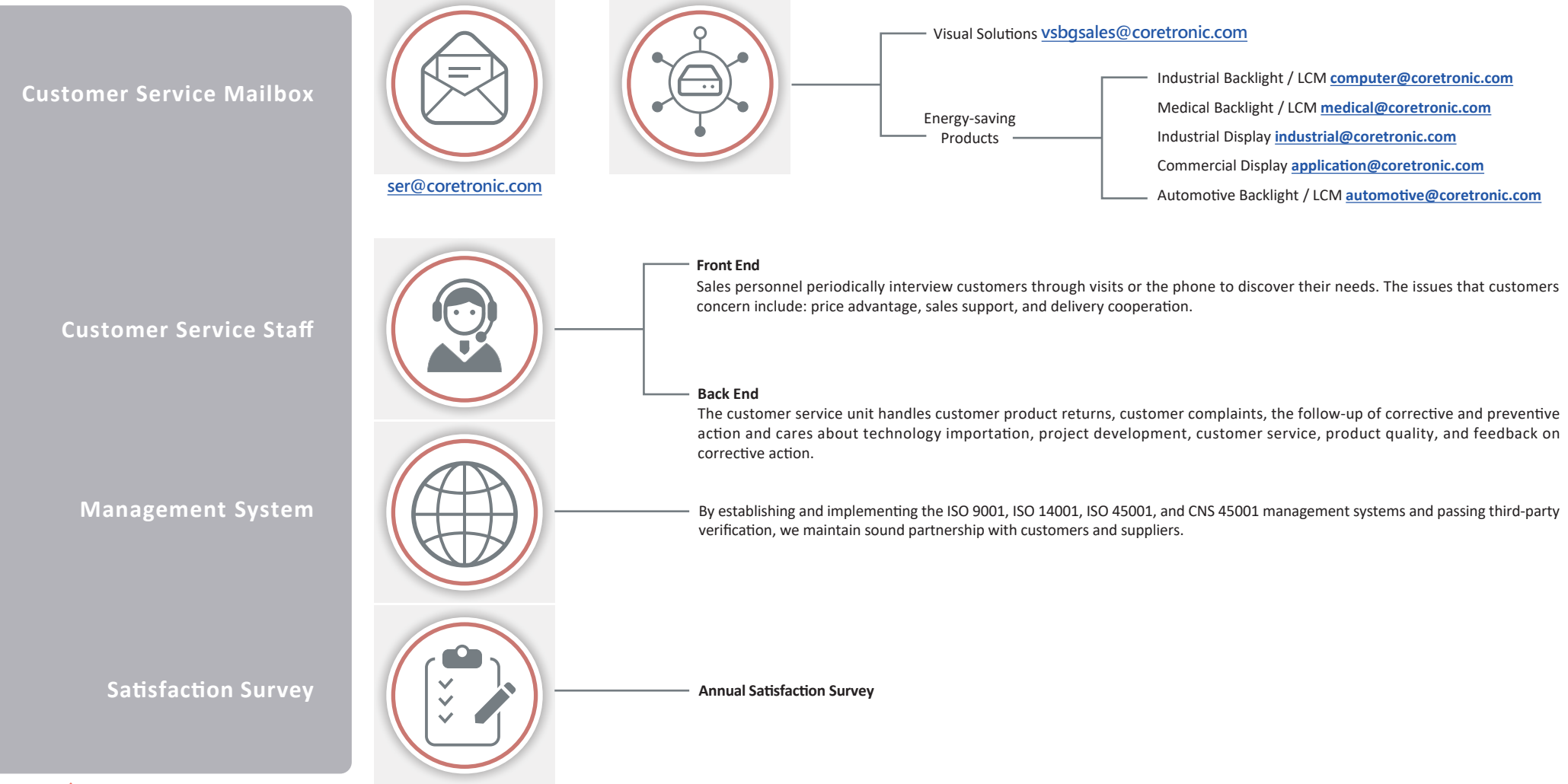
5. Performance of Patents

In 2021, Coretronic including the manufacturing sites in China applied for 555 patent applications, in which the company located in Taiwan applied for 79 patent applications and were ranked the 44th among the top 100 Taiwanese corporates. Coretronic also obtained 64 patents and were ranked the 48th among the top 100 Taiwanese corporates.



1.5 Customer Relations 102-43, 102-44

We value customer opinions. Therefore, we have established the following management systems to enhance customer satisfaction and fully understand the customer’s demand for innovation and R&D, product quality, workplace environment, and occupational safety.



Annual Satisfaction Survey

Business Group	Visual Solutions Business Group	saving Business Group																																				
Object	Customers with transaction amounts in the year over 5% of the annual sales amount	Transaction-related customers in the year																																				
Item	Logistics, Price / Cost, Technology / Quality, Customer Service	Sale, Design, Quality																																				
Full Marks / Passing Scores	5 points / 3 points	5 points / 3 points																																				
2021 Satisfaction Survey Result	3.7 points, increased by 0.04 points compared to 2020	4.3 points, dropped by 0.07 points compared to 2020																																				
3-year Satisfaction Survey Results	<table border="1"> <caption>3-year Satisfaction Survey Results - Visual Solutions Business Group</caption> <thead> <tr> <th>Item</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Logistics</td> <td>3.7</td> <td>3.55</td> <td>3.58</td> </tr> <tr> <td>Price / Cost</td> <td>3.42</td> <td>3.6</td> <td>3</td> </tr> <tr> <td>Technology / Quality</td> <td>3.62</td> <td>3.7</td> <td>4.1</td> </tr> <tr> <td>Customer Service</td> <td>3.58</td> <td>3.8</td> <td>4.13</td> </tr> </tbody> </table>	Item	2019	2020	2021	Logistics	3.7	3.55	3.58	Price / Cost	3.42	3.6	3	Technology / Quality	3.62	3.7	4.1	Customer Service	3.58	3.8	4.13	<table border="1"> <caption>3-year Satisfaction Survey Results - saving Business Group</caption> <thead> <tr> <th>Item</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Sale</td> <td>4.5</td> <td>4.5</td> <td>4.6</td> </tr> <tr> <td>Design</td> <td>3.5</td> <td>4.4</td> <td>4.1</td> </tr> <tr> <td>Quality</td> <td>4.3</td> <td>4.2</td> <td>4.2</td> </tr> </tbody> </table>	Item	2019	2020	2021	Sale	4.5	4.5	4.6	Design	3.5	4.4	4.1	Quality	4.3	4.2	4.2
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Quality	4.3	4.2	4.2																																			
Improvement	<ul style="list-style-type: none"> Actively implement internal review and consultation based on the customers' opinions and explain to customers. In 2021, the score of satisfaction was higher than that of 2020 in three aspects: logistics management, technology and quality, and customer services. However, the score of satisfaction dropped by 0.6 points in the price and cost aspect because of the increase in the cost and sales price due to the severe materials shortages caused by the COVID-19 pandemic. For the price issue, we have informed customers that quotations would be made based on the demand and materials costs. 	<ul style="list-style-type: none"> A total of 94 complaints from customers were received in 2021, and 7 complaints more than in 2020. The complaint resolution rate was 100% for four consecutive years. Weekly CIP meeting: Provided customers with the real-time progress of improvement to ensure the accomplishment of the target yield rate. Additionally, customer feedbacks became the reference for continual improvement. Monthly SQPR indicators: Quality improvement and good communication channels were implemented based on individual needs. Drawing up the supplier audit QC mechanism, improving package protection design, and optimize management of suppliers' materials quality and construction quality. 																																				





Sustainable Management

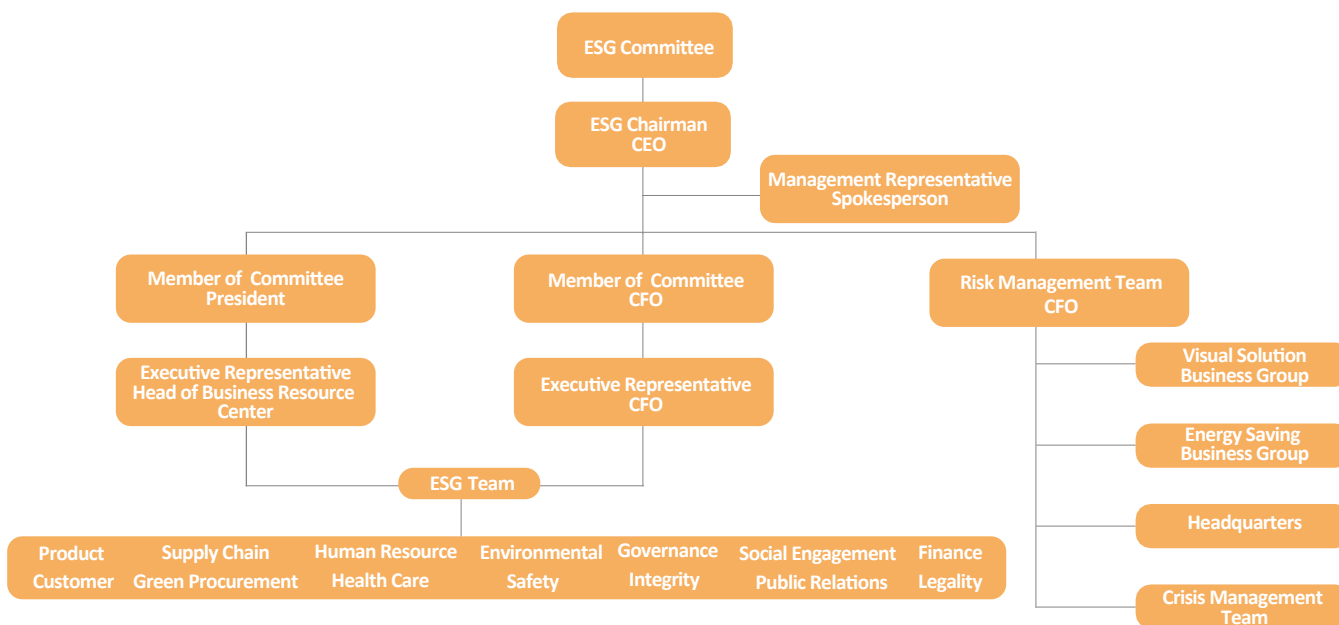
- 2.1 ESG Committee
 - 2.2 ESG Promotion
 - 2.3 Stakeholder Communication
 - 2.4 Materiality Analysis
-

2.1 ESG Committee 102-18, 102-20, 102-32

To implement ESG, the CSR Committee was established in 2008, and was renamed to ESG Committee in 2020. The committee is chaired by the CEO of Coretronic, with presidents and the chief financial officer (CFO) as members and the spokesperson as the management representative. The ESG Committee also authorizes the executive representative of economic, social, and environmental departments to assist with ESG promotion. Members of Committee and executive representatives hold a committee meeting quarterly to audit and review the status and outcomes of ESG implementation. Currently, the ESG Committee is an independently operated unit and the management team regularly reports the implementation of ESG to the Board of Directors every year. The management team makes plans and sets goals for ESG, and regularly reviews the performance. The Board of Directors also regularly reviews and supervises the implementation of sustainable development, and urges the management team to improve when it is necessary.

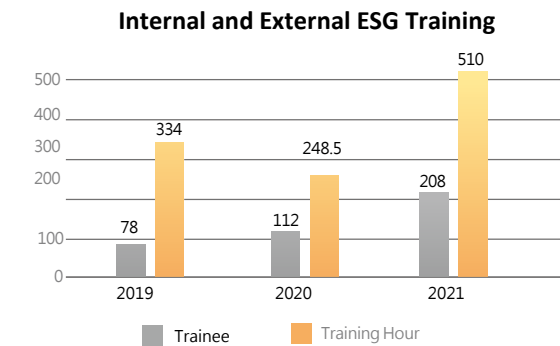
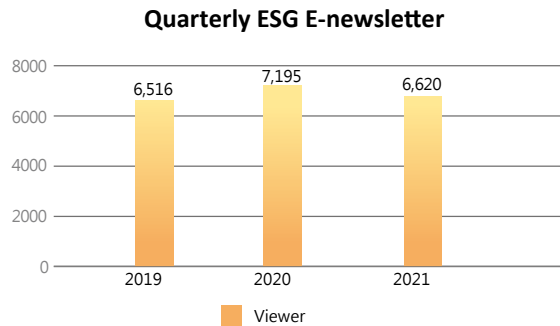
Implementation of ESG Committee

1. Committee members and executive representatives review the status and results of sustainability implementation with quarterly briefings and hold annual meetings. Attended by executive representatives and others, they will discuss the sustainability report published in the current year and major sustainability awards so as to formulate sustainability plans and goals for the following year.
2. The management representative reports the implementation of the annual plan to the Chairman, committee members, and executive representatives on a quarterly basis; further reports the annual sustainable performance and the sustainable key policy and plan for the following year at the annual Group meeting.
3. Committee member and executive representative - the CFO reports to the Board of Directors once a year. The content of the report includes the implementation results of sustainable projects, climate change risk management and strategies (TCFD), each environmental indicator, and future sustainable development.
4. The annual ESG report is compiled by the ESG team, then submitted to the management representatives, executive representatives, and committee members for revision in sequence, and then submitted to the Chairman for review and final issue.



2.2 ESG Promotion

Participate in internal/external training courses, issue quarterly ESG e-newsletters, and share ESG knowledge and activities on electronic/physical bulletin boards to improve employees' ESG awareness and concepts, and then internalize ESG core elements into the company's daily operations. At the same time, we make videos of sustainable activities and publish them through various channels, such as the official website, social media and Wikipedia.



Various Channels

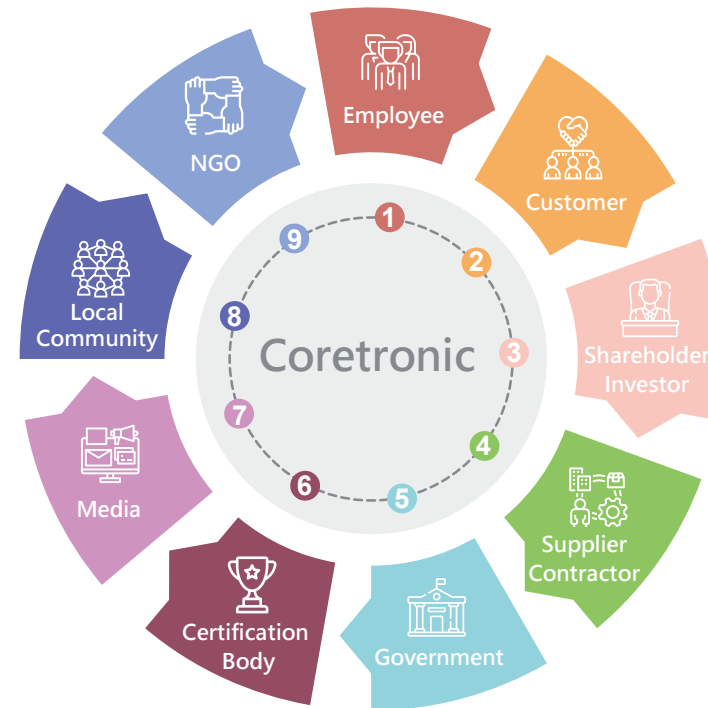
[Youtube](#) / [FB Page](#) / [Wikipedia](#) / [Official Website](#)

Physical and Electronic Bulletin Board

Annual ESG Insight [English Version](#) / [Chinese Version](#)

2.3 Stakeholder Communication

1. Stakeholder Identification 102-40, 102-42



With reference to the attributes of stakeholders as specified in AA 1000 SES (2015): dependency, influence, tension, diverse perspectives, and responsibility, we identified stakeholder groups and surveyed 140 senior officers with a questionnaire, requesting them to rate stakeholder importance from 1-9 (low to high) before prioritizing stakeholder groups with the average score. The figure above shows the results of identification.

2. Stakeholder Engagement ^{102-43, 102-44}

Coretronic believes that an enterprise must maintain a co-existence and co-prosperity with stakeholders and assume responsibility for them. Therefore, through various communication mechanism, we proactively maintain open communication channels with stakeholders to understand their needs and expectations from Coretronic for the main reference of establishing our ESG policies and related projects.

Besides communicating with stakeholders through the ESG questionnaire, ESG reports, and the channels below, we will often share ESG information at the official ESG webstie, FB, Youtube, Wikipedia, and ESG E-Newsletter.

Stakeholder	Importance for Coretronic	Topic of Communication	Channel, Frequency, and Performance of Communication
Employee	Employees are the important asset of the company and the key driving force for our continuous growth and sustainable operation.	<ul style="list-style-type: none"> • Salary and Benefits • Friendly Workplace • Training and Education • Labor and Management Relations • Occupational Health and Safety 	Please refer to Chapter 6.4 – Communication Channels.
Customer	Customer satisfaction with products and services is the key to our sustainable operation.	<ul style="list-style-type: none"> • Economic Performance • Green Solutions • Materials • Information Security 	Please refer to Chapter 1.5 – Customer Relations.
Shareholder Investor	Shareholders and investors are holders of Coretronic, and we must be responsible for them.	<ul style="list-style-type: none"> • Economic Performance • Occupational Health and Safety • Innovation Management • Friendly Workplace 	<ul style="list-style-type: none"> • Spokesperson Hotline : 03-5772000 Ext.7170 • Shareholders' Service Hotline : 03-5772000 Ext.1542 • IR Mailbox: ir@coretronic.com • Annual shareholders' meeting, quarterly earnings release & conference, and quarterly and annual financial report • Investor Relations Office • Official IR Website and Market Observation Post System • Invest Relations Seminars and Summits • Arranged the ESG online meeting with 1 foreign investor, discuss the advice coming from this investor (eg: sustainable supply chain management, RBA audit, human rights management), and disclose the management policies and improvement mechanisms related to these issues in this report.
Supplier Contractor	With the stable support of suppliers and contractors, we can constantly provide perfect products and services.	<ul style="list-style-type: none"> • Economic Performance • Green Solutions • Innovation Management • Supplier Human Rights and Labor Management Assessment 	<ul style="list-style-type: none"> • Reporting E-mail: 8215@coretronic.com • Enquiry and Grievance Hotline: 037-777000 Ext.8215 • Annual Supplier Conference and Awards • RBA, Quarterly and Annual Audit • Green Products Management System • For further information, please refer to Chapter 5 – Sustainable Supply Chain.

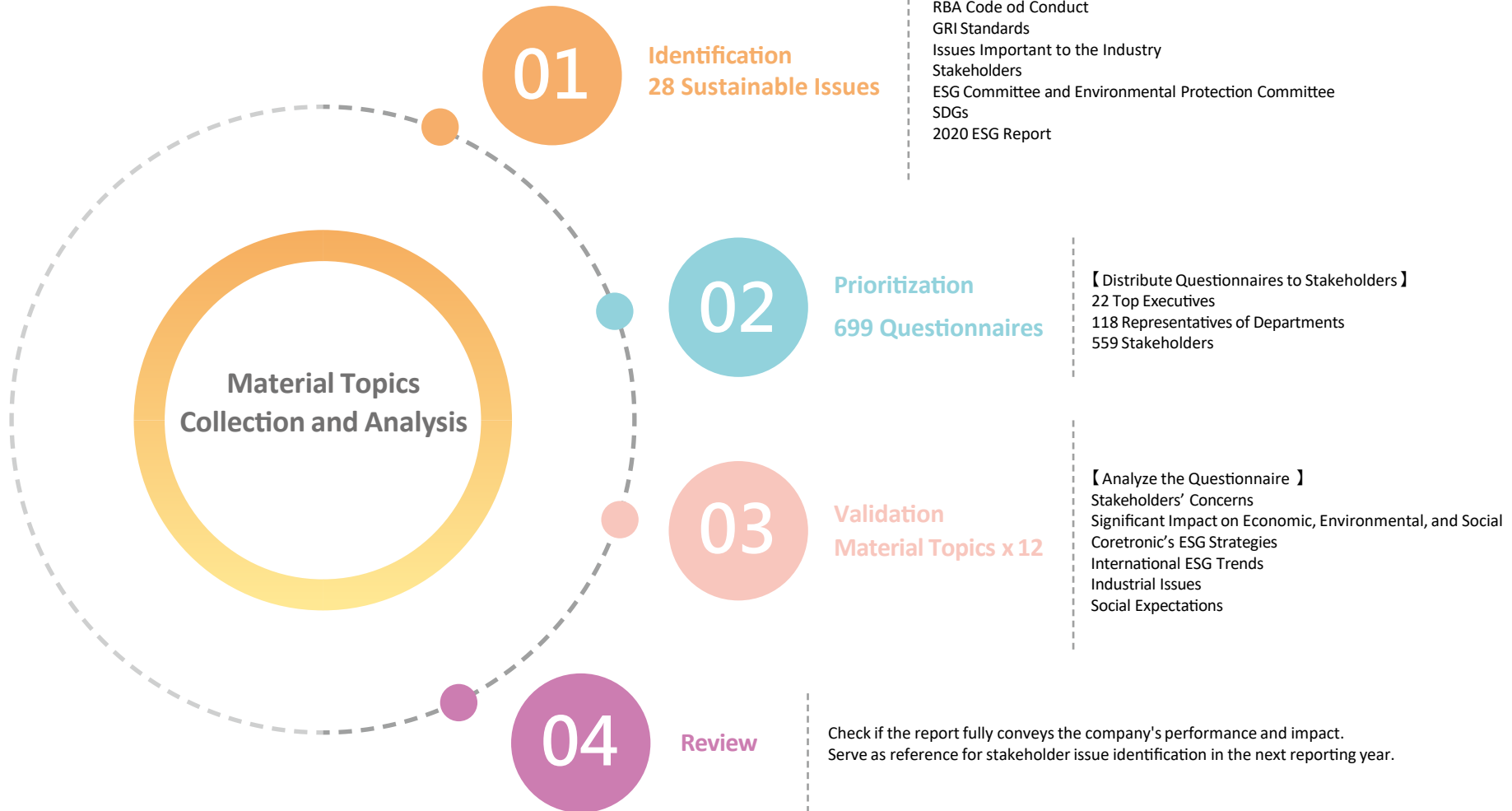


Stakeholder	Importance for Coretronic	Topic of Communication	Channel, Frequency, and Performance of Communication
Government	All operations of the company are under inspection and supervision of relevant government regulations.	<ul style="list-style-type: none"> • Labor and Management Relations • Diversity and Equal Opportunity • Charitable Activities and Social Engagement • Customer Health and Safety 	<ul style="list-style-type: none"> • CSR Mailbox : csr@coretronic.com • Public hearing, seminars, summits, and lectures • Arbitration Committee Member of Labor-Management Disputes of Department of Labor Affairs, Hsinchu City Government
External Certification Body	Comments and suggestions from external certification bodies are the best mentors to motivate us to keep improving.	<ul style="list-style-type: none"> • Equal Remuneration for Women and Men • Information Security • Climate Change • Salary and Benefits 	<ul style="list-style-type: none"> • CSR Mailbox: csr@coretronic.com • PR Hotline: 03-5772000 Ext. 1500 • IR Mailbox: ir@coretronic.com • Spokesperson Hotline: 03-5772000 Ext.7170 • Awards • Annual ESG Report and Financial Report
Media	The supervision from media is the driving force for our sustainable operation.	<ul style="list-style-type: none"> • Economic Performance • Climate Change • Green Solutions • Charitable Activities and Social Engagement 	<ul style="list-style-type: none"> • CSR Mailbox: csr@coretronic.com • Spokesperson Hotline: 03-5772000 Ext.7170 • PR Hotline: 03-5772000 Ext. 1500 • Invite to join investment and charitable activities • Press Releases • Official Website - News
Local Community	Give back to the places we belong to, and make them better.	<ul style="list-style-type: none"> • Charitable Activities and Social Engagement • Climate Change • Friendly Workplace • Water and Effluents 	<ul style="list-style-type: none"> • CSR Mailbox: csr@coretronic.com • PR Hotline: 03-5772000 Ext. 1500 • For further information, please refer to Chapter 7 – Social Engagement.
NGO	Solve social problems with NGOs.	<ul style="list-style-type: none"> • Climate Change • Charitable Activities and Social Engagement • Friendly Workplace • Training and Education 	<ul style="list-style-type: none"> • CSR Mailbox: csr@coretronic.com • PR Hotline: 03-5772000 Ext. 1500 • Join seminars, forums, and meetings • For further information, please refer to Chapter 7 – Social Engagement.



2.4 Materiality Analysis

1. Material Topics Collection and Analysis ^{102-46, 102-47}



2. Material Topics Matrix

12 Material Topics (in the red circle)

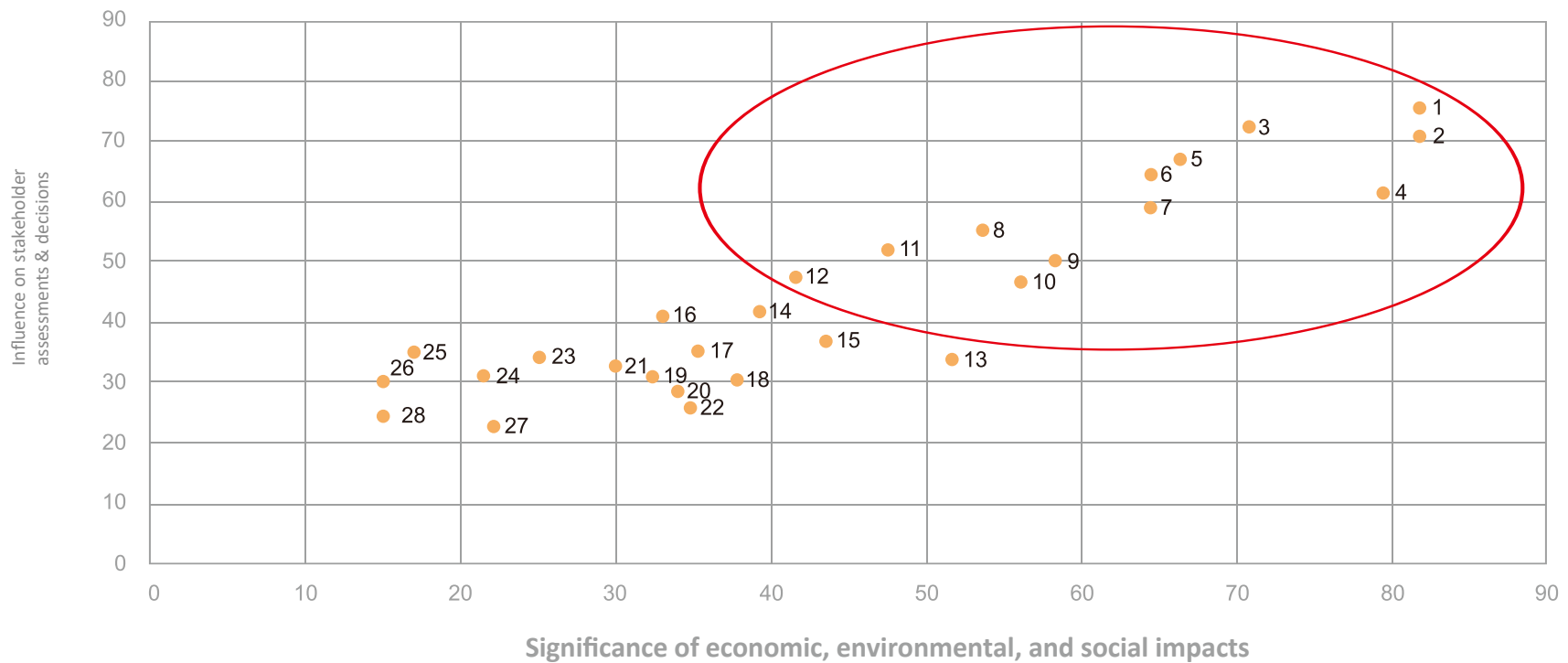
- Social: Salary and Benefits, Training and Education, Friendly Workplace, Occupational Health and Safety, Labor and Management Relations, Labor Law Compliance, Information Security, Charitable Activities and Social Engagement
- Economic/ Governance: Innovation Management, Economic Performance
- Environmental: Green Solutions, Climate Change

NEW

3 New Material Topics

Green Solutions, Information Security, Climate Change

Economic/ Governance	Environmental	Social	
4. Innovation Management	8. Green Solutions	1. Salary and Benefits	17. Supplier Human Rights and Labor Management Assessment
5. Economic Performance	12. Climate Change	2. Training and Education	18. Diversity and Equal Opportunity
19. Anti-Corruption	13. Environmental Compliance	3. Friendly Workplace	20. Customer Privacy
22. Economic Compliance	15. Supplier Environmental Assessment	6. Occupational Health and Safety	23. Customer Health and Safety
26. Procurement Practices	16. Effluents and Waste	7. Labor and Management Relations	25. Forced or Compulsory
	21. Materials	9. Labor Law Compliance	27. Child Labor
	24. Water and Effluents	10. Information Security	28. Equal Remuneration for Women and Men
		11. Charitable Activities and Social Engagement	
		14. Non-Discrimination	



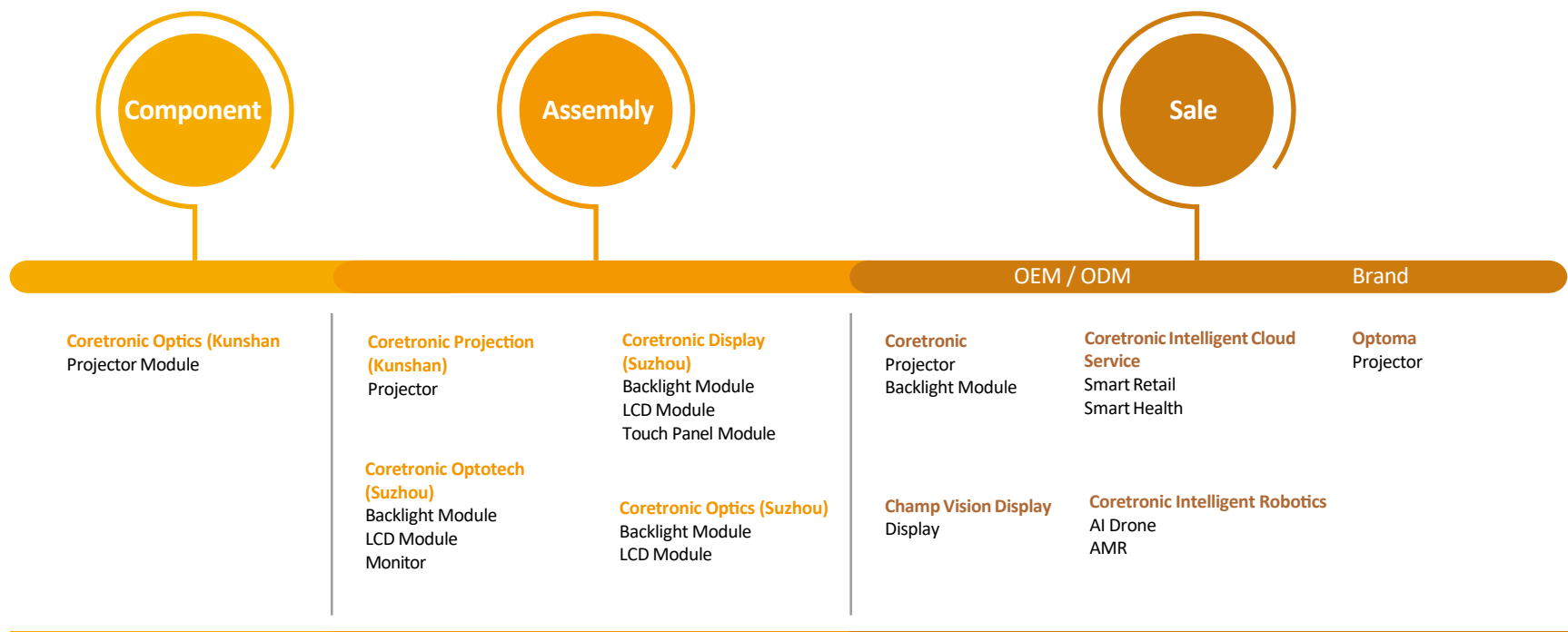
3. Boundary of the Material Topics ^{102-9, 102-45, 102-46, 102-49}

Based on page 100-101 of 2021 annual report, this ESG report will identify the material topics of non-controlling and venture capital companies that have actual production and significant impact on Coretronic's economic, environmental, and social aspects, as well as the upstream and downstream relationships with Coretronic.

In comparison with 2020 ESG Report, Coretronic Tainan Plant 2 and Coretronic Optics (Suzhou) are added to the scope of 2021 ESG Report due to their different impacts on Coretronic's economic, environmental, and social aspects.

The scope of 2021 ESG report includes Coretronic plants in Taiwan (Headquarters, Chunan Plant, Tainan Plant 1 and 2), plants in China (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan), Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou), plants of subsidiaries in Taiwan (Optoma, Champ Vision Display, Coretronic Intelligent Cloud Service, and Coretronic Intelligent Robotics).

In addition, regarding the identification of the scope and boundary of aspects outside the organization, we have selected stakeholder groups that are more important to and correlated with our routine operations from among nine stakeholder groups for identification. These stakeholder groups include customers, suppliers, contractors, and local communities.



▲ The Internal Supply Chain of Coretronic

● : Disclosed ; ▲ : Partly Disclosed ; ○ : Undisclosed

Material Topic	Topic-Specific Disclosure	Boundary Chapter	Within the Organization						Outside the Organization		
			Coretronic		Champ Vision Display	Coretronic Intelligent Cloud Service	Coretronic Intelligent Robotics	Optoma	Customer	Supplier and Contractor	Local Community
			Taiwan	China	Taiwan	Taiwan	Taiwan	Taiwan			
	Market Presence	6.3	●	●	●	●	●	●	-	-	-
Salary and Benefits	Diversity and Equal Opportunity	6.3	●	●	-	-	-	-	-	-	-
Training and Education	Training and Education	6.5	●	●	●	●	●	○	-	-	-
Friendly Workplace	Employment	6.1 / 6.3	●	▲	●	●	●	●	-	-	-
Innovation Management	Economic Performance	1.3	●	●	●	●	●	-	-	-	-
Economic Performance	Economic Performance	1.2	●	●	●	●	●	●	-	-	-
Occupational Health and Safety	Occupational Health and Safety	6.6 / 6.7	●	●	●	●	●	○	-	●	-
Labor and Management Relations	Labor/Management Relations	6.4	●	●	●	●	●	●	-	-	-
Green Solutions	Energy	4.4	●	●	○	-	○	-	-	●	-
	Emissions	4.4	●	●	○	-	○	-	-	●	-
Law Compliance	Socioeconomic Compliance	6.2	●	●	●	●	●	●	-	-	-
Information Security	Customer Privacy	3.3	●	●	●	●	●	●	-	-	-
Charitable Activities and Social Engagement	Economic Performance	7.1	●	-	●	●	●	●	-	●	-
	Indirect Economic Impacts	7.2	●	-	●	●	●	●	-	-	-
Climate Change	Energy	4.1	●	●	●	●	●	-	-	-	-
	Emissions	4.1	●	●	●	●	●	-	-	-	-





03

Corporate Governance

3.1 Governance Organization

3.2 Risk Management

3.3 Information Security Management

3.4 Business Integrity

Material Topic
Information Security

GRI
Customer
Privacy



Boundary

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

Materiality

Won customer trust to consolidate long-term partnership through complete information security management and customer privacy protection strategies.

Strategy

Planned, implemented, and reviewed internal information security activities with ISO 27001 and NIST standards and verified activities and their results to capture the potential defects in the Company's information security and made timely corrections, follow-up, verification, and continual improvement.

Evaluation

Established standard operating procedures (SOP) for internal security management based on the ISO 27001 standard; adopted the 641 policy, i.e., 6 defense actions, 4 verification actions, and 1 action situation monitoring center as the central response control hub; and combined the external risk scorecard system to quantify security risks and establish procedures for risk improvement to enhance the efficiency and strength of information security.

Performance

- Developed monitoring systems for spread prevention and privileged account monitoring, programs for immediate system shutdown after infection to prevent damage, and arranged space for plant data backup.
- Introduced the external information security integrated scorecard system to automatically monitor the exposure to internal and external information security risks, and made improvement recommendations.
- Established the AI-driven information security protection framework and combined with remote emergency response measures and the remote forensic analysis platform to eliminate loopholes in information security.
- Established the active defense threat intelligence system and updated threat intelligence in real time to strengthen the intrusion defense system (IPS).
- Used a high-security system with the authentication mechanism to strengthen the information security of employees working from home (remote access).
- Arranged 2 times of education and training on information security for 43 high-risk employees and implemented one social engineering drill.
- Arranged the "Information Confidentiality and Security and Rules for Computer Network Use" course for 234 employees.
- Performed 2 platform vulnerability scans.
- No customer privacy breach was reported.

Target

【2022】

- Constantly strengthen remote access security control for employees working from home and implement two-factor authentication for important accounts.
- Expand the scope of vulnerability scans to the Company's external service system platforms.
- Enhance OT information security management and system information security strength and implement the vulnerability detection mechanism to enhance the reliability of system information security.
- Constantly improve the information security awareness of employees and perform social engineering drills and education and training on information security regularly.

【2023-2025】

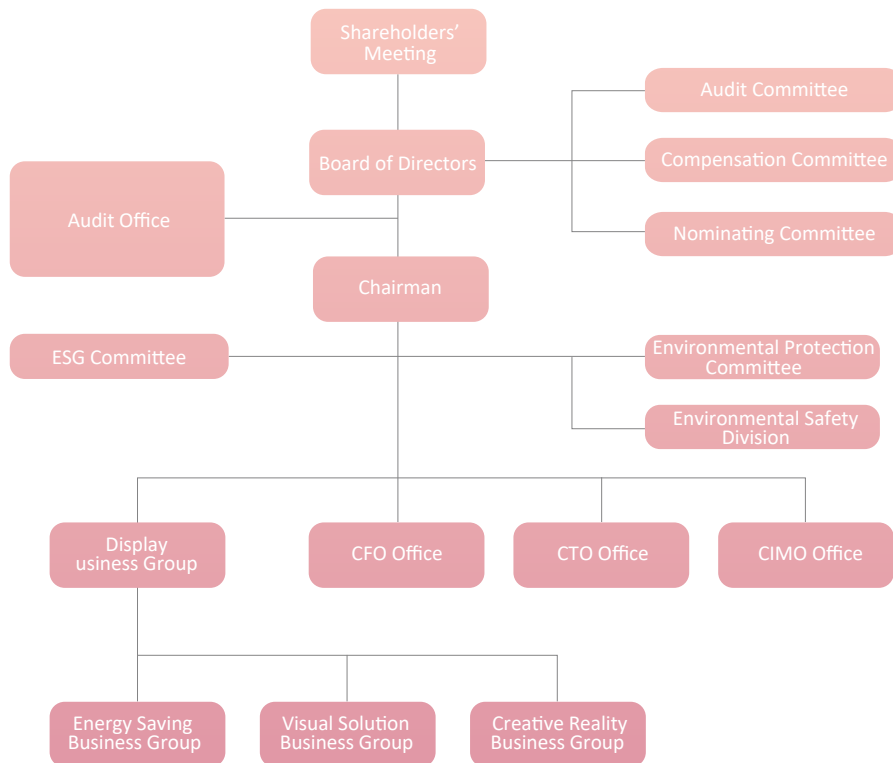
- Assess the establishment of a more comprehensive information security protection mechanism with the complete ISO 27001 framework.
- Make advance improvement and enhance information system protection through vulnerability scan and corrective action.
- Well-planned information security detection system.



3.1 Governance Organization

In addition to following the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” in governance operation, we abide by related laws and regulations in governance and internal management; ensure transparency of operations and financial information; emphasize the rights and interests of shareholders; and enhance operational supervision and management through the board of directors. Furthermore, we have established an audit committee, a compensation committee, and a nominating committee to facilitate the board of directors to carry out their duties.

To ensure the rights and interests of shareholders, apart from disclosing financial, sales, and governance information on the corporate website and the Market Observation Post System (MOPS), we have assigned spokespersons and deputy spokespersons to handle shareholder recommendations or disputes to practice the spokesperson system. We have also designated staff to gather and disclose organizational information to perform our information disclosure duty and obligation.

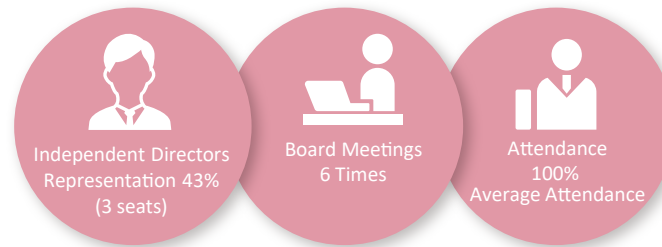


1. Board of Directors ^{102-18, 102-26}

The Board of Directors (BOD) is the top management and highest decision-making body of the company. Its duties and functions include: appoint and supervise the senior management of the company, supervise operational performance, prevent conflicts of interest and assure legal compliance of the company, establish the articles of incorporation or carry out resolutions made by the general meeting of shareholders, and maximize the rights and benefits of shareholders.

Currently, the BOD holds at least one board meeting each quarter for the senior management to report operational performance. The BOD also resolves the future operational direction and important policies of the company.

We set up Audit Committee, Compensation Committee, and Nominating Committee under the BOD. All the resolutions from these three functional committees would be submitted to the board for discussion. With the reviews of functional committees, the board can better perform their duties and therefore enhance the interests of shareholders.



1) Board Composition 102-22, 102-24, 102-25

Title	Name	Gender	Background	Independence	Attendance	Term of Directors
Chairman	Wade Chang	Male	<ul style="list-style-type: none"> Master of NTU-Fudan EMBA, National Taiwan University Chairman & CEO, Coretronic Corporation 	CEO	100%	
Director	Hsun Chieh Investment Ltd. Representative: Tai-Shung Ho	Male	<ul style="list-style-type: none"> Master of Electrical Engineering, National Tsing Hua University Chairman, Novatek Microelectronics Corporation 	V	100%	
Director	Ted Tu	Male	<ul style="list-style-type: none"> MBA, University of Houston Chairman & President, LAFA LifeTech, Inc. 	V	100%	
Director	Chual-Hsin Teng	Male	<ul style="list-style-type: none"> Doctorate (Hon) of Engineering, National United University MBA, National Taiwan University Chairman, Thin Chang Co., Ltd. 	V	100%	June 13, 2019 June 12, 2022
Independent Director	Houn-Gee Chen	Male	<ul style="list-style-type: none"> Ph.D. in Industrial Engineering, and Master in Computer Science, University of Wisconsin–Madison Professor of Information Management Dept. and Dean of College of Management, Tunghai University 	V	100%	
Independent Director	Edward H. Chow	Male	<ul style="list-style-type: none"> Ph.D. in Business, Indiana University-Bloomington Emeritus Professor of Finance Dept., National Chengchi University 	V	100%	
Independent Director	Yao Chien	Male	<ul style="list-style-type: none"> Kun Shan University Industrial Design Department General Manager of the Ursa Major Entertainment Ltd. 	V	100%	

According to Article 18 of Coretronic's Articles of Incorporation, directors shall be elected by the board of directors pursuant to the candidates nomination system.

According to the Company's "Corporate Governance Code of Conduct," the President must not assume directorship and board members should be diversified in a manner that supports the Company's operations, business activities and growth. The diversification should be based on, but is not limited to, the following two principles:

- ① Background and value: Gender, age, nationality, culture etc.
- ② Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

The board comprises 7 directors including 3 independent directors; 14% of whom concurrently serve as employees while directors. The term of office of the 3 independent directors shall not exceed 9 years. The seven directors are between 61 and 70 years old, and the average age of all directors is approximately 65 years old.

Coretronic considers stakeholder participation, independence and professionalism, and experience in economic, environmental, and social topics in order to implement the goal of diversity in professional fields among our Board members. The targeted ratio of professionals in social fields stands at over 25%, and the current 7 directors include 2 professionals in social fields for a ratio of 29%. Edward H. Chow has considerable profound experiences in industries, government agencies, and universities, it helps the Company to advance corporate governance further and plan future business strategy.

Yao Chien's rich experiences in creation and multimedia, as well as unique opinion in aesthetics and consumer behavior, it helps the Company to develop digital content in response to the need to transform from pure hardware supplier to Cloud Premium Service provider and step into new industries such as Mixed Reality.

The Company's "Rules and Procedures of Board of Director Meeting" contains a conflicting interest clause that requires directors to disassociate from all discussion and voting of any motion that poses a conflict of interest between the Company and themselves or the entities they represent. Also, Coretronic has 3 independent directors who will take an objective and fair position and make suggestions based on their professional capacity and experience. When discussing any proposals, the BOD should fully consider the opinions of independent directors and include their opinions or reasons of consent or objection in the minutes of the meeting. Furthermore, none of the Board Members hold equity stake in the Company's main suppliers.



2) Training Courses for BOD ¹⁰²⁻²⁷

In order to improve the ability and quality of all directors related to corporate governance, the company regularly arranges training courses for directors every year. In 2021, the total number of training hours for all directors will be 71 hours.



3) Performance Evaluation of BOD

The BOD of Coretronic has stipulated the “Board of Directors Performance Assessment Policy” in April 2018. It later amended in October 2019 and was published on the official website. The performance self-assessment of the Board, the directors and the functional committees is conducted once a year using a questionnaire. These assessments are arranged by the meeting organizer, and the most recent assessment covered the period January 1 to December 31, 2021. The final evaluation results are reported to the board. Additionally, the amended policy also requires board performance to be evaluated by an independent external institution at least once every three years. The most recent assessment was conducted in 2020 and the results has been disclosed in 2020 ESG Report.

▼ Results of Internal Performance Assessment in 2021

Scope	BOD	Members of BOD	Compensation Committee	Audit Committee	Nominating Committee
Criteria	<ul style="list-style-type: none"> Participation in the Company's operations Quality of board's decisions The board's composition Director's election and ongoing education Enforcement of internal control 	<ul style="list-style-type: none"> Awareness toward the Company's goals and missions Awareness to duties Participation in the Company's operations Maintenance of internal relations and communication Professionalism and ongoing education Enforcement of internal control 	<ul style="list-style-type: none"> Participation in the Company's operations Awareness to duties Improvement of decision quality Committee composition and member selection Enforcement of internal control 	<ul style="list-style-type: none"> Participation in the Company's operations Awareness to duties Improvement of decision quality Committee composition and member selection Enforcement of internal control 	<ul style="list-style-type: none"> Participation in the Company's operations Awareness to duties Improvement of decision quality Committee composition and member selection
Results	Exceptional	Exceptional	Exceptional	Exceptional	Exceptional

2. Functional Committees 102-22, 102-36

Title	Audit Committee	Compensation Committee	Nominating Committee
Year Established	2010	2012	2020
Members	3 independent directors (Mr. Houn-Gee Chen, Mr. Edward H. Chow, Mr. Yao Chien)		
Responsibilities / Matters for consideration	<ul style="list-style-type: none"> • Establish or revise internal control systems • Evaluate the effectiveness of the internal control systems • Procedures for handling material financial or business transactions • Matters related to the personal interest of directors • Material asset or derivatives transactions • Material fund lendings, endorsements or guarantees • Offering, issuance or private placement of any equity-type securities • Appointment, dismissal or remuneration of CPA • Appointment or dismissal of financial, accounting, or internal auditing officers • Financial Reports • Other important regulations 	<ul style="list-style-type: none"> • Regularly review the “Compensation Committee Charter” and submit recommendations for improvement • Develop and regularly review the long-term performance goals and the policies, systems, criteria, and structure for compensation of the directors and managerial officers of the Company • Regularly review how well the directors and managerial officers achieve their goals, and develop their respective compensation content and amount. 	<ul style="list-style-type: none"> • Candidates for directors and senior management are sought, reviewed and nominated based on the criteria of independence, and diversified background such as professional knowledge, skill, experience and gender • Conduct the performance evaluation for the board, the functional committees and the directors, while evaluating the independence of the independent directors • Other matters that the Board of Directors resolved to delegate to this Committee
No. of Meetings	5	3	1
Average Attendance	100%	100%	100%
Term of Members	June 13, 2019 - June 12, 2022		Oct 26, 2020 – June 12, 2022



3.2 Risk Management 102-11, 102-15

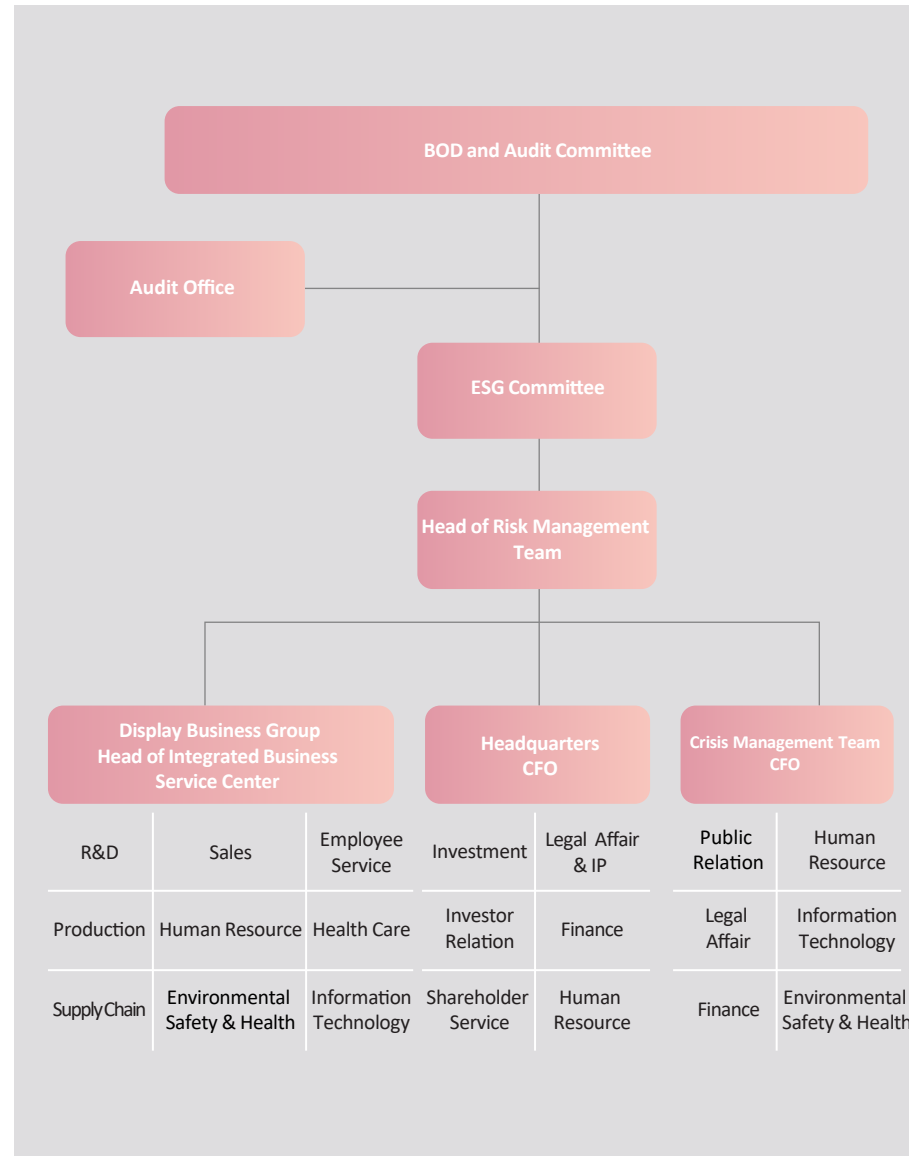
1. Risk Management Strategy

Upon the corporate philosophy of “accessible technology and sustainable operations”, to capture the potential internal and external economic, social, and environmental risks in business operations, the Risk Management Team identified risk factors to identify the risks that may affect sustainable business development, screen the scope of risk management, and monitor potential risks and take precautionary actions based on the latest development and standard requirements in the latest audit in order to strengthen risk management and improve crisis response capability to achieve risk control and thereby increase value for shareholders, maintain corporate competitiveness, and lay the foundation for sustainable business development.

2. Risk Management Team

The “Risk Management Team” led by the CFO integrates all risk management units under the ESG Committee to identify risk factors and control risks to make the command, dispatch, self-assessment, and duty implementation of the risk management organization more efficient. The team reported the its status of operation in 2021 to Board at the 14th Board meeting on July 26, 2021. The risk management organizations at all levels and their duties as follows:

Organization	Duty
BOD	Establish the policy, framework, and culture of risk management and ensure the effectiveness of the risk management mechanism.
Audit Office	Periodically audit if risk control is exactly implemented of each business unit according to the internal control and audit program, produce the audit report with the audit results, and follow up the improvement of audited defects.
Head of Risk Management Team	Implement the Board’s risk management decisions, assist with risk management interaction and communication across departments, plan operational decisions, and assess the medium- and long-term investment projects to reduce strategic risks.
Display Business Group	Implement routine risk management activities and perform self-assessment in risk control activities.
Headquarters	Assess financial risks, plan and deploy human resources, arrange insurance, maintain public relations and contact with the media, review legal and regulatory requirements, and IP rights.
Crisis Management Team	Set crisis handling targets, detect and analyze potential crises, identify crises, prevent crises, resolve crises, and restore crises.

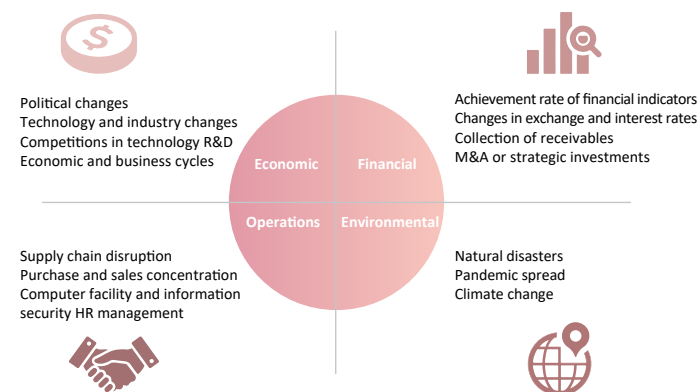


3. Scope of Risk Management

By discussing and analyzing major risks, including economic, financial, operational, and environmental risks, in terms of business operations, consolidating past experience, and predicting future potential risk factors, we categorize risks for the reference of further risk assessment, monitoring, and management. Through the active supervision, assessment, and capture of various types of risks in the rapidly changing business environment, we established more economically efficient business models that maintains safety and efficiency from a comprehensive point of view and scope to achieve the Company's strategic goals.

4. Risk Management

To enhance the risk awareness of employees, we also offered risk management courses that relate to quality, information security, climate change, and RBA for 2,591 employees for a total of 3,362 man-hours. These courses included "Implementation of TCFD and External Performance Assessment", "Information Confidentiality and Security and Rules for Computer Network Use", "Introduction to Quality Systems", "RBA", "Material Requirement Planning (MRP)", "Introduction to the ISO 50001 Energy Management System", and "Trading Safety".



5. Risk Identification

- To enforce the detection, analysis, and identification of risks within the scope of risk management to capture the internal and external risks that the Company will face in business operations, we conducted the biennial risk factor identification at the end of 2021 to achieve advance assessment, countermeasure establishment, and prevention.
- The Risk Management Team listed a total of 35 risk issues in the questionnaire. At stage 1, 230 intermediate and senior officers answered the questionnaire in terms of "principal risks faced in the past", "risks occurred in the last 12 months", and "the top 5 risks that may occur in the next 3 years" to locate the top 20 risk issues. At stage 2, 31 officers participating in the senior management meeting screened the top 10 risk issues that Coretronic faced among the said top 20 risk issues.
- In 2022, we will assess the potential counteractions for the top 3 risk issues, draw up management strategies, and implement risk control.



Rank	Top 10 Risk Topics in 2021
1	External factors – the rapid changes in technology and the industry
2	Operations – discontinuity of the supply chain
3	Human Resources - difficult to attract and retain employees
4	Enterprise – lack of innovation/unable to fulfill customers' needs
5	External factor – Pandemic Spread / Health Hazard
6	External factor - economic downturn/slow recovery
7	External factor - increase of competition
8	Human Resources – lack of employees
9	External factor – political risks / uncertainty
10	Enterprise – implementation or strategy communication failure

6. Risk Management Plans

We will determine the responsible units for material and emerging risk issues and request them to draw up management strategies, implement risk control, maintain the detection, analysis, and identification of risks within the scope of risk management, and strengthen crisis prevention, crisis-solving capability, and quick crisis recovery in order to effectively control risks.



3.3 Information Security Management 102-15

To ensure sustainable development and protect corporate confidential data and customer privacy, we established the Information Security Management Committee in 2012 to publicize the information security policy and establish the communication mechanism to effectively prevent the theft, diddling, extinguishment, or omission of data. Besides protecting the confidentiality, integrity, and availability of data, we also aim to comply with relevant information security standards and regulations.

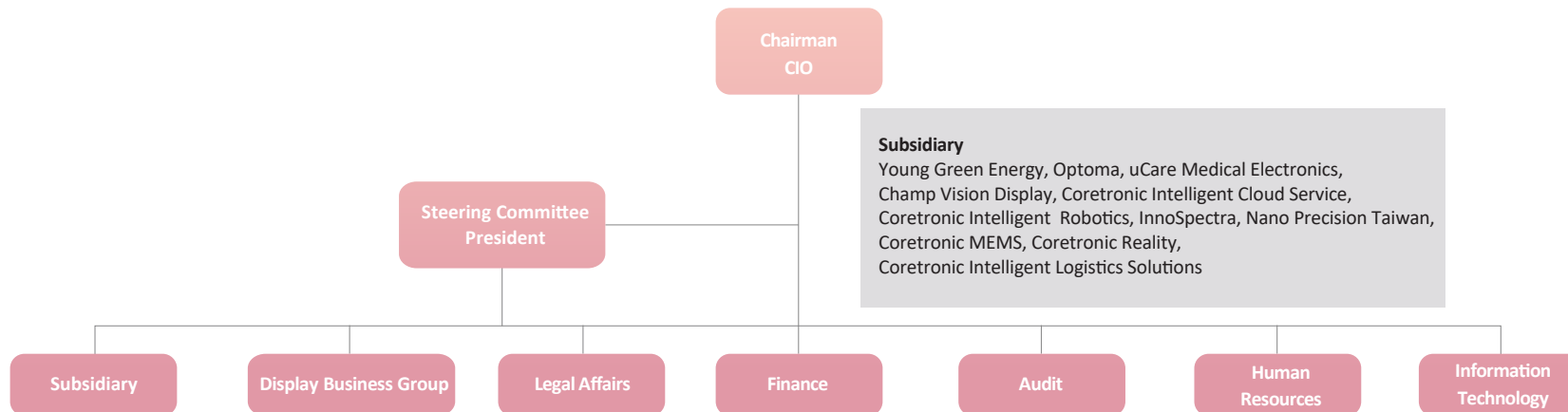
1. Information Security Management Committee

Chaired by the CIO, the Information Security Management Committee is formed with IT experts of the Group to review the information security governance policy, supervise the operation of information security management, build the multifaceted information protection mechanism, enhance the information security awareness of employees, and periodically assess information security risks. In 2020, the committee began to report the status of implementation to the Board every year.

2. Information Security Management Policies

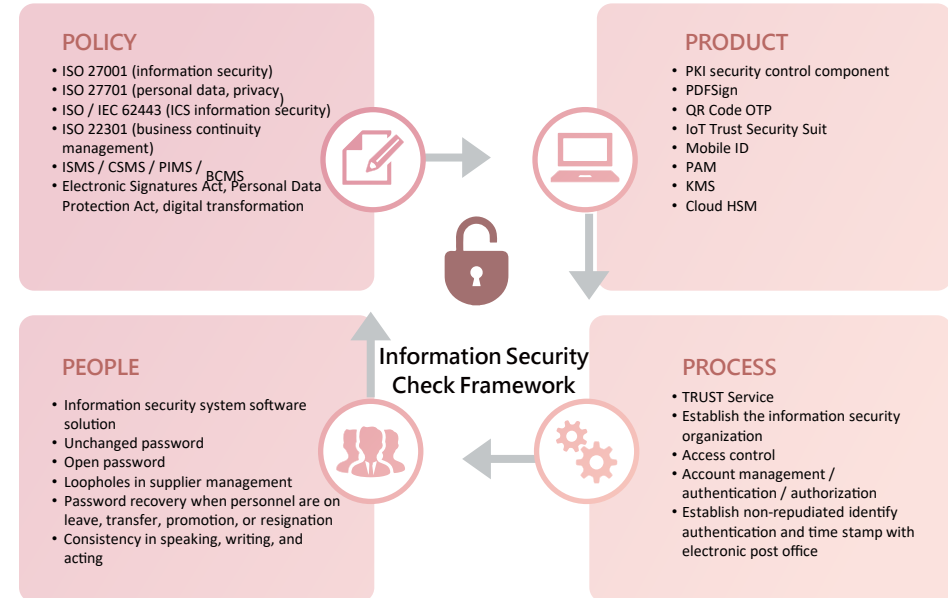
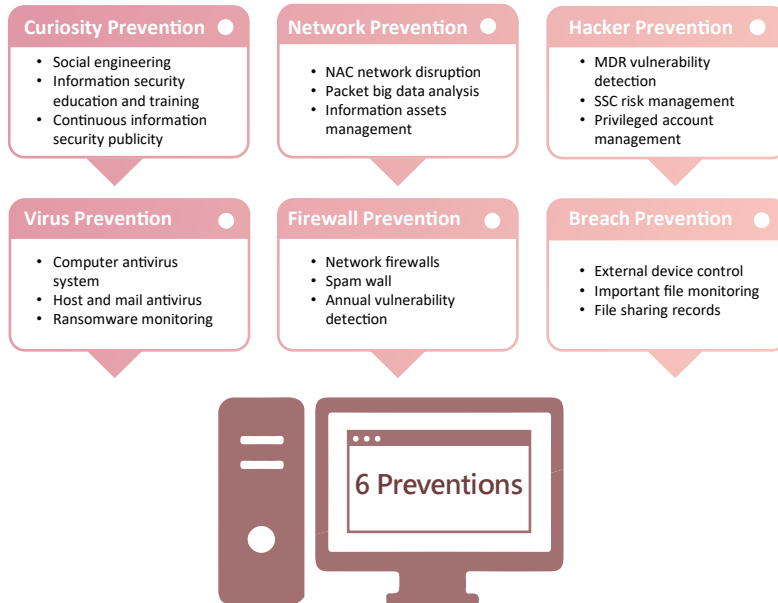
The information security policy of Coretronic is stipulated according to information security management standard of ISO 27001 and BS7799.

- At the Information Management Center, each unit has created a list of related information assets and requested their owners to implement the risk assessment operation based on the information asset level. To effectively reduce risks, they should perform the risk management for the risks which are higher than the acceptable level, and continuously implement each control measure.
- For employment of related staff, they should be evaluated, and sign related operating documents. When they are transferred or resign, they should return their information assets. New recruits and staff must participate in the education and training about the information security to improve their knowledge of information security.
- The access control and item release rules should be implemented when entering or exiting the Coretronic buildings and information security control area.
- It is strictly forbidden to use your own networking devices to connect the extranet to the intranet. Firewalls, demilitarized zone (DMZ), and necessary security facilities are installed for the intranet and extranet. To maintain availability, appropriate redundancy or monitoring mechanisms should be installed for important equipment. The employees' PCs should be installed with anti-virus software and regularly checked for updates of virus patterns. It is forbidden to use unlicensed software.
- The employees should properly use and keep their own account, passwords, and permissions. The administrators should regularly check and review them. The data of critical systems should be backed up in a regular manner and the recovery test should also be performed.
- In the initial stage of the system development, the creation of the security control mechanism should be taken into consideration. The control and requirements of the contract information security for outsourced tasks should be enhanced.
- In case of information security incidents, employees should report them immediately and deal with them in accordance with the procedures specified in the Information Security Incidents Instructions (C12-3021) to mitigate the incidents. They should also cooperate with the responsible department to solve them.
- The employees should implement the review mechanism for data accuracy when carrying out daily routines. Their supervisors should monitor how they follow the information security system to enhance their information security safety knowledge and law concepts.
- The Company will regularly review the information security policies to reflect the latest trends of the governmental laws and regulations, technologies, and businesses to ensure the validity of the security practices. If necessary, the Information Security Committee will adjust Coretronic's information security objectives based on the information security policies.



3. Information Security Risk Identification

- 641 Policy:** Standard operating procedures (SOP) are established based on the ISO 27001 standard for internal security management; the 641 policy is adopted, i.e., 6 defense actions, 4 verification actions, and 1 action situation monitoring center as the central response control hub; and the external risk scorecard system is combined to quantify security risks and establish procedures for risk improvement to enhance the efficiency and strength of information security.
- Risk identification scorecard system:** The information systems, architecture, and services within the Company are divided into 10 zones. Each zone is audited and scored based on its attributes and in coordination with international regulations and the standards and regulations of information security risks. The risk level is rated after integrating the score of all 10 zones. Improvement recommendations are made spontaneously for the nonconformities or defined risks and the improvements are followed up.
- Vulnerability scan:** In response to the constantly changing intrusion methods, we run vulnerability scans regularly on the related service systems. In 2021, we found 33 system loopholes and patched them all within three months.



4. Information Security Training Courses

- 1) **Information security training:** To inculcate and enhance the information security awareness in employees, we arranged the “Information Confidentiality and Security and Rules for Computer Network Use” course for 234 new employees. Wujiang Plant also offered the “Information Security Policy and Information Security” to explain the importance of information protection and cybersecurity to 183 employees.
- 2) **Information security alert:** After a material information security incident occurred in non-Coretronic plants, we publicized and alerted information security to remind employees of the relevant risks in order to avoid repeating the same mistakes to cause damage to the Company’s operations. In 2021, we made four information security alerts.
- 3) **Social engineering exercise:** One email social engineering drill was performed on all employees and two education and training activities on information security were arranged for 43 high-risk employees located from the drill.

5. Information Security Procedures

- 1) Developed monitoring systems for spread prevention and privileged account monitoring, programs for immediate system shutdown after infection to prevent damage, and arranged space for plant data backup.
- 2) Established the AI-driven information security framework, implemented multifaceted defense through the managed detection and response (MDR) threat surveillance system, combined with the remote emergency response measures to eliminate malware and segregate hazardous endpoint networks in the first time, and supported with the remote forensic and analysis platform to ensure no loophole in information security protection.
- 3) Established the active defense threat intelligence system and synchronized with the global threat intelligence center to update threat intelligence in real time; effectively block malware connection and actively hunt suspicious behavior through the active alert and analysis engine; and teamed up with information security experts to run forensic investigation to strengthen the intrusion defense system (IPS).
- 4) In response to COVID-19, a high-security system with the authentication mechanism was established to strengthen the security of information system services and cybersecurity for employees working from home.
- 5) In response to the update of external service system, we began to run platform vulnerability scan two times a year since 2020.

6. Information Security Plans

We will continue to optimize the information security protection system and build a systematic and smart automatic detection and alert platform. We will also screen potential risks from volumes of system logs and records each day to take effective preventive action in advance. Additionally, to connect with the world, we will actively assess the establishment of a more comprehensive information security protection mechanism with the complete ISO 27001 framework.



3.4 Business Integrity ¹⁰²⁻¹⁶

1. Commitment on Business Integrity and Probity

Coretronic uphold and implement business integrity and request all employees to maintain integrity and honesty so as to maintain the assets, rights and interests, and image of Coretronic and protect the rights and interests of Coretronic and all stakeholders. Hence, we have established the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Codes of Ethical Conduct, RBA® Code of Conduct Management Manual, and Regulations Governing the Avoidance of Conflicts of Interest for Suppliers. Apart from serving as a reference for ethics compliance of directors, managers, employees, and suppliers, these principles, codes, and regulations strictly prohibit the collection improper advantages (including banquets, kickbacks, bribes, and other improper treatments) or committing of any acts that may affect the image and competitiveness of the company by taking advantage of duty.

2. Supplier Anti-corruption Policy

Except listed and OTC company in Taiwan, subsidiaries which Coretronic holds over 50% of shares, OEM and nominated suppliers, the only supplier for the key component, and suppliers which signed the contract with integrity commitment or declared related announcement at their official website, suppliers are requested to sign the Coretronic Supplier Integrity Commitment to ensure the fair and transparent transactions between Coretronic and suppliers. For suppliers offending the anti-bribery and anti-corruption prohibition and causing harm to our company, we will claim indemnity from and take necessary legal actions against such suppliers in accordance with the terms and conditions in the Coretronic Supplier Integrity Commitment. In 2021, 91% suppliers have signed Supplier Integrity Commitment (5% increase compared to 2020).

3. Ethical and Corruption Reporting Mailbox ¹⁰²⁻¹⁷

Coretronic have established a reporting email (8215@coretronic.com) and an enquiry and grievance hotline (Taiwan: +886-37-777000 ext. 8215; China: please click here to check the telephone number of each plant, and then dial the following extension numbers: 2199 for Kunshan Plants and 6220 for Wujiang Plants) in accordance with the “Professional Ethics Violation of Stakeholders and Employees Enquiry and Grievance Channels”. Apart from enquiring for opinions and the internal and external mechanisms handling affairs relating to organizational integrity, both employees and non-employees may report violations of business integrity over the email. After receiving a report, the independent audit unit of Coretronic will investigate the facts confidentially and keep the identity of informants in absolute confidentiality. The audit unit will submit a report to the management to make resolutions. Based on the outcomes of investigation, punishments will be imposed in accordance with the disciplinary measures or legal actions will be taken.

In 2021, no grievance regarding corruption was reported in Taiwan but 2 grievances in China. After the investigation, no grievance violates the regulation. In the future, we will implement the anti-corruption strategy more aggressively to keep the zero-grievance record.

4. Performance in Business Integrity

- 1) BOD passed the “Ethical Corporate Management Best Practice Principles” to approve the Human Resources Department (HRD) to establish and implement the business integrity policy and corruption prevention project of the organization.
- 2) Every year HRD reports the status of business integrity of the year to BOD.
- 3) Establish an “Employee Code of Conduct” section on the corporate intranet with contents including related regulations in the Ethical Corporate Management Best Practice Principles, reporting channels, and case sharing.
- 4) Apart from exercising the due care of a good administrator, BOD shall supervise the implementation of the anti-corruption policy and corruption prevention project to enhance the effectiveness of business integrity.
- 5) Distribute the “Integrity Card” for employees.
- 6) NEW To advocate the anti-corruption spirit to employees, plants in Taiwan opened two courses: “Awareness on Business Integrity” and “Insider Trading Prevention (2021)” are required courses for indirect employees who were requested to watch the course video and acquire 75 points in the “Insider Trading Prevention Test” in order to complete the course. In 2021, a total of 1,013 employees took the course and passed the test, with an accomplishment rate of 95%, 10% higher than 2020. In the future, this will be a required course for all employees.
- 7) NEW Kunshan Plants offered the RBA required course, including ethical corporate management and anti-corruption courses, for 425 employees, with an accomplishment rate of 82%. Wujiang Plant offered the Code of Ethical Behavior and RBA elective courses for 193 employees. In 2022 these courses will become required courses in pace with other plants to enhance the awareness of ethical corporate management and anti-corruption in employees.





04

Sustainable Environment

4.1 Climate and Energy

4.2 Waste Management

4.3 Water Resource Management

4.4 Green Solutions

4.5 Green Corporation

Material Topic
Climate Change



Boundary

Coretronic plants in Taiwan and China (Kunshan and Wujiang plants), Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotic, Champ Vision Display, suppliers and contractors

Materiality

- Global warming and climate change have caused environmental impacts. While limited energy resources have raised the operating cost, it is necessary to actively enforce energy conservation to address the impacts brought by climate change.
- In response to the impacts and challenges of climate change and to implement the relevant controls under the Greenhouse Gas Reduction and Management Act to support the government, we constantly develop and practice 4 major green actions to become the green factory.

Strategy

Environmental Sustainability and Occupational Safety and Health Policy

Evaluation

After planning and establishing the annual targets, budgets, and plans and submitting them to the Environmental Protection Committee for approval, the ESH and facility units implement controls and corresponding plans in accordance with the ISO 14064-1 GHG inventory standard, ISO 14001 environmental management system (EMS), and ISO 50001 energy management system (EnMS).

Performance

- 2015-2021: All plants in Taiwan passed ISO 14001 verification, achieving the 2021 target.
- 2016-2021: Chunan Plant passed the third-party verification of ISO 50001 EnMS, achieving the 2021 target.
- 2016-2021: Plants in Taiwan passed the third-party verification of ISO 14064-1 GHG inventory, achieving the 2021 target.
- The intensity of GHG emissions of plants in Taiwan was 9.4% less than 2019, achieving the 2021 target.
- The intensity of electricity consumption of plants in Taiwan was 31% less than 2019, achieving the 2021 target.
- The intensity of waste output of plants in Taiwan was 61% less than 2019, achieving the 2021 target.
- Water consumption of plants in Taiwan was 17% less than 2019, achieving the 2021 target.

Target

- 2022: Continue to implement ISO 14001 EMS (plants in Taiwan), ISO 14064-1 GHG emission inventory (plants in Taiwan), and ISO 50001 EnMS (Chunan Plant) and pass the third-party verification; the intensity of electricity consumption and GHG emissions was 13% and 6% less than 2019 respectively.
- 2023-2025: Continue to implement ISO 14001 EMS (plants in Taiwan), ISO 14064-1 GHG emission inventory (plants in Taiwan), and ISO 50001 EnMS (Chunan Plant) and pass the third-party verification; the intensity of electricity consumption and GHG emissions was 17% and 10% less than 2019 respectively.
- 2026-2028: Continue to implement ISO 14001 EMS (plants in Taiwan), ISO 14064-1 GHG emission inventory (plants in Taiwan), and ISO 50001 EnMS (Chunan Plant) and pass the third-party verification; the intensity of electricity consumption and GHG emissions was 20% and 14% less than 2019 respectively.

103-1, 103-2, 103-3

Material Topic Green Solutions



Boundary

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

Materiality

Based on product life-cycle, develop green products that can reduce environmental impacts and enhance energy efficiency and are easy to disassemble and recycle, low-carbon, and eco-friendly through collaboration with suppliers and customers to achieve the goal of “convenient, safe, and energy-efficient sustainable products for users.”

Strategy

Integrate green thinking into technology development and introduce eco-friendly materials in product development to reduce materials consumption, energy consumption, and environmental impacts.

Evaluation

After planning and establishing the annual targets, budgets, and plans and submitting them to the Green product R&D Team for approval, R&D units periodically review the effectiveness of implementation and maintain the progress of the relevant plans during the R&D stage.

Performance

- The percentage of green materials procurement: 97%
- Self-imposed product carbon footprint inventory: 7.9% less than 2020 for 12-inch BLMs.
- LGP process improvement for reducing energy consumption: Saved 580.4kWh of electricity and reduced 0.29 tCO₂e.
- Recycled 22,631 waste trays to reduce 1.13 tons of waste and 2.33 tCO₂e.
- BLM size reduction and slim design: reduced 26.6kg and 0.05 tCO₂e.
- Percentage of using molded pulp as packaging materials of projectors: 68%
- Introduce package reduction to the R70 projector to reduce packaging materials by 42% and fuel consumption in sea transportation. It is estimated that 4 kgCO₂e will be reduced each unit, approximately 1.1% of carbon emissions.
- Constantly optimized the lighting design of projectors to save about 15.14 GWh of electricity and reduce 7,708 tCO₂e each year.

Target

- 2022: The design for enhancing energy conservation and performance of products, the reduction and recycling of products and packaging, and green transport efficiency enhancement.
- 2023-2028: Product carbon footprint inventory, the design for enhancing energy conservation and performance of products, the reduction and recycling of products and packaging, and green transport efficiency enhancement.



4.1 Climate and Energy

To effectively reduce the significant impact of extreme climate change on the economy, society, and environment, we introduced the TCFD framework to assess the risks of climate change again and established energy conservation and carbon reduction strategies based on low-carbon products and green operations, including measures such as the continuous development of eco-friendly technology, introduction of the circular economy of product manufacturing, enhancement of waste reduction from the source, and pollution prevention to mitigate the greenhouse effect. Additionally, in response to the Paris Agreement, we set the carbon reduction target based on SBT* 1.5°C scenario. In 2021, we officially proposed the “GHG (Category 1 and 2) reduction by 50% by 2032 and net zero emissions by 2050.” Besides actively reducing the use of fossil fuels, increasing the use of renewable energy, and engaging in innovative low-carbon technology transformation, we will also establish internal carbon pricing in consideration of the environmental cost of business carbon emissions to accomplish the vision of net zero emissions. In 2021, we inventoried GHG emissions and identified Category 1-6 emission sources with ISO 14064:2018 within the boundaries covering the operational control facilities of Headquarters, Chunan Plant, Tainan Plant 1 and 2.

*Science Based Targets (SBT): The reasonable carbon reduction limit of industries and businesses across the globe is calculated scientifically within the total carbon emissions to control warming within 1.5°C.

1. Environmental Targets and Performance

★Baseline : 2019

Year	Measure	Target	Performance in 2021																				
2020-2022	Continually Implement Environmental Management System	<ul style="list-style-type: none"> Intensity of GHG Emissions: -6% Intensity of Electricity Consumption: -13% Intensity of Waste Output: -5% Water Consumption: -8.4% Renewable Energy: 1% of annual electricity consumption 6 Green Activities Every Year 	<ul style="list-style-type: none"> ISO 14001, ISO 50001, and ISO 14064-1 Certification The intensity of GHG emissions of plants in Taiwan decreased by 39% compared to 2020 (decreased by 9.4% compared to 2019) The intensity of electricity consumption of plants in Taiwan decreased by 27% compared to 2020 (decreased by 31% compared to 2019) The intensity of waste output of plants in Taiwan decreased by 47% compared to 2020 (decreased by 61% compared to 2019) The water consumption of plants in Taiwan decreased by 8.5% compared to 2020 (decreased by 17% compared to 2019) Renewable Energy: 1% of annual electricity consumption 13 Green Activities Sponsorship for environmental protection was NTD 45.95 million, representing an increase of 9.6% compared to 2020. <p>2019-2021 Environmental Investments (NTD 10 thousand)</p> <table border="1"> <caption>2019-2021 Environmental Investments (NTD 10 thousand)</caption> <thead> <tr> <th>Year</th> <th>Equipment maintenance costs</th> <th>Environmental-related personnel costs</th> <th>Cost of environmental management activities</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>1,382</td> <td>272</td> <td>592</td> <td>2,246</td> </tr> <tr> <td>2020</td> <td>1,564</td> <td>258</td> <td>351</td> <td>3,218</td> </tr> <tr> <td>2021</td> <td>1,634</td> <td>309</td> <td>508</td> <td>3,451</td> </tr> </tbody> </table> <p>Breakdown of costs:</p> <ul style="list-style-type: none"> Cost of environmental management activities: management-related expenses such as air pollution prevention, water pollution prevention, waste treatment and noise control, etc. Environmental-related personnel costs: management system maintenance and environmental-related training costs. Equipment maintenance costs: environmental protection related maintenance, equipment maintenance, and the prevention of climate change, the purchase of energy-saving equipment, etc. 	Year	Equipment maintenance costs	Environmental-related personnel costs	Cost of environmental management activities	Total	2019	1,382	272	592	2,246	2020	1,564	258	351	3,218	2021	1,634	309	508	3,451
Year		Equipment maintenance costs		Environmental-related personnel costs	Cost of environmental management activities	Total																	
2019		1,382		272	592	2,246																	
2020	1,564	258	351	3,218																			
2021	1,634	309	508	3,451																			
2023-2025	<ul style="list-style-type: none"> Intensity of GHG Emissions: -10% Intensity of Electricity Consumption: -17% Intensity of Waste Output : -9% Water Consumption: -12% Renewable Energy: 1.5% of annual electricity consumption 7 Green Activities Every Year 																						
2026-2028	<ul style="list-style-type: none"> Intensity of GHG Emissions: -14% Intensity of Electricity Consumption: -20% Intensity of Waste Output : -12% Water Consumption: -15% Renewable Energy: 2% of annual electricity consumption 8 Green Activities Every Year 																						



2. TCFD Framework 102-11, 102-15

Core Element	Strategy and Action	Performance in 2021
Governance	<ul style="list-style-type: none"> Signed in support of the TCFD International Initiative The BOD regularly reviews the risks and opportunities associated with climate change ESG Committee reports TCFD strategies and results to the BOD once a year. The Environmental Protection Committee and the Sustainable Energy Committee are responsible for setting goals and plans, and implement related strategies with the ESG Committee. 	<ul style="list-style-type: none"> The ESG Committee is led by the chairman, and the executive representative – CFO reports annually to the BOD at the Board meeting on the "Report on the Company's implementation of social responsibility and ethical management", which includes the results of the implementation of sustainability projects, TCFD and plans. Establish the Sustainable Energy Committee under the Environmental Protection Committee. The TCFD team, headed by CFO, with members spanning environmental safety, facility, accounting, finance, stock affairs, investor relations, public relations, procurement, manufacturing, production management, sales, product management, and R&D departments.
Strategy	<ul style="list-style-type: none"> Identify risks and opportunities of climate change in the short, medium and long term through interdepartmental discussions Assess the potential operational and financial impacts of significant climate risks and opportunities on the Company Conduct situational analysis and SBT targets 	<ul style="list-style-type: none"> The Environmental Protection Committee will call up various units to set short, medium and long-term environmental sustainability targets through cross-functional discussions, and will identify climate risks and opportunities in the short, medium and long term. Climate risk and opportunity identification has been planned and the results of the significant climate risk and opportunity evaluation will be used in the future to present the potential operational and financial impacts on the Company due to climate change. Committed to developing low-carbon technologies and designing low power, low energy consumption green products to mitigate climate change. In response to the Paris Agreement, we set the carbon reduction target based on SBT 1.5°C scenario. Plan strategies and set the goal for net zero emissions.
Risk Management	<ul style="list-style-type: none"> Arrange TCFD courses Use the TCFD framework to identify the Company's risks related to climate change Based on the results of climate risk identification and ranking, plan corresponding solutions Integrate climate risk identification and evaluation into the enterprise risk management process 	<ul style="list-style-type: none"> The "Implementation of TCFD and External Performance Assessment" was arranged for the TCFD team, with 103 participants and 334.5 person-hours of training Distribute TCFD risk and opportunity identification questionnaire and create the matrix of climate-related risks and opportunities. "Climate Change" has been included in the risk management process and became one of the material topics in 2021.
Metrics and Targets	<ul style="list-style-type: none"> Set management indicators related to climate change Regular inventory of greenhouse gas emissions in accordance with ISO 14064-1 Set climate change management targets and regularly review the progress and actual performance of achieving the targets 	<ul style="list-style-type: none"> Set greenhouse gas emissions, electricity savings, water savings, renewable energy use, and waste reduction as climate change performance indicators after cross-functional discussion with the Environmental Protection Committee. We have continued to obtain greenhouse gas inventory certificates since 2016 and expanded the scope of greenhouse gas inventory to Category 3~6 in 2020 in accordance with ISO 14064-1:2018, and will continue to implement carbon reduction measures and energy-conserving equipment replacement projects based on the carbon inventory results to effectively reduce GHG (Category 1 and Category 2) emissions. The Environmental Protection Committee sets management goals related to climate change and reviews the results of the implementation of environmental sustainability goals on a quarterly and annual basis to reduce environmental impacts. We set the carbon reduction target based on SBT 1.5°C scenario, and officially proposed the "GHG (Category 1 and 2) reduction by 50% by 2032 and net zero emissions by 2050".



3. Climate-related risks and opportunities matrix

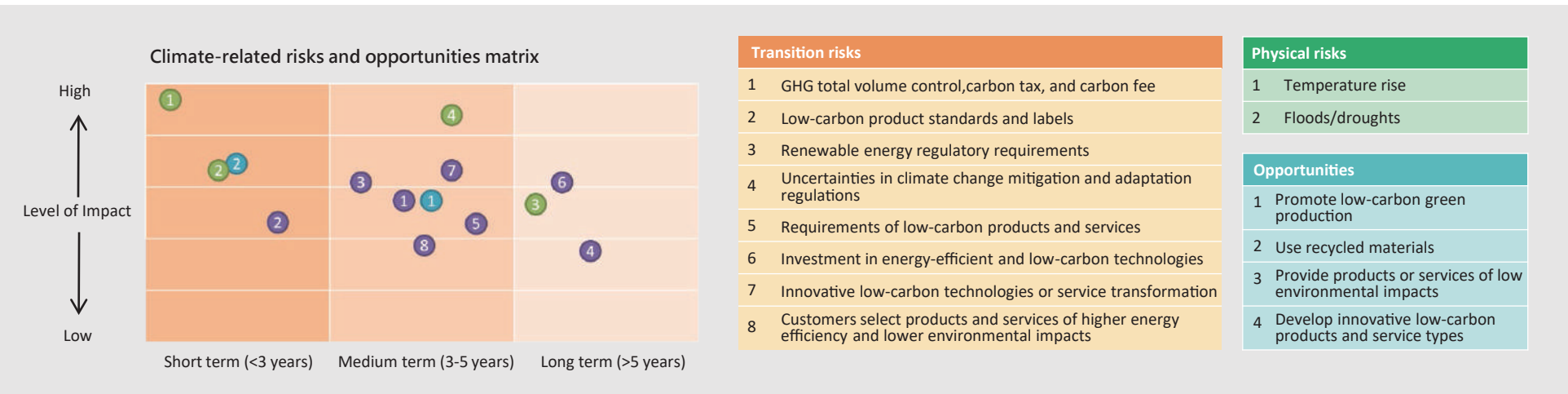
Besides identifying climate-related risks and opportunities based on the TCFD-recommended framework, we also quantitatively assessed the category, intensity, and likelihood of the potential impacts of climate-related risks and opportunities. After grading and prioritizing risks and opportunities based on the assessment results, we identified 10 risks and 4 opportunities.

1) Identification method: TCFD risk and opportunity identification questionnaire

- ① Stage 1-Focus: The TCFD risk and opportunity identification questionnaire was distributed to 56 members of the TCFD team to select the 20 risks and 10 opportunities related to climate change from among 38 climate-related risks and 22 opportunities based on the Company's operations and future status. A total of 56 responses were collected, with a 100% response rate. A total of 10 risks and 4 opportunities were successfully focused.
- ② Stage 2-Identification: The questionnaire result from stage 1 was distributed to 189 division and above leaders and members of TCFD to identify the significance and impact of risks and opportunities. A total of 181 responses were collected, with a 96% response rate.
- ③ Stage 3-Analysis and results: The questionnaire result from stage 2 was analyzed to create the climate-related risks and opportunities matrix. Then, the financial impacts of those 10 risks and 4 opportunities were assessed.

2) Counteractions

- ① To reduce the above-mentioned risks, we established energy conservation and carbon reduction strategies based on low-carbon products and green operations, including measures such as the continuous development of eco-friendly technology, introduction of the circular economy of product manufacturing, enhancement of waste reduction from the source, and pollution prevention to mitigate the greenhouse effect.
- ② We also actively developed solutions for climate adaptation opportunities through four major management strategies: low-carbon green production, innovative low-carbon products, low-carbon technology transformation, and clean energy, hoping to reduce the operational and financial impacts related to climate change and thereby enhance organizational climate resilience.
- ③ In the future, we will further the analysis and investigation of various risks and opportunities to draw up the next-stage responsive strategies and disclose fuller information, including the potential financial impacts on operations, income, or expenses of related risks and opportunities.



4.1.1 GHG Management 305-1, 305-2, 305-3, 305-4, 305-5

We have taken the SBT 1.5°C scenario as the reduction goal in setting a carbon reduction pathway to net zero, and officially proposed the “GHG (Category 1 and 2) reduction by 50% by 2032 and net zero emissions by 2050.” We will actively reduce the use of fossil fuels while expanding the use of renewable energy and innovative low-carbon technology transformation in order to achieve the vision of net zero emissions.

At Coretronic, purchased electricity is the main source of GHG emissions. Hence, we set the renewable energy consumption target at 1% in 2020 and began to purchase the renewable energy certificate (REC). By 2021, the target has been achieved by all plants in Taiwan for two consecutive years. In the future, we will continue to increase renewable energy consumption. Additionally, to progressively achieve the SBT reduction and net zero emissions, besides building solar systems at all plants, we also plan to increase renewable energy use through renewable energy transfer in the renewable energy market and obtain more RECs, while offsetting GHG emissions with carbon rights at the same time.

Currently, we constantly strengthen various green innovative actions, plan related mitigation measures, comprehensively enhance the efficiency of the air conditioning system, improve the energy conservation of plant facilities, and install energy-efficient lighting fixtures in order to become the benchmark of energy conservation and carbon reduction in the industry and constantly achieve the SBT and net zero emission target.

Strategy	Measure
<ul style="list-style-type: none"> Establish environmental sustainability policies, and the Environmental Protection Committee will quarterly review the performance to make all targets achieved. Enhance the efficiency of energy conservation. Increase the amount of the renewable energy. Establish the renewable energy and SBT target in Taiwan. 	<ul style="list-style-type: none"> The renewable energy usage of plants in Taiwan will account for 1% of the annual electricity consumption. Established 3 solar plants in Wujiang plants. Taiwan plants passed the third-party verification of ISO 14064-1 GHG inventory. Implement independent inventory of GHG Category 1~2 in Wujiang plants. Self-imposed product carbon footprint inventory for 12-inch BLMs.

Performance in 2021
<ul style="list-style-type: none"> Tainan Plant 1 installed a solar plant with a total of 1.05 GWh of electricity generated since 2018, which is equivalent to 530 tCO₂e reduction. Established 3 solar plants in Wujiang plants and will generate an estimated 6.05 GWh of electricity every year, which is equivalent to 4,797 tCO₂e reduction. Purchased 640 renewable energy certificates (0.64 GWh of capacity) and 331 tCO₂e reduction since 2016. Taiwan plants have continually passed the third-party verification of ISO 14064-1 GHG inventory since 2016. The intensity of GHG emissions of plants in Taiwan was 39% less than 2020.



We regularly carry out greenhouse gas inventory in accordance with ISO 14064-1 each year to fully command the current status of the use of greenhouse gases and as a verification of the effectiveness of reduction. 7 major types of greenhouse gas are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC_s), perfluorocarbons (PFC_s), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). At this stage, although not subject to regulatory control to be required to carry out inventory and reduction, we have set greenhouse gas reduction targets in stages and review annually for continuous improvement. Also, we inventory the energy consumption, improve the efficiency of equipment, manage energy use status and install renewable energy equipment to maximize the use of energy, so as to achieve the goal of greenhouse gas reduction and the low-carbon goals with scientific management of data.

2009	2016-2018	2019	2020	2021
We established an internal management mechanism to independently inventory the GHG emissions in Taiwan plants.	Plants in Taiwan entrusts SGS to conduct ISO 14064-1 GHG verification every year.	Added independent inventory of GHG Category 3~6 of plants in Taiwan and GHG Category 1~2 in Coretronic Display (Suzhou) and Coretronic Optotech (Suzhou).	Plants in Taiwan included GHG Category 3~6 in the scope of third-party verification.	<ul style="list-style-type: none"> Tainan Plant 2 began to accept ISO 14604-1 GHG verification. Added independent inventory of GHG Category 1~2 in Coretronic Optics (Suzhou) .

- In 2021, the intensity of GHG emissions of the plants in Taiwan were reduced by 39% compared to 2020 because the plants took actions to respond to the energy conservation policy by implementing energy-conserving measures and implementing energy-conserving equipment replacement plans in a multi-faceted manner, including the introduction of magnetic suspension ice and water hosts, electricity consumption monitoring through equipment, reduction of energy consumption, together with nighttime energy use management and lighting energy-conserving improvements, etc. and at the same time, using renewable energy to reduce the use of purchased electricity and achieving greenhouse gas reduction benefits.
- In 2021, the intensity of GHG emissions (Category 1 and 2) of plants in China was 41% less than 2020 by setting carbon reduction targets and implementing various energy conservation measures in response to the climate change and peak carbon dioxide emissions to strengthen controls over energy use.

Area	Taiwan			China			
	Plant	Headquarters, Chunan Plant, Tainan Plant 1	Headquarters, Chunan Plant, Tainan Plant 1 and 2	Wujiang Plants	Wujiang and Kunshan Plants		
Direct Emissions – Category 1 (tCO ₂ e)		262.2	246.1	223.1	539.7	552.6	678.8
Indirect Emissions – Category 2 (tCO ₂ e)		9,029.4	7,465.8	7,985.1	14,396.9	16,377.7	38,858.2
Total GHG Emissions – Category 1+2 (tCO ₂ e)		9,291.6	7,711.9	8,208.2	14,936.6	16,930.3	39,537.0
Intensity of GHG Emissions – Category 1+2 (tCO ₂ e/ NTD 100m) ^{1,2}		46.7	43.6	30.5	177.8	167.6	99.1
Indirect Emissions – Category 3~6 (tCO ₂ e)		3,673.1	9,346.8	7,651.6	-	-	-
Total GHG Emissions – Category 1~6 (tCO ₂ e)		12,964.7	17,058.7	15,859.8	-	-	-
Intensity of GHG Emissions – Category 3~6 (tCO ₂ e/ NTD 100m) ^{1,2}		65.1	96.4	59.0	-	-	-

1: The scope of revenue of China plants

2019-2020: Coretronic Display (Suzhou) and Coretronic Optotech (Suzhou)

2021: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)

2: The scope of revenue of Taiwan plants

2019-2020: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality and Coretronic MEMS

2021: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality, Coretronic MEMS and Coretronic Intelligent Logistics Solutions

3: The GHG base year of Taiwan Plants was revised to 2019 by the environmental protection committee, and the ISO 14604-1:2018 has been used for investigation since 2020. The internal GHG investigation of Wujiang Plants in 2021 referred to the ISO 14604-1:2006, where Category 1= scope 1, Category 2= scope 2.

4: The coefficient of Taiwan Plants' carbon emissions in 2021 refers to the carbon emission data of the Bureau of Energy in 2020, 1 kWh of electricity=0.502 kgCO₂e; the coefficient of Wujiang Plants' carbon emissions refers to the results of the 2019 China regional grid baseline emission factor, 1 kWh of electricity=0.7921 kgCO₂e. The GWP value refers to the Global Potential Value and the scope of the investigation in the Fourth Assessment Report of IPCC 2007 in accordance with the Operational Control Law.



4.1.2 Energy Management

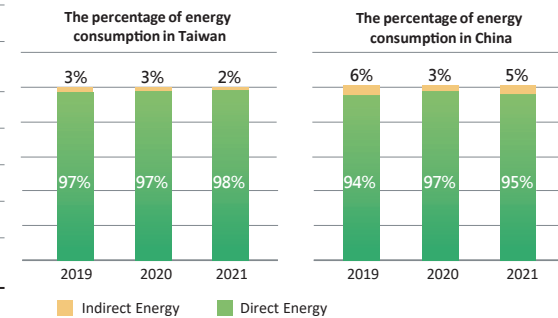
Strategy	Measure
Identified opportunities to reduce energy consumption with the energy management system; enhanced energy conservation efficiency through process optimization, equipment improvement, and system integration; established KPIs with periodic follow-up and reviews to manage effectiveness.	<ul style="list-style-type: none"> Implemented the energy management system to review the status of energy consumption. Periodically maintained and replaced equipment to enhance energy efficiency. Optimized product performance to reduce energy consumption.
Performance in 2021	

- 239 energy-saving programs have been implemented since 2015, with an accumulated reduction of 12.85 GWh of electricity, which is equivalent to 7,821 tCO₂e reduction.
- The intensity of electricity consumption of plants in Taiwan was 27% less than 2020.
- Chunan Plant has continually passed the third-party verification of ISO 50001 EnMS and saved 2.41 GWh of electricity since 2016, and a 1.5% reduction in electricity consumption in 2021 compared to 2020.
- Entrusted the third party to conduct a pilot assessment of the Chunan Plant and Tainan Plant 1 based on the Leadership in Energy and Environmental Design (LEED) certification. The results show that they are at the “Silver” and “Certified” levels respectively.

1. Status of Energy Consumption ^{302-1, 302-3, 302-4}

In 2021, the total energy consumption in Taiwan was 16,274 MWh and 51,617 MWh in China. The largest one was electricity consumption. The total annual electricity consumption was 15,907 MWh (accounted for 98%) in Taiwan and 49,016 MWh (accounted for 95%) in China. The proportions of the natural gas, gasoline, and diesel consumption did not reach 5% respectively. Each plant proposes programs to improve the energy efficiency and reviews the implementation status of the goal regularly by the Environmental Protection Committee.

Area		Taiwan			China		
Item / Year		2019	2020	2021	2019	2020	2021
Direct Energy	Electricity (MWh)	16,941	14,413	15,907	29,973	31,113	49,016
Indirect Energy	Liquefied Petroleum Gas (MWh)	0	0	0	0	0	0
	Natural Gas (MWh)	317	262	233	1,122	897	1,234
	Diesel Fuel (MWh)	14	15	30	30	24	310
	Gasoline (MWh)	131	130	104	715	87	1,057
Total Energy Consumption (MWh)		17,403	14,820	16,274	31,840	32,121	51,617
Total Intensity of Energy Consumption (1 MWh/ NTD 100m) ^{1,2}		87.5	83.7	60.5	104.1	117.7	129.4



1: The scope of revenue of China plants

2019-2020: Coretronic Display (Suzhou) and Coretronic Optotech (Suzhou)

2021: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)

2: The scope of revenue of Taiwan plants

2019-2020: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality and Coretronic MEMS

2021: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality, Coretronic MEMS and Coretronic Intelligent Logistics Solutions

3: 1 MWh=0.0000036GJ.

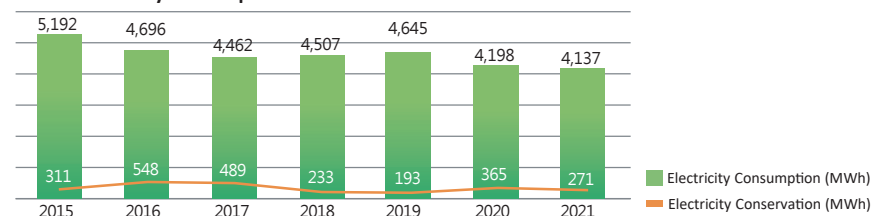


2.ISO 50001 EnMS

Chunan plant has introduced the ISO 50001 energy management system since 2016 and obtained certification. Also, the energy management system with dedicated energy management personnel was established to build energy management policies, employee proposal, and incentive systems. Besides, we systematically manage energy usage, regularly reviews energy saving benefits, and continuously promotes energy saving measures and related promotional activities.

100 energy-saving programs were implemented from 2015 to 2021 in Chunan plant, with an accumulated reduction of 2.41 GWh of electricity, and a 1.5% reduction in electricity consumption in 2021 compared to 2020, achieving the annual electricity saving target.

Total Electricity Consumption and Conservation in Chunan Plant



Item	Year	2019	2020	2021
Total Electricity Consumption in Chunan Plant (MWh)		4,645	4,198	4,137
Total Electricity Conservation by Energy-saving Projects in Chunan Plant (MWh)		193	365	271

3. Measure and Performance of Energy-saving

- Total energy consumption in Taiwan decreased by 27% in 2021 compared to 2019 due to the introduction of magnetic suspension ice machines in Headquarters and Chunan plant, the implementation of electricity consumption monitoring and management, and the continued promotion of energy conservation measures, resulting in a slowdown in electricity consumption and a decrease in overall energy consumption.
- The plants in China have implemented the improvement plan for energy conservation since 2018. For example, to respond to the extreme weather caused by global warming and climate change, the plant used the energy-saving lighting equipment, introduced the energy-saving measures to the air-conditioning system, and reviewed and shared the improvement actions with the Environmental Protection Committee on a quarterly basis. In 2021, the expansion of Wujiang Plant (established Coretronic Optics (Suzhou)) increased the intensity of electricity consumption by 7.7%. To reduce energy consumption, the solar plants were built at Wujiang Plants to replace ordinary electricity consumption with clean energy in order to reduce the intensity of electricity consumption.
- Since 2015, we have reduced electricity consumption by implementing energy-saving projects in three directions, including HAVC systems, electric lamps, and other electricity consumption. Plants in Wujiang started doing energy-saving activities in 2019, and so did Kunshan plants in 2021. 239 energy-saving projects have been finished since 2015 with saving 12.85 GWH of electricity. This result is equivalent to reducing 7,821 tCO₂e.

Area / Year	Taiwan			China		
	2019	2020	2021	2019	2020	2021
Total Electricity Consumption (MWh)	16,941	14,413	15,907	29,973	31,113	49,016
Total Electricity Conservation by Energy-saving Projects (MWh)	596	1,922	2,346	665	446	2,111
Total Carbon Reduction of Energy-saving Projects (tCO ₂ e)	304	965	1,178	526	353	1,672
Intensity of Electricity Consumption (1 MWh/ NTD 100m) ^{1,2}	85.1	81.4	59.1	98.0	114.0	122.8

1: The scope of revenue of China plants

2019-2020: Coretronic Display (Suzhou) and Coretronic Optotech (Suzhou)

2021: Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)

2: The scope of revenue of Taiwan plants

2019-2020: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality and Coretronic MEMS

2021: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality, Coretronic MEMS and Coretronic Intelligent Logistics Solutions



NEW

4. Preliminary Assessment of Green Building

To achieve mutual existence and prosperity of buildings and the environment, ensure building energy conservation, continuously reduce energy consumption and CO₂ emissions, maintain ecological and environmental balance, and create a sustainable plant, we entrusted the third party to conduct a pilot assessment of the Chunan Plant and Tainan Plant 1 based on the Leadership in Energy and Environmental Design (LEED) certification in 2021. The results show that they are at the “Silver” and “Certified” levels respectively.

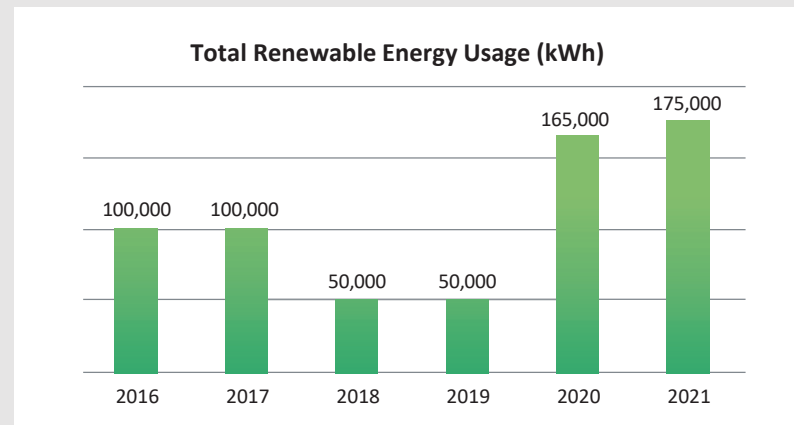
5. Renewable Energy

Commitment and Target	Strategy
<p>2020-2022: The annual renewable energy usage of plants in Taiwan accounts for 1% of the annual electricity consumption of the entire plants.</p>	<ul style="list-style-type: none"> • 2016-2017 : Purchased green power. • 2018: Tainan plant 1 established a solar plant on the roof. • 2018-2021: Purchased renewable energy certificate (T-REC) for 4 consecutive years. • 2020: Set the target of the renewable energy usage. • 2021:3 solar plants were established on the roofs of Wujiang Plants.
Performance in 2021	

NEW

- Purchased 175 renewable energy certificates (for 175 MWh of capacity) and 87.9 tCO₂e reduction in 2021, achieving the annual target.
- Purchased 640 renewable energy certificates (for 0.64 GWh of capacity) and 331 tCO₂e reduction since 2016.
- In 2021, 3 Wujiang Plants respectively installed 3 solar plants with a capacity of 1,207 kWh, 3,994 kWh, and 485 kWh on the roofs, and will generate an estimated 6.05 GWh of electricity every year, which is equivalent to 4,797 tCO₂e reduction.

Note: The coefficient of Wujiang Plants' carbon emissions refers to the results of the 2019 China regional grid baseline emission factor, 1 kWh of electricity=0.7921 kgCO₂e.



4.2 Waste Management

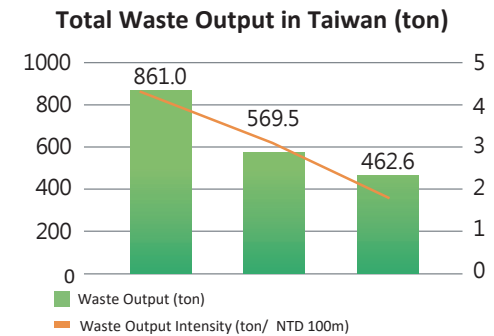
Strategy	Measure
To properly treat process wastewater, hazardous substances, and waste; constantly enhance the wastewater recycling rate, waste recycling rate, and waste reduction rate. Also, we established KPI with periodic follow-up and review to manage the effectiveness.	<ul style="list-style-type: none"> Strengthened waste management and enhanced resource recycling proportion and resource sharing. Designed and developed products with size and materials reduction to reduce waste output. Used recycled materials to achieve waste reduction and recycling. Commissioned qualified contractors for waste disposal.

Performance in 2021

- The intensity of waste output was 47% less than 2020.
- Recycle more categories of packaging materials and increase the circular economic efficiency of wooden pallets. During 2017-2021, a total of 484.4 tons of wooden pallets were recovered to reduce carbon of up to 997.9 tCO₂e.
- Audited 13 waste disposal contractors, with a 100% audit rate.

1. Waste Output

We have established waste management strategies for plants in Taiwan and China to effectively lower environmental impact. In terms of the level of environmental impact, we classified waste into five categories: domestic waste, recyclable waste, general industrial waste, hazardous industrial waste, and electronic waste. From 2015 to 2021, we implemented process waste reduction and sub-divided measures into scrap disposal, enhanced process waste reduction, reused packaging materials, formed the circular economy alliance, and reduced office paper consumption. In 2021, the intensity of waste output of plants in Taiwan was 47% less than 2020, while plants in China focus on waste sorting and recycling, resulting in an intensity of waste output at 13.9 in 2021. In 2022, domestic waste reduction will be actively promoted and systematic statistics will be produced.



Category	Description	Disposal	Taiwan			China
			2019	2020	2021	2021
Domestic Waste	Domestic waste	Transported to the incineration plants designated by the government for incineration by local qualified contractors.	189.0	154.5	127.1	-
Recyclable Waste	Waste plastics, waste paper, waste metals, and announced recyclable waste	Recycled by local qualified recycling contractors.	618.0	365.3	243.5	5,237.0
General Industrial Waste	Unclassified inflammable waste	Transported to disposal plants by qualified contractors by way of disposal.	37.5	37.3	87.8	289.1
Hazardous Industrial Waste	Mercury lamps, empty bottles, waste liquid, electronic waste, and hazardous waste at disposal regulated by local environmental protection authorities	Sorted and gathered by hazard properties and disposed of by qualified contractors.	16.5	12.4	4.2	19.2
Total Waste Output (ton)			861.0	569.5	462.6	5,545.3
Waste Output Intensity (ton/NTD 100m) ¹			4.3	3.2	1.7	13.9

1: The scope of revenue

2019-2020: Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality and Coretronic MEMS

2021: Taiwan- Coretronic, Young Green Energy, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, uCare Medical Electronics, Champ Vision Display, InnoSpectra, Coretronic Reality, Coretronic MEMS and Coretronic Intelligent Logistics Solutions;

China-Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan)

2. Waste Reduction Strategy

1) Packaging Materials Re-Use

Plants in Taiwan carried out 4 wrapping recycle measures in 2021 with a recycling rate of 94%. As for the recycling performance in terms of the number of recycled wrappings, 92.6% of trays, 87.9% of pallets, 100% of plastic pads, and 89.9% of paper cartons were recycled to the amount of 85.1 tons. They were reused to reduce the pollution of the waste to the environment. The benefit of carbon reduction was 175.3 tCO₂e (an output of 2.06 tCO₂e per ton of waste according to the Low Carbon Sustainable Information System).

2) Circular Economy Alliance

The collaboration with local transport service suppliers has been implemented since 2017. Pallet prototypes have been recycled under the collaboration and reused for transport. 484.4 tons of wood pallets have been recycled from 2017 to 2021 with a carbon reduction of 997.9 tCO₂e and a cost saving of NTD 2.18 million thanks to the reduced purchase of wood pallets and disposal of waste.

3) Product End Processing Tracking

To ensure legal use of recycled products, Coretronic establishes explicit waste management regulations and performs on-site audit of the legal compliance and back-end disposition capability of the waste disposal service suppliers every year. If any nonconformities are identified, guidance is provided with an admonition received by the supplier concerned, and the nonconformities are subject to follow-up actions for improvement. If nonconformities are not removed, the waste disposal agreement will be terminated to ensure legal and appropriate disposal of waste. In 2021, audits of 13 suppliers rendering the services of wood pallet recycle and disposal of industrial and hazardous industrial waste and waste electronic components were scheduled and completed with a completion rate of 100%. The results of the audits did not show any nonconformities.

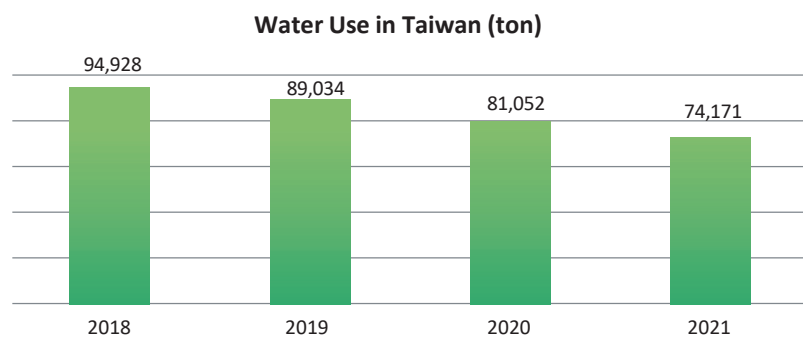


4.3 Water Resource Management

The water demand of plants in Taiwan and China is mainly for air conditioning, drinking water, cleaning, irrigation and group meals, and the users are employees, visitors and contractors. Since the manufacturing process does not require water, the impact on the environment is not significant. However, considering that water resource is the major international sustainability issue, we have adopted recycling and water conservation measures to reduce the impact, and at the same time, we have strengthened disseminating the messages on water conservation to prevent the crisis of water shortage in the dry season in advance. Plants in China will gradually implement water recycling and conservation measures in the future.

1. Water Management Strategy

- 1) Maximize the water usage efficiency.
- 2) Enhance the importance of water conservation for the upstream and downstream value chains.
- 3) Set water conservation goal and conduct regular review to achieve the target.
- 4) Continue to promote various water conservation plans to reach the water conservation efficiency.
- 5) Discover possible measures for water conservation through the daily management and inspections.
- 6) Promote water resource education and enhance the water usage efficiency for stakeholders.



2. Water Use

The issue of water resources is a common concern worldwide. Coretronic has set the water reduction target, even though water resource is not the major concern for its operation environments, by educational propaganda on water usage and promoting water conservation and recycling measures.

Water consumption of plants in Taiwan was 17% less than 2019, achieving the 2021 target, and water consumption of plants in China was 515,854 tons.

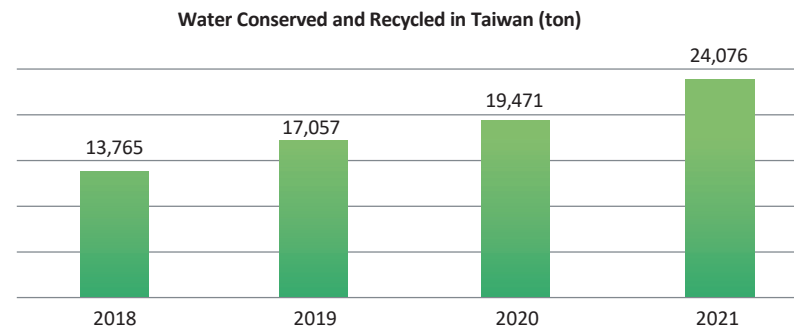
3. Water Conservation Strategy

- All plants in Taiwan are equipped with the water reclamation system to mainly reclaim surface runoff, air conditioning condensate, and rainwater for irrigating landscaping plants and secondary domestic water consumption. Additionally, water conservation was achieved by regulating air conditioning water exchange concentration, adding tap water-efficient devices (water regulators and sensor taps), monitoring the water consumption of catering service, and reducing cleaning water consumption.
- 74,369 tons of water has been conserved and recycled in plants in Taiwan since 2018.

4. Water Conservation Performance

Item / Year	2018	2019	2020	2021
Water Conserved (ton)	11,769	14,212	16,405	16,822
Water Recycled (ton)	1,996	2,845	3,066	7,254
Total Water Conserved and Recycled (ton)	13,765	17,057	19,471	24,076
Carbon Reduction (tCO ₂ e) ¹	2.09	2.59	2.96	3.66

1: The unit water carbon production was calculated based on the data at 0.152 kgCO₂e announced by Taiwan Water Corporation.



4.4 Green Solutions¹⁰²⁻¹¹

1. Green Material

In addition to introducing the green accounting system to collect and analyze green procurement performance, Coretronic purchased green materials to thoroughly implement green supply chain management.

Year	2019	2020	2021
The amount of green material procurement (NTD)	12,472,099,767	15,367,139,812	23,099,564,853
The amount of material procurement (NTD)	12,856,025,985	15,979,024,675	23,814,312,717
The percentage of green material procurement (%)	97%	96%	97%

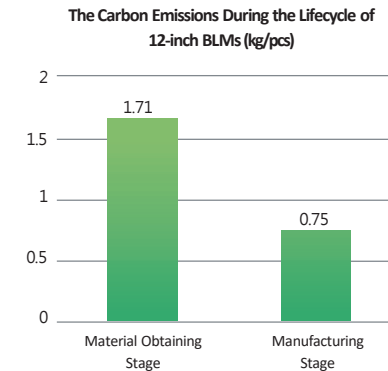
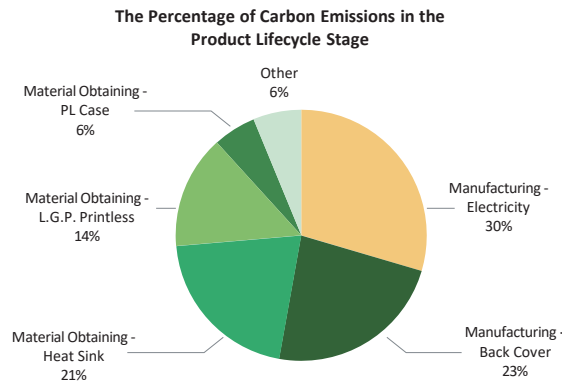
2 GreenManufacturing

1) Product Carbon Footprint Inventory

The carbon emission at each phase of the product life circle can be analyzed with reference to the carbon footprint inventory. The product subject to carbon footprint inventory in 2021 was 12'' backlight modules (BLMs). The result of the inventory showed a carbon footprint of 2.46 kgCO₂e/pcs (i.e. 0.0095kg of carbon footprint per gram of products), 7.9% less than the carton footprint of the same product in 2020.

Due to the package reduction design, improvement for manufacture, and various energy-saving measures, Coretronic successfully reduced the product carbon emission.

Lifecycle Stage	Category	Carbon Emissions (kg)	Percentage (%)
Manufacturing Stage	Electricity	0.73	30%
Material Obtaining Stage	Back Cover	0.57	23%
Material Obtaining Stage	Heat Sink	0.51	21%
Material Obtaining Stage	L.G.P. Printless	0.36	14%
Material Obtaining Stage	PL Case	0.14	6%
Other	-	0.15	6%



2) Light Guide Plate Manufacturing Process Improvement

Regulate the production temperature and save 0.25 kWh of electricity per hour. In 2021, the production hours were 2,321.4 hours, with electricity saving of 580.4 kWh and carbon reduction of 0.29 tCO₂e.



3. Green Transport

1) Green Packaging Material

- ① Molded Pulp: In 2021, 68% products used molded pulp.
- ② Design-Size Reduction: It has been applied to the product platforms of R70 projector to reduce 42% packaging materials.
- ③ The waste cartons and cultural paper for printing, books or newspaper produced during the manufacture process and by the offices of the plants in Taiwan were transported to the paper manufacturers in Taiwan for recycling through legal environment-friendly waste disposal service suppliers. Paper products made from 80%~100% recycled pulp and attached with the Green Mark were purchased from their downstream manufacturers to support the “Resources Recycling and Reusing Program” of the Environmental Protection Administration and achieve the goals of “recycle of wastes to displace exploitation of natural resources, full circulation of materials, and zero waste.” In 2021, 1,723,891 shipping cartons made from recycled pulp and attached with the Green Mark were purchased for the plants in Taiwan.
- ④ Recycling scrapped trays: When trays are unusable anymore after repeated use, all scrapped trays are commissioned to tray suppliers for recycling to achieve the goals of “waste to resources, replacement of natural resource exploitation, total substance recycling, and zero waste.” In 2021, 22,631 scrapped trays were recycled to reduce 1.13 tons of waste and 2.33 tCO₂e.

2) Green Transport

Implementing package reduction of the R70 projector can reduce packaging materials and fuel consumption in sea transportation. It is estimated that 4 kgCO₂e will be reduced each unit, approximately 1.1% of carbon emissions.

4. Green Design ³⁰²⁻⁵

1) R&D Patent

By integrating green thinking into technology development, we actively apply for R&D patents to design eco-friendly products to successfully help customers conserve energy and reduce carbon emissions. In 2021, 51% of proposals made by plants in Taiwan were related to energy conservation and carbon reduction, 3% more than 2020.

2) Projectors and Visual Solution

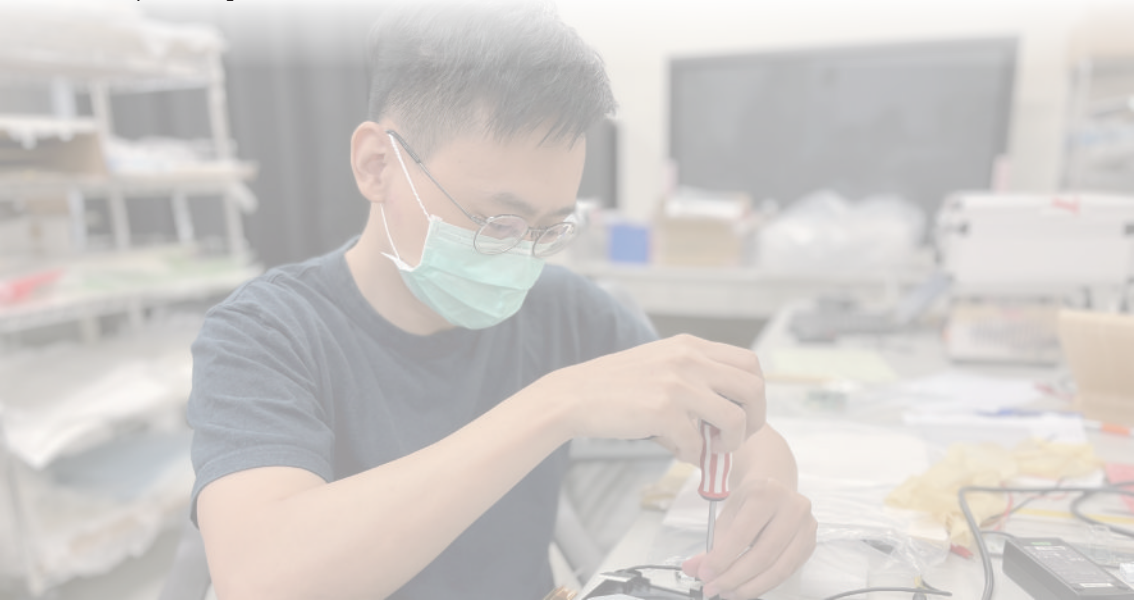
- ① Constantly optimized the lighting design of projectors to save about 15.14 GWh of electricity and reduce 7,708 tCO₂e each year.
- ② The safe auto off function (including automatically shut off without input signals and sleep mode).
- ③ Electricity consumption in the standard operation mode and standby mode complies with the energy-efficiency standard specified by the Environmental Protection Administration.
- ④ Reducing the design of back-end process (electroplating, paint spraying, and printing) of products.
- ⑤ Use of LED and laser eco-friendly solid-state illumination (SSI) and other mercury-free materials for a completely mercury-free projector.
- ⑥ Compared to traditional short throw projectors, projectors using LED and laser SSI have a five-time longer life without the need of bulb replacement to reduce environmental protection.

3) Backlight Module (BLM)

To reduce the size and materials of BLMs, meet the optical requirements, and reduce the use of optical composite films, we redesigned the INB14203 composite film of 0.26mm thick and 20 grams into the INB14211 composite film of only 0.16mm thick and 11 grams, reducing the weight each film by 45%. In 2021, we produced about 2,960 composite films to reduce weight by 26.6kg and 0.05 tCO₂e.

4) Light Guide Plate (LGP)

The LGP micro mechanism design was optimized to reduce product weight without sacrificing the optical design requirements. As a result, LGP thickness was reduced by 20% and weight was reduced by 30%. After the improvement of optical framework design, the original POP thickness was 0.45mm, the MOP thickness was reduced to 0.32mm, the optical performance remained unchanged, and weight was reduced by 29%. In 2021, a total of 3,213,465 pieces of 43-inch, 50-inch, and 55-inch were produced, with weight reduced by 342,257kg and carbon by 705 tCO₂e.



4.5 Green Corporation

Strategy	Measure
Based on “Environmental Sustainability 4G”, we initiated the “Green Lifestyle Program” and invited stakeholders to participate in to create green power and reduce the environmental impact of climate change.	<ul style="list-style-type: none"> • Cultivate employees’ environmental awareness and behavior • GHG and water reduction • Build the green factory
Performance in 2021	

- Held 13 environmental protection activities and recruit 47 environmental volunteers.
- Constantly arrange environmental training courses and accumulated 7,526 person-hours of environmental education in 2021.
- Since 2015, we have climbed over 0.16 billion staircases to save a total of 1,207 tCO₂e and 2.32 GWh of electricity.

• Environmental Protection Promotion

We understand that the failure of climate change mitigation and adaptation has become the most influential sustainability issue that concerns the world. Apart from the attempt to demonstrate the influence of sustainability with actions and activities promoting environmental preservation, we hope to enforce the “environmental sustainability 4G and initiate the “Green Lifestyle Program” with stakeholders in order to contribute to the sustainable development of the Earth.

In 2021, we launched the internal environmental e-learning courses at Coretronic App for employees and their family to use the courseware together to successfully promote environmental education. Additionally, we also actively engaged in environmental and charitable activities and addressed the demands of the local government by adopting public toilets and the coastline. We also sponsored environmental protection activities to progressively expand the scope of influence from inside out.

Item \ Year	Strategy	2019	2020	2021
Green Earth	Events for Earth Day	<ul style="list-style-type: none"> • A total of 1,337 people participated in environmental protection activities 	<ul style="list-style-type: none"> • A total of 2,584 people participated in environmental protection activities 	<ul style="list-style-type: none"> • A total of 4,471 people participated in environmental protection activities
Green Knowledge	<ul style="list-style-type: none"> • E-learning Platform • Environmental Protection Poster • Eco-friendly Education • Environmental Protection Courses 	<ul style="list-style-type: none"> • A total of 8,712 person-hours environmental education • Monthly publication of environmental protection posters • Adopted 500m of Long Fong Fishing Port 	<ul style="list-style-type: none"> • Monthly publication of environmental protection posters • Adopted 1km of Long Fong Fishing Port • Organized 1 beach clean-up activity • A total of 2,921 green points completed 	<ul style="list-style-type: none"> • A total of 7,526 person-hours environmental education • Monthly publication of environmental protection posters • Adopted 1km of Long Fong Fishing Port • Organized 1 beach clean-up activity • A total of 2,943 green points completed • In response to the "A Green Habit, A Better Earth" activity
Green Actions	<ul style="list-style-type: none"> • Coastline Adoption • Environmental Protection Sponsorship • Public Toilet Adoption • Beach Clean-up • Community Development 	<ul style="list-style-type: none"> • Organized 1 beach clean-up activity • A total of 3,614 green points completed 	<ul style="list-style-type: none"> • In response to the "A Green Habit, A Better Earth" activity • Adopted 4 public toilets • The total amount of sponsorship for environmental protection was NTD 37,100 	<ul style="list-style-type: none"> • Adopted 4 public toilets • Sponsor 2,000 bottles of draw decomposers • The total amount of sponsorship for environmental protection was NTD 579,200

NEW

NEW



1. Green Earth – Events for Earth Day

Since 2020, we have declared the climate emergency announcement and invited employees to join “A Green Habit, A Better Earth” held by the social enterprise, Greenvines, Taiwan Environmental Information Association, and B Lab Taiwan, and implemented a series of activities on Earth Day. In 2021, besides all employees and senior executives, we invited 14 local elementary schools and 11 suppliers to take part in these activities. 3,521 participants joined the event, planted 220 plants, and saved 818 kWh of electricity with 416 kgCO₂e reduction.



1) Turn off Lights for One Hour

Invited plants in Taiwan, 14 elementary schools in Miaoli, and 11 suppliers to turn off lights for one hour on Earth Day. A total of 2,880 people joined this event.



2) Plant the Trees

Invited senior executives and employees to plant 25 cherry blossom trees and 195 plants together. A total of 71 people joined this event.



3) Water Center Adventure

Employees were taken to the environmental education center- “Hsinchu City Ker-Ya Wastewater Treatment Plant” to learn about the sewage treatment system and water recycling system. A prized quiz was also arranged afterwards. The event satisfaction score was 4.81 points (out of 5). A total of 173 people participated in the event to accumulate up to 105 person-hours of environmental education.



4) Firefly Tour in Summer

Invited employees and their families to join Indigo Dyeing Workshop and Firefly Ecology Tour. The event satisfaction score was 4 points (out of 5). A total of 192 people participated in the event to accumulate up to 1,536 person-hours of environmental education.



5) Green Goods Exchange

205 employees recycle waste batteries and donate invoices to exchange eco-friendly articles of daily use. A total of 460 articles of daily use were exchanged with 3,070 waste batteries.



[Actions for Climate Emergency](#)

2. Green Knowledge

Online Environmental Training Platform

Employees can watch environmental movies with their families via computers and Coretornc APP and accumulated 2,132 person-hours of environmental education.

Environmental Education Venue Tour

- NCHU Xinhua Forest: Employees and their family visited NCHU Xinhua Forest and took the forest education course to discover Taiwan’s plant ecology. Additionally, orienteering and tree climbing were arranged to inspire personal concerns about forests. A total of 40 persons participated in the visit to accumulate up to 280 person-hours of environmental education.
- Er-Ren River in Tainan: A tour guide explained the remediation history the Er-Ren River and the importance of wetland ecology and human beings. Employees also learned methods for ecological investigation and water quality monitoring and were trained to observe and think about issues of nature. A total of 40 persons participated in the visit that accumulated up to 120 person-hours of environmental education.



3.Green Action

Beach Adoption and Clean-up Activity

Since 2017, we have adopted 0.5km of the coastline of Long Fong Fishing Port, and extended from 0.5km to 1km in 2020. Moreover, we invited local residents in Miaoli County to take part in the coastal cleanup activity. Since 2015, we have held annual coastal cleanup activity for 5 consecutive years. A total of 1.65 tons of waste was cleaned up.

Public Toilet Adoption

We began to support the public toilet adoption policy of the Environmental Protection Administration (EPA) in 2020 by sponsoring the consumables of 4 local public toilets for 2 consecutive years to maintain the high quality of public toilets. By adopting the public toilets of Dapu Culture Center and Lingmubei Park in Chunan Town, we became the first private enterprise to adopt public toilets in Chunan Town, and the public toilets of Lingmubei Park was rated "excellence."

NEW Community Development – Have Fun in Wennei

- In 2021, we signed up to the Environmental Protection Bureau's "Encouragement of Businesses' Self-involvement in Environmental Education · Implementation of Sustainable Operations" project to repay local communities with technology. We invited residents of Wennei Community in Chunan Town to participate in environmental protection activities, such as nature and ecological guided tour, coastal cleanup, DIY VR cardboards, and beetle magnets, hoping to develop environmental education activities with local features with technology. Additionally, the guided tours provided by environmental education volunteers helped employees and their family understand the plant, butterfly, and wetland ecology around the Guanyidu Ecology Park, enhanced the concept and enrich the knowledge in environmental protection. We also invited residents to clean up the beach and learn science and technology principles together to experience a life of nature preservation and future technology.
- A total of 80 employees, family, and residents participated in the activity and cleaned a total of 235kg of marine debris and accumulated up to 240 person-hours of environmental education.

NEW Sponsoring Straw Decomposers

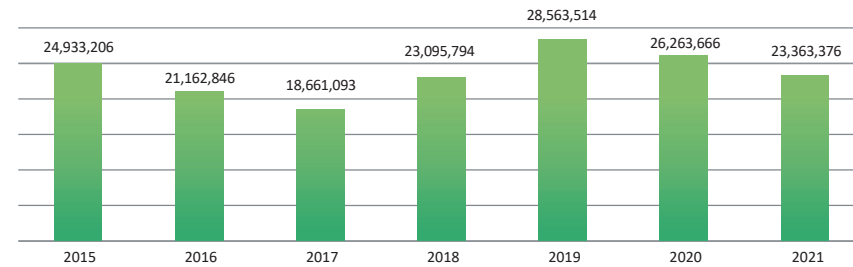
Through the invitation from TSMC, we signed up to the "Friendly Environment and Air Pollution Improvement" union to provide straw decomposers to farmers in Hsinchu County to replace burning straw and effectively reduce air pollution. In 2021, we sponsored a sum of NTD 470,000 to purchase 2,000 bottles of draw decomposers for use on 200 hectares of field, about 5% of all fields in Hsinchu County, to reduce 1,800 tCO₂e.



"Rise Up"- Stair Climbing Competition

- Coretronic installed a self-developed counter in each floor to record the carbon reduction footprint of the employees by stair climbing and has held the "Rise-Up" stair climbing competition since 2015 to internalize the environmental awareness of energy saving and carbon reduction internally in the Company.
- Due to the increase in the machine stability, friendly participation mechanism, interesting competition award system and encouraging employees to team up for stair climbing, the President, Sarah Lin, specially invited employees to climb stairs to reduce carbon and led the stair climbing trend with a top-down approach. This was a specific action representing the internalization of green action in the Company.
- Since 2015, we have climbed a total of 166,043,495 staircases to save a total of 1,207 tCO₂e and 2.32 GWh of electricity.

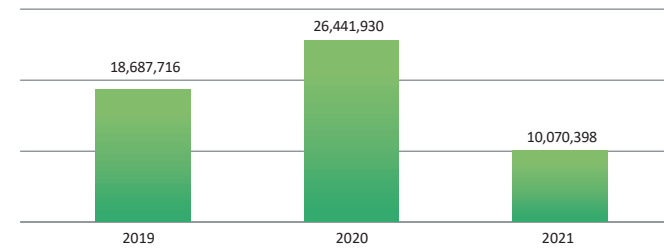
Total Staircases of Stair Climbing Competition



Increase the Total Amount of Green Product Procurement

- To support EPA's green procurement policy, enforce the "recyclable, low pollution, and less resource" environmental protection concepts, and stimulate suppliers to actively develop green products in order to raise the level of Taiwan's green product production, we prioritize the procurement of low-pollution, recyclable, less-resource or green construction materials, self-announce or use green products with lower environmental impact in the lifecycle (from materials to waste), and actively participate in green procurement projects, hoping to start the green consumption norm.
- In 2021, we constantly purchased green products such as energy-efficient and water-efficient equipment and devices, LED lights, and RECs. The total amount was 62% less than 2020 because the green transport (HSR) expenses reduce when business trips and travels were cut due to the COVID-19 pandemic. However, we continued to encourage employees to use company cars together to reduce carbon emissions from transportation.

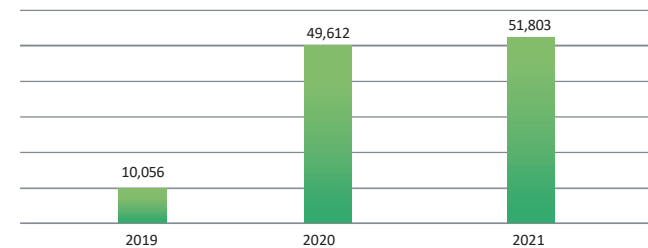
Total Amount of Green Product Procurement (NTD)



Use More Recycled Paper

- To protect the environment and reduce GHG, we prioritize the procurement of FSC/PEFC-certified paper for office and toilet uses.
- In 2021, we purchased a total of 32,212 packs of toilet paper with Green Mark, 19,591 packs of recycled paper, and paper containers with FSC labels.

Total Amount of Recycled Paper Use (pack)





05

Sustainable Supply Chain

5.1 Supply Chain Management Strategy

5.2 Responsible Supply Chain Management

5.3 Green Alliance

5.1 Supply Chain Management Strategy 102-9, 102-43

Suppliers are important partners for the sustainable operation of the Company and the plants in Taiwan and China. We have a total of 1,639 suppliers (1,422 domestic suppliers, accounting for 87% and 217 overseas suppliers). We conducted the classification and management based on the characteristics of the supplier and the products and services provided by them while adopting local procurement as the priority to promote the development of local economy. We also ensured to maintain stable operation, accelerated the production efficiency and reduced the carbon emission generated during the transportation as much as possible.

To achieve the vision of “for a sustainable future” with suppliers, we have established the “Sustainable Suppliers Code of Conduct” for suppliers of production materials, with contents including legal compliance for suppliers, risk assessment, audit, and training and guidance for suppliers; and commendation of suppliers with outstanding performance and sharing information on the trends of sustainable development at the supplier annual conference to ensure the sustainable development of suppliers. Additionally, we have also established the “RBA Code of Conduct Management Handbook” according to the RBA Code of Conduct for supplier management and urging suppliers to emphasize ethics, labor human rights, environmental protection, as well as health and safety issues to thoroughly implement risk management and the business continuity plan (BCP) in order to build a sustainable supply chain.

Supplier Type		Suppliers for Production Materials		Suppliers for Non-production Materials	
Definition		Manufacturers supplying raw materials for product manufacturing		Manufacturers supplying non-product materials	
Location of Suppliers		Domestic	Oversea	Domestic	Oversea
Plants of Coretronic	Taiwan	170	91	477	24
	China	358	74	417	28

01 Regulation

- Sustainable Suppliers Code of Conduct
 - Supplier / Contractor Sustainability Commitment Statement
- Environmental** : RBA, Responsible Minerals Procurement Policy, Declaration on Non-Use of Conflict Mineral, Green Product Warranty, Environmental Sustainability and Occupational Safety and Health Policy
- Social** : RBA, Environmental Sustainability and Occupational Safety and Health Policy
- Governance** : RBA, Integrity Commitment

02 Risk Assessment

- RBA SAQ
- ESG SAQ

03 Audit

- RBA Paper/On-site Audit
- Annual Audit
- Quarterly Audit

04 Training

- GPMS 1.0
 - Document Upload/Download
 - Regulation Announcement
- GPMS 2.0
 - ESG Online Course
 - ESG News Sharing

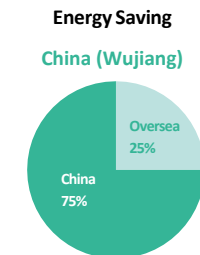
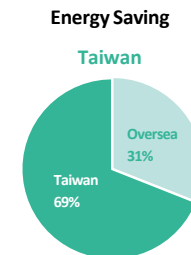
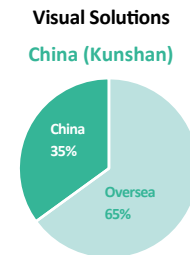
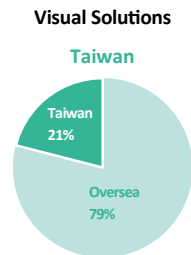
05 Improvement

- Annual Supplier Conference
- Best Supplier of the Year Award
- Supplier Circular Economy Collaboration
- ESG Lecture



Procurement Practices

Based on the environmental footprint, we understand that material and part procurement can likely cause environmental impacts. Therefore, procurement localization is an important strategy for finding suppliers and partners. We also hope that suppliers can operate their business through local procurement, in order to contribute to environmental protection together. The figure below shows the proportion of local procurement in 2021. In order to maintain the quality of products, plants of Coretronic Visual Solutions Business Group in Taiwan and China (Kunshan) must purchase key components from specific foreign suppliers, thus, the proportion of local procurement is much lower, however, we will strive to buy the rest of components from local suppliers.



5.2 Responsible Supply Chain Management ^{102-43, 102-44}

1. Regulation

NEW

- 1) Compliance with "Supplier and Contractor Sustainability Commitment Statement"
We established "Supplier and Contractor Sustainability Commitment Statement" based on RBA to require suppliers of production materials (except for OEM and customer-specified suppliers) to comply with all requirements of RBA Code of Conduct Version 7.0, Green Product Warranty (promise and ensure their products comply with the Code of Green Product Procurement, and provide RoHS lab test and examination report from an accredited third-party unit, Green product commitment, Environmentally hazardous substance questionnaire, Lead-free part reliability report, Safety data sheet (SDS), Certificate of authenticity (COA), Test integrated form, and Conflict Minerals Statement), Responsible Minerals Procurement Policy, Declaration on Non-Use of Conflict Mineral, Integrity Commitment and Environmental Sustainability and Occupational Safety and Health Policy. In 2021, 489 suppliers must sign "Supplier and Contractor Sustainability Commitment Statement", and a total of 392 suppliers affixed their signatures with a signing rate of 80%.
- 2) RBA VAP
Coretronic Optics (Suzhou) and Coretronic Projection (Kunshan) completed the RBA VAP, achieved Silver Status and earned a score of 170 and 164.2, respectively.
- 3) Responsible Minerals Procurement Policy, Declaration, and Investigation
Conflict metal refers to minerals from the conflict mining area of the Democratic Republic of the Congo. These minerals are refined into tantalum (Ta), tin (Sn), tungsten (W) (referred to as tri-T mineral), gold (Au), and cobalt (Co). We declare and promise not to accept the use of metals from conflict mining areas. Besides, we established and added "Responsible Minerals Procurement Policy" and "Declaration on Non-Use of Conflict Mineral" based on RBA to "Supplier and Contractor Sustainability Commitment Statement" as well as announced the requirements above to all suppliers at annual supplier conference. All suppliers of production materials must sign and comply with "Supplier and Contractor Sustainability Commitment Statement." Moreover, in order to meet customers' needs, our Visual Solutions Business Group uses "Conflict Minerals Survey Form" based on RMI CMRT Version 6.1 to investigate the information of smelters for the Tantalum, Tin, Tungsten and Gold required in the products. In 2021, we have successfully received responses from 208 suppliers, with the response rate of 100%.

2. Risk Assessment ^{102-11, 102-15}

NEW

- 1) RBA self-assessment questionnaire
In order to thoroughly evaluate the sustainability risks of our production material suppliers, we send RBA self-assessment questionnaires to all suppliers who are subject to RBA audits, so that the suppliers can first assess their own sustainability performance and then conduct written/on-site RBA audits after the self-assessment questionnaires are completed.
- 2) ESG self-assessment questionnaire
To understand more about the ESG development of suppliers to facilitate guiding them to the sustainable supply chain, we completed the sustainability survey questionnaire in 2021 and planned to upload it to the Green Product Management System (GPMS) by 2025 for suppliers to answer it online, so that we can identify their awareness of sustainable management and level of management in order to plan suitable improvement actions for suppliers.
- 3) Strategic materials preparation system
Prioritize controls over materials with higher risk in supply and key materials, set the strategic safety stock based on the market supply-demand condition and supplier delivery speed to ensure stable materials supply and effectively lower the operational risk caused by materials supply. In the future, we will continue to search for and cultivate local suppliers that meet the green and environmental protection regulations and provide quality materials in order to prioritize local procurement and reduce carbon emissions by shortening the transportation mileage.
- 4) Annual financial risk assessment of suppliers
Since 2020, the financial unit has performed the annual financial risk assessment of suppliers each year with the list of suppliers with potential risk approved by the supervisors of business groups provided by the procurement unit. Based on the open financial data and financial statements provided by suppliers and the reports obtained from third-party credit investigation companies (such as the credit investigation companies working with D&B), the financial unit grades the risk level of suppliers and submit the results to the CFO for approval. Then, the procurement unit delists suppliers with higher risk. In 2021, we assessed the financial risk on 8 suppliers and removed 2 with higher risk from the qualified vendor list.

NEW

5. COVID-19

Target	Strategy	Performance
Prevented supply disruption Improved supply performance and responsiveness Strengthened the labor flexibility and agility of employees	【 Visual Solutions Business Group 】 <ul style="list-style-type: none"> In response to the COVID-19 pandemic, we searched for the production and supply solutions across Taiwan, Hong Kong, and China by sourcing the same material from different suppliers and maintaining a safety stock for 2-4 weeks to ensure the steady operations of Kunshan Plants. Based on the local government policy, we surveyed the employee duty status, PCR test status, logistics status, stock status, financial status, and availability of epidemic control supplies of suppliers in mainland China; adopted different counteractions to the different policies in different areas; and coordinated resource dispatch as necessary to ensure the normal production of all products and timely delivery of products to customers. 	<ul style="list-style-type: none"> All suppliers maintained normal production. Order fill rate (OFR): 100% Materials preparation rate: 100% Kunshan Plants maintained normal operations and remained unaffected.
	【 Energy Saving Business Group 】 <ul style="list-style-type: none"> Implemented regional supply chain and multiple source procurement strategy. Ensured the supply capability of suppliers through periodic evaluation. Built the remote supply system operation mechanism. 	<ul style="list-style-type: none"> Implemented the supplier verification for homogeneous sources Completed the annual evaluation and audit of all suppliers Completed the remote operation drill of purchasing personnel

3. Audit

1) RBA Audit

Supplier Type	Audit Target		Audit Method	Pass Score	Number of Audited Suppliers	Number of Pass Suppliers	Pass Rate	
New Supplier	First-time transaction supplier (excluding affiliates, customer-designated suppliers, special materials suppliers)		Paper/ On-site Audit	60	19	19	100%	
Existing Suppliers	Visual Solutions Business Group (Kunshan Plants)		Paper/ On-site Audit	60	14	14	100%	
	Energy Saving Business Group	Taiwan Plants	Suppliers with over 20 transactions in the year (excluding suppliers of packaging materials and suppliers without subsequent delivery plans)	On-site Audit	80	11	11	100%
		Wujiang Plants	Suppliers with over 5 transactions in the year (excluding affiliates, customer-designated suppliers, special materials suppliers)	On-site Audit	60	17	17	100%

2) Annual Audit

To guide suppliers to supply better-quality products, the QA department conducts scheduled onsite audits on major part and component suppliers. The audit includes: shipping quality assurance, quality anomaly handling, verification of the methods and specifications for testing restricted substances, review of the internal environmental audit program, the communication and awareness education of environmental substances, and the records of testing equipment. The Visual Solutions Business Group has independently developed an e-audit platform to enhance data management reliability, work efficiency, supplier handling efficiency, as well as setting audit items and rules based on different business needs or audit targets to provide suppliers with accurate guidance and achieve win-win for both parties.

Supplier Type	Audit Target		Audit	Pass Score	Number of Audited Suppliers	Number of Pass Suppliers	Pass Rate
Visual Solutions Business Group (Kunshan Plants)	Suppliers with over 120 transactions or key parts/components suppliers in the previous year.		Questionnaire/ On-site Audit	80	48	48	100%
Energy Saving Business Group	Taiwan Plants	Suppliers with over 20 transactions in the year (excluding suppliers of packaging materials and suppliers without subsequent delivery plans)	On-site Audit	80	11	11	100%
	Wujiang Plants	Suppliers with over 5 transactions in the year (excluding affiliates, customer-designated suppliers, special materials suppliers)	On-site Audit	70	102	102	100%



3) Quarterly Audit

Business Group/ Plant	Audit Target	Audit Item	Audit Criteria	Number of Audited Suppliers	Number of Pass Suppliers	Pass Rate
Visual Solutions Business Group (Kunshan Plants)	Suppliers at mass-production stage	Delivery time Cooperation Quality status	Suppliers are rated grades A-D, and suppliers graded C and above are qualified suppliers.	230	230	100%
Energy Saving Business Group (Taiwan Plants and Wujiang Plants)	Suppliers at mass-production stage with over 5 transactions			270	270	100%

4. Training

1) Green Product Management System (GPMS)

This platform includes the announcement area, MCD Request area and the supplier list area. The announcement area on the homepage provides information such as the new version of green product specifications and the educational training videos on the GPMS platform to prevent suppliers from following the incorrect regulations or using the incorrect forms. Meanwhile, it also provides the upload status of the supplier documents for the inquiry of the procurement department/engineers, maintain the directory of the raw material suppliers, the RoHS 2.0, SVHC and SDS information filled by the suppliers and the report downloading for the supervisor based on to the BOM of model types.

In order to enhance suppliers' awareness of sustainability and make them become a member of the sustainable supply chain, we will upgrade GPMS with on-line ESG courses, latest ESG knowledge and information, and uploading documents related to "Sustainable Suppliers Code of Conduct."

2) Supplier AEO Trade Security Training Conference:

In order to carry through supply chain trade security management, AEO trade security training conference is held regularly with the attendance of 36 suppliers in 2021.

5.3 Green Alliance 102-43, 102-44

1. Annual Supplier Conference & ESG Lectures

Coretronic has promoted the supply chain responsibility for the electronics industry since 2017, and worked together with the suppliers to improve aspects of quality, cost, delivery time, environmental protection, as well as safety and health. By the on-site guidance and face-to-face communication, we improved the supply chain management capability to fulfill the sustainability commitment at the same time. In 2021, plants in Taiwan and Wujiang held Annual Supplier Online Conference with 112 suppliers to exchange opinions regarding sustainable development trends, directions and future planning for supply chain management, climate change mitigation for business operations, net zero targets, HSF & UL management. In the future, we will continue to grow with suppliers to develop better supply chain partnership. We also urge suppliers to emphasize climate change issues and take more eco-friendly actions to foster a sustainable supply chain together.

Location	Taiwan	China
Session	1	1
Total number of participants	34	78
Main issues	<ul style="list-style-type: none"> ESG Lecture 1 – ESG Themes and Trends ESG Lecture 2 – Sustainable Environment Best Supplier of the Year Award – “Golden Award” and “Sustainable Development Award” Supplier Collaborative Discussion 	<ul style="list-style-type: none"> ESG Lecture – ESG Trends and Sustainable Environment HSF & UL management Best Supplier of the Year Award “Golden Award” and “Sustainable Development Award” Excellent Suppliers Experience Sharing

2. Best Supplier of the Year Award

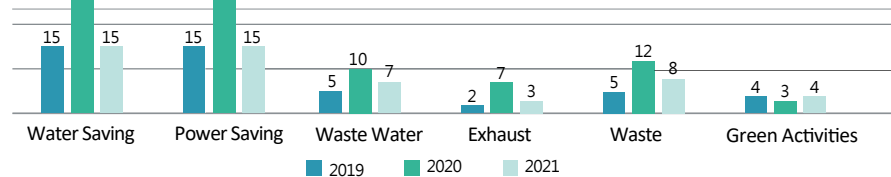
To commend outstanding suppliers, plants in Taiwan and Wujiang presented the “Golden Award” and “Sustainable Development Award” to outstanding suppliers of the year at the annual supplier conference. The “Golden Award” was awarded to suppliers with outstanding performance in delivery time, cooperation, and product quality. The “Sustainable Development Award” was awarded to suppliers with specific performance in carbon reduction

encourage more suppliers to join sustainable development.

Best Practice in Wujiang Plants

- Wujiang Plants have been inviting suppliers to join in energy conservation and carbon reduction since 2019, and the number of participating suppliers increased to 15 in 2021. 5 of them had participated for 3 consecutive years.
- In addition to inviting top-performing suppliers to share their experiences in the implementation of energy conservation, we also share with each other about the impact of the COVID-19 pandemic and ways to strengthen sustainable supply chain management, so that we can jointly improve our ability to respond to supply chain crises and adapt to climate change.
- In the future, we will continue to hold supplier sustainability exchange meetings to raise suppliers' awareness of environmental protection and energy conservation, and facilitate the development of more green solutions to create a sustainable supply chain.

The Number of Participating Suppliers (2019-2021)



3. Supplier Circular Economy Collaboration

We have implemented a waste recycling plan together with the supplies since 2017 to recycle plastic and paper wrappings. In addition, packaging materials that could be used to carry materials repeatedly were used for shipment and recovered after use to reduce consumption of wrappings and containers, promote the idea of circular economy such as recycling and reduction of waste, and act in a more environment-friendly manner. A total of 8 suppliers supported the idea with a recycle rate of 96% in 2021.

NEW 4. CDP Supply Chain Engagement

In the 2021 CDP supplier engagement rating report, Coretronic received the rating of Management B, exceeding the average of global enterprises (B-Level). Coretronic is committed to supplier partnership, and actively conducts value chain partnerships engagement for climate change mitigation and adaptation. The rating items of “Supplier engagement” and “Scope 3 emissions” were rated A. In the future, we will continue to actively work with suppliers to improve operation resilience and performance.



06

Friendly Workplace

6.1 Talent Attraction

6.2 Human Rights Management

6.3 Remuneration and Benefits

6.4 Communication Channels

6.5 Talent Development

6.6 Health Care

6.7 Safe Workplace

Material Topic

Salary
and
Benefits

GRI

Market Presence

Diversity and Equal
Opportunity**Boundary**

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

Materiality

Well-established remuneration and benefits are the foundation for “living in peace and working with contentment”. Offering market-competitive salaries for employees to “secure living in peace” and giving performance-equal rewards as encouragement for “working with contentment” to employees with outstanding performance are prerequisites for sustainable development.

Strategy

- Set a competitive salary structure based on market salary analysis.
- Grant incentive pay based on personal performance

Evaluation

- Periodic inventory internal salary distributions and capture the overall market trend through analyzing salary in the industry.
- Set a more market-competitive salary structure for key jobs.
- Grant operational bonuses and employee rewards (profit sharing) to employees and teams by performance.
- Rate annual salary based on personal performance and potential to make salary more market-competitive.

Performance

- The base pay level for both female and male base-level employees (direct labor employees) was NTD 24,000 in Taiwan, CNY 2,430 in Kunshan Plants, and CNY 2,400 in Wujiang Plants. All met the local regulation of minimal wage.
- The gender pay gap was 1:0.982 in Taiwan, 1:0.971 in Kunshan Plants, and 1:0.987 in Wujiang Plants, which is equivalent to equal pay for male and female employees.
- A raise was given in 2021 at an average of 3-5% in Taiwan and 5-7% in China.
- Average earnings of full-time non-management employees in Taiwan: NTD1,192,000.
- Median earnings of full-time non-management employees in Taiwan: NTD1,131,000.
- The total amount of salaries and benefits (including base salary, allowances, remuneration, pension, and other benefits) of employees in Taiwan was over NTD2.6 billion, accounting for 11% of the annual revenue.

Target

- 2022: Update the relevant regulations in pace with the amendments to the Labor Standards Act and communicate within the Company.
- 2023-2025: multifaceted flexible Continue to encourage employees to show performance and ensure market competitiveness with the salary differentiation system, and develop work systems to meet the needs of different job types.

Material Topic

Friendly
Workplace

GRI

Employment

Boundary

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

Materiality

Target-oriented and quick tempo are normal to the high-tech industries, and building friendlier workplace atmosphere is essential to help employees adjust their pace, maintain high performance, and balance work and life.

Strategy

Maintain the mental and physical health of employees, enhance engagement, and build the employer brand.

Evaluation

- Diversify activities, promote interaction among employees and even among employees’ families.
- Develop a positive atmosphere and build a harmonious organizational vibe.
- Review participation rate and conduct questionnaire surveys after events.

Performance

- One free breakfast and afternoon tea each month and movie tickets for employees in Taiwan.
- First-time cross-plant events: Headquarters and Chunan Plant RISE Sports Day and Cross-Strait Mid-Autumn Festival Celebration.
- PTO better than the Labor Standards Act (5-day PTOs in the golden week and unlimited length volunteerism leave) for employees in Taiwan.
- Launched a total of 96 special events, including festival celebrations, DIY courses, online activities, plant sports day, tree plantation, and other outdoor activities, with a total of 40,487 participants.

Target

- 2022: Improve employee experience and build a high-efficient work environment.
- 2023-2025: Automatic off-duty reminder to remind employees of the working time to maintain their mental and physical health; adopt the work from home (WFH) mechanism to address the population ageing and long-term care issues; enhance the engagement of employees and thereby build the employer brand.



Material Topic
Labor and Management Relations

GRI
Labor/Management Relations

Boundary

Coretronic

Materiality

The Company needs employees to achieve operational performance, and employees also need Company to give them a platform to demonstrate their talent and earn living. It takes both parties to create a sound labor-management relationship with mutual trust.

Strategy

- A labor-management meeting is held every each quarter in Taiwan.
- A BU-Officer-Communication meeting is held every year.
- Build multifaceted and unfettered two-way communication channels.
- Notify employees for significant changes in operations at least 4 weeks in advance.

Evaluation

At least one employee opinion/satisfaction survey is conducted in Taiwan and Wujiang Plants every year.

Performance

- In Taiwan, a total of 16 labor-management meetings were held.
- In Taiwan, one employee satisfaction survey was conducted on 1,351 employees, accounting for 87% of all employees.
- In Wujiang Plants, one employee satisfaction survey was conducted on all indirect employees and 79% of direct employees.
- The Visual Solutions Business Group of Taiwan held 3 business conferences with 763 participants and one product technology sharing meeting with 68 participants.
- The Energy Saving Business Group of Taiwan held 3 BU communication meetings with 160 participants.

Target

- 2022-2023: Conduct at least one employee satisfaction survey each year and make necessary communication after consolidating various employee opinions.
- 2024-2025: Include employee opinions in the agenda of the management review meeting for management to understand the recommendations of stakeholders to make corresponding assessment.

Material Topic
Labor Law Compliance

GRI
Socioeconomic Compliance

Boundary

Coretronic plants in Taiwan and China

Materiality

The Labor Standards Act is the foundation for virtuous labor-management interaction. While laws will be amended in pace with changes in the industry, we need to keep up with such amendments in our practice and give necessary instructions to employees and supervisors in order to prevent the legitimacy risk.

Strategy

- Ensure legal compliance while optimizing labor-management relations and promoting labor-management harmony at the same time.
- Maintain legal compliance and operational performance through awareness education and practical communication of laws.

Evaluation

- Review if there is legitimacy risk in internal operations through periodical review of updates in legal and regulatory requirements.
- Adjust operating procedures, forms, and system settings based on the updates in legal and regulatory requirements.
- Communicate with supervisors periodically to ensure understanding of legal and regulatory requirements and reasonable management.
- Communicate with employees periodically to state the corporate policies and ensure the understanding and support of employees.

Performance

- No nonconformity with social and legal regulations was reported.
- During the 16 labor-management meetings in Taiwan, the attendance and leave regulations as stated in the Labor Standards Act were clearly communicated.

Target

- 2022: Keep track on updates in legal and regulatory requirements and ensure internal legal compliance.
- 2023-2025: Make internal systems and regulations more flexible and comply with legal requirements while maintaining growth with market and industry.



Material Topic

Training and Education

GRI
Training and
Education

Boundary

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

Materiality

People is the root of business operations. We build a training system with development diversity, keeps enhancing the competitiveness of employees and supervisors through hierarchical training and development mechanisms to pursue sustainable business development.

Strategy

Based on business requirement, we combine theory to practice, stimulate employee potential, develop qualified talents, and form a culture of learning organization through the experience succession and knowledge management to accumulate corporate intelligence capital and create sustainable business development.

With sustainable business development as the core value, we actively engage in employee competence reengineering and revitalize and strengthen workforces to help employees with career development.

Evaluation

Besides establishing the annual plan according to the corporate culture, youth empowerment, and internal talents training and development, the HR center and talents development center also actively engage in management talents cultivation, corporate legacy and organizational strengthening and establish the self-imposed study groups to create the atmosphere of a learning organization.

Boundary

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

Materiality

Provide employees with a safe workplace environment and maintain their mental and physical health for employees to feel safe to work and make better performance.

Strategy

Continue to implement health promotion, reduce the risk of occupational accidents and pandemics, and build a healthy workplace environment based on the international OH&S management system.

Evaluation

After planning and establishing the annual targets, budgets, and plans and submitting them to the OH&S Committee for review and approval, the Safety and Environmental Division implements the relevant strategies to pass the certification of the ISO 45001 OH&S management system.

Based on the health problems and needs of employees, the health management department implements health protection measures and also establishes the annual health promotion plan and arrange various health promotion activities. The pandemic response team establishes and implements the relevant pandemic prevention measures and provides employees with the latest pandemic information and sufficient pandemic prevention supplies.

Performance

- Total hours of training in Taiwan: 14,628 hours. Total amount of training expenses: NTD 4,950,592.
- Total hours of training in China: 43,467 hours. Total amount of training expenses: CNY 314,662.
- Formed the “Core Book Sharing” and invited speakers to share the essence of books and how to use them through live webcast, with 358 participants, training duration of 240 person-hours, and 14 knowledge management (book sharing) videos.
- Held the “Online Study Group” with 191 mobile learning programs that can be used in the daily life and work.
- Organized the “Potential Talent Program” for senior officers to share practical expertise and educate subordinates. It was combined with online discussion to improve course experience. A total of 27 supervisors were developed.
- Organized the “General English Program”, with the total average TOIEC score increasing by 57 points from 2020, and the corporate English standard reaching 85%, 37% higher than 2020.

Target

- 2022: Set talents development as the core value of training to strive for the “HR Asia Best Employer Award”.
- 2023: Plan creative problem-solving solutions with achievements for talents management to strive for the “National Talent Development Award”.
- 2022-2025: Continue to develop the comprehensive career roadmap and learning roadmap and cultivate management talents to make advance deployment for the Company’s sustainable development.

Performance

- Certification of the ISO 45001 OH&S management system: 100% pass.
- Annual periodic accident and incident review and proposition of improvement plans: 100% accomplishment.
- Organized 28 disaster response and firefighting drills for 9,401 persons and a total of 10,918 person-hours.
- Organized 69 health promotion activities for 3,357 persons.
- Up to 62.3% of employees and workers in Taiwan received 2 COVID-19 vaccines, nearly the average complete vaccination rate of Taiwan, and the rate in China was 94.7%, higher than the requirement of the local government units.

Target

- 2022: Pass the certification of the ISO 45001:2018 OH&S management system; maintain work-related incidents at below 5 in Taiwan, below 14 in China, and 0 for contractors; organize weight loss activities by introducing healthy weight loss methods to employees in order to control weight and prevent chronic diseases.
- 2023-2025: Pass the certification of the ISO 45001:2018 OH&S management system; maintain work-related incidents at below 3 in Taiwan, below 10 in China, and 0 for contractors; based on the annual health checkup reports and questionnaire on the 4 major plans for occupational safety, screen the high-risk group for hazard identification and risk assessment, maintain constant care and follow-up, and make periodic review and improvement to prevent work hazards and occupational diseases.
- 2026-2028: Pass certification of the ISO 45001:2018 OH&S management system, maintain 0 work-related injury at all plants; establish a complete health management system, review employee health problems and needs repeatedly, and effectively follow up and manage employee health information.

Material Topic

Occupational Health and Safety

GRI
Occupational
Health and
Safety



6.1 Talent Attraction 102-8

By December 31, 2021, the total number of employees in Taiwan and China was 6,041, including 3,662 male and 2,379 female employees.

1. Workforce Overview

Area	Item	Contract Type	Male	Female	Total
Taiwan	Employed Workers	Permanent Contract ¹	910	622	1,532
		Fixed-Term Contract ²	20	6	26
		Migrant Workers	0	0	0
	Total Employees - Taiwan			930	628
	NonNon-Employed Workers	Temporary Workers ³	9	10	19
China	Employed Workers	Permanent Contract ¹	2,641	1,739	4,380
		Fixed-Term Contract ²	90	12	102
		Migrant Workers	1	0	1
	Total Employees - China			2,732	1,751
	Non-Employed Workers	Temporary Workers ³	969	459	1,428
2021 Total Employees in Taiwan & China			3,662	2,379	6,041
Gender Ratio			61%	39%	100%

As plants in China hire a large number of dispatched labor (agency workers), at the end of 2021 plants in China implemented the “Rewards for Dispatched Labor on Permanent Payroll” and “New Recruits as Contract Workers” strategies to release rewards to dispatched labor put on the permanent payroll and sign fixed-term contracts with new recruits since 2022 in order to reduce the proportion of dispatched labor from 10-15% in 2022 to below 10% in 2023.

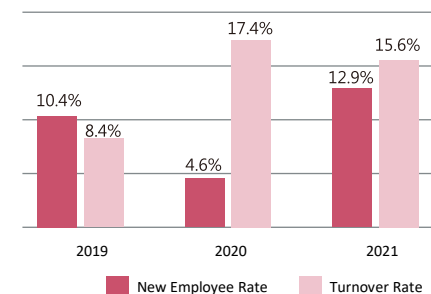
1. Namely regular employees include direct and indirect personnel
2. Namely irregular employees include consultants, contracted personnel, interns and students receiving cooperative education
3. Personnel directly engaged in production, hourly workers

2. New-Hired and Departed Employee by Age and Gender in Taiwan 401-1

Metric	Male				Female				Total			
	New-Hired	% of Current Employee in Taiwan	Departed	Employee in Taiwan	New-Hired	% of Current Employee in Taiwan	Departed	% of Current Employee in Taiwan	New-Hired	% of Current Employee in Taiwan	Departed	% of Current Employee in Taiwan
<30	26	1.7%	20	1.3%	37	2.4%	31	2.0%	63	4.1%	51	3.3%
30-50	71	4.6%	102	6.6%	60	3.9%	67	4.4%	131	8.5%	169	11.0%
>50	3	0.2%	17	1.1%	1	0.1%	4	0.3%	4	0.3%	21	1.4%
Total	100	6.5%	139	9.0%	98	6.4%	102	6.6%	198	12.9%	241	15.6%
% of Current Employee in Taiwan	6.5%	-	9.0%	-	6.4%	-	6.6%	-	12.9%	-	15.6%	-

- New employee rate: Total number of newly employed employees in age groups of this gender in Taiwan Plants / total year-end number of employees in Taiwan Plants
- Turnover rate: Total number of resigned employees in age groups of this gender in Taiwan Plants / total year-end number of employees in Taiwan Plants
- The number of employees, new employees and resigned employees shown in the above table exclude students receiving cooperative education (who return school after 3 months) and interns of short-term programs (summer internships for employees' children, and interns of special industry-university cooperation programs who must leave the Company for contract expiry).

2019-2021 Turnover Rate in Taiwan



6.2 Human Rights Management

As an electronic industry citizen, Coretronic agrees to comply with the Responsible Business Alliance (RBA) Code of Conduct, fulfills corporate social responsibility to protect the basic human rights of all employees, and recognizes and abides by various international human rights agreements, including the Universal Declaration of Human Rights (UDHR), The United Nations Global Compact (UNGC), The United Nations Guiding Principles on Business and Human Rights (UNGPs), and International Labour Organization (ILO). We further agree to eliminate any acts that infringe upon or violate human rights and state our aim to treat and respect all employees with justice and equality.

Coretronic Corporation Human Rights Policy applies to Coretronic and all Coretronic business locations. Coretronic complies with the laws and regulations relating to labor and gender equality at work of the location where Coretronic operates and establishes measures for human rights protection, labor policies, and implementation.

1. Policy and Performance of Human Rights Management

Policy	Target	Performance in Taiwan in 2021
Diversity, inclusion, and equal opportunities	<ul style="list-style-type: none"> The recruitment, hiring and wages of employees will not be based on or affected by their race, class, language, thought, religion, political party, place of birth, gender, sexual orientation, age, marital status, appearance, physical or mental disability or past labor union membership. Ensure the development opportunities for ethnic minorities, without affecting operating efficiency and overall fairness. Disclose the aforementioned equality commitments in the "Operating Procedures for Employees Recruitment." 	<ul style="list-style-type: none"> None of discrimination have been reported. The base pay level for both female and male base-level employees (direct labor employees) is NTD 24,000, which is in line with Taiwan's legal minimum wage regulation. In terms of gender, the employee ratio of male to female is about 3:2, which is related to the nature of the jobs; the ratio of salaries for the same job category and same performance is about 1:0.982, which is equivalent to equal pay for male and female employees.
No child labor	The applicants who are under 16 years old will not be recruited for any of the Company's positions in order to protect the growth and development opportunities for the young, except for the industry-education cooperation internships that are conducted in accordance with the government regulations; the aforementioned commitments are stated in the "Operational Procedures for Employees Recruitment" and related process documentations.	<ul style="list-style-type: none"> Strictly abide by the principle of prohibiting child labor. The number of full-time employees under 16 years old is zero. All outsourcing units abide by the rules of non-employment of child labor, including industry-university cooperation, summer internship employees.
Compliance with minimum wage	<ul style="list-style-type: none"> All employees' wages comply with the local laws and regulations and meet the basic salary level based on the business operating location, and the social insurance will be conducted in accordance with the laws and regulations, to ensure the welfare and well-being of employees. Offer insurance and welfare benefits beyond the laws and regulations, to provide extra care for employees The aforementioned commitments are stipulated in the "Work Rules in Coretronic." 	The base pay level for both female and male base-level employees (direct labor employees) is NTD 24,000, which is in line with Taiwan's legal minimum wage regulation.
Reasonable working time	<ul style="list-style-type: none"> Stipulate a working hour system and management plan in accordance with the local laws and regulations based on the business operating location, to protect the physical and mental health of employees and their life arrangements. For the demands of business operations, make overtime arrangements based on employees' agreement and in accordance with the laws and regulations; and provide overtime pay or compensatory day off as compensation based on the desire of the employees The aforementioned commitments shall be stated in the "Work Regulations of Coretronic," "Management Regulations of Work Time," "Overtime Management Regulations" and related process documentations. 	<ul style="list-style-type: none"> Coretronic offers employees a "golden week" as a holiday every year, providing 5 days of flexible leave for sufficient rest. Night broadcastings and patrols are arranged to prevent excessive working hours of employees. Attendance and Working Hours" system promptly reminds our employees and their supervisors about their attendance status to avoid working overtime.
Healthy and safe workplace	<ul style="list-style-type: none"> It is the Company's responsibility to continuously care for the employees' health; we are dedicated to creating a healthy, safe, comfortable, and friendly working environment. Coretronic actively promotes various health-related activities to improve employees' health and evaluate the effectiveness and plan improvement strategies after the activities, so that all employees will be able to receive comprehensive health care. For a safe working environment, the Occupational Health and Safety Committee was established and responsible for review and promotion of annual goals regarding occupational health and safety affairs, to continuously promote a safe working environment and prevention of occupational disasters. 	<ul style="list-style-type: none"> Artworks and music provided in public spaces to relieve work pressure and build up a healthy workplace. Hosted a competition of stair-climbing and Company-wide sports games in order to encourage a healthier lifestyle. COVID-19 pandemic prevention measures Occupational health and safety measures
Freedom of association	<ul style="list-style-type: none"> The Employees' Welfare Committee was established to ensure the employees' welfare; employees are selected as the representatives of the committee based on the regulations, to ensure the rights and benefits of employees. In order to improve employees' physical and mental health, enhance their work and life quality, we encourage the employees to participate in suitable recreational and welfare activities; and the employees' rights of forming social clubs are ensured according to the welfare committee's "Activity Management and Subsidy Regulations of Social clubs." 	<ul style="list-style-type: none"> Established complete welfare and benefits for employees. 6 clubs have been established, with NTD 53,000 for clubs.
Collective bargaining	The labor-management meetings will be regularly conducted in accordance with the "Labor Standards Act" and "Regulations for Implementing Labor-Management Meeting," to protect the rights of employees, create a win-win situation for the labor-management system, establish a two-way labor-management communication channel, and create a good labor-management relation; the labor representatives are chosen by the employees to communicate and negotiate subjects regarding labor-management and the Company's business operations.	Held labor-management meetings in each plant every quarter. A total of 16 labor-management meetings were held, and the meeting minutes were announced on the internal website to ensure open communications.



2. Human Rights Training

A course on the human rights policy and the relevant aspects was designed and set as the required course for indirect employees. In 2021, a total of 1,013 persons completed the "Human Rights Policy Course" and signed the "Coretronic Human Rights Principle", with an accomplishment rate of 95%. In the future, we will request all employees to take the course and sign the Principle.

3. Internal Communication Channels for Employees

- We have established 8585 Hotline (+886-37-777000 ext. 8585) and Mailbox (8585@coretronic.com), Physical Suggestion Box, Employee Assistance Program(EAP), EIP Employee Website, Employee Forum, Welfare Committee, Website Quarterly Labor-management Meeting, and Employee Welfare Committee Meeting.
- Coretronic have established a reporting email (8215@coretronic.com) and an enquiry and grievance hotline (+886-37-777000 ext. 8215) in accordance with the "Professional Ethics Violation of Stakeholders and Employees Enquiry and Grievance Channels."
- All complaint cases will be transferred from the receiving unit to the responsible unit and communication with employees shall be conducted according to the content of the subject matter.
- The issue and processing results of each complaint case will be reviewed and retained by the audit office of the Group, to ensure that these issues are reasonable and compliant with the regulations.

4. Plan

We will continue to implement the human rights policy in all aspects of business operations and management for employees and supervisors to have a better understanding of our human rights policy.

6.3 Remuneration and Benefits

To Coretronic, employees have always been our most important corporate asset. Therefore, we make efforts to invest in resources to achieve things beneficial to employees. Through a series of leisure and recreational activities, robust and comprehensive training courses, a work environment filled with humanistic care and enabling physical and mental health, and a workplace that keeps employees energetic, we encourage employees to achieve work-life balance and ultimately become a happy enterprise recognized by employees.

1. Union ¹⁰²⁻⁴¹

Company / Item	Date of Establishment	Collective Agreements	Total people covered by agreements
Coretronic Projection (Kunshan)	July 2014	<ul style="list-style-type: none"> Collective Agreement for Wages Collective Agreement 	891 employees, accounting for 99.9% of total employees in this company.
Coretronic Optics (Kunshan)	December 2020	Currently, no collective bargaining agreement has been signed. In the future, the agreement will be signed in based on the arrangement of the Kunshan Development Zone Federation of Labor.	
Coretronic Display (Suzhou)	July 2015	The previous collective bargaining agreement already expired at the end of 2021, and a new agreement will be signed in 2022.	
Coretronic Optotech (Suzhou)	June 2019		
Coretronic Optics (Suzhou)	May 2021	The agreement will be signed in 2022.	

2. Remuneration ^{202-1, 405-2}

A well-established and market-competitive salary and benefit system can significantly boost the positive work attitude of employees. It is indispensable to build a happy workplace. Upholding the principle of fairness, we salary employees based on their job type, education attainment, experience, and professional seniority regardless of factors such as gender, age, race, nationality, and religion.

- Standard Salary and Legal Minimum Wage


	Taiwan		Kunshan		Wujiang	
	Standard Salary	Standard-to-local-minimum salary ratio for entry-level personnel	Standard Salary	Standard-to-local-minimum salary ratio for entry-level personnel	Standard Salary	Standard-to-local-minimum salary ratio for entry-level personnel
Male	NTD 24,000	1	CNY 2,430	1.066	CNY 2,400	1.053
Female						

- Gender Pay Equality

Based on the job type, we calculate the proportion of base salary by gender and express it in terms of male employees. Instead of gender, factors affecting differences include the pay grade, job type, and number of male and female employees. The proportion of the total salary is not disclosed temporarily.

Plant/ Job Type	R&D Staff	Production Staff	Sales Staff	Administrative Staff
Taiwan	0.986	1.010	0.988	0.969
Kunshan	0.948	0.978	NA	0.925
Wujiang	0.985	0.981	0.985	0.997

3. Welfare ⁴⁰¹⁻²

Item / Area	Taiwan	China
Operating profit sharing (Applicable to full-time employees)	<ul style="list-style-type: none"> Employee bonus (depending on the annual operational and individual performance) Bonuses for production performance, operational performance, and R&D patents and innovation proposals Award ceremony for excellent R&D personnel, senior employees, and outstanding employees Employee shares (to be implemented whenever appropriate) 	<ul style="list-style-type: none"> Employee bonus (depending on the annual operational and individual performance) Bonuses for production performance, operational performance, and R&D patents and innovation proposals Award ceremony for excellent R&D personnel, senior employees and outstanding employees
Comprehensive Employee Care	<ul style="list-style-type: none"> Employees enjoy free group insurance, expatriate and family accident insurance, travel insurance for overseas travel. Regular health checkups, employee health management, comfortable leisure space and professional medical consultation Comprehensive retirement system and working conditions with gender equality Flexible working hours and shuttle buses Provide friendly parking spaces for injured and sick employees 	<ul style="list-style-type: none"> Employees enjoy free group insurance and regular onsite consultation service of group insurance brokers Employee health management, comfortable leisure space and professional medical consultation Working conditions with gender equality Flexible working hours and shuttle buses
Diversified Welfare Design	<ul style="list-style-type: none"> Cash vouchers for Labor Day, the Mid-Autumn Festival, and Dragon Boat Festival, and birthday gift certificates Cash gifts for marriages and childbirths, miscarriage subsidies, hospitalization subsidies, funeral assistance, travel subsidies, and club subsidies Exciting festive and group recreational activities, comprehensive sports events, and joyful year-end party Subsidies for local and overseas tours and club activities Employee cafeterias, smart cafés, convenience stores, multifunction fitness center, and yoga classroom Monthly free breakfast and afternoon tea Annual free movie tickets Provide organic vegetables 	<ul style="list-style-type: none"> Cash vouchers for the Mid-Autumn Festival and birthday Cash gifts for marriages and childbirths, travel subsidies, and funeral assistance Year-end party and quarterly recreational activities Employee cafeterias, convenience stores, and the employee service center
Women's Care	<ul style="list-style-type: none"> Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, and prenatal check-up leave Breastfeeding (collection) rooms Provide friendly parking spaces for pregnant employees Contract nurseries and kindergartens Priority meal collection for pregnant employees 	<ul style="list-style-type: none"> Maternity leave, paternity leave, and prenatal check-up leave Breastfeeding (collection) rooms Provide friendly parking spaces for pregnant women Priority meal collection for pregnant employees Give female employees half day off on International Women's Day
 Leave better than the Labor Standards Act	<ul style="list-style-type: none"> Golden Week: 5-day PTOs for each employee every year Paid Volunteerism Leave: Employees participating in the holiday volunteerism activities organized by the Company are entitled to the unlimited volunteerism leave for equivalent hours volunteer service. 	None

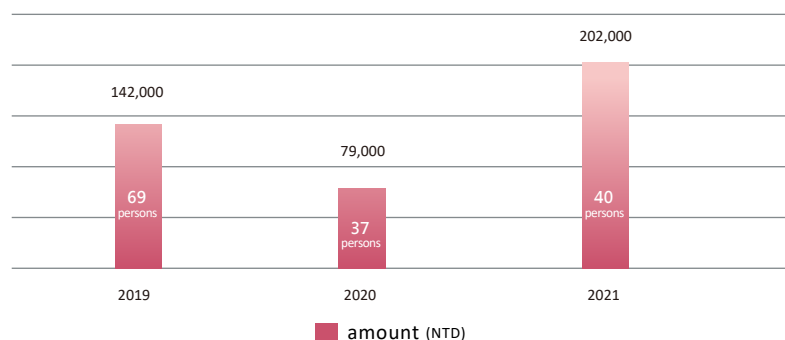


1) Subsidy



Item / Area	Taiwan	China
Birth Subsidy (for employees or their spouses)	<ul style="list-style-type: none"> NTD 5,000 each baby NTD 1,000 for each baby after the first baby 	<ul style="list-style-type: none"> CNY 100 each baby CNY 100 for each baby after the first baby
Marriage Subsidy	NTD 2,000 each person	CNY 200 each person
Women's Miscarriage Subsidy	NTD 2,000 each time (unlimited)	None
Travel Subsidy	NTD 3,000 each person	CNY 230 each person (Wujiang Plants)

2019-2021 Birth Subsidy Application in Taiwan



3) Retirement ²⁰¹⁻³

- We contribute every month 6% of the employee's pay (organizational contribution) as the employee pension fund, while the employee voluntary contribution is 0-6% in accordance with the Labor Standards Act and the Labor Pension Act. For employees qualifying for adopting the old system (Labor Standards Act), we also contribute exactly 2% of the employee's pay by the law as the pension reserve and deposit the sum to the company's pension special account to disburse the pension for employees fulfilling the retirement requirements in that year, in order to protect the rights and benefits of employees nearing retirement.
- Plants in China contribute the endowment insurance according to the "Social Insurance Law of the People's Republic of China" and "Employee Endowment Insurance Regulations for Businesses in Jiangsu Province."
- To senior employee's outstanding performance, we will hire them as consultants after they apply for retirement to enable them to pass down their rich experience to other employees. Apart from offering professional consultation service to the company, this policy provides retired employees with a stage to continuously contribute their expertise.

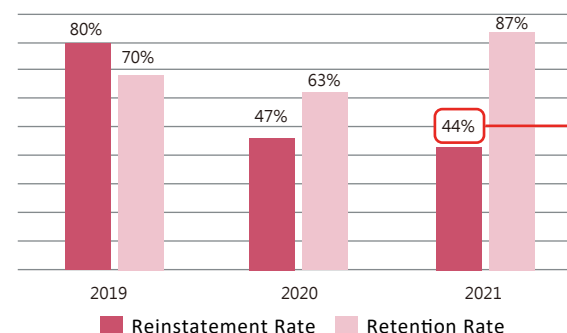
2) Parental Leave in Taiwan ⁴⁰¹⁻³

Gender / Item	Male	Female	Total
A. Employees Qualified for Parental Leave	107	95	202
B. Employees Applying for Parental Leave	4	18	22
C. Employees Shall Resume Work (after Parental Leave) in the Year	5	20	25
D. Employees Actually Resuming Work in this Year	3	8	11
E. Employees Actually Resuming Work in 2019	3	12	15
F. Retention over 1 Year After Work Resumption	2	11	13
G. Reinstatement Rate (D/C)	60%	40%	44%
H. Retention Rate (F/E)	67%	92%	87%

1: The statistics above is about employees in Taiwan who are entitled to parental leave from 2018-2021.

2: China didn't grant parental leave.

2019-2021 Parental Leave in Taiwan



More colleagues chose not to reinstate their jobs after parental leave in order to take care of their young children during the pandemic, resulting in a lower reinstatement rate in 2021.

Item / Area	Taiwan	Kunshan	Wujiang	
Ration of Salary Counted for by Pension Appropriation	Employer appropriation(%)	Old Fund: 2 Labor Pension: 6	16	16
	Employee withholding(%)	Old Fund: 0 Labor Pension : 0~6	8	8
Pension Plan	Old Fund: Company Pension Account Labor Pension: Personal Pension Account	Endowment Insurance (Employee Account)		



4. Recreational Activity

A total of 96 activities, with 40,487 participants

Picnic to Tsoumalai of Tainan Plant

With nature as the background and ecology as the props, employees and their family were invited to the picnic that included ceramics painting DIY, ecotourism, and recreation to achieve education with entertainment. A total of 189 employees and their family participated in the picnic with a satisfaction score of 9 (out of 10).



DIY Fun! Preserved Flowers x DIY

By making preserved flowers in the comforting pink color, a small flower pot combining quality and beauty was made. It is attractive as either a gift or a decoration. Besides allowing employees to learn the related knowledge and feel the passion of DIY, the event also facilitate interpersonal interaction among employees. A total of 58 types of different floral art works were made.



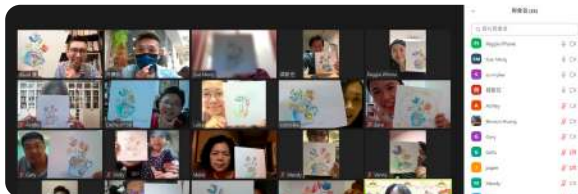
RISE Sports Day

Headquarters and Chunan Plant organized the first "cross-plant" sports day with 5 team events and 1 team online fast walking event to improve the health of employees, promote the i-Sport and Healthy Workplace, enforce the RISE (responsibility, innovation, superiority, entrepreneurship) spirit in our corporate culture, and demonstrate team passion and vitality. We also combined with the indoor rowing equipment of subsidiary uCare Medical Electronics and uGym's 3D rowing for employees to experience the group's brand value. A total of 681 employees participated in the sports meet with a satisfaction score over 8.5 (out of 10).



Online event-After-work illustration course

Small classes were arranged for employees to create their own works. Besides achieving the sense of achievement, this course also helped employees develop artistic capability and enjoy painting with family. A total of 26 illustrations were made.



3D Rowing

3D Rowing has been designed according to the standard race course of the Olympic Games for both single scull and multiple scull events. The equipment supports two-way control and dynamic resistance setup based on the condition of the watercourse to accurately simulate a real river. Users can also arrange training courses, set strength and the number of sculls, edit music, and review their sports performance and run data analysis.



Cross-strait fun with pomelo arts on Mid-Autumn Festival

It was the first “cross-strait” event held by plants in Taiwan and China. With the pomelo as the theme, paintings or sculptures were made to create a stylish Mid-Autumn Festival. Through selecting and demonstrating pomelo works by employees in Taiwan and China, culture and creativity across the strait were exchanged, and interaction between employees and family and among friends was facilitated. A total of 240 works attracting 24,736 votes were collected from 8 plants, and the event satisfaction score was 9.5 (out of 10).



Coretronic Impression, Child Innocence

During summer break, we invited the children of employees to visit the Company. Besides taking them to the Robot Hall, we specifically arranged a clean room tour for children to put on the clean room garments and enter the clean room for them to understand more about the work environment and job contents of their parents to enhance the corporate culture identification and sense of honor of the children of employees. A total of 62 children participated in the event.



Serenity with Tea

On International Women's Day, a tea arts event was held for employees to observe tea arts, try the tea ceremony, taste egg tarts, explore the philosophy of life, and feel the cultural spirit from their busy work. A total of 90 persons participated in the event.



Online event-Father's Day Parent-Child Relationship Talk

How can parents read the mind of children from various everyday parent-child situations? We specially planned the “Online Parent-Child Relationship Talk” on Father's Day and invited super popular parenting education instructor, Zeba, (known as Wei-Chi Chiu) as the speaker. Through the talk, besides understanding themselves better, employees learned how to explore the world of children, listen to the voice of children, and communicate with children with empathy. A total of 53 employees participated in the talk with a satisfaction score of 9.3 (out of 10).



Super Core Online

To support the “10,000 steps a day keeps health with you” movement promoted by Health Promotion Administration, MOHW, and implement the movement in the daily life, we encourage employees to start from 3,000 steps a day in order to develop the regular exercise habit. By transforming exercise into a game through digitization, we make health promotion simple to implement and easy and fun to practice. Through cross-unit collaboration, we improve the health and cohesion of employees and invigorate the atmosphere and create topics in plants. During the 28-day movement, a total of 288 employees accumulated over 80.11 million steps.







Prayer for Blessings and Sachets for Gifts

Take a break on Dragon Boat Festival and make a sachet and bracelet for family. We had a meaningful time with employees on Dragon Boat Festival. A total of 90 persons participated in the event.



6.4 Communication Channels 102-43, 102-44

Channel	Plant	Content	Performance in 2021		
Labor-Management Meeting	Taiwan	Held one meeting quarterly by plant, with a total of 16 meetings, to report the status of operations, answer the questions of employees, and inform them of the improvement methods.			
Employee's Welfare Committee Meeting	Taiwan, China	Held at least one meeting quarterly, with a total of 14 meetings, to discuss the status of operations and future activities of the Employee Welfare Committee (EWC). Reviews were made and improvement measures were planned according to the results of event satisfaction surveys.			
Mailbox	Taiwan Taiwan(Kunshan) Taiwan(Wujiang)	8585@coretronic.com 1885@coretronic.com.cn 6885@coretronic.com	Taiwan • Complaints : 4 • Complaint topics: Employee welfare, meals, and sanitation • Resolution rate: 100%	China (Kunshan) • Complaints : 43 • Complaint topics:Labor and management relations, welfare, and workplace relationships • Resolution rate: 100%, and all complaints must be resolved in the same month of complaint filing.	China (Wujing) • Complaints : 93 • Complaint topics : Labor and management relations, meals,dormitory, salary, and welfare • Resolution rate: 100%, and all complaints must be resolved in the same month of complaint filing.
Hotline	Taiwan Taiwan (Kunshan) Taiwan (Wujiang)	037-777000 #8585 ; 0800-299-988 0512-57360000 #1885 0512-85168838 #4885 ; 0512-63828588 #6885			
Physical Suggestion Box	Taiwan, China	Installed at each floor of the factory building, entrance, and employee dormitories.			
Annual Employee Satisfaction Survey	Taiwan	<ul style="list-style-type: none"> Indirect employees: They can express themselves regarding work, work environment, and the Company in the Annual Employee Suggestion column in the online performance evaluation system. Direct employees: 10 face-to-face communication meetings were held with direct employees evaluated with paper evaluation sheets. Survey results: A total of 1,351 persons, accounting for 87% of all employees, took the survey, and 400 employees expressed their valuable opinions, with a proposal rate of 30%. Each year the HR unit consolidates the top 3 issues of each sub-BU and reports them to the BU supervisors for reference. If administrative support is required, the HR unit will refer the related issues to the relevant units to make improvements and assessment. Improvement plan: <ol style="list-style-type: none"> Regarding the feedback about the "introduction to the products of the myriad investees of the group for employees to understand the company better," we will arrange a series of activities to introduce the innovative products of the Group's investees in 2022. Regarding the feedback about the "hope for ergonomic desks and chairs in the office", we replaced all office chairs with ergonomic chairs from March 2022. 			
	Taiwan(Wujiang)	Different questionnaires were designed to survey different types of employees, and the results are as following: <ul style="list-style-type: none"> Indirect employees: They can express their opinions regarding work, work environment, and the Company in the Annual Employee Suggestion column in the online performance evaluation system. Except for the probationary employees, all employees (100%) were surveyed, and 39 suggestions were collected. The improvement will be followed up by problem type and improvement deadline. Direct employees: 1,573 persons, 79%, were surveyed, and 18 suggestions were collected. The surveys showed that employees satisfied more with the plant environment and work atmosphere. We also made active improvement of the suggestions made by employees, such as the provision of featured set meals at the employee canteen, dormitory remodeling, and more friendly workplace activities. 			
Annual Operation Meeting	Taiwan (Visual Solutions)	One session with 470 participants was held, with the executive VP briefing personally the Q1 operations and the annual product outlook to all indirect employees of the Visual Solutions Business Group.			

Channel	Plant	Content	Performance in 2021
 Kick-off Meeting	Taiwan (Visual Solutions)	Two sessions with 293 participants, 80 questions, and 940 likes were held, with supervisors of each unit briefing the strategy and direction of development in the next half of the year. The tension of each question was about 4.75%.	
 V-Pioneer II (Product Introduction)	Taiwan (Visual Solutions)	One session was held with 68 participants to enhance the awareness of the applications of the Company's products and technologies in department supervisors and collect the relevant questions and feedback at the same time. The product understanding and involvement of base-level supervisors enhanced by over 98%.	
BU Meeting	Taiwan (Energy Saving)	Three sessions with 160 participants were held to explain the strategy and direction of operations, customer focus, and outlook of the Energy Saving Business Group.	
 Coretronic APP	Taiwan, China	<ul style="list-style-type: none"> The Coretronic APP delivers functions including the Company phonebook, push notices, form approval, discounts from contract stores, cafeteria order placing and pickup notification, meeting room inquiry, parking space inquiry, and watching environmental education videos. In response to COVID-19, functions including sign-in and sign-out, body temperature records, weekly Health and Contact History Questionnaire were added to the app to improve the effectiveness of pandemic prevention. The "psychology watch" function was added to the app for employees to keep track on their own mental state at all times in order to understand their emotional condition and methods to relieve stress. 	
Employee Assistance Program (EAP)	Taiwan	Toll-free (0800) external professional consultation services were arranged for employees to access free consultation for issues related to family, marriage, parenting, interpersonal relationship, personal emotion, legal issues in trading, car accidents, property succession, criminal issues, and management issues. A total of 29 persons used the service.	
Quarterly Newcomer's Seminars	Taiwan China (Wujiang)	Various small games and activities were planned once quarterly for probationary employees to know one another and understand their roles in the department better. We also organized exclusive performance management course for probationary employees to understand better the implementation and regulations of the Company's performance evaluation.	
New Employee Connection Plan	Taiwan	New employees can quickly fit in the team and pass 3-month probation through the well-planned 3-stage process (environment adaptation, job learning, and probation evaluation) after 12 weeks of arrival.	
EIP Employee Website	Taiwan, China	Published all related information, such as notices, regulations, resource booking, joint operations, and group insurance.	
Employee Forum	Taiwan	Various forums, such as flea markets, charitable activities, daily life information, and others.	
 Welfare Committee Website	Taiwan	Sharing information such as employee welfare committee, clubs, recreational activities, Company exclusive discounts, authorized stores, and others.	
WeChat	China (Wujiang)	Employee-exclusive service official accounts, with contents including personnel affair workflows, latest pay information, salary and benefits, employee complaints, employee training, and others. Posts (tweets) were updated regularly.	
Employee Assistance Day	China (Kunshan)	A total of six sessions were held, with small gifts presented to encourage employees to express their opinions, listen to and accept different opinions. A total of 17 suggestions were received.	
Employee Appreciation Day	China (Wujiang)	A total of nine sessions were held and small gifts were presented. Assistance was provided to help employees solve problems regarding pay, attendance, insurance, canteens, dormitories, and others to enhance employee satisfaction.	
Assistant Symposium	China (Wujiang)	One session was held quarterly by plant, a total of four sessions were held (cancelled in H1 because of the pandemic), to optimize workflows, simplify unnecessary processes, and enhance communication with assistants to make work smoother.	
Supervisors' Symposium	China (Wujiang)	A total of four sessions were held to communicate difficulties in routine base-level management, with department supervisors advising solutions and publicizing personnel policies for employees to understand.	

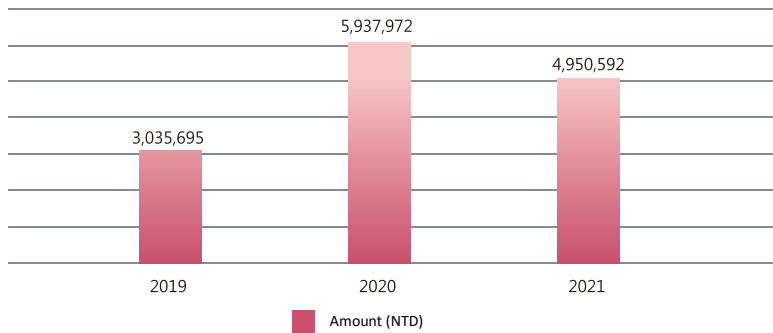


6.5 Talent Development

We believe that “talents are the most important assets of the Company”, and enhance employees’ occupational skills through diverse pipelines and platforms. Employee’s experience learning methods and action learning methods, in order that employees will experience our enterprise cultures of R.I.S.E. (responsible, innovative, superior, enterprising), and cultivate their common values and attitudes. In addition, the employees can take part in systematic training programs and excel in management or professional positions. They can also realize their dreams on international stages through our global strategic layout, regional rotation and foreign language learning.

Based on the training effectiveness run chart of Taiwan during 2019-2021, the total training expense in 2021 was NTD 4,950,592. Although the amount was NTD 987,380 less than 2020, the total number of employees and total hours of training increased. This is because most courses were given by internal instructors, and senior officers were arranged to share their experience in management courses. Besides developing subordinates, this has help reduce the training expense. For plants in China, a total of 20,165 persons received training for a total of 43,467 person-hours in 2021, with the total training expenses amounting to CNY 314,662.

2019-2021 Total Training Expenses in Taiwan

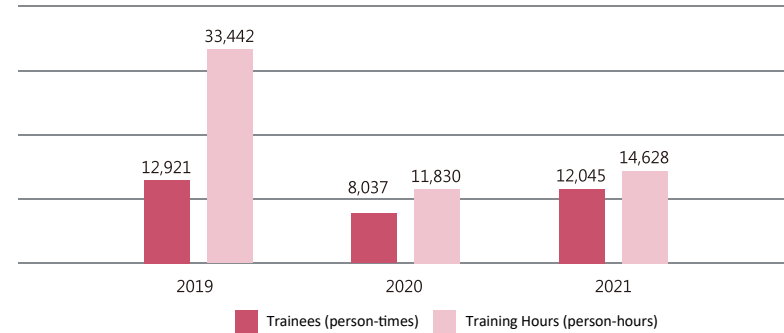


1. Average Hours of Employee Training in 2021 ⁴⁰⁴⁻¹

Area	Gender	Grade ¹					Job Type				
		Senior management	Middle management	First-Line management	Non-management	Total	R&D Staff	Sales Staff	Administration Staff	Production Staff	Total
Taiwan	Male	3.4	9.5	15.7	7.8	9.0	9.2	9.3	5.2	10.1	9.0
	Female	13.6	11.0	19.3	9.2	10.0	9.1	8.9	7.2	12.3	10.0
	Total	5.7	9.8	16.5	8.5	9.4	9.2	9.0	6.5	11.4	9.4
China	Male	25.5	19.5	34.5	6.4	8.4	18.5	24.9	26.5	7.0	8.4
	Female	0.0	28.6	47.0	9.3	11.8	18.7	30.7	32.4	8.6	11.8
	Total	21.3	20.9	39.2	7.5	9.7	18.6	29.4	30.2	7.6	9.7

¹: Senior Management includes leaders of Business-Groups, Sub-Business-Groups, Business-Units, independent centers, centers, and independent senior officers; leaders of divisions are middle management personnel; department and section supervisors are first-line management; and all other employees are non-management staff.

2019-2021 Total Trainees and Training Hours in Taiwan



2. Training Method ⁴⁰⁴⁻²

Constant innovation and excellent quality are important competitive strengths. Hence, we design and develop various learning tools and activities to plan the best training portfolio. Based on their schedule and learning habits, employees can choose different training channels, including internal training (on-the-job training, classroom courses, self-development, e-learning) and external training to fulfill the needs of their jobs and personal development.

For employees terminating their career (retirement) or employment, besides issuing the relevant testimonial (certificate of service), we also provide information about career change assistance programs of the public sector to help employees maintain employability or manage their later (retirement) life.



3. Training Courses

1) Special Courses

Course	Content	Performance in 2021
NEW Common Wealth Leader Campus (CWLC) Self-Learning Program	Develop the digital learning ability of employees, share interdisciplinary new knowledge with other employees through department sharing meetings to expand learning efficacy and achieve the required hours of training for others in the promotion regulations.	A total of 23 internal sharing lessons were held for 166 participants over 83 person-hours of training.
NEW Core Competency Academy	Make Competency map as the framework for subsequent recruitment and selection, cultivation and development, performance management, and organizational design to develop core talents.	<ul style="list-style-type: none"> Develop the knowledge (K), skills (S), and attitude (A) required by job position (R&D, sales, administration, management) and each level. Analysis of competency differences among employees to the Company to understand what to develop and strengthen in order to draw up specific action plans to improve organizational performance. Discuss and plan and complete the training roadmap with internal experts about the two competencies with the biggest difference in job position each job type and start the exclusive training courses in 2022.
Succession Planning Program	LIFO and Saville tests are conducted on potential talents, and ask the immediate supervisor to draw up the personal development plan in the next year for these talents based on their LIFO and Saville reports and job needs.	A total of 7 intermediate and senior managers participated in the program. Completed the analysis of personal report, the personal development plan consented by the candidates and their supervisors, and started training based on the personal training plan.
NEW Extended Family Program	Through learning and sharing, industry-academia collaboration is formed with undergraduate students, graduate students, part-time graduate students, and enterprise mentors to promote and understand the HR industry and enrich HR knowledge.	The Company's HR supervisor will be the enterprise mentor who helps students combine theory to practice and give them advice through the monthly HR learning and field practice for students of industrial and organizational psychology and counseling psychology.
NEW Online Study Group	With the media as the learning architecture, books meeting the RISE spirit of the corporate culture and needs for business operations are selected and hosts are invited to guide the internal study groups.	<ul style="list-style-type: none"> A total of 15 sessions were held with 305 participants for a total of 915 person-hours, with the average satisfaction score of 9.18. A total of 191 mobile learning strategies that can be used in the daily life and work were developed.
NEW Core Book	In response to the COVID-19 pandemic, Core Book sharing was extended in the form of the online study group. The designated books were designed in the reading 131 framework, and speakers were invited to share the essence of these books and how to use them through live webcast.	<ul style="list-style-type: none"> A total of 14 sessions were held with 358 participants for a total of 240 person-hours, with an average satisfaction score of 9.61. A total of 14 knowledge management (core book) videos were produced.
Digital Transformation Courses	Based on the Groups digital transformation strategy, courses including the Industrial 3.5 and VSBG Digital Transformation Strategy and Digital Tools PLM Course were offered to help employees reduce the impacts in the transformation process.	A total of 8 sessions were held with 596 participants for a total of 893 person-hours.
Supervisor Classroom	<ul style="list-style-type: none"> First-Line management (novice leaders): Training on fundamental management methods. Middle management: Apply the acquired knowledge to individual management areas through the EAP mentor workshop. 	<ul style="list-style-type: none"> A total of 127 persons participated in the fundamental management method training, with a participation rate of 87% and passing rate of 100%. A total of 8 EAP-related courses were offered, 33 persons completed these courses, and each guided 1-2 leaders to practice psychology management methods. Completion of the Supervisor Handbook.
NEW Enterprise Mentoring Class	Encourage employees to develop multiple skills and improve the knowledge and skills of employees to develop various technological talents for the Company. Applied to and approved by the government for offering courses and vocational training certification.	<ul style="list-style-type: none"> Qualified for certifying and issuing three types of licenses for electronic specialty equipment installation technologist (intermediate), computer programmer (advanced), and draftsman (intermediate). Organized electronic specialty equipment installation technologist (intermediate) training for 18 persons who passed the certification and acquired the national intermediate vocational skill certificate.



▲ Potential Talent Program



▲ Extended Family Program



▲ Online Study Group



▲ Core Book



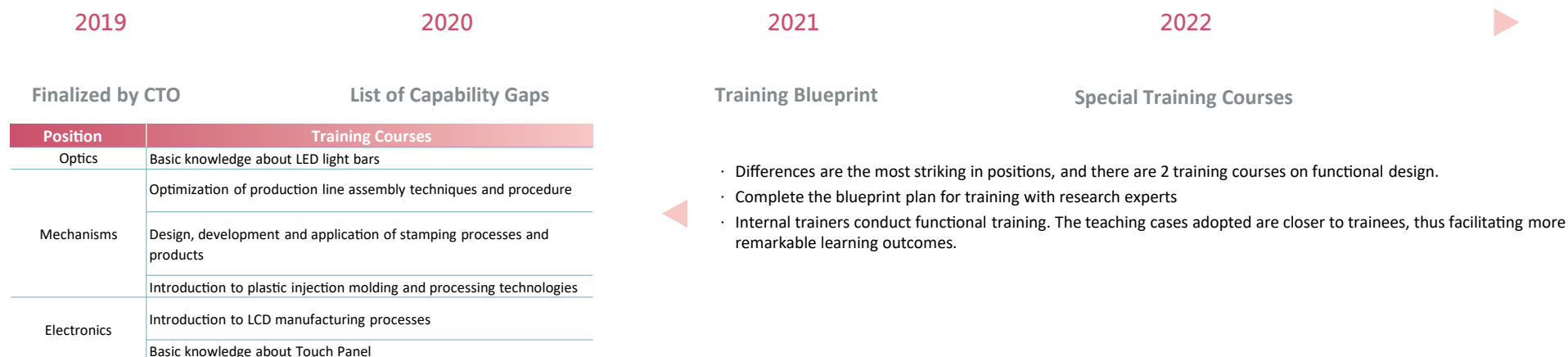
2) Management Talents Training

Course	Content	Performance in 2021
Core Leaders Training Program	<p>Strengthened the management competence of department supervisors through physical sharing meetings, e-learning, and after-class missions.</p> <ul style="list-style-type: none"> Internal sharing meeting: Invited internal model employees to share experience. New management trends: Invited the HR team to share cross-generation management and communication. Learning resources: Allowed supervisors to engage in self-learning with fragmented time through CWLC. After-class mission: Improved the learning efficacy of trainees with after-class mission. 	A total of 60 department supervisors participated in the program with a satisfaction score of 9.23 and a 100% after-class mission achievement rate.
Project Management Courses	<ul style="list-style-type: none"> To strengthen execution power, resource planning, inter-team collaboration, and team building, potential talents, department-level and division-level leaders were invited to the project management courses. Besides hiring instructors to teach the courses, we also design personal project planning table and project practice mission for trainees to apply knowledge learned from the courses in the routine work. 	A total of 30 persons participated in the program with a satisfaction score of 9.95 and a 100% after-class mission achievement rate.
Advanced Online Reading Group	To develop the norm of a learning organization, the online reading group was organized for BU division supervisors to understand how to lead a study group and its benefits in order to hold study group in the team.	<ul style="list-style-type: none"> A total of 34 persons participated in the program. Established internal consensus and absorbed the leadership methods of different leaders.
Potential Talent Program	<ul style="list-style-type: none"> Senior officers shared practical expertise to realize subordinate development and business succession. UMU e-learning platform: Combined physical courses for trainees to share achievements and maintain real-time interaction with instructors to improve course learning experience. 	<ul style="list-style-type: none"> A total of 8 classes were organized for 190 participants over a total of 665 person-hours, with a satisfaction score of 9.68. Cultivated 27 supervisors.
Supervisor Training Program	<ul style="list-style-type: none"> Helped new department supervisors understand their roles and responsibilities in organizational operations. Through three stages covering “self-learning, department sharing, and training courses”, the program helps new supervisors to progressively develop fundamental management power and quickly connect with their duties. 	<ul style="list-style-type: none"> The department sharing meeting influenced 187 supervisors and department employees, with a 52% popularity rate in indirect employees. The focus of sharing meetings was consolidated over the UMU e-learning platform for exchange through the KM base. A total of 23 articles were published and viewed by 305 persons. The course satisfaction score is 9.6, and competence improvement after training was 2.3 (up by 36%) as shown in the self-assessment.

3) Professional Talents Training

R&D Competency

In 2019, we introduced the R&D Competency training. In 2020, we inventoried the employee competence differences. In 2021, we designed training courses according to the inventory results and planned a series of “Competency Training Courses” through discussion with internal experts. A complete training plan will start in 2022.



4) International Talents Training

In 2011 we began to set the score of English proficiency test as a requirement for promotion by stating the score requirements for each pay grade and job type.

Course	Content	Performance in 2021
General English Program	Blending Online and offline (O2O) learning and app self-learning to improve the English proficiency of all employees.	The English passing rate was 85%, 37% higher than 2020.
NEW Elementary Spoken English Class	<ul style="list-style-type: none"> Four major spoken English themes were planned for employees to learn different sentence structures based on different business needs to enrich the spoken English competence of employees and accurately improve their spoken Business English capability. Course materials were designed for employees to give English presentations on products in their fields to improve their English presentation capability. 	90% of trainees passed the English presentation test, with a 35% progress in the spoken English test.
Live ABC English e-Learning Platform	Improved the fundamental skills in listening, speaking, reading, and writing of employees. After passing the default reading hours, we subsidized one-third of the course fee for each person.	TOEIC total average score improved by 57 points with 16% from 2020.
NEW Challenge TOEIC English 700 Booster Class	To help promote and would-be supervisors to meet the group's promotion requirements, we began to hire external consulting companies to offer the TOEIC booster class in 2021 for employees to quickly improve English in two months.	A total of 40 employees participated in the booster class with a course satisfaction score of 9.0 and a progress in the total average score of TOEIC by 160 points.

4. Youth Empowerment

Dream Walker • Earn Your Future

- Collaborative School: Cheng Shiu University
- Participant: 8 students
- Program:
 - The First Year (for Junior) : Provide each student with NTD 100,000~200,000 in each year.
 - The Second Year (for Senior) : Provide each student with NTD 100,000 in each year, and the one-year internship with a salary and free accommodation.
- One-year Internship
 - Providing free dormitory accommodation, a salary higher than the minimum wage, and a scholarship of NTD 100,000.
 - Learning about the product design process at the R&D unit in Hsinchu HQ before getting familiar with the engineering and manufacturing processes at Tainan Plant.
 - Regular interviews with school teachers, collaborated course design between the business and school for students to learn what is needed by the industry to achieve the goal of "education for employment."
- Performance
 - In 2019 and 2020, five selected senior students became PE engineering assistants and mechanism R&D engineering assistants.
 - One senior student became a full-time PE engineer of Coretronic after the internship, achieving the program goal.

Internship in Summer Vacation

- Participant: 8 students
- Program: Invited the children of employees and ordinary university students for internship at the office during summer vacation for students to earlier understand the differences between the actual workplace status and the required skills through practical training. Immediate supervisors gave full, professional instructions and provided interns with comprehensive advice on career and future study.
- Special Activity: In response to the COVID-19 pandemic, the "Completion Ceremony and Achievement Presentation" was held online with MS Teams for students to demonstrate their summer vacation achievements and share their practice. Supervisors of interns were also invited to listen to the interns' achievements and give them advice and encouragement.



4th and 5th Enterprise Talent Development Programs of National Tsing Hua University

- Collaborative School: National Tsing Hua University
- Participant: 20 students
- Program: The R&D team became the mentor for students to design products and plan projects; enrich their professional knowledge; develop communication, coordination, and teamwork skills, and understand the Company's actual operations earlier.
- Special Activity:
 - ▶ Achievement presentation of the 4th Student Project "As You Likes It at Coretronic": Students personally engaged in the planning, introduction, and debug. Achievements were demonstrated at the breezeway of the Learning Resources Center (Macronix Hall) of National Tsing Hua University. It is a body interactive psychological test using Arduino and Python combining with projectors. By covering the options projected from the projector in the air, the work can detect the player's option by sensing the impedance change on the photoresistor triggered by dimming. A total of 54 students participated in the interaction with the projector. Through the discussion between internal mentors and the Coretronic team members, students found out the pain points and application scenarios of new-generation consumers and brainstormed more comprehensive product functions.
 - ▶ The 5th Student Project "Project Market Survey Report" planning: The projector preferences of students will be surveyed to facilitate the planning of future marketing strategies.
 - ▶ Mentor Exchange Roundtable: Four thematic online forums were held to investigate "industry trends", "CV secrets for interview", "workplace soft power", and "workplace fun things and reminders for new graduates". Each with 6-7 students as panelists.

A+ Pioneers Program (Wujiang Plants)

- Intern: 63 students
- One-year Internship: Arranged centralized classroom courses and training, job rotation learning, and job-based training for students and one-month learning guidance based on the Interns Instructions Handbook.
- Performance:
 - ▶ In 2020 (period: June 2020-June 2021), there were 28 interns, and 14 of them became full-time employees of Coretronic after graduation, working at the automated integration, sales, materials management, facility, R&D, and HR units.
 - ▶ In 2021 (period: June 2021-June 2022), there were 35 interns, currently working at the engineering, automation, quality, and sales units.

NCU College of Health Sciences & Technology + NCU College of Science TOP Program

- Collaborative School: National Central University
- Collaborative Corporation: 104 Job Bank
- Participant: 37 students
- Program :
 - ▶ Through courses co-developed by NCT and Coretronic, including taught courses and internship, and the career exploration, CV writing, and interview skills offered by 104 Job Bank, we helped students broaden their vision and set defined career targets and develop capabilities before graduation.
 - ▶ Arranged corporate instructors to introduce the status and trends of the industry and Coretronic's business philosophy and corporate culture; provide and explain talents development policy, education for fundamental job-related competence, special topics; and participate in the rating and grading of the term reports of students.
- Performance: Offered 5 job openings to increase the opportunities for students to file applications and join the interview.

Youth Employment Navigation Program

- Target: Encourage students of senior vocational high schools to explore and set goals for their life through workplace, learning, and international experience.
- Participant: 2 students
- Program: The government offers each person NTD 10,000 each month for study, employment, or entrepreneurship. We offer openings of full-time employees to join this program.
- Performance: Provided 10 job openings and successfully hired two participants working at the production and engineering departments. One of them was selected as an example of success for the "2021 Youth Employment Navigation Program" by the Yunlin-Chiayi-Tainan Regional Branch of the Workforce Development Agency to help youths understand future study and career planning better.



5. Performance Evaluation ⁴⁰⁴⁻³

We conduct performance evaluation twice a year. All employees, except probationary employees, employees on leave of absence, and fixed-term contract employees, shall be evaluated. The evaluation is based on facts and performance-oriented, and will not have any biases by gender.

Area	Gender	Grade ¹					Job Type				
		Senior management	Middle management	First - line management	Non-management	Total	R&D staff	Sales staff	Administration staff	Production staff	Total
Taiwan	Male	90%	99%	100%	93%	95%	97%	98%	90%	91%	95%
	Female	87%	100%	100%	96%	96%	96%	98%	95%	96%	96%
	Total	90%	99%	100%	94%	95%	97%	98%	93%	94%	95%
China	Male	100%	100%	99%	85%	86%	94%	90%	98%	85%	86%
	Female	100%	100%	99%	90%	91%	100%	96%	91%	90%	91%
	Total	100%	100%	99%	87%	88%	95%	95%	93%	87%	88%

¹: Senior Management includes leaders of Business-Groups, Sub-Business-Groups, Business-Units, independent centers, centers, and independent senior officers; leaders of divisions are middle management personnel; department and section supervisors are first-line management; and all other employees are non-management staff.

6.6 Health Care

Only when companies that put the happiness of employees first have the possibility to achieve sustainable development. Hence, we are committed to building a comfortable, safe, healthy, and friendly workplace environment so that employees are able to focus on work and demonstrate their full potential to promote the growth of the company, as well as enhance the organizational commitment and cohesion of employees and thereby create competitive strengths for the company.

For employees to receive complete care in physical, mental, and spiritual health, and endeavor to inculcate the health management concept in employees, we have established the health management unit in each plant to promote comprehensive health management. Additionally, we have been awarded consecutively the Badge of Accredited Healthy Workplace for many years. By assessing health risk based on the results of the annual health checkup and integrating the four implementation plans of the Occupational Safety and Health Act, we identify and assess high-risk groups, hire medical specialists to give onsite consultation and health instruction services and arrange necessary referrals. With the support to promote various health promotion activities of senior managers, we organize the Golden Week Travel and Sports and Family Day events each year to encourage employees to develop sports habits and a good lifestyle in order to build a healthy workplace.

When COVID-19 swept across Taiwan and the government raised the alert to level 3 in 2021, the internal "Pandemic Response Team" kept track on the pandemic control policies and pandemic information published by the Central Epidemic Control Command (CECC), made rolling management, and implemented employee health monitoring and anomaly follow-up. Besides providing employees with a healthy and safety workplace environment, the team also lowered the impact of the pandemic.

1. Health Management 403-3

1) Annual Health Examination

Plants in Taiwan arrange health checkups at a frequency higher than the regulatory requirements and allow employees to check the results online. In 2021, a total of 1,250 employees took the health checkup. Based on the results of the 2021 health checkup, we analyzed the top 10 health problems with statistical techniques. The top three health issues were BMI, blood pressure, and total cholesterol. Besides arranging one-on-one health education and instructions or referral assistance by medical specialists for employees with a significant condition in these three problems, we also followed up their condition. Compared to the results of 2019, these three problems got worse in 2020 because the opportunities for going out and sports reduced significantly when many sports venues were closed, outdoor activities were canceled, and wearing masks outdoors was compulsory due to COVID-19. As a result, many employees gained weight, which affected health.

In 2021, Wujiang Plants arranged the annual health checkup for 35 employees engaging in special work (forklift drivers, electrical work, and low-voltage electrical work) according to the RBA requirements.

2) Physical Examination of New Employees

On the basis of the examination results, employees with abnormal medical reports will be provided with health education and consultation, and if necessary, one-on-one consultations and follow-up examinations will be arranged.

3) Periodic Examination for Employees Engaged in Special Job

Special health checkups were arranged for employees engaging in work with special hazards. Checkup items for plants in Taiwan included lead, dust, noise, ionizing radiation, and n-Hexane, with a 100% checkup rate. Graded health management was also arranged according to the checkup results. A total of 147 employees received level I management and 11 employees received level II management, and health interviews and health education were arranged for them afterwards. One employee receiving level III management was referred to occupational medicine specialist for follow-up examinations, with related management measures adopted as advised by the specialist to prevent exposure to health hazards from work.

The checkup items for plants in China included dust, benzene, toluene, xylene, stannic oxide, isopropanol, acetone, cyclohexane, methyl ethyl ketone, heptane, methanol, noise, ionizing radiation, propenoic acid, and anhydrous ethanol. A total of 552 employees received the checkup, with a 100% checkup rate. A second or follow-up checkup was arranged for employees with abnormal results. If the results of both checkups were abnormal, the abnormal items were determined as occupational contraindications, and those employees were transferred to other jobs to prevent exposure to health hazards from work. In 2021, seven employees of Kunshan Plants were transferred due to abnormal checkup results.

2. Health Protection 403-3, 403-10 ◀ No complaint case of illegal infringement in 2021.

In response to the emerging workplace health issues in the Occupational Safety and Health Act, we implemented four management plans to take care of the employees' physical and mental health through the collaboration of occupational health management personnel and occupational medicine specialists. From hazard identification, risk assessment, and risk control to effectiveness assessment, we aim to effectively reduce the risk of hazard exposure and occupational ill health of employees.

- In Taiwan, we stipulate the operational instructions based on maternity care, human factors engineering, and overload.
- Based on the results of ergonomic risk assessment, Wujiang Plants identified a total of 22 high-risk jobs, provided health instructions, and planned improvement measures.



Protect Maternity and Health

- Evaluate 19 pregnant and postnatal females in respect of their competence for work
- Provide special indoor parking space, priority to take meals, and breastfeeding rooms



Prevent Abnormal Workload

- Remind of daily working hours and control overtime working hours
- Include annual health checkup in Framingham's 10-year risk evaluation on cardiovascular diseases
- Evaluate workload and burnout by scale and evaluation
- Arrange medical practitioners' interview and guidance in respect



Prevent Human Harms

- Conduct questionnaire surveys on employees' consciousness and musculoskeletal symptoms
- Arrange medical practitioners' interview, evaluation guidance in respect of high-risk groups
- Arrange visit to operation sites according to needs
- Completely replace office chairs with ergonomic chairs



Prevent Violations


- Take violations into account in identifying hazards in operation procedures
- Set a Review Committee for Complaints on Workplace Violations
- Set 8585 as special internal complaint hotline of the Company
- Provide free consultations for individuals and extend services to family dependents

▲ Health protection measures in Taiwan Plants

3. Health Promotion 403-6 ◀ A total of 69 activities, with 3,357 participants.


Besides constantly establishing the annual health promotion plan based on the results of annual health checkups, questionnaire survey, hazard assessment of workplace environment, and employee health requirements, we will enhance the health awareness of employees through various health promotion activities and health education information in order to build a healthy, energetic, and comfortable friendly workplace.

In 2021, Chunan Plant, Headquarters, and Tainan Plant 1 passed the healthy workplace accreditation and were awarded the Badge of Accredited Healthy Workplace.




Weight loss activities of plants in Taiwan

- **Walking:** Downloaded the "pedometer" app in the mobile and exchanged points with steps to develop the regular exercise habit in employees.
- **Nutritional healthy meals:** Supplied healthy vegetarian meals two times a week, including lettuce salad, vegetarian meals, and light meals to reduce calorie intake.
- **Weight loss talk:** Publicized correct dietary concepts through nutrition and traditional medicine talks, arranged low-calorie dishes DIY, and introduced acupressure and slimming tea recipes to help lose weight.
- **Weight Loss Success Reward:** The target for Headquarters and Tainan Plant 1 was 3 kg, and 21 employees achieved the target. The target for Chunan Plant and Tainan Plant 2 was 2 kg, and 27 employees achieved the target.



First Aid Training

- A total of 44 CPR+AED classes were offered to 1,312 persons of plants in Taiwan (Headquarters, Chunan Plant, and Tainan Plant 1). These plants also passed the "CPR+AED Safe Venue Accreditation".
- First Aid and "Safety Knowledge Training" and "Food Poisoning First Response" Training were arranged for 104 persons of plants in China.



Health Education

- **Tuesday Sugar Reduction:** Chunan Plant and CommonHealth Magazine in Taiwan (Headquarters, Chunan Plant, and Tainan Plant 1) shared good articles during June-December in 2021.
- **Health e-Academy:** Health promotion personnel of plants in Taiwan and China collected useful health articles, designed "online" reading and pop quiz, and planned "Like lucky draw" activities to promote cross-strait health knowledge exchange.

4. COVID-19 Pandemic Prevention Measures 102-15

When the global condition of COVID-19 was tense in 2021, Taiwan raised the pandemic alert to level 3 under the leadership of the CFO, the chief commander of pandemic prevention, the "Pandemic Response Team" continued to gathered pandemic-related information and supported the government's pandemic prevention policies to adjust the relevant pandemic prevention measures. By publishing pandemic prevention notices over the EIP system, plant bulletin boards, and Coretronic app, the team enabled quick access to the correct pandemic prevention information or employees to maintain physical and mental health and lower the Company's operational risk.

- 1) Collection and publicity of COVID-19 pandemic information: Every day after confirming the pandemic condition at home and abroad and collecting correct health education data, information was sent by email and published on the physical and electronic bulletin boards of each plant. Assistants also published correct pandemic control concepts and provide real-time pandemic information over the WeChat account.
- 2) Well preparation of pandemic control supplies: Constantly monitor and manage pandemic prevention supplies and purchase new supplies as necessary.
- 3) Monitoring employee health condition
 - ✓ Equipped the entrances and exits of each plant with the "3-in-1 checkpoint": automatic body temperature scanners, automatic alcohol dispensers, and facemask check. Employees were also requested to register body temperature to the Coretronic app. Employees with respiratory track symptoms or gastrointestinal symptoms were requested to get immediate medical attention and work from home until all symptoms disappeared.
 - ✓ Employees in Taiwan were requested to fill in Health and Contact History Questionnaire to enforce voluntary reporting, self-imposed health management, and daily monitoring of pandemic condition. Controls were imposed on high-risk employees.
 - ✓ Employees in China were requested to check the health code and travel code every week. Employees with an abnormal health code or involving travels to high-risk areas were requested to take the PCR test and to come to work only after tested negative for 2 times.
 - ✓ For long holidays such as Chinese New Year and National Day holidays, employees in China were encouraged not to leave Suzhou. Employees returning to their hometowns were requested to sign a statement to agree the Company's travel monitoring. After passing by high-risk areas, they were requested to take the PCR test and to come to work only after tested negative for 2 times.

- 4) Split operations (Taiwan): When the government raised the alert to level 3, besides arranging work from home for employees living in high-risk areas, we also activated split operations.
- 5) Management of import/export goods (China): Besides disinfecting all import/export goods, personnel having direct contacts with import/export goods were requested to take the PCR test periodically.
- 6) Control of external personnel
 - ✓ Besides measuring the temperature, all visitors, contractors, and suppliers entering the plants were requested to fill in COVID-19 Health Declaration Card and wear the facemask at all times in the plant.
 - ✓ When entering plants in China, visitors from the affected areas or with an abnormal health condition were requested to present a tested negative PCR report issued within 48 hours and measure their body temperature.
 - ✓ Professional equipment was installed at plants in China to scan the health code and maintain a record of all external visitors.
- 7) Social-distancing
 - ✓ Face-to-face meetings were replaced with video conferences, phone calls, or email as much as possible.
 - ✓ Employees were requested to maintain an indoor social distance at a minimum of 1.5m, and the number of passengers in each lift was limited.
 - ✓ The employee restaurants changed the meal supply style with boxed meals. Employees were requested to maintain the social distance when collecting the meals and serve their boxed meal at their seats to reduce the chances of transmission through close contacts and droplets.
- 8) Dormitory Control (China)
 - ✓ Set up the isolation dorm and arranged personnel to deliver meals and other necessary services (no personnel contact).
 - ✓ Measured and recorded the body temperature of personnel in isolation twice a day.
- 9) Percentage of employees completing 2 COVID-19 vaccines: Up to 62.3% of employees and workers in Taiwan received 2 COVID-19 vaccines, nearly the average complete vaccination rate of Taiwan, and the rate in China was 94.7%, higher than the requirement of the local government.



6.7 Safe Workplace

Employees are the crucial drive for the continuous innovation and sustainable development of the Company. Thus, it is our responsibility to provide a safe work environment for the employees. Our goal of a safe work environment management is to “create a safe and healthy workplace” with “zero occupational disaster” and we expect the employees and workers of Coretronic can work in a healthy and safe environment.

1. OH&S Management System 403-1, 403-2, 403-7, 403-8

We fully institutionalize the environmental safety and health management regulations for the compliance of employees and workers. Besides, we established safety and health policies to regularly review safety and health performance, strengthen the education and training of personnel, implement risk management, and perform on-site audit on a regular basis to ensure safety of work environment. The internal and external certification of 2021 occupational safety and health management system covers the number of employees and workers declared in the Management of Occupational Hazards.

In addition to acting in accordance with relevant national laws and regulations, and introducing measures for hazard prevention and pertinent management specifications according to natures of different operation sites, the top management sets up a safety/health organization and the occupational health and safety committee. The occupational health and safety personnel of plants take charge of third-party certification (ISO 45001) and audit of the occupational health and safety management system. The certification pass rate of Taiwan Plants, Wujiang Plants, and Coretronic Projection (Kunshan) is 100%. Taiwan Plants have been simultaneously granted the CNS 45001 certificate as well. Hope that work plans of the management cycle can be implemented for the purpose of making continuous improvements, reducing occupational hazards, and ensuring safety and health of all employees and stakeholders.

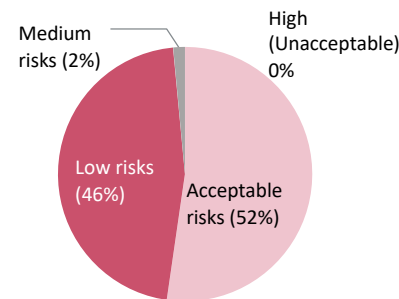
While Coretronic Optics (Kunshan) was the upstream supplier of Coretronic Projection (Kunshan), the work environment and safety management systems were combined. In the future, they will pass ISO 45001 verification at the request of customers.



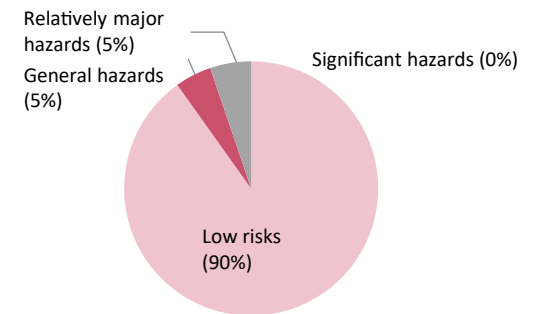
2. OH&S Risk Management 403-2

- We have established the Hazard Identification and Risk Assessment Regulations. The administrative unit promotes all departments to review and revise the hazard identification and risk assessment data each year. Before a process, equipment, materials, or operating environment change, hazard identification is performed in terms of chemistry, physics, ergonomics, biology, and other safety and health items (including society and psychology). Personnel performing hazard identification and risk assessment are requested to receive a minimum of 3 hours of risk assessment training. After categorizing the operating environments, equipment, manufacturing processes and inventorying the duties and operations that may cause hazards, and filling in the “Hazard Identification and Risk Assessment Form” in coordination with the operating procedures of each department, each unit converts hazards into risk levels based on their severity and likelihood, and adopts the risk controls. Moreover, we established improvement actions for hazard factors of higher risk of each plant to provide employees with safe and sound workplace environment. If a severe occupational accident occurs, it will be listed as a high-risk factor and risk controls shall be implemented. In 2021, plants in Taiwan and China completed the risk assessment of all items, and no unacceptable risk or severe danger were detected.
- With reference to the occupational safety and health regulations of Taiwan and China, either the employer or the workplace responsible person must cease all work and evacuate employees to a safe venue when there is a threat of immediate workplace danger. Employees believing that there is a potential risk in their duties may cease operation spontaneously, evacuate to a safety place, and immediately report to the line manager without harming worker safety. No punishment for the voluntary report of hazards or evacuation of employees to a safe place for occupational hazards shall be stated in the relevant regulations.

2021 Hazard Identification and Grading Results in Taiwan



2021 Hazard Identification and Grading Results in China



3. OH&S Organization ^{403-4, 403-7, 403}

Plants in Taiwan and China have established an OH&S management unit to plan, supervise, and implement matters related to labor safety and health. To facilitate the smooth promotion and implementation of OH&S, we constantly reduce the risks on personnel, equipment, and environment and enhance the self-awareness of safety in employees through the PCDA cycle to achieve zero occupational accident together.

OH&S KPI		
<ul style="list-style-type: none"> · OH&S Accident/Incident Investigation · Occupational Accident Severity · ESH Audited Defects or Recommendations · Follow-up of EHS Plan Implementation · Internal/External Communication and Opinion Dissemination 	<ul style="list-style-type: none"> · Chemicals Management Compliance · Management Change Compliance · Waste Management Compliance · Health Management Compliance · Corrective and Preventive Action and Effectiveness Follow-up 	<ul style="list-style-type: none"> · ESH License Compliance · Status of Self-Inspection · Participation in ESH Education and Training · Contractor ESH Management Compliance

4. Consultation, involvement, and communication of occupational safety issues ⁴⁰³⁻⁴

To build a comfortable and safe environment and promote labor-management communication, our plants in Taiwan hold the OH&S Committee Meeting periodically, and plants in China also hold Occupational Health Management Committee Meeting and Safety Routine Meeting periodically. These committees are formed by supervisors of all levels, safety and health management personnel, and labor representatives to make recommendations for the Company's safety and health policies and review, coordinate, and recommend matters related to safety and health. Every quarter, committee members decide on the planning and operation of the safety and management system, and publish the results in paper format or electronically. Employees are encouraged to make OH&S recommendations over the "ESH Platform." After receiving such recommendations, the administrative unit will give voluntary assistance, and proposers will not be punished. Contractors can consult and communicate occupational safety issues through the annual coordination organization meeting.

In 2021, a total of 31 OH&S Committee meetings and 107 contractor coordination organization meetings were held by plants in Taiwan and China. Additionally, no dispute over occupational safety was reported in 2021.

2021 OH&S Committee		Taiwan				China	
Items discussed and promoted	Frequency	Quarterly				Monthly	Yearly
		Headquarters	Chunan Plant	Tainan Plant 1	Tainan Plant 2	Kunshan Plants	Wujiang Plants
• Continuous promotion of a safe work environment and the prevention of occupational accidents.	Plant						
• Continuous promotion of energy conservation, emission reduction and industrial waste reduction in all plants.	Number of Labor Representatives	9	13	8	3	6	6
• Arrange periodic education/training activities to raise OHS awareness of employees.	Total Committee Members	16	20	21	9	15	16
• Continuous promotion of environmental safety audits.	Proportion of Labor Representatives	56%	65%	38%	33%	40%	38%
• Manage, review and ensure the effective operations of EMS and OHSMS.							



5. OH&S Training 403-5, 403-7

In order to ensure all the employees are familiar with occupational safety and health related laws and regulations and the Company's safety and health management mechanism, we have formulated operating procedures for environmental safety and health education and training, and provide employee safety and health training courses in accordance with regulations and job requirements to improve their safety and health concepts.

In 2021, the total number of attendances in occupational safety and health education and training in Taiwan and China was 41,333 persons and the total number of training hours was 710,134 person-hours. The on-the-job safety and health training courses include the in-service education for the occupational safety and health officer, the occupational safety and health managers, the hazardous work officer, the fire prevention personnel, the Occupational Safety and Health Committee members, and regular employees.

Performance in 2021		
Content / Area	Taiwan	China
Newcomer OH&S education and training (person)	255	28,900
Annual fire/civil defense regiment training (person)	229	7,980
Safety and health on-the-job training (person)	1,427	1,471
Annual contractor in-house training (person)	915	156
Total number of participants (person)	2,826	38,507
Total number of training hours (person-hour)	5,799	704,335



6. Disaster Response Training 403-5, 403-7

To implement the disaster prevention concept of the employee and improve the crisis awareness and emergency response capability of the personnel in the emergency response team, besides the regular review of the emergency response plan, we cooperated with the fire department to regularly hold fire prevention drills in the plant area.

In 2021, we held 28 fire/civil defense regiment trainings with 9,401 participants and 10,918 person-hours in Taiwan and China.

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

- In order to reduce the occurrence of occupational accidents and to systematically manage the risk of occupational disasters, in addition to formulating the operating regulations for the management of work-related injuries and accidents, we have also set up an "accident reporting/personal work-related injury/environmental safety and health abnormalities handling record" platform to record and track the causes of accidents and corrective improvements. When each incident of work-related injury occurs, we will re-examine the hazard factors and assess the risks to strengthen disaster prevention. At the same time, we will carry out accident analysis and improvement through regular internal patrols and inspections, compliance with accident management regulations, notification system and investigation mechanism to ensure a safe working environment. In 2021, there were 2 false alarms and no incidents of work-related injuries (excluding traffic accidents), achieving the 2021 target.
- During the period from March 27, 2019 to December 31, 2021, a total of 304 employees in the Chunan Plant participated in the safety and health self-management campaign promoted by the Industrial Safety and Health Association - joining the "Disaster Free Working Hours Recording Activity." As of the end of 2021, the total accumulated disaster-free working hours reached 1,630,600 hours. In the future, we will continue to aim for zero accidents in the workplace and strive to maintain a safe working environment.
- In 2021, a total of 13 work-related incidents occurred at plants in China, including 7 incidents occurred at Wujiang Plants, one more than 2020, after an increase in workers by 30% for the capacity expansion of Wujiang Plants and the beginning of operations of Coretronic Optics (Suzhou). To effectively prevent occupational accidents, in 2022, Wujiang Plants will implement safety training for station workers of production line automated equipment, assembly lines, and jig and fixture, as well as perform onsite patrol to reduce likelihood of occupational accidents. In 2021, six work-related incidents were reported in Kunshan Plants, the same number as in 2020. To achieve the annual target, Kunshan Plants arranged continual awareness education and training for workers to enforce workplace management and occupational accident prevention.

Area	Taiwan ⁵		China ⁵	
	Employee ⁴	Worker ⁴	Employee ⁴	Worker ⁴
2021 Occupational Injury Rate				
Death Rate Due to the Occupational Injury ¹	0	0	0	0
Serious Occupational Injury Rate (excluding the number of deaths) ²	0	0	1.6	0
Documentable Occupational Injury Rate ³	0	0	1.6	0

1. The death rate due to the occupational injuries = the number of deaths due to the occupational injuries/working hours × 1,000,000

2. Serious occupational injury rate (excluding the number of deaths) = the number of serious occupational injuries (excluding the number of deaths)/working hours × 1,000,000

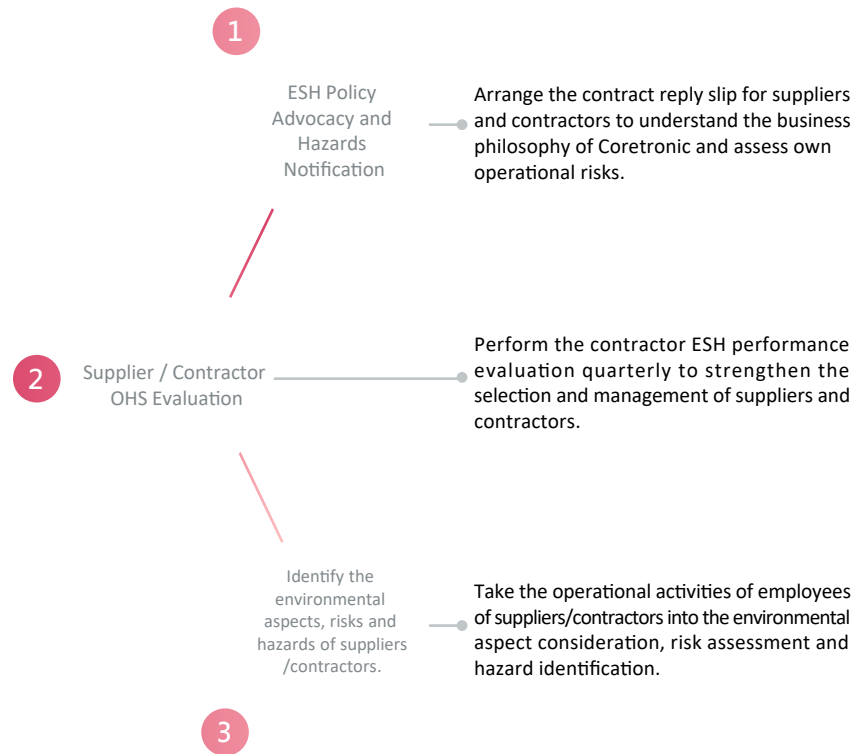
3. Documentable occupational injury rate = documentable occupational injuries/working hours × 1,000,000

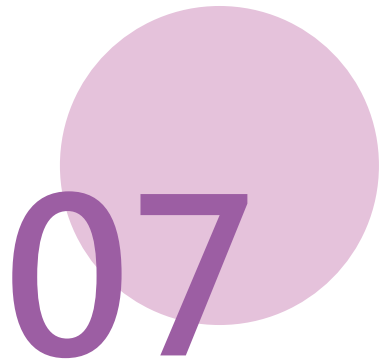
4. Employees and workers: Taiwan Plants-Calculated based on the statistics of occupational disasters reported by the plants in Taiwan from January to December 2021; China Plants-Calculated based on the statistics of HR System in China.

5. Taiwan Plants include Coretronic's Headquarters, Chunan Plant, Tainan Plant 1 and 2; China Plants include Kunshan Plants (Coretronic Projection (Kunshan) and Coretronic Optics (Kunshan)) and Wujiang Plants (Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), and Coretronic Optics (Suzhou)).

8. Contractor Management 403-7

- In addition to employees, contractors are also our important partners. To ensure the health and safety of partners, maintain equipment safety, and effectively carry out our health and safety commitment, we have established explicit contractor OH&S management principles to prevent occupational accidents.
- No in-house accidents caused by contractors have been reported since 2015 in Taiwan, and there is no in-house accidents caused by contractors have been reported in China in 2021.





Social Engagement

7.1 Charity Care

7.2 Light Pioneer

7.3 Dream Walker

7.4 Coretronic Culture and Arts Foundation

Vision



- Firefly Volunteer Team
- Departments

Plan



2022 Target



Performance



- Won the TCSA "Social Inclusion Leadership Award" for a second time
- Won the subsidy again from the Ministry of Education for the Higher Education Sprout Project-USR Hub Promotion.
- Won the "Buying Power-The New Product and Service of Social Innovation Purchase Reward Program" Third Prize by Small and Medium Enterprise Administration, Ministry of Economic Affairs

Indicator	2021 Target	Achievement Rate	Indicator	2021 Performance	Achievement Rate
Donation Amount	17.41 M	99%	Hours of Volunteer Service	3,030 person-hours	52%
	17.21 M			1,576 person-hours	
Number of Beneficiary	3,254 persons	140%	High-tech Adventure	6 sessions	33%
	4,558 persons			2 sessions	
			(Canceled 4 sessions due to COVID-19)		
Sponsor NGO	45 units	149%	Digital Interactive Classroom	8 classrooms	75%
	67 units			6 classrooms	
			(postponed 2 classrooms due to COVID-19)		
Volunteer Participation	350 person-times	61%	Future Tech Camp	5 sessions	40%
	212 person-times			2 sessions	
			(Canceled 3 sessions due to COVID-19)		

7.1 Charity Care 203-2

In 2011, we began a series of campaigns, including “Light Wishes for the Rurals”, “Farm the Hopes”, and “Love Followers.” Besides taking care of the vulnerable groups in remote townships in Miaoli, Hsinchu, and Tainan, we also maintain active collaboration with social enterprises, periodically purchase organic crops from local smallholders for stakeholders to eat in order to take care of their health and financially support local farmers. When COVID-19 swept across the globe in 2021, we initiated the “Combat COVID Together” campaign, hoping to lower the pandemic’s economic impact and help the government control the pandemic in order to safeguard Taiwan together.

Performance of “Charity Care” from 2011 to 2021



Exchange Love and Warm on X'mas in 2021

By teaming up with supplier YYsports, we expanded the scope of charity to Hsinchu County and Tainan City to extend the influence. Additionally, we purchased practical and fashionable sports backpacks and super popular popcorns with the employee’s donation of **NTD 550,000** and delivered them either through Firefly Volunteer Team or by post to send warm presents and full blessings to a total of **393** students of Yungshing Elementary School in Shihtan Township, Wurong Elementary School in Dahu Township, Shihlin Elementary School and Kindergarten in Taian Township, and Mingsde Elementary School in Touwu Township of Miaoli County; Wufeng Elementary School and Kindergarten in Wufeng Township, Siulian Elementary School and Kindergarten, Dianpu Branch of Siulian Elementary School and Kindergarten, and Shihlu Elementary School and Kindergarten in Jianshih Township of Hsinchu County; and Hougang Elementary School and Kindergarten in Qigu District, Tainan City. YYsports even donated delicious and healthy boxed meals and mini baseball family kits to Shihlin Elementary School so that more children can enjoy professional sports.

NEW Additionally, part of the donation was donated to various campaigns such as the “Save Children in Starvation” of World Peace Association and the “Reunion with Love” of Huashan Social Welfare Foundation in order that **175** students and the elderly can enjoy hearty breakfasts and year-end reunion dishes.

Fulfill Kids' Dreams on Children's Day in 2021

We gave sets of customized stationery and popcorns to **338** students in Miaoli Rainbow Hopes Home, Miaoli Children and Families Foundation, St. Francis Halfway House, Ren Ai Children Home, St. Teresa Children Center, and Boyo Social Welfare Foundation (Heng Shan Elementary School, Da Du Elementary School, Sha Keng Elementary School, and Wu Long Elementary School in Hsinchu County).



Love Followers in 2021

To promote and realize ESG, we established the “Firefly Volunteer Team” in 2011. In 2018, the “Management Regulations of Firefly Volunteer Team” were established to include the **paid volunteerism leave** on holidays, volunteerism reward system, annual volunteer conference, volunteer’s day, and volunteering courses. In 2020, we furthered categorizes volunteers into “charity volunteers”, “environmental protection volunteers”, and “product volunteers” to carry out missions including public welfare, environmental protection, and product introduction and installation respectively.

Paid Volunteerism Leave 414 hours	Annual Volunteer Party 28 participants	Service Enthusiasm Award 14 persons	Special Contribution Award 1 person	Volunteering Courses 28 participants
 <p>Employees participating in the holiday volunteerism activities organized by the Company are entitled to the unlimited volunteerism leave for equivalent hours volunteer service.</p>	 <p>At the conference, outstanding volunteers were commended, annual achievements and future plans were shared, and volunteer experience as passed down.</p>	 <p>Gift vouchers and certificates of appreciation were presented to volunteers offering volunteer service for over 20 hours in the year.</p>	 <p>Gift vouchers, certificates of appreciation, cash prizes, and one credit were presented to volunteers with the most service hours and participating in most volunteer services during 2018-2020.</p>	 <p>The winner of the “Coretronic Photography Contest” shared photography skills for volunteers to take photos with warmth.</p>



“ Thank the company for organizing diverse volunteer activities. It is definitely spice up my boring and stressful RD life. After having fun with children during the holidays, I can successfully change my mood and return to work more energetically on weekdays.

- Howard Liao, Senior Engineering, the winner of Special Contribution Award



NEW Fight the Pandemic in 2021

- We sponsored the “1919 Anti-Pandemic Relief Package” project of the Chinese Christian Relief Association, purchasing **533** anti-pandemic food boxes for a total of **533** families as they were affected by the level 3 pandemic alert
- We also invested in anti-pandemic personnel, sponsored anti-pandemic equipment, and donated anti-pandemic materials to the vaccination stations in Chunan Science Park, the Tai Yuen Hi-Tech Industrial Park, and the Hsinchu County Women’s and Children’s Center.





Warm Delivery in 2021

Since 2019, we have sponsored the "Reunion with Love" of Hua Shan Social Welfare Foundation. Members of Firefly Volunteer Team have delivered Chinese New Year dishes and customized supplies to **100** lonely elders living in Jianshi, Beipu, and Hengshan Township of Hsinchu County before Chinese New Year.

NEW

In 2021, we realized the needs of the elderly through the periodic visit of Huashan Social Welfare Foundation and customized supplies for **25** seniors, including articles for daily use, food for long storage, small appliances, food ingredients, warm-keeping items, and others. We also helped seniors to post the couplets and measure body temperature and blood pressure for each senior to get what they wanted for a warm Lunar New Year.

Farm the Hopes in 2021

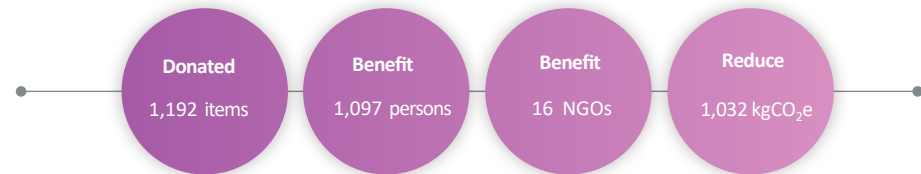
- Spent over **NTD 1.46 million** purchasing over **20 tons** of organic vegetables from the social enterprise "Buy Nearby" and "Earth Friend Organic."
- Purchased **13.2 tons** of Miaoli Yuanli rice from the social enterprise "Buy Nearby" as a gift for shareholders, and hire 20 children with intellectual development disorders from 2 sheltered workshops in New Taipei City to pack.
- Purchased **435 kg** fair trade coffee beans from the social enterprise "OKOGREEN."

Rice Donation in 2021

Coretronic has purchased organic rice from vulnerable farmers in remote areas in Miaoli county and donated **24 tons** of rice to local vulnerable groups and NGOs for 10 consecutive years. In 2021, we donated **163.2 kg** of rice to Huashan Social Welfare Foundation.

Annual Volunteer Day in 2021

For two consecutive years, we have cooperated with the social enterprise - GIVE CIRCLE, and invited employees to donate old articles of their homes to small and medium-sized non-profit groups and vulnerable families. As a supplier, Chia Teng Industrial Corp. provided 30 second-hand cartons for this grand event. President Sarah Lin also donated multiple nearly brand -new household appliances and articles for daily use in active response to the event. This time, 91 employees took part in this event, donating **30** cartons of old articles, including 3C devices, household appliances, stationeries, clothes, toys, and daily necessities.



Thank the company for providing a number of high-quality gifts such as laptops and small home appliances to enrich our learning rewards, which also successfully increase children's willingness and motivation to read and serve others.

- Chia-yi County Da You Elementary School, the NGO benefitted from this program.



7.2 Light Pioneer 203-2

Coretronic has focused on education market for a long time, and has implemented "Light Pioneer" (including "High-tech Adventure", "Digital Interactive Classrooms", and "Future Light Camp") in Miaoli rural schools with customers and local communities since 2016. Utilizing our core competence and core products, we hope to narrow digital divide and provide equitable quality education for students and practice the goals 1-No Poverty, 4-Quality Education, and 17-Partnership of the UN's SDGs. In 2021, all related activities were scaled back due to COVID-19.

01

High-tech Adventure in 2021

We invited **42** students and teachers from Miaoli County Da Nan Elementary School and Jing Shan Elementary School to visit Coretronic's Headquarters and Chunan Plant. Through High-tech Adventure, students and teachers can not only acquire latest information and knowledge about advanced technology and related products, but also DIY VR. What's more, by experiencing high-tech products, teachers may create new teaching approaches to improve students' learning motivation and efficiency.



02

Digital Interactive Classroom in 2021

We built **6** Digital Interactive Classrooms equipped with an ultra-short-throw laser projector, projection film and IR pens in Miaoli County Kai Kuang Elementary School, Shih Tan Elementary School, Li Lin Elementary School, Feng Lin Elementary School, Da Nan Elementary School, and Shuang Lien Elementary School to enhance the digital teaching ability of teachers and make students more competitive.



03

Future Light Camp in 2021

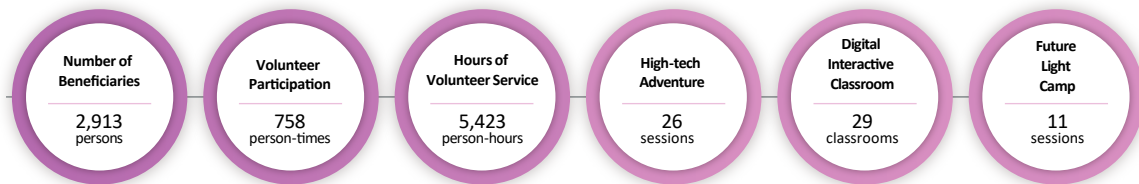
Coretronic's Firefly Volunteer Team and IM-specific volunteer team from National United University held **2** Future Light Camps in Miaoli County Cheng Chung Elementary School and Li Yue Elementary School together. We made good use of all devices in the Digital Interactive Classroom to teach **56** rural students basic/advanced computer programming, Google VR cardboard assembly, and mBot courses. Also, we shared environmental protection knowledge with students to enhance their awareness of climate-related risks.



This project helped National United University to win the subsidy of **NTD 600,000** again from the Ministry of Education for the Higher Education Sprout Project--USR Hub Promotion.



Performance of "Light Pioneer" from 2016 to 2021



7.3 Dream Walker ²⁰³⁻²

In order to allow all departments of the Company to better understand the ESG strategies and rally the employees to actively participate in relevant events, starting in 2018, “Dream Walker” was initiated in response to the goal 4-Quality Education of UN’s SDGs and use the Company’s core products and resources to encourage all departments to propose their ESG plans. There are three proposals, namely “Grab Your Bat”, “Your Dream • Your Future,” and “Earn Your Future.” In 2021, we only implemented “Grab Your Bat” and “Earn Your Future” due to COVID-19.

Performance of “Dream Walker” from 2018 to 2021



Grab Your Bat in 2021

As an i-Sports enterprise, we have sponsored the baseball team of Shiou Lin Elementary School of Minxiang Township in Chiayi County **every year** since 2018 and periodically publish their outstanding performance over our Facebook Fan Page and e-bulletin to enhance employee involvement. In 2021, there were 36 members in the youth baseball team, with 61% of members coming from vulnerable family, and the school also formed **the girls youth baseball team**.

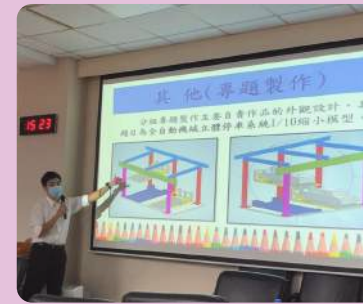
- Annual Sponsor: donate NTD 250,000 to support the expense of maintenance, training, related equipment, and nutriments for students.
- Award: won the 4th place in 2020 Spring Baseball Game of Chia-Yi County, and the 2nd place in 2021 Fall Baseball Game of Chia-Yi County.
- One-day Baseball Camp

As the partner of MINI Baseball Academy by WBSC and PCG BROS for **3** consecutive years, we held 3rd one-day MINI Baseball camps with YYsports in Miaoli County Wen Shui Elementary School. In addition to inviting the Mini-Baseball Promotion Ambassador, Kuan-yu Chen, to interact with these little baseball players in learning baseball techniques, the Coretronic Softball Team members and their families had competitions with the baseball team of the elementary school, and donated 3 sets of mini-baseball gears to inspire kids’ interests in baseball.



Earn Your Future in 2021

- We held **3rd** “Earn Your Future” annual audition with Cheng Shiu University and provided 3 students with **NTD 200,000** each year.
- We provided 5 students with free dormitory accommodation, a salary higher than the minimum wage, and a scholarship of **NTD 100,000** respectively. Five selected senior students in 2019 and 2020 have one-year internship and became PE engineering assistants and mechanism R&D engineering assistants.
- One selected senior student became a **full-time PE engineer of Coretronic** after the internship, achieving the program goal.



7.4 Coretronic Culture and Arts Foundation

Under the joint advocating of industry and arts sectors, lights, electricity and technology has gradually becoming a huge part of the cross-disciplinary work. Extended from Coretronic Corporation’s passion for “light”, Coretronic Culture and Arts Foundation is founded in 2010. Bringing in talents and professionals from different fields, the foundation advocates the aesthetics of lights profoundly and comprehensively. Over 10 years, the Foundation aims to highlight Taiwan’s culture, promote art and cultural events that feature the element of light, and elevate living quality. Moreover, CCAF is using light as the medium, connecting culture and environment, and allowing light to become a part of the art of living.

4th Taiwan Environment Lighting Award

Annually, the award’s jury committee, led by international lighting design expert Chou Lien, selects the year’s most iconic environment lighting design projects in Taiwan. Winning projects are recognized and awarded, with the objective of encouraging people from different disciplines and fields to join together in promoting and developing better environment lighting design. This year’s award ceremony was held at the Cloud Gate Theater, with an exciting opening performance presented by the Cloud Gate Dance Theatre. The year’s winners were then announced, with Kimpton Da An Hotel, Shadow In Motion, House of Takao Ginza, and Pingtung County Library recognized as this year’s Taiwan Environment Lighting Award honorees.

2021 Taiwan Environment Lighting Advocacy Seminars

In recent years, many local governments in Taiwan have realized the importance of lighting and have thus begun to incorporate environment lighting into their policies. Collaborating with various institutions, this seminar series invites winning designers and project owners of the Taiwan Environment Lighting Award to share their practical experiences, with philosophies on environment lighting advocated through the perspectives of experts, academics, design firms, and public departments. CCAF co-organized four talks with the Construction and Planning Agency of MOI, Taipei Culture Foundation, New Taipei City Government, and Bureau of Cultural Heritage of MOC, hoping to stimulate more thoughts about environment lighting policies and make lighting aesthetics a focus through industry-government dialogue.

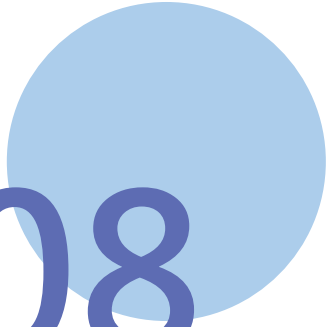


Taiwan Environment Lighting Award

2021 Light Lights in Hsinchu: Gleaming Planet Workshop

Since 2016, CCAF and Coretronic have co-organized the Light Lights Hsinchu, an exclusive light art workshop for employees. So far, a total of **422** employees have joined the events. In 2021, we invited “Life Chemistry” and social enterprise “Xin Cheng Feng Tang (Wind Sugar)” to give courses on DIY Glowing Planet and Japanese moss ball for employees to experience fun of creation with light, science, and arts in nature and the comfort and peace brought by plants. A total of **84** employees and their family participated in the event with a satisfaction score of **93.7**.





08

Subsidiary Insights

8.1 Optoma

8.2 Champ Vision Display

8.3 Coretronic Intelligent Cloud Service

8.4 Coretronic Intelligent Robotics

8.1

Subsidiary Insights | Optoma

I. Basic Information

1. Organization: Optoma
2. Year of establishment: 2002
3. Chairman: SY Chen
4. HQ: 12F, No.213, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 23143, Taiwan
5. Number of employees: 178 including 105 male (59%) and 73 female employees (41%)
6. Capital: NTD 580 million
7. Operation HQ: Taiwan (New Taipei City)
8. Global locations: Taiwan (New Taipei City), USA (Fremont), Europe (UK, Netherlands, Czech, France, Germany, Russia, Norway, Spain), and China (Beijing, Shanghai, Guangzhou, Chengdu, Chongqing, Xi'an, HK)
9. Main products/services: Large-display products and solutions including projectors, Interactive Flat Panel (IFP) displays, All-in-One (AIO) LED displays, interactivity and collaborative software, intelligent display software, image processing equipment, and other hardware platforms. Additionally, we offer localized services in over 150 countries and territories across the world providing solutions for smart homes, entertainment, gaming, businesses, education, museums, performance venues, high-end retail, and training simulation.
10. Award-winning products and solutions in 2021
 - Taiwan EdTech 50 for MR education technology and conference system solution
 - 29th Taiwan Excellence Award Silver Prize for the P2 short-throw laser projector



Optoma ZU2200

2021 InfoComm Best of Show Award



Optoma ZU720TST

2021 InfoComm Best of Show Award
PROJECTION EXPO2021 Best of Show



Optoma UHZ50

Projector Central Editor's Choice Award

II. Customer Service

With the goal of “putting customers first and providing thoughtful services,” Optoma offers various platforms and services to enable end-users to contact service personnel in real-time for troubleshooting support, product consultations, product repair services, product repair progress, on-site service center appointments, service quotations, accessory purchases, and where to buy information.



Customer Service



Toll-free (0800) helpline ([0800-880-876](tel:0800-880-876)): On each business day (excluding weekends and public holidays), Optoma service personnel are always on hand via this toll-free helpline to solve the problems of end-users through real-time over-the-phone communication. When necessary, service staff will proactively make contact with end-users to follow up on their inquiries or provide status updates on their requested service.



Dedicated customer service email (services@optoma.com): End-users can report problems and make inquiries to Optoma by email and attach relevant references via this dedicated email address. Optoma customer service personnel check emails every day and respond to all inquiries and requests within 48 hours.



Corporate website: End-users can also fill in the RMA forms on the Contact Us and Online Service Call sections of Optoma’s website to make inquiries and/or requests services.



FAX ([02-8911-6550](tel:02-8911-6550))



Customer Satisfaction Survey



In 2020, Optoma introduced the Global Service System (GSS), the first of its kind in Taiwan. The system is an incoming call management tool and links up call centers to Optoma’s RMA system to facilitate service progress tracking.



In 2021, the quality of customer services, maintenance services, and products were the three key performance indicators for its after-sales services in Taiwan. A key method of measuring these indicators is the use of satisfaction surveys. Following the completion of RMA services (approximately one month after) satisfaction telephone surveys are conducted for gauging satisfaction of Optoma’s after-sales services. The results of the 2021 telephone surveys indicated that Optoma’s customer service quality attained a high satisfaction rate of 99.4%, affirming the high standards of the company’s services and personnel. With its emphasis on product innovation, R&D, and improving user experiences, Optoma introduced many compelling products in 2021, and thus in terms of product quality Optoma earned a satisfaction rate of 91.3%.

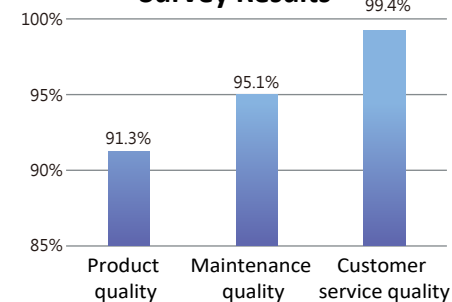


Although the pandemic continues to impact global supply chains and thus the availability of spare parts, Optoma’s customer service team adopted various countermeasures (e.g., product replacement, interregional parts dispatching, warranty extensions, part discounts) to meet the needs of end-users during the service period and shorten repair lead times. Customer service personnel also proactively communicated with end-users to provide repair progress updates to ensure transparent and timely maintenance and repair services. As a result, Optoma garnered a satisfaction rate of 95.1% for maintenance quality.



In 2021, the overall satisfaction rate of Optoma’s after-sales services reached 95%.

2021 Taiwan Customer Satisfaction Survey Results



III. Supply Chain

1. Number of suppliers: 38 (including 27 domestic and 11 foreign suppliers)

IV. Social

1. No discrimination:

In line with Optoma's adherence to RBA guidelines and governmental regulations, it follows a policy of providing equal access to opportunities and resources to all employees regardless of race, ethnicity, age, gender, religious and political beliefs, sexual orientation, gender identity, gender expression, disability, economic status, pregnancy, and other diverse backgrounds and conditions. Apart from banning the use of child labor, Optoma also clearly stipulates relevant provisions for labor employment. In the selection of personnel, the principles of fairness, impartiality, openness, and reasonableness are also adopted, and recruitment, screening, promotion, allocation, assessment, promotion, education and training, welfare measures, retirement regarding job applicants or employees are handled in a fair and transparent manner.

2. No child labor

3. No forced labor

4. Integrity training:

Optoma employees are highly encouraged to complete integrity training. In 2021, 74% of its employees completed the training, a 17% increase over 2020.

5. Social engagement:

Optoma is committed to promoting the visual arts and actively gives back to its community. Over the years, it has sponsored major digital art exhibitions and musical productions with its projector solutions to support and promote culture and the arts in Taiwan. It also supports vulnerable groups and communities, including those disproportionality impacted by the COVID-19 pandemic.

2. Proportion of procurement: Taiwan (89.6%), non-Taiwan (10.4%)

• Artistic and cultural sponsorship: Since 2010, Optoma has supported large-scale digital art exhibitions and musical productions with the provision of its latest projectors and solutions. This was undertaken to support and promote art and cultural activities in Taiwan. To date, Optoma has provided 566 projectors to 98 digital art exhibitions. In 2021, Optoma sponsored 22 projectors to 5 exhibitions to help digital artists showcase their works and messages. They include:

- Taiwan International Video Art Exhibition-ANIMA

- 2020 LIN Yen Wei Solo Exhibition

- Loss & Transience

- Either too Quiet (6) or too Loud (7)

- The Oceans and the Interpreters' Screening: The Mysterious Island

• Hsinchu Light Coming Festival - Lucid Dreaming Exhibition: This exhibition was designed to provide an immersive and interactive digital art experience that explores the psychology of dream interpretation. The exhibition was organized into three dream themes - Happiness - Butterfly Dance, Freedom - Slow Rise, and Wealth - Inclusive. Through audio and Optoma projectors, the exhibition sought to fully immerse visitors into these three dreams and imprint a restorative and enlightening experience. The exhibition was visited by 11,533 visitors in total.

• Warmth from sciences and technologies: Optoma donated 6 projectors and 2 projector lenses to the Binary Museum - Thematic Exhibition on Computer Relics co-organized by National Yang Ming Chiao Tung University and Taiwan's Cultural Affairs Bureau.

• Fighting the pandemic: Optoma sponsored the "1919 Anti-Pandemic Relief Package" project of the Chinese Christian Relief Association, purchasing 167 anti-pandemic food boxes for a total of 167 families as they were affected by the level 3 pandemic alert.



V. Material Topics

Material topics	Strategies	Performances in 2021	Objectives in 2022
Salary and Benefits	Encourage employees to perform to high standards and ensure market competitiveness with a salary differentiation system	Base pay for full-time base-level employees: NTD 30,000, 25% higher than Taiwan's minimum wage	<ul style="list-style-type: none"> Plan long-term rewards for employees to share the Company's profits. Establish a comprehensive flexible working system to meet the needs of different job types.
Friendly Workplace	<ul style="list-style-type: none"> Passed Healthy Workplace accreditation. Implemented alternating shifts and set up a health condition report system during the level 3 COVID-19 alert in Taiwan to manage health information and understand employee health risks. 	<ul style="list-style-type: none"> New employee rate: 21.4% Turnover rate: 13% Return rate after parental leave, retention rate: N/A Passed the online interview and spot check for Healthy Workplace accreditation. 	<ul style="list-style-type: none"> Established the Workplace Health Service Platform to provide workplace health solutions. Applied for Healthy Workplace accreditation. Implemented health promotion activities and plans.
Economic Performance	The same as Coretronic. Please refer to CH 1.2		
Labor and Management Relations	<ul style="list-style-type: none"> Monthly management meeting Irregular employee meeting Policy presentations Labor-management and EWC meeting 	<ul style="list-style-type: none"> Email: optoma.hr@optoma.com Number of labor-management meetings: 5 Number of quarterly meetings on employee benefits: 5 Complaints about labor conditions and human rights: 0 	Maintain a harmonious labor-management relationship to prevent labor-management disputes.
Labor Law Compliance	Maintain legal compliance and operational performance through awareness education and practical communication of laws.	No non-conformity with social and legal regulations was reported.	Maintain conformity with social and legal regulations.
Information Security	The same as Coretronic. Please refer to CH 3.3		
Charitable Activities and Social Engagement	<ul style="list-style-type: none"> Promote social welfare plans with stakeholders Sponsor digital art exhibitions and musical productions with High-end projector solutions 	<ul style="list-style-type: none"> Took part in Chinese Christian Relief Association's "1919 Anti-Covid-19 Food Packs" program together with partners to sponsor 167 anti-Covid-19 food packs Sponsored 5 exhibitions with 22 High-end projectors 	<ul style="list-style-type: none"> Continue to promote social welfare plans with stakeholders Continue to sponsor digital art exhibitions and musical productions with projector solutions



8.2

Subsidiary Insights

Champ Vision Display

I. Basic Information

1. Company: Champ Vision Display Inc.
2. Year of establishment : 2017
3. Chairman: Sarah Lin
4. HQ: 3F., No. 2, Kebei 5th Rd., Zhunan Science Park, Miaoli County 350401, Taiwan

5. Number of employees: 136, including 79 male employees (58%) and 57 female employees (42%)
6. Capital: NTD 180 million
7. Global locations: Taiwan (Miaoli)
8. Main products/services: Provide integrated services and display solutions for industrial, medical, and commercial applications.

II. Creative Products and Technologies

1

Outdoor high weather-resistant display

- For use at petrol stations and EV charging stations: Provide information index, guided, ticketing, and real-time push information.
- Simplified structure design: Besides the built-in fan-cooling control module, additional fans can be added at the customer's request without modifying the original structure design.
- It has high product specifications such as high brightness, anti-static, anti-magnetic, waterproof, dust-proof, rust-proof, anti-corrosion, wear-resistant, and explosion-proof.



2

Transparent displays with floating image effect

- The display screen of products is designed in the quasi-PiP function. In the normal display mode, both full-screen video and adverts can be displayed. In the transparent mode, the actual product for sales can be displayed in the transparent area of the screen, while videos, pictures, or texts can be displayed in the non-transparent (display) area to show the features of the products. Additionally, the touch screen function is added to increase the opportunity for product-consumer interaction.
- To distinguish the display area and transparent area on the display screen, an optical component is added to the display area to enhance the screen contrast.
- The polymer dispersed liquid crystal (PDLC) can be used on the product architecture to simplify mechanism design and thereby significantly reduce the cost.
- Completed the POC of the 32-inch commercial model to eventually output the transparent display with a floating screen effect. It can be applied to various exhibition halls or cinema advertising billboards, showing the effect of virtual and real integration.



The left picture shows the normal mode, while the right one shows the transparent mode.



3

LED decoration bars

- The gaming LED light panels using custom optical design to develop LGP deployment and brand-new decoration effects with advanced process capability.
- The special micro structure design was applied to equip the LGP micro structure with directionality to design dynamic light and shadow effects. By adding the LED light bars with independent control ICs, the dynamic effects unachieved by traditional decoration panels are delivered.
- The micro structure is made with the exposure and development methods, the mold is made with electroplating treatment, and machine programs are optimized to increase the variety and quantity of available micro structures.
- Slim materials are introduced based on the product size. Besides PMMA, we also completed PC material certification and the development of the PC panel punching and cutting process to effectively improve product competitiveness. Currently, the product has passed customer confirmation, and mass production has started smoothly.



4

AIO development for professional 4K intelligent medical integrated displays

- Besides successfully developing the all-in-one PC for medical diagnosis, we also developed the AI medical image recognition system using AI and edge detection technology to run AI learning and computing of the tumor image and data captured by endoscopy to effectively integrate functions including AI, hyperspectral imaging, and endoscopic tumor image recognition to recognize tumor location through endoscopy and run staging using histology. As the accuracy is up to 85%, it can help overcome various difficulties we currently face in esophageal cancer diagnosis with endoscopy.
- Developed the content management system (CMS) platform for building network services on public clouds to provide internet-based cross-platform AIO equipment, including frontend HMI, device agent, and backend management software for storing endoscopic images on the cloud to facilitate integration with the relevant data of medical records and data for future query and study.



5

Solutions to intelligent bus stop signs

By integrating the “road network” and “network” concepts, this project transforms traditional buses and bus shelters into the neuron of the urban information and combine the information of each bus shelter to form an information network to accurately push the dynamic information and capture the movement of each bus for passengers to capture real-time and accurate information when taking the bus. Additionally, the multimedia push service is also offered to broadcast commercials to increase advertising income and public information films (public service announcement) to provide people waiting for the bus with more convenient and interesting riding experience. As the best option for bus shelter signage, the product is currently used in Taipei, Kaohsiung, and Hualien.



6

Switchable anti-peeping display concept

- The privacy protection module has one GLP and independent light source installed between the display module and viewers. By reducing the viewability of both sides of the display with the light emitting from the privacy protection module, the display's viewing angle is reduced, and viewers can only see the screen at a specific angle because images on the screen are covered by strong light and become invisible to achieve privacy protection.
- Compared to traditional privacy protection technology, this product allows users to switch between the normal (sharing) mode and protection (privacy) mode.
- The privacy protection module is an add-on module that can be used on outside the display, without the need to modify the original display structure.
- With high transmittance, the module will not affect the original brightness and evenness of the display in either the normal (sharing) mode or protection (privacy) mode. Additionally, it adjusts brightness according to the ambient lighting condition to optimize the privacy protection performance in the privacy mode.

Sharing(Public) Mode →



Privacy Mode →



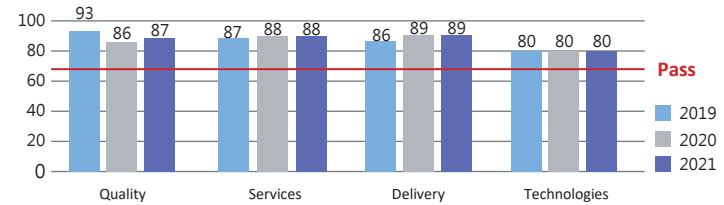
III. Customer Services

Built customer service and communication channels and periodically review customer satisfaction. Gather customer opinions through two-way communication to constantly improve products and services to meet customer requirements and maintain mutual growth.



Customer Service Platform

- ✉ Special customer service email: sales_cvd@champvision.com.tw
- 📅 Front-end sales personnel periodically communicate the price advantage, sales support, and shipping support with customers through visits or over the phone. In the back office, a dedicated customer service unit takes care of issues such as product returns and customer complaints and follows up the improvement measures.
- 🌐 Set up [corporate website](#) and [LinkedIn](#) corporate page to facilitate customers to express opinions and give feedback anytime.
- 📖 Strategies to boost customer satisfaction
 - (1) Boost customer satisfaction with the defective rate that meets customer requirements.
 - (2) To effectively improve product quality and overcome the portfolio and production limits of high-mix low-volume (HMLV), we perform third-party inspection on purchased mechanism materials to prevent defective materials from entering the plant. We also add one QC employee to the assembly line to reduce inexact QC inspection by personnel. Weekly and monthly quality meetings are also held periodically for employees to propose improvement strategies to resolve the defect information from customers.
 - (3) In response to the business model change, detection modules were progressively installed on the hardware equipment in the project sites to make immediate report of product failure to reduce the operating loss caused to customers due to display service disruption. In the future, the failure alert function will be developed to increase the product's added value in order to boost customer satisfaction.
 - (4) Sales personnel often receive many product inquiries from the corporate website. As most inquires involve problems in finding suitable suppliers for HMLV orders, standard products from active projects are provided for customers to select in order to reduce the R&D expense and development lead-time. A matching function is also added to the Product section on the corporate website for customers to select and match suitable products by type, application, size, brightness, and temperature.
- 📋 Customer satisfaction survey
 - (1) Since 2021, cost has been removed from customer satisfaction surveys, which are only performed in respect of quality, services, delivery and technologies. A full score is 100 points. and corresponding standard will be reached as long as 70 points are obtained.
 - (2) The average point of 2021 customer satisfaction was 86 points, 0.25 points higher than 2020. Although the order fulfillment of some major customers was affected by market supply and demand due to COVID-19, in the future we will continue to communicate our achievements and future direction of ESG to customers through the quarterly business review (QBR) to achieve win-win with customers.



► Cases of Customer Services



Digital display integration solution for Anhe Blessed & Blessing Church:

Besides conducting onsite survey to understand the customer requirements right from the beginning of decoration, we also sought system integration (SI) partners with the corresponding sources to make a proposal to the customer based on its budget and application scenarios. In the process, we also acted as a coordinator between the customers and other contractors to ensure the smooth project operation. Eventually, we completed the 5*4 and 4*4 tiled TV wall project through management with the central control of the congregation contents of the main and secondary halls. We also helped the customer to adjust the color to the tiled screens to the same chroma with our strength in optical technology to provide the church with a brand-new visual experience.



Construction process for digital display integration solution for Anhe Blessed & Blessing Church

Gaming LED decoration bars:

Art and vibe creation is the focus of the lighting effect of gaming products. However, products with a technical standard equal to that of Champion Vision are not found in the market. While customers have no light panels for the reference of development, sales personnel will first understand the lighting effects that customers need for Champion Vision to recommend the lighting effect options and samples for customers to choose from. By integrating with the exclusive LED controller program, we can demonstrate the animation effects meeting customer requirements. With such, Champion Vision advanced from part and component design towards integration and translated customer requirements into Champion Vision's internal design and production instructions to eventually supply lighting effect products that meet customer expectations.



IV. Supply Chain

1. Number of suppliers: 125 (including 108 domestic suppliers and 17 foreign suppliers, all of which provide productive raw materials)
- NEW** 2. Execution of the Supplier and Contractor Sustainability Commitment Statement: Since October 2021, it has been specified that suppliers must sign the Supplier and Contractor Sustainability Commitment Statement in respect of all raw productive materials, to ensure that all suppliers will comply with RBA's Code of Conduct 7.0 and green product commitment (undertaking and warranting that their products are in line with the Procurement Specifications for Green products, and provide RoHS test/laboratory test reports from third-party certification organizations, questionnaire survey forms on environmental hazardous substances, survey forms on reliability of lead-free parts), declaration of conflict-free minerals, integrity commitment, environmental sustainability, occupational safety and health policies. In 2021, a total number of 45 suppliers signed the Supplier and Contractor Sustainability Commitment Statement. They accounted for 36% of all suppliers of raw productive materials. Among these suppliers, 15 suppliers were specially required to sign the Supplier and Contractor Sustainability Commitment Statement. All these suppliers signed the statement.
3. Audit system
 - RBA audit: To address customer requirements and exactly enforce RBA's Code of Conduct (CoC), we plan to send the RBA-CoC self-assessment questionnaire to new suppliers and conduct the online/onsite RBA audit on them from 2022. In the future, we will expand the scope of audit to all suppliers of production materials based on the condition of audit.
 - Annual audit: Documentary/onsite annual audits were performed on suppliers of production materials with over 12 transactions in 2020. The audit items included quality, cooperation, and delivery punctuality. The passing score is 80 points. In 2021 a total of 34 suppliers were audited, and 32 passed the audit, with a pass rate of 94%. As the two suppliers failing the audit were appointed
4. Porportion of procurement: Taiwan (45%), non-Taiwan (55%)

V. Social

1. No discrimination:
Follow RBA commitments, expressly reveal impartially and equally treat and respect workers, and abide by related provisions of government decrees. Apart from banning use of child labor, specify rules about labor employment. Select personnel equally, fairly, openly and reasonably. Treat all job applicants or employees equally in recruitment, examination, promotion, configuration, evaluation, education, training, welfare measures and retirement, etc. regardless of their age, gender, race, clan, political orientation or pregnancy.
2. No child labor
3. No forced labor
- NEW** 4. Integrity training: Set up required Courses on Advocating Honest Operations and Insider Trading Prevention (2021) for indirect employees. Indirect employees have to watch films of the courses and obtain more than 75 points in the Examination Paper for Insider Trading Prevention to complete the requisite courses. All employees completed the courses. In the future, this will be a required course for all employees.
- NEW** 5. Human rights training: Open requisite Courses Advocating Human Rights Policies and require indirect employees to sign Coretronic's Code on Human Rights, which have been signed by all employees. In the future, we will request all employees to take the course and sign the Principle.



VI. Material Topics

Material topics	Strategies	Performances in 2021	Objectives in 2022
Salary and Benefits	<ul style="list-style-type: none"> Set a competitive salary structure based on market salary analysis. Grant incentive pay based on personal performance 	<ul style="list-style-type: none"> Starting pay of male/female base-level employees: NTD 24,000, complying with Taiwan's minimum wage. Average range of raise: 2.6% 	<p>Update the relevant regulations in pace with the amendments to the Labor Standards Act and communicate within the Company.</p>
Training and Education	<ul style="list-style-type: none"> Strengthen the job competence of employees through comprehensive channels and platforms. Participate in systematic training courses in coordination with the parent company's training system. Strengthen the workplace soft power of employees and encourage job rotation to develop and improve comprehensive skills in employees. 	<ul style="list-style-type: none"> Total average hours of training per employee: 23.37 hours Ratio of participation in performance appraisal: 97.4% 	<ul style="list-style-type: none"> Minimum execution rate of annual plans: 90% Total average hours of training per employee: 8 hours
Friendly Workplace	<ul style="list-style-type: none"> Contribute employee pensions each month based on the Labor Standards Act (LSA plan) and Labor Pension Act (LPA plan). Also contribute the full amount for employees with seniority under the LSA plan to protect the rights and interests of employee qualified for retirement. Hire senior retired employees with outstanding performance to be consultants. Offer 9 days of golden week leave and travel allowance for employees. Participate in and implement the "Work-Life Balance" subsidization of the Ministry of Labor. 	<ul style="list-style-type: none"> New employee rate: 35% Turnover rate: 14% Females' return rate after parental leave, retention rate: 100% 	<ul style="list-style-type: none"> Arrange comprehensive activities and encourage employees to take leave appropriately. Comply with the laws and regulations and implement and promote the friendly workplace measures.
Innovation Management	<ul style="list-style-type: none"> Provide total display solutions for smart retail, smart life, smart transportation, Industry 4.0, and healthcare through the integrated development of core products with AI platforms, cloud management platforms, and application. Build the software management platform by furthering product design with the latest display technology and develop products that meet the AIoT trends and enhance the competitiveness of existing products with the hardware-software system integration technology. 	<ul style="list-style-type: none"> Solutions to intelligent bus stop signs: Promote and broadcast dynamic news on buses and keep informative of where buses are anytime, so that passengers will have accurate information when they need it. Integrated all-in-one PC for medical diagnosis: Integrate functions including AI, hyperspectral imaging, and endoscopic tumor image recognition to recognize tumor staging to overcome difficulties in esophageal cancer diagnosis with endoscopy. High weather-resistance outdoor display technology: Develop outdoor display modules with simplified structure design for use at petrol stations and EV charging station and provide functions including information search, guided tour introduction, ticket vending, and real-time push information. Switchable privacy protection solution: Based on the BLM technology, the viewing angle of the screen is narrowed by strong light to achieve privacy protection. Suitable for use on ATMs, POS registers, and commercial kiosk display systems that require privacy protection for information display. Smart retail solutions: Integrate the information of commercial display systems, POS registers, and kiosks; build product push systems based on AI facial recognition technology; and combine with AIoT platforms to create more business opportunities for the retail market. A total of 42 R&D personnel, accounting for 31% of all employees. R&D investments accounted for 39% of the revenue. Applied for 13 patents and received 10 patent certificates. 	<p>With the existing display technology and system development, software development, and integration capabilities, we constantly optimize existing display product technology and develop towards the displays for graphics design, AIO healthcare PCs, and multitasking display products. By integrating with software management platforms and image AI recognition platforms, we introduce smart solutions through hardware-software integration.</p>



Material topics	Strategies	Performances in 2021	Objectives in 2022
Economic Performance	The same as Coretronic. Please refer to CH 1.2		
Occupational Health and Safety	<ul style="list-style-type: none"> Established the OH&S management unit in conformity to the ISO 45001 standard to plan, supervise, and implement OH&S-related matters. OH&S Committee: Established in 2018, the committee is seated by 40% of labor representatives and holds a committee meeting quarterly to report the OH&S matters, environmental monitoring results, and healthcare achievements of the plant. OH&S education and training: New employee training, firefighting drills, and civil defense forces training. 	<ul style="list-style-type: none"> OH&S education and training for new direct and indirect employees: A total of 63 persons received a total of 189 man-hours of training. In-service personnel OH&S education and training: A total of 30 persons received a total of 90 man-hours of training. Annual firefighting drill/civil defense forces training: A total of 16 persons received a total of 64 man-hours of training. ISO 14001 and ISO 45001 education and training for internal auditing personnel: A total of 18 persons received a total of 216 man-hours of training. Rate of fatalities as a result of work-related injury: 0% Rate of high-consequence work-related injuries (excluding fatalities): 0% Rate of recordable work-related injuries: 0% Rate of work-related ill health: 0% 	Build a safe workplace environment for 0 occupational accident.
Labor and Management Relations	Hold quarterly labor-management meetings, to enhance labor and management relations.	<ul style="list-style-type: none"> 8585 Email: 8585@champvision.com Number of quarterly labor-management meetings: 4 Number of quarterly meetings on employee benefits: 4 Complaints about labor work and human rights: 0 	Pursue harmonious labor and management relations; no labor-management dispute.
Labor Law Compliance	Maintain legal compliance and operational performance through awareness education and practical communication of laws.	No non-conformity with social and legal regulations was reported.	Maintain no non-conformity with social and legal regulations.
Information Security	The same as Coretronic. Please refer to CH 3.3		
Charitable Activities and Social Engagement	The same as Coretronic. Please refer to CH 7		
Climate change	The same as Coretronic. Please refer to CH 4.1		



8.3

Subsidiary Insights

Coretronic Intelligent Cloud Service

I. Basic Information

1. Company: Coretronic Intelligent Cloud Service
2. Year of establishment : 2017
3. Chairman: Yunu Lin
4. HQ: 4F.,No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan
5. Number of employees: 58, including 50 male employees (86%) and 8 female employees (14%). Compared with the preceding year, the number of employees declined by 78, because most employees were transferred to the new subsidiaries
6. Capital: NTD 250 million
7. Global locations: Taiwan (Hsinchu)
8. Main products/services: smart retail solutions, intelligent health solutions, Intelligent customer service solutions

II. Creative Products and Technologies

Focus on the smart retail sector and help customers with digital transformation with a service-based business model based on AI, deep learning, computer vision, big data science, and cloud computing. Additionally, we actively develop digital out-of-home (DOOH) programmatic buying decision solutions using AI and big data to precisely find out audiences and provide advertisers with more comprehensive intelligent delivery. Currently, our smart retail solutions have entered well-known domestic and foreign chain stores, spanning convenience stores, hand-shaken beverage shops and large shopping malls.

Solutions for business digital transformation also began to emerge in enterprises. We also gather, analyze, use, and add value to offline fields to develop the digital transformation consultation service. The AI smart advertising management platform successfully developed by our software R&D team has been introduced to the metro and leading domestic museums, hoping to create a novel business model to increase the opportunities for future development.



III. Customer Services



Customer Services

- Special customer service email: cics.service@coretronic-cics.com.tw
- Front-end sales personnel maintain virtuous periodic communication with customers through visits, by phone, or other means to keep track on the service satisfaction of customers and constantly optimize service quality to enhance customer satisfaction.
- Set up [corporate website](#) and [Facebook](#) fan page to facilitate customers to express opinions and give feedback anytime.

IV. Supply Chain

1. Number of suppliers: 102 (including 99 domestic suppliers and 3 foreign suppliers, all of which provide non - productive raw materials)
2. Proportion of procurement: Taiwan (100%)

V. Social

1. No discrimination: Follow RBA commitments, expressly reveal impartially and equally treat and respect workers, and abide by related provisions of government decrees. Apart from banning use of child labor, specify rules about labor employment. Select personnel equally, fairly, openly and reasonably. Treat all job applicants or employees equally in recruitment, examination, promotion, configuration, evaluation, education, training, welfare measures and retirement, etc. regardless of their age, gender, race, clan, political orientation or pregnancy.
2. No child labor
3. No forced labor
4. Integrity training: **NEW** Opened two courses: "Ethical Corporate Management" and "Insider Trading Prevention (2021)" are required courses for indirect employees who were requested to watch the course video and acquire 75 points in the "Insider Trading Prevention Test" in order to complete the course. The pass rate was 88%, which was 49% higher than that in 2020. In the future, this will be a required course for all employees.
5. Human rights training: **NEW** Open requisite Courses Advocating Human Rights Policies and require indirect employees to sign Coretronic's Code on Human Rights, which have been signed by 88% of employees. In the future, we will request all employees to take the course and sign the Principle.

VI. Material Topics

Material topics	Strategies	Performances in 2021	Objectives in 2022
Salary and Benefits	<ul style="list-style-type: none"> Set a competitive salary structure based on market salary analysis. Grant incentive pay based on personal performance 	<ul style="list-style-type: none"> Average salary of new employees The base pay for inexperienced new employees holding a bachelor's degree is about 73% higher than the minimum wage. The base pay for inexperienced new employees holding a master's degree is about 102% higher than the minimum wage. The base pay for inexperienced new employees holding a doctoral degree is about 137% higher than the minimum wage. 	<ul style="list-style-type: none"> Update the relevant regulations in pace with the amendments to the Labor Standards Act and communicate within the Company.
Training and Education	Based on the operational needs, combine theory and practice, and stimulate the potential of employees to develop quality talents.	<ul style="list-style-type: none"> Average hours of training per employee: 1.96 hours Ratio of participation in performance appraisal: 100% 	<ul style="list-style-type: none"> Integrate group resources and comprehensive learning channels to provide employees with digital and physical learning resources. All full-time employees receive periodic performance evaluation and promotion and transfer are based on the evaluation results.
Friendly Workplace	Maintain the mental and physical health of employees, enhance organizational commitment, and shape the employer brand.	<ul style="list-style-type: none"> New employee rate: 20.7% Turnover rate: 15.5% Females' return rate after parental leave, retention rate: N/A 	<ul style="list-style-type: none"> Create a workplace environment with gender equality and diversity and free of discrimination and harassment.
Innovation Management	<ul style="list-style-type: none"> Innovative technology: Based on machine vision, posture and facial recognition is achieved with machine learning for use in the smart retail and healthcare sectors. Innovative operations service: Based on smart IoT operations service, an integrated business model is developed to provide customers with total solutions from procurement, installation, to after-sales services. 	<ul style="list-style-type: none"> In respect of intelligent retail, recommendation system, virtual racks, system for familiar customers, skin test and electronic tag solutions have been developed. In addition, orders have been smoothly obtained from several index-based customers of Taiwan In smart health, the "immersive somatosensory projection platform technology and solutions" have been successfully introduced to fitness center chains in Asia Pacific. An operations service unit has been established by the smart customer service to provide ops services. A total of 47 R&D personnel, accounting for 81% of all employees. R&D investments accounted for 19% of the revenue. Applied for 3 patents and received 3 patent certificates. 	<ul style="list-style-type: none"> Cultivate smart retail solutions Develop smart health and smart customer service solutions
Economic Performance	The same as Coretronic. Please refer to CH 1.2		
Occupational Health and Safety	<ul style="list-style-type: none"> Established the OH&S management unit in conformity to the ISO 45001 standard to plan, supervise, and implement OH&S-related matters. To enforce the disaster prevention concept and improve the emergency response and handling capabilities, annual firefighting drills and civil defense forces training are held periodically. 	<ul style="list-style-type: none"> Training on disaster prevention and response: A total of 6 persons received a total of 24 man-hours of training. Rate of fatalities as a result of work-related injury: 0 Rate of high-consequence work-related injuries (excluding fatalities): 0 Rate of recordable work-related injuries: 0 Rate of work-related ill health: 0 This year, no more than 3 work-related injuries were expected to happen in the plant, and in fact, none of such injuries occurred 	<ul style="list-style-type: none"> No more than 3 work-related injuries in the plant No work-related injury occurred in the contractor
Labor and Management Relations	<ul style="list-style-type: none"> A labor-management meeting is held each quarter. Build multifaceted and unfettered two-way communication channels. Notify employees of significant changes in operations at least 4 weeks in advance. 	<ul style="list-style-type: none"> Number of quarterly labor-management meetings: 4 Number of quarterly meetings on employee benefits: 5 Complaints about labor work and human rights: 0 	<ul style="list-style-type: none"> Hold quarterly labor-management meetings, to enhance labor and management relations.
Labor Law Compliance	Maintain legal compliance and operational performance through awareness education and practical communication of laws.	No non-conformity with social and legal regulations was reported.	Maintain no non-conformity with social and legal regulations
Information Security	The same as Coretronic. Please refer to CH 3.3		
Charitable Activities and Social Engagement	The same as Coretronic. Please refer to CH 7		
Climate change	The same as Coretronic. Please refer to CH 4.1		



I. Basic Information

1. Company: Coretronic Intelligent Robotics Corporation
2. Year of establishment : 2017
3. Chairman: Robert Hsueh
4. HQ: 4F.,No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan
5. Number of employees: 75, including 62 male employees (83%) and 13 female employees (17%)
6. Capital: NTD 180 million
7. Global Locations: Taiwan (Hsinchu, Tainan), Japan, UK
8. Main products/services: development, manufacturing, marketing and services of intelligent drones and autonomous navigation robots

II. Creative Products and Technologies

1. Drone

In drone development, we started from core technologies covering fuselage design, flight control, smart AI, and system integration. The system is equipped with high-performance computing (HPC) and sensory control platforms and combined with the automation and application field technologies to progressively develop intelligent drone solutions for security and inspection, high-mountain logistics, and long-range vertical take-off and landing (VTOL) to enhance the commercial value of drones.

Intelligent drone solution for security/inspection

Characterized by autonomous and AI, this solution supports autonomous patrol, threat response, and anomaly surveillance. The system is equipped with HPC and sensory control platforms to achieve autonomous flight, precise landing, and automatic charging. These drones can also perform human and vehicle recognition and tracking when capturing images. Users can check the condition from the surveillance center to realize a total safety net with air and land joint defense to achieve intelligent security surveillance.



Intelligent drone solution for high-mountain logistics

Characterized by high-mountain airworthiness and 3D automatic route planning, this solution supports rapid climbing to an elevation of 3,000m with a load of 7kg. It also provides real-time kinematic positioning (RTK) at the centimeter grade and precision ground or air dropping. Users can manage and operate these drones with the Fleet Management System at the surveillance center to accurately capture the delivery route and flight process.



Intelligent drone solution for long range VTOL logistics

Characterized by vertical take-off and landing (VTOL), this solution needs no runway and has a cargo cabin with a load of 7kg. It supports autonomous medium- and long-range (30km radius), hub-to-door, and hub-to-facility logistics. The system is equipped with HPC, AI landing detection, air hovering quick unloading, backup power, and a parachute to ensure safe delivery to the destination.



Autonomous Mobile Robot (AMR)

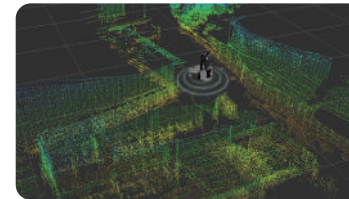
Proprietary 2D/3D LiDAR SLAM autonomous navigation solution integrates the advanced LiDAR, sensors-fusion technology, and AI algorithm to achieve the simultaneous localization and mapping (2D/3D) without the need of modifying the site environment. With the developed algorithm and motion control, our solution provides the precise positioning, safe obstacle avoidance, path planning and smart routing, and automatic map switching to accurately and efficiently execute the tasks

Real-time monitoring is realized by the console, dashboard, or App on the hand-held device, via which users can schedule the tasks, dispatch the vehicles, and monitor the vehicle status (e.g., location, carry-on goods info, battery level, maintenance advice...), to efficiently manage the fleet collaboration. Customization of the required information and seamless link with the upper-level management systems (e.g., ERP/WMS/MES) facilitate the achievement of the smart manufacturing and smart logistics.



3D SLAM Navigation System

Integrating the 3D LiDAR, SLAM, algorithm and motion control, CiRC has been successfully developing the proprietary 3D SLAM Navigation System for the AMRForklift, rendering the capability of autonomous navigation under the challenging environments, such as inclined or uneven surface, indoor-outdoor, and corridor. It features the accurate positioning, vehicles meeting, auto switching of maps, and smooth motion control.



Obstacle Avoidance and Smart Routing

The active safety is enhanced by 3 sets of 2D LiDAR mounted on front, left, and right sides of AMR Forklift, forming a 360-degree protection zone. The decelerating and stop zones could be defined per site environment to activate the obstacle avoidance properly for safety. Moreover, AMR vehicles are built in the feature of smart routing based on the site condition to ensure the performance of task assigned.

AI Recognition Technology

With ToF (Time of Flight) camera, AI algorithm, and motion control, the AMR Forklift provides a variety of recognition capabilities, incl. status of location, types of pallet or rack, position and angle of pallet front surface for normal action by dynamically adjusting the forklift, auto stacking without rack to increase the space utilization.



VMS Vehicle Management System

Vehicle Management System (VMS) interfaces seamlessly with the upper-level management system and remotely manages and controls the AMR vehicles, incl. task planning and scheduling, routing, vehicle monitoring and dispatching, traffic management, map and e-location management, to achieve the synchronization between material flow and information flow. VMS facilitate the realization of smart manufacturing and smart logistics by further interfacing and controlling the peripheral equipment.

III. Proposal on Creative Sustainable Operations

1. Trans-SMART of Coretronic Intelligent Robotics and Taiwan port companies

Cooperated with Taiwan port companies and include drones in Trans-SMART; presented drone applications in port patrol, patrol over environmental pollution and logistics. It was the first time that future development features of intelligent ports were exhibited.



2. Drone logistics of Coretronic Intelligent Robotics and Rakuten (Japan)

Cooperated with Rakuten - a top e-commerce company of Japan to transport materials with drones for JP Rakuten on a trial basis to Chiba-ken Logistics facilities of Ichikawa were transported to high-rise apartment buildings of Chiba-shi which were more than 100m tall for two weeks from December 1, 2021 to December 16, 2021. This trial symbolized Japan's first success in delivering goods to urban high-rise apartment buildings with drones.



Logistics transport with drones

IV. Customer Services



Customer Service



Special customer service email: service.circ@Coretronic-robotics.com



Customer service emails for different product lines: email for intelligent drones: (service.drone@coretronic-robotics.com); email for autonomous robots: (service.amr@coretronic-robotics.com);



Customer service email for overseas markets: email for Japan: (jp.circ@coretronic-robotics.com); email for Europe: (eu.circ@coretronic-robotics.com)



Front-end business employees regularly maintain favorable communications with customers by personal visit, phone and other means, care about customer satisfaction with services, and continuously improve services, in order to better customer satisfaction.



They also construct [official website](#), [LinkedIn](#) platform, and [YouTube channel](#) to publish the latest information and enable customers to offer their opinions and feedback from time to time.

V. Supply Chain

1. Number of suppliers: 123 (including 99 domestic suppliers and 24 foreign suppliers, all of which provide productive raw materials). Compared with 2020, the number of suppliers increased by 55, because autonomous mobile robots were duly included in business operations in 2021.
2. So far, no sustainable supply chain management strategy has been implemented. It is forecast that from 2022, the Supplier and Contractor Sustainability Commitment Statement and related audit systems will be signed and implemented in succession in accordance with Sustainable Supplier Management Measures.
3. Proportion of procurement: Taiwan (80.6%), non-Taiwan (19.4%)



VI. Social

1. No discrimination: Follow RBA commitments, expressly reveal impartially and equally treat and respect workers, and abide by related provisions of government decrees. Apart from banning use of child labor, specify rules about labor employment. Select personnel equally, fairly, openly and reasonably. Treat all job applicants or employees equally in recruitment, examination, promotion, configuration, evaluation, education, training, welfare measures and retirement, etc. regardless of their age, gender, race, clan, political orientation or pregnancy.
2. No child labor
3. No forced labor
4. Integrity training: Set up required Courses on Advocating Honest Operations and Insider Trading Prevention (2021). Indirect employees have to watch films of the courses and obtain more than 75 points in the Examination Paper for Insider Trading Prevention to complete the requisite courses. 79% of employees completed the courses. In the future, this will be a required course for all employees.
5. Human rights training: Open requisite Courses Advocating Human Rights Policies and require employees to sign Coretronic's Code on Human Rights, which have been signed by 79% of employees. In the future, we will request all employees to take the course and sign the Principle.



VII. Material Topics


Material topics	Strategies	Performances in 2021	Objectives in 2022
Salary and Benefits	<ul style="list-style-type: none"> Set a competitive salary structure based on market salary analysis. Grant incentive pay based on personal performance 	<ul style="list-style-type: none"> Start pay of R&D personnel: 2% higher than the market average for inexperienced R&D personnel holding a master's degree. Average salary fluctuation: 2~3% 	Update the relevant regulations in pace with the amendments to the Labor Standards Act and communicate within the Company.
Training and Education	Based on the operational needs, combine theory and practice, and stimulate the potential of employees to develop quality talents.	<ul style="list-style-type: none"> The average hours of training received by employees decreased by 0.7 hours (because no internal/external instructors were hired to teach a physical class due to COVID-19, so the average training hours declined by 5 hours compared with the preceding year) Ratio of participation in performance appraisal: 89.3% 	<ul style="list-style-type: none"> Develop innovation and R&D engineering and manufacturing Improve the leadership ability, thinking, and communication skills of coaches.
Friendly Workplace	Maintain the mental and physical health of employees, enhance organizational commitment, and shape the employer brand.	<ul style="list-style-type: none"> New employee rate: 29% Turnover rate: 29% Females' return rate after parental leave: None Females' retention rate after parental leave: None 	Plan family travels through the annual year arrangement system and enhance the health and exercise awareness of employees.
Innovation Management	Core robotics technologies such as human-machine interaction, motion control, AI recognition, sensors fusion, and SLAM navigation, have been developed based on the advanced technologies including computer vision, AI, HPC, and control, together with leveraging the technical supports from Coretronic Group in the fields related to optical, mechanical, electrical, thermal, and software developments. And to be a solution provider for the commercial robotic applications.	<p>Drone</p> <ul style="list-style-type: none"> Military: Won the Drone Payload Project from Institute C, with a projected sales of 130 sets in 2022-2023. Police: Assisted the Taichung City Police Department in forming the drone fleet and the New Taipei City Police Department in purchasing drones and related remote-control systems. Logistics: Teamed up with JP Rakuten to implement three representative delivery projects: Hakuba Yama, Chichibu City, and Tokyo Bay in Chiba Prefecture. Completed the H01 VTOL sample for autonomous flying to cultivate logistics customers in the USA and Japan. Delayed the cultivation of the European market and prioritized the US and Japan markets. Currently there are over 5 US customers and over 3 Japanese customers in consultation. <p>Autonomous mobile robot (AMR)</p> <ul style="list-style-type: none"> Successfully developed 3D LiDAR SLAM technology Developed high-accuracy AI recognition technology Completed the development of the AMR solution system Won 19 orders on AMR for industry and logistics in Taiwan <p>R&D investments</p> <ul style="list-style-type: none"> A total of 45 R&D personnel, accounting for 60% of all employees. R&D investments accounted for 63% of the revenue. Applied for 9 patents and received 9 patent certificates. 	<p>Market development</p> <ul style="list-style-type: none"> Constantly develop markets in Taiwan and other Asian regions and increase locations in China. Deploy the North American and European markets for AMR forklifts. Actively cultivate the US and Japanese markets for autonomous drones. Develop the EMS/OEM/ODM business <p>Technology development and application for certification</p> <ul style="list-style-type: none"> Develop diversified models of both AMR forklift and Carrier based on the requirements of customers' projects. Develop cold chain forklift solutions for different temperature ranges. Apply for CE/UL certification



Material topics	Strategies	Performances in 2021	Objectives in 2022
Economic Performance	The same as Coretronic. Please refer to CH 1.2		
Occupational Health and Safety	<ul style="list-style-type: none"> Established the OH&S management unit in conformity to the ISO 45001 standard to plan, supervise, and implement OH&S-related matters. To enforce the disaster prevention concept and improve the emergency response and handling capabilities, annual firefighting drills and civil defense forces training are held periodically. 	<ul style="list-style-type: none"> Training on disaster prevention and response: A total of 4 persons received a total of 16 man-hours of training. Rate of fatalities as a result of work-related injury: 0 Rate of high-consequence work-related injuries (excluding fatalities): 0 Rate of recordable work-related injuries: 0 Rate of work-related ill health: 0 This year, no more than 3 work-related injuries were expected to happen in the plant, and in fact, none of such injuries occurred 	<ul style="list-style-type: none"> No more than 3 work-related injuries in the plant No work-related injury occurred in the contractor
Labor and Management Relations	Hold quarterly labor-management meetings, to enhance labor and management relations.	<ul style="list-style-type: none"> Number of quarterly labor-management meetings: 4 Complaints about labor work and human rights: 0 	Attend quarterly meetings on employee benefits
Labor Law Compliance	Maintain legal compliance and operational performance through awareness education and practical communication of laws.	No non-conformity with social and legal regulations was reported.	Maintain no non-conformity with social and legal regulations
Information Security	The same as Coretronic. Please refer to CH 3.3		
Charitable Activities and Social Engagement	The same as Coretronic. Please refer to CH 7		
Climate change	The same as Coretronic. Please refer to CH 4.1		







ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CORETRONIC CORPORATION'S ESG REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by CORETRONIC CORPORATION, (hereinafter referred to as Coretronic) to conduct an independent assurance of the ESG Report for 2021 (hereinafter referred to as the ESG Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text and data in accompanying tables, contained in the report presented during verification (2022/01/05-2022/04/26). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all Coretronic's Stakeholders.

RESPONSIBILITIES
 The information in the Coretronic's ESG Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of Coretronic. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Coretronic's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000AS.v3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

SCOPE OF ASSURANCE AND REPORTING CRITERIA
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

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Reporting Criteria Options

1. GRI Standards (Core)
2. AA1000 Accountability Principles (2018)
3. SASB

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for Coretronic and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content Index as material and in accordance with; and
- evaluate of the report against the SASB Disclosures and Metrics included in the HARDWARE INDUSTRY Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY
 This assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
 Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) have not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification: quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Coretronic, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 9001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION
 On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
 Coretronic has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Coretronic could undertake to allow full and balanced involvement by stakeholders in its varied decision-making processes related to sustainability.

Materiality

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Coretronic has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness
 The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Coretronic has responded to its material sustainability topics, related impacts and stakeholders in a comprehensive, accurate, timely, accessible and balanced manner.

Impact
 Coretronic has demonstrated a process on identifying fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Impacts related to material topics were in place at target setting with qualitative and quantitative measurements and evaluation.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Coretronic's ESG Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. Under the governance of senior management, Coretronic has implemented the risk management into material topics to identify direct and indirect impacts, which may be positive or negative, intended or unintended, and expected or realized. For future reporting, when assessing impacts, Coretronic should consider economic, environmental, human rights, and other societal challenges at local, regional, and global levels related to sectors and the geographic location of its activities and business relationships. By means of diversified approaches, Coretronic could control and mitigate negative impacts effectively.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
 Coretronic has referenced with SASB's Standard, HARDWARE STANDARD, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in Coretronic's audited consolidated financial statements. Coretronic used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into Coretronic's overall management process. It is recommended that the methodology of evaluating and measuring disclosed sustainability performance could be more consistent with the requirements of the SASB standards.

Signed:
 For and on behalf of SGS Taiwan Ltd.



David Huang
 Senior Director
 Taipei, Taiwan
 17 May, 2022
WWW.SGS.COM



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 Licensed Report
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GRI Standard	Disclosure	Page Number	Chapter
GRI 101: Foundation 2016			
General Disclosures			
	102-1 Name of the organization	8	1.1
	102-2 Activities, brands, products, and services	8 ∙ 12	1.1 ∙ 1.3
	102-3 Location of headquarters	8	1.1
	102-4 Location of operations	8 ∙ 10	1.1
	102-5 Ownership and legal form	8	1.1
	102-6 Markets served	10 ∙ 11	1.1 ∙ 1.2
	102-7 Scale of the organization	8 ∙ 10 ∙ 11	1.1
	102-8 Information on employees and other workers	68	6.1
	102-9 Supply chain	24 ∙ 59	2.4 ∙ 5.1
	102-10 Significant changes to the organization and its supply chain	1	About the Report
	102-11 Precautionary Principle or approach	32 ∙ 42 ∙ 52 ∙ 60	3.2 ∙ 4.1 ∙ 4.4 ∙ 5.2
	102-12 External initiatives	RBA Code of Conduct, SDGs, and TCFD	
	102-13 Membership of associations	Membership of "Hsinchu City Human Resource Management Association" and "The Allied Association for Science Park Industries"	
	102-14 Statement from senior decision-maker	2	Letter from the Chairman
	102-15 Key impacts, risks, and opportunities	32 ∙ 34 ∙ 42 ∙ 60 ∙ 84	3.2 ∙ 3.3 ∙ 4.1 ∙ 5.2 ∙ 6.6
	102-16 Values, principles, standards, and norms of behavior	8 ∙ 37	1.1 ∙ 3.4
	102-17 Mechanisms for advice and concerns about ethics	37	3.4
	102-18 Governance structure	18 ∙ 28	2.1 ∙ 3.1
	102-20 Executive-level responsibility for economic, environmental, and social topics	18	2.1
	102-22 Composition of the highest governance body and its committees	29 ∙ 31	3.1
	102-24 Nominating and selecting the highest governance body	29	3.1
	102-25 Conflicts of interest	29	3.1
	102-26 Role of highest governance body in setting purpose, values, and strategy	28	3.1
	102-27 Collective knowledge of highest governance body	30	3.1
	102-32 Highest governance body's role in sustainability reporting	18	2.1
	102-33 Communicating critical concerns	Implement based on "Rules and Procedures of Board of Director Meeting"	
	102-36 Process for determining remuneration	31	3.1
	102-40 List of stakeholder groups	19	2.3
	102-41 Collective bargaining agreements	70	6.3
	102-42 Identifying and selecting stakeholders	19	2.3
	102-43 Approach to stakeholder engagement	15 ∙ 20 ∙ 59 ∙ 60 ∙ 62 ∙ 75	1.5 ∙ 2.3 ∙ 5.2 ∙ 5.3 ∙ 6.4
	102-44 Key topics and concerns raised	15 ∙ 20 ∙ 59 ∙ 60 ∙ 62 ∙ 75	1.5 ∙ 2.3 ∙ 5.2 ∙ 5.3 ∙ 6.4
	102-45 Entities included in the consolidated financial statements	24	2.4
	102-46 Defining report content and topic Boundaries	22 ∙ 24	2.4
	102-47 List of material topics	22	2.4
	102-48 Restatements of information	NA	-
	102-49 Changes in reporting	24	2.4
	102-50 Reporting period	1	About the Report
	102-51 Date of most recent report	1	About the Report
	102-52 Reporting cycle	1	About the Report
	102-53 Contact point for questions regarding the report	1	About the Report
	102-54 Claims of reporting in accordance with the GRI Standards	1	About the Report
	102-55 GRI content index	118	GRI Standards Index
	102-56 External assurance	1 ∙ 117	About the Report, Assurance Statement
GRI 102: General Disclosures 2016			



Material Topics			
GRI Standard	Disclosure	Page Number	Chapter
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	6	1.2
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11	1.2
	201-3 Defined benefit plan obligations and other retirement plans	72	6.3
	201-4 Financial assistance received from government	11	1.2
Innovation Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	7 · 14	1.3 · 1.4
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11	1.2
	201-4 Financial assistance received from government		
Information Security			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	27	3.3
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		3.3
Climate Change			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	39	4.1
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	46	4.1.2
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45	4.1.1
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
Green Solutions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	40	4.4
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	53	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	45	
Salary and Benefits			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	65	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	70	6.3
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men		

Material Topics			
GRI Standard	Disclosure	Page Number	Chapter
Friendly Workplace			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	65	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	68	6.1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	71	6.3
	401-3 Parental leave	72	6.3
Labor Law Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	66	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		None
Labor and Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	66	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	67	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	77	6.5
	404-2 Programs for upgrading employee skills and transition assistance programs	77	
	404-3 Percentage of employees receiving regular performance and career development reviews	82	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	67	6
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	85	6.7
	403-2 Hazard identification, risk assessment, and incident investigation	85 \ 87	6.7
	403-3 Occupational health services	83	6.6
	403-4 Worker participation, consultation, and communication on occupational health and safety	86	6.7
	403-5 Worker training on occupational health and safety	87	6.7
	403-6 Promotion of worker health	83	6.6
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85~88	6.7
	403-8 Workers covered by an occupational health and safety management system	85~86	6.7
	403-9 Work-related injuries	87	6.7
	403-10 Work-related ill health	83	6.6
Charitable Activities and Social Engagement			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	90	7
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	90	7
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	91~95	7.1 \ 7.2 \ 7.3



Hardware

Code	Accounting Metric	Summary / Reference Chapter	Page												
Sustainability Disclosure Topics & Accounting Metrics															
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	3.3 Information Security Management	34-36												
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	<table border="1"> <thead> <tr> <th>Category / Gender</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>59%</td> <td>41%</td> </tr> <tr> <td>Technical Staff</td> <td>64%</td> <td>36%</td> </tr> <tr> <td>All Other Employees</td> <td>35%</td> <td>65%</td> </tr> </tbody> </table>	Category / Gender	Male	Female	Management	59%	41%	Technical Staff	64%	36%	All Other Employees	35%	65%	121
Category / Gender	Male	Female													
Management	59%	41%													
Technical Staff	64%	36%													
All Other Employees	35%	65%													
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Projectors and BLMs are the major products of this Company, among them, all projectors and a few BLMs contain IEC 62474 declarable controlled substances, and all meet the declaration specifications. The sales revenue of these products account for 20% of the annual sales revenue.	121												
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Most Coretronic products are B2B products. This indicator does not apply to this Company because we do not apply for EPEAT or points of equivalent requirements.	-												
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	According to the “Energy Star 8.0 specifications” published in 2019, projectors and incomplete products have been excluded from Energy Star. Hence, this indicator does not apply to this Company.	-												
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	<ol style="list-style-type: none"> 1. Recovery of waste products: Most Coretronic products are B2B products, and there is no waste product for recovery. 2. Total weight of recovered electronic waste and proportion in recycling: Most Coretronic products are B2B products. Instead of recycling for reuse, we simply recover and scrap products. The total weight of electronic waste recovered by plants in Taiwan and China was 20.3 tons. 	-												
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	We have not run the Validated Assessment Program (VAP) of RBA on stage 1 suppliers. Hence, no relevant data is available for disclosure. In the future, we will progressively plan and implement VAP on suppliers.	-												
TC-HW-430a.2	Tier 1 suppliers’ (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances		-												
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	5.2 Responsible Supply Chain Management	60												
Activity Metrics															
TC-HW-000.A	Number of units produced by product category	1.2 Economic Performance	11												
TC-HW-000.B	Area of manufacturing facilities	Trade secrets are not disclosed.	-												
TC-HW-000.C	Percentage of production from owned facilities	We develop and manufacture major products independently. Hence, the production volume of own production equipment is 100%.	-												



ESG



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o *Designed by IRO_JasmineLee*

