2023

Coretronic ESG Report

Coretronic

Contents

Introduction

Coretronic Corporation has been publishing corporate social responsibility reports for 16 consecutive years since 2008, which were officially renamed as ESG reports in 2020. The reports cover Coretronic's sustainability strategies, goals, and performance in E-Environment, S-Social/Human Rights, and G-Governance, demonstrating its comprehensive sustainability achievements and determination to become a sustainable enterprise to stakeholders.

Report Structure and Scope [2-2]

- This report is divided into seven chapters: "Sustainable Operations," "Sustainable Development," "Corporate Governance," "Eco-Friendly Environment," "Sustainable Supply Chain," "Friendly Workplace," and "Social Engagement," disclosing Coretronic's management policies and performance on material topics of concern to its stakeholders.
- This report discloses information on Coretronic's Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2), Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Display (Suzhou), Coretronic Optics (Suzhou)), and subsidiaries in Taiwan (Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics), which accounts for 74% of the Company's annual consolidated revenue.
- The crucial subsidiary and Coretronic's own brand, Optoma Holding Limited, will be publishing its 2023 ESG Report in September 2024. Therefore, its sustainability strategies and performance are not disclosed in this report.
- Other subsidiaries not included in the disclosure scope (please refer to the consolidated organizational chart on pages 108-109 of the Annual Report) are not disclosed in this report as their daily operations do not significantly impact Coretronic's economic, environmental, social, and human rights aspects.
- The main body of this report covers the sustainability performance of Coretronic's Taiwan and China plants, while the sustainability performance of its subsidiaries is presented in Chapter 8 - "Summary of Subsidiaries' Sustainability Performance."
- The scope of the SASB indicators in this report covers Coretronic's Taiwan plants (Headquarters, Lixing Plant, Chunan Plant, Tainan Plant 1, Tainan Plant 2), Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Display (Suzhou), Coretronic Optics (Suzhuo)).

Principles of Report Writing

The content and structure of this report follows the Global Reporting Initiative (GRI) Standards 2021 and adopts the sustainability indicators of the Sustainability Accounting Standards Board (SASB). An index mapping the report content to GRI and SASB indicators is provided at the end of the report.

Report Assurance [2-5]

- This report is assured by SGS Taiwan Ltd. with AA1000AS Type 2 High Level Assurance v3 for both GRI and SASB frameworks.
- The financial data in this report is calculated in New Taiwan Dollars and is based on the financial statements certified by Ernst & Young.
- Our ISO 9001, ISO 14001, ISO 14064-1, ISO 27001, ISO 50001, ISO 45001, and CNS 45001 certifications have been verified by SGS Taiwan Ltd. and SGS-CSTC Standards Technical Services Co., Ltd.
- Three of our laser projectors have received B2B verification of ISO 14067 by TÜV Rheinland Taiwan Ltd., and two of our LCD displays have received B2B verification of ISO 14067 by SGS-CSTC Standards Technical Services Co., Ltd.

Report Time Period [2-3]

Coretronic publishes Chinese and English ESG Reports annually, and discloses them on the Coretronic official website, the Market Observation Post System, the ESG E-Newsletter, and the Coretronic Facebook fan page.

- Current version data period: January 1, 2023, to December 31, 2023
- Issue of previous version: June 2023
- Issue of current version: July 2024
- Issue of next version: July 2025

Contact Information [2-3]

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Financial Report ESG E-Newsletter Facebook Fan Page YouTube

Letter from the Chairman ²⁻²²

In 2023, the global economic, social, and geopolitical instability, as well as monetary policy tightening, high inflation, and high interest rates; have led to a downturn in the global economy and weakened demand. According to the Global Risks Report published by the World Economic Forum, environmental risks continue to top the list, and social polarization and the development of artificial intelligence makes it difficult to obtain truthful information, significantly hindering global sustainable development progress from meeting its set targets. As a sustainable enterprise, Coretronic aims to maintain a flexible operating model, comprehensive risk control and resilience, obtain strong profitability through robust research and development capabilities, and demonstrate corporate operational resilience. Hereby, we sincerely thank all stakeholders for their support and encouragement, allowing us to overcome the various challenges brought about by the ever-changing international political and economic situation with a positive and creative attitude. We look forward to a sustainable future together.

Coretronic has published an annual ESG Report for 16 consecutive years, adhering to the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and the sustainability indicators of the Sustainability Accounting Standards Board (SASB). An English version of the ESG Report is also simultaneously released to comply with international sustainability standards and strengthen communication with stakeholders. The Company's sustainable performance in environmental, social/human rights, and economic/governance aspects is being continued demonstrated to stakeholders. Sustainable projects is being promoted from the outside in and implement sustainable strategies and goals, aiming to drive sustainable competitiveness through innovative technologies, focusing on social needs and leveraging Coretonic's corporate capabilities.

Corporate Governance

As a corporate governance talent, Coretronic has been ranked among the top 5% of TPEx-listed companies in the Corporate Governance Evaluation for 9 consecutive years. Coretronic has also been selected for the "Corporate Governance Index," "TIP TPEx ESG 30 Index," "TIP TPEx ESG HD TR Index," "TIP TPEx ESG ML Total Return Index," "TPEx FactSet Climate Resilience Index," "Compensation Index," and "Labor Employment 88 Index," demonstrating high recognition towards the Company's internal governance mechanisms and sustainability performance. Additionally, an external independent agency was commissioned to conduct an external performance evaluation of the Board of Directors, Board members, and functional committees. The results were reported to the Board of Directors to promote shareholder value and maintain the Company's competitiveness, laying the foundation for sustainable business operations.

Social Engagement

Through collaboration with social enterprises, local universities, and non-profit organizations on the following six major programs: "Light Pioneer," "Elderly Smile," "Love Followers," "Dream Walkers," "Light Wishes for the Rurals," and "Farm the Hopes," Coretronic aims to bridge the digital divide between urban and rural areas, pursue equal education opportunities, and leverage technology to reduce the distance between rural areas and medical resources. We also supplement workforce and resource shortages in welfare institutions to enrich the physical and mental health of elders living alone. Additionally, the Coretronic Culture and Arts Foundation, established in 2010, is dedicated to illuminating Taiwanese culture, promoting light art, and enhancing the quality of life. The foundation implements the "Light up Taiwan" project across Taiwan, organized the "Taiwan Environment Lighting Award" and the "Taiwan Environment Lighting Award Seminar" to amplify the impact of lighting environmental issues, continuously promoting the concept of lighting environments.

Friendly Workplace

Employees are the core driving force for a company's sustainable growth and operation. To fulfill our responsibility as a sports and happiness company, and to allow our colleagues to achieve a work-life balance, annual salary adjustments are carried out, employee benefits increased, human rights management and training courses implemented, diversified sports and recreational activities for employees' well-being is also organized, effectively uniting our colleagues' dedication and enhancing their sense of belonging. Coretronic also utilize diverse and two-way communication channels to listen to the voices and suggestions of employees of all ages, further improving our measures. Furthermore, active investment is placed in empowering youth and cultivating future key talents, and arranging corresponding courses based on employees' job functions to precisely enhance their professional abilities and strengthen organizational resilience. We hope that through corporate commitments and strategies that are closer to the needs of our employees, we can be recognized as a happy company by our colleagues.

Eco-Friendly Environment

Facing the international net-zero trend and Taiwan's Climate Change Response Act, we have set a science-based carbon reduction target of "Based on the 2021 baseline, achieve an absolute reduction of 50.4% for Category 1 and 2 GHG gas emissions and 30% for Category 3-6 by 2032" and submitted it to SBTi for review, with the expected approval in April 2024. Additionally, 2023 is designated as the Company's Green Product Era, with the establishment of a product carbon footprint inventory platform and the setting of clear short-, medium-, and long-term targets for recycled materials and eco-friendly packaging. Simultaneously, we continue to align with domestic and international initiatives such as the Taiwan Climate Partnership, Taiwan Alliance for Net Zero Emissions, CDP, and TCFD. Furthermore, through the installation of multiple solar power generation systems and green power wheeling, the renewable energy usage rate has been increased to 16%. In the future, we will continue to implement carbon reduction strategies with stakeholders, strengthen carbon reduction efforts, and gradually achieve SBT reduction and net-zero targets.

Coretronic continues to devote itself to transformation and innovation, cultivating key components and progressively forward-looking technologies, providing customers with innovative display solutions, integrating advanced AI/intelligent technologies to provide comprehensive solutions for various intelligent domains, enhancing the Company's sustainable competitiveness, and taking active actions to respond to climate change issues. The green design concept will be introduced into the product development process to reduce the environmental impact of products to meet customer needs. We will continue to echo the global sustainable development advocacy framework, achieve the United Nations Sustainable Development Goals through joint forces with stakeholders, and exert a positive influence to co-create a sustainable world! Sustainable transformation is an inevitable trend!

Wade Chang Chairman, Coretronic Corporation

ESG Performance Highlights and Milestones

Environmental

SBT Carbon Reduction Goals

Submitted science-based carbon reduction targets to SBTi for review in 2023

Expected to pass SBT verification by April 2024

"Based on the 2021 baseline, achieve an absolute reduction of 50.4% for Category 1 and 2 GHG emissions and 30% for Category 3-6 by 2032"

Obtained ISO 14064-1 100%

All scopes disclosed in this report have been verified

47%	**16%**
Absolute reduction in GHG emissions (Category 1 and 2) compared to 2021 (base year)	Renewable energy usage rate

Obtain ISO 14067

Three laser projectors and two LCD monitors have been verified

100% achievement of short-term environmental target reduction goals

GHG emission intensity, electricity consumption intensity, waste generation intensity, water consumption

Social

NT$20.94 million

Total amount invested in social engagement and charity, accounting for 1.5% of the Company's annual profit

7,241 person-hours

Volunteer hours invested in social engagement and charity projects

57,180 people (times)

Number of people benefited from the Company's social engagement and charity projects

148 Units

NGOs benefited from the Company's social engagement and charity projects

3~5%

Average annual salary adjustment range

148 Units

Internship and industry-academia collaboration positions at Taiwan plants

Governance/ Economy

NT$1.392 billion

Net profit after tax attributable to the parent company

NT$3.56

Earnings per share (EPS)

Selected for ESG Index

TIP TPEx ESG 30 Index, TIP TPEx ESG HD TR Index, TIP TPEx ESG ML Total Return Index, TPEx FactSet Climate Resilience Index, Corporate Governance Index, Labor Employment 88 Index, Compensation Index

100%

ESG education course completion rate at Taiwan plants

99.7%

Integrity management course completion rate

96%

Supplier sustainability commitment signing rate

ESG Performance Highlights and Milestones

Asia Responsible Enterprise Awards (AREA)

- Owned of the "Social Empowerment Award" for the first time
- Owned of the "Corporate Governance Award" for the first time

Asia-Pacific Sustainability Action Awards (APSAA)

Presented "Light Pioneer" Project with the Silver Award for "SDG 4 Quality Education" upon participation for the first time

MSCI Sustainability Leaders Index

Received BBB on MSCI ESG ratings

National Enterprise Environmental Protection Award

Awarded the Silver Award of the "National Enterprise Environmental Protection Award" by the Ministry of Environment for 6 consecutive years

Corporate Governance Evaluation System

- Ranked in the top 5% of TPEx listed companies for 9 consecutive years, with only 8 TPEx listed companies in Taiwan having achieved this honor for 9 consecutive years.
- Ranked 11-20% among TWSE/TPEx listed companies with a market capitalization of over NT$10 billion in the electronics sector.

Taiwan Corporate Sustainability Award (TCSA)

- Awarded the "Corporate Sustainability Report Awards-Gold Award" for 7 consecutive years
- Awarded the "Transparency and Integrity Leadership Award" for 6 consecutive years
- Awarded the "Top 100 Sustainability Corporation" for 5 consecutive years
- Four-time winner of the "Social Inclusion Leadership Award"
- First-time winner of the "Talent Cultivation Leadership Award"

CommonWealth Corporate Social Responsibility Award

Awarded the "Corporate Social Responsibility Award" from Commonwealth for 12 consecutive years, ranking 27th in the large enterprise category in 2023.

CDP Evaluation

- Supplier Engagement Rating earned A (Leadership Level), higher than industry, Asia and global averages.
- Climate Change Rating earned B (Management Level), higher than industry, Asia and global averages.
- Water Security Rating earned B (Management Level), higher than industry, Asia and global averages.

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

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

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

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

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

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

CDP	TCFD	SCIENCE BASED TARGETS	TCP Taiwan Climate Partnership	TANZE
• Responded to climate change questionnaire for 5 consecutive years • Supplier engagement rating earned A (Leadership level), higher than industry, Asia and global averages (C) • Climate change rating earned B (Management level), higher than industry, Asia and global averages (C) • Water security rating earned B (Management level), higher than industry, Asia and global averages (C)	• Signed to support and implement the TCFD framework in 2020 • Climate change risk and opportunity identified, and impact analysis performed for the first time in 2021 • Reassessed, updated risk and opportunity concerns, and preliminarily assessed financial impacts in 2023 • Formulated response strategies for the risks and opportunities identified in 2023	• Submitted a commitment letter to SBTi in 2022, committing to set emission reduction targets based on the SBT 1.5°C scenario • Submitted science-based targets to SBTi for review in September 2023, with 2021 as the base year, aiming for an absolute 50.4% reduction in GHG emissions (Category 1 and 2) and an absolute 30% reduction in Category 3-6 by 2032 • Expected to pass SBT verification by April 2024	• Promoting Taiwan's supply chain to align with international net-zero goals, combining the power of alliance partners and actively cooperating with international climate advocacy organizations • Joined as one of the first members in 2022, and renewed membership in 2023	• Follow the alliance's goal of "net zero emissions for office locations by 2030, and net zero for production and service locations by 2050" • Awarded the "Green Net Zero Certificate" for 2 consecutive years, progressing towards a net-zero enterprise through the "Commitment" and "Action" stages

ESG Topics | Social

"Future Light Camp 2.0" allows elementary school students to develop game programs in just 6 days

Since 2016, Coretronic has launched the "Light Pioneer" program, implementing "High-Tech Adventure," "Digital Interactive Classroom," "Future Light Camp 1.0" and "Future Light Camp 2.0" in rural schools in Miaoli County. The Company hopes to leverage its core expertise and collaborate with local universities to address the digital divide and educational inequality caused by urban-rural disparities. This initiative also actively responds to the Sustainable Development Goals (SDGs), including No. 1 "No Poverty," No. 4 "Quality Education," and No. 17 "Partnerships for the Goals."

Starting in 2022, Coretronic has partnered with students from the Department of Electronics and Electrical Engineering at National Yang Ming Chiao Tung University and the Papacode to launch the new "Future Light Camp 2.0." This 6-day (30-hour) coding camp is designed for 4th to 6th-grade students in rural and remote elementary schools in Miaoli County. Not only does it help children complete the programming curriculum for grades 7 and 8, but it also enables them to collaborate with their teammates to complete two game programming projects using the skills learned during the camp.

1. Pre-Camp - Volunteer Training: Members of the Firefly Volunteer Team and students from the Department of Electronics and Electrical Engineering at National Yang Ming Chiao Tung University who serve as camp teaching assistants or instructors must undergo 20 hours of training to be able to teach classes and assist students with operations and understanding during the camp.

2. Camp Day 1 & 2 - Programming Education Board Game "Coding Ocean," Creative Games - "Coding Ocean Bingo," "Drawing with Loops," "Sport Stacking": To spark children's interest in programming design, abstract and difficult programming concepts such as "sequence, debugging, loops, If/Else, function" are incorporated into games, allowing children to learn through play.

3. Camp Day 3 - Scratch: Problem-oriented computer programming instruction begins, allowing children to practice what they have learned in class, helping them complete the primary school first semester programming course in advance.

4. Camp Day 4 - Programming Education Board Game "Advanced Coding Ocean" and "CO•DECODE," Creative Games "Advanced Coding Ocean Bingo" and "Animal ABC": Through escape room-like puzzle challenges, students develop more advanced logical thinking and reasoning abilities. At the same time, through two creative games, students learn about set theory and AI recognition principles.

5. Camp Day 5- Scratch: Instruct on "variable" and "function," and have students practice debugging commands, utilizing what they have previously learned.

6. Camp Day 6 - Creative Game "Limited Communication," Scratch: Through creative games, students learn how to define messages and encryption principles. At the same time, through Scratch practice, students work in teams to break down problems and collaborate to complete two game programs. Finally, each team scores the games based on their level of fun and complexity, and the two best games are selected and awarded the final prize.

"Initially, I thought Scratch was really difficult. While solving problems, I was always the last one in the group to finish. Luckily, I had the help of the volunteer. Whenever I sent out a distress signal, he would immediately come over and teach me with patience. I'm really grateful to him. What I couldn't believe was that our group actually completed two little games independently. We wrote the games ourselves, and they looked super cool and were really fun to play, allowing me to brag to friends from other schools."

- 4th grade student at Fuji Elementary School, Miaoli County, Beneficiary

Thank you to Coretronic and NYCU volunteers for patiently guiding students through programming problems step by step. Although we've learned Scratch in computer classes in school, teachers are unable to attend to all students, and due to time constraints, there's insufficient time for students to think and reason independently. This camp allows the shortcomings of school education to be supplemented, and for that I am truly grateful.

- Teacher at Jiaupu Elementary School, Miaoli County, Beneficiary

"As an engineer, coding is part of my daily routine. For me, a software like Scratch, where the code is already written into each object, should be easy for children to pick up. However, after becoming a Scratch instructor, I realized that explaining concepts that seem obvious to me to children is extremely difficult. The puzzled looks on their faces really discouraged me, so I had to spend time preparing lessons, using simple examples that matched their abilities to help them understand problem-solving logic during the course. At the same time, I'm also very impressed by the children, as they learn at a remarkable speed. I'm grateful to them for giving me so much confidence and happiness. Participating in camps during the holidays is truly relaxing."

- Company colleague, Firefly Volunteer Team member

Amount Invested	Student Benefited	Schools Benefited	Volunteered Efforts	Volunteered Hours
$ 297,505	133 person-times	2	228 person-times	1,565 person-hours

Practice the integration of learning and application! "Yuan Ze Industrial Academy" provides tailored customized courses.

Cultivating outstanding talent for deployment management from sophomore year onwards

In 2023, Coretronic launched the "Yuan Ze Industrial Academy," offering optoelectronics and management programs. The program aims to recruit junior to first year of graduate school's students for optoelectronics talent needed by the industry, and sophomore to senior students for management talent development; extending to Southeast Asian nationalities to promote diversity and inclusion. Each cohort of the Industrial Academy runs for three semesters (1.5 years), with two cohort contracts signed in advance, expected to run until 2025. Coretronic donates NT$1.5 million per semester to Yuan Ze University for cultivating students from the College of Engineering and the College of Management.

The programs are highly customized to meet the needs of the university and companies, enabling students to align their learning with practical industry requirements. This includes customized company courses, internships, projects, and company visits. Internship salaries are offered at higher than market internship standards, and a NT$50,000 project scholarship per semester. Outstanding students in the Industrial Academy are presented with pre-employment offer letters and a NT$100,000 employment bonus, allowing them to seamlessly transition to the company after graduation.

The first cohort of the Industrial Academy recruited thirty-four students (21 in the management program and 13 in the optoelectronics program). In 2023, 5 customized courses were completed: 2 management courses (International Business Management, Digital Transformation Case Studies), 2 optoelectronics courses (Projector Principles, Colorimetry and Color Science), and 1 mandatory course on corporate culture. These customized courses were taught by 5 senior executives at the level of associate vice president or above. Additionally, the courses produced 5 exclusive Industrial Academy case studies, where students discussed and presented their understanding of company operations and proposed solutions, with an average satisfaction rating of 4.5 or above. Students directly provided feedback: "Being able to understand industry practices at school is very beneficial" and "We really appreciate the Company's dedication to students, which is vastly different from previous internship or collaboration programs."

Incorporating diverse practical designs to enhance student experience

In addition to customized courses, the Company also arranges one-day company visits, company internships, and company projects, implementing diverse learning approaches such as learning by doing, increasing opportunities for students to experience practical work.

- Company visits: Through challenge-based experiential activities, students may experience corporate culture directly. Through ESG lectures, students are informed about the Company's practical implementation of ESG practices, applying theory into practice. Students are guided through the product exhibition hall to observe and operate company products, bringing them closer to product familiarity.
- Management program: In the first semester of 2023, three students (including a Vietnamese student) voluntarily participated in summer internships, assigned to the business and human resources departments to gain early exposure to the workplace, and prepare for the formal summer internship in the third semester of 2024.
- Optoelectronics program: In the second semester of 2023, students shall be divided into groups early on and industry mentors are assigned to lead 4 groups in conducting project research, allowing them to have a foundation in project technology. It is planned that in the third semester of 2024, company projects will be carried out, with university professors and industry mentors jointly serving as project advisors, leading the student groups in managing research projects.
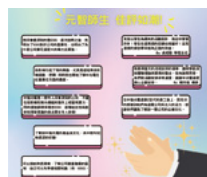
Assisting schools in cultivating future talents

Through a one-year program, students are able to instantly apply what they have learned at school to corporate projects, with the opportunity to experience corporate culture, management perspectives, and product technologies before physically entering the workforce. According to a survey, 9 out of 23 senior students expressed that after participating in the Industrial Academy, they have acquired a deeper understanding of Coretronic and their career planning and intend to join the Company directly after graduating in 2024.

By fulfilling corporate social responsibility and providing resources for students to connect with the workplace at and early stage, and explore self-development possibilities, talents needed by the Company are not only reserved, but it is also hoped that students will seize the opportunity to participate in corporate operations, broaden their horizons, explore their potential, and simultaneously assist schools in cultivating future talents.

CH1
Sustainable Operations

01

1.1 Company Introduction [2-1, 2-6]

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

Management philosophy [2-23, 2-24]

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

Founding Date	June 30, 1992
Capital	NT$3.9 billion
Chairman	Wade Chang
President	Sarah Lin, Ann Wu
Number of Employees	4,330 [1]
Headquarter	No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan.
Major Global Locations	Taiwan, China, United States, Europe, Vietnam
TPEx-Listed	1999 (Stock Code: 5371)

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

Products and Services

▶ Visual Solutions Products
DLP digital projectors, laser TVs, LED all-in-one displays, interactive modules, smart connectors, image stitching combiners, image signal processing boxes, intelligent imaging solutions, embedded projection systems, ultra-short throw laser TVs, mobile micro projectors, wearable display optics modules, in-vehicle projection systems

▶ Energy Saving Products
Light guide plates, backlight modules, optical components, touch modules, large-size tiled displays and integrated solutions, double-sided displays, display multimedia applications, industrial and medical displays and medical diagnostic devices

2023 Revenue | Approximately NT$39.5 billion

Participating associations [2-28]

- The Allied Association for Science Park Industries
- Taiwan Display Materials & Devices Association (TDMDA)
- Society for Information Display (SID) Taipei Chapter
- Photonics Industry & Technology Development Association (PIDA)
- 3D Interaction & Display Association (3DIDA)
- Taiwan Alliance for Net Zero Emissions (TANZE)
- Taiwan Climate Partnership (TCP)
- Social Innovation Partnership Group
- Kunshan economic and Technological Development Zone Association of Work Safety and Environmental protection

- Kunshan Taiwan Compatriots Investment Enterprises Association
- Kunshan Human Resources Association
- Wujiang Intelligent Manufacturing Association
- Suzhou Wujiang District Taiwan Compatriots Investment Enterprises Association
- China Chamber of International Commerce, Suzhou Chamber

Corporate Culture
- R- Responsibility
- I- Innovation
- S- Superiority
- E- Entrepreneurship
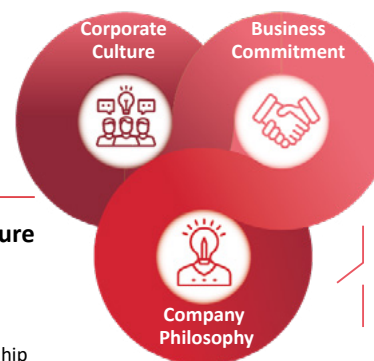
Company Philosophy
- Professional manufacturer of innovative display system solution
- Technology leader in digital display systems
- Focus on core business, stable operation

Business Commitment
- Towards Customers: commitment to quality and professional service
- Towards Employees: pursuit growth and unleash potential
- Towards Society: rooted in technology and sustainable operations

Timeline

1992 2002   2017

Establishment and Listing

Expansion Momentum

Transformation and Diversification

1992 Established

1999 Listed on TPEx market

2002 Established Optoma - Own brand marketing

2002 Established Young Optics Inc. - Optical components manufacturing

2004 Established Young Lighting Technology Inc. - Optical components manufacturing

2005 Established Young Green Energy Co. – Power supply and other electronics components manufacturing

2010 Established Coretronic System Engineering Corporation - Multimedia integration services

2010 Established Coretronic Culture and Arts Foundation

2017 Established uCare Medical Electronics Co., Ltd. - Intelligent health and sports care solutions

2017 Established Champ Vision Display Inc. - Innovative intelligent display solutions

2017 Acquired Calibre UK Limited

2017 Coretronic System Engineering Corporation renamed as Coretronic Intelligent Cloud Service - Smart retail/Smart enterprise/Public space media solutions

2017 Established Coretronic Intelligent Robotics - Autonomous intelligent drone and intelligent robot solutions

2017 Established Innospectra - Spectrometer and cloud service platform

2018 Established Nano Precision Taiwan - Precision optical components and optical films

2018 Merged subsidiary Young Lighting Technology Inc.

2019 Established Coretronic MEMS - MEMS technology, components, modules and solutions

2019 Established Coretronic Reality Inc. - AR (Augmented Reality) / MR (Mixed Reality) solutions

2020 Established Coretronic Vietnam Company Limited - Backlight and LCD module manufacturing

2021 Established Coretronic Intelligent Logistic Solutions - IoT smart networking, AMR system integration and lightweight solutions

2021 Established Coretronic Robotek (Kunshan) Corporation - Smart warehousing and smart factory solutions

2021 Established Coretronic Technology (BRVT) Company Limited - Vietnam LCD backlight module R&D, manufacturing and sales operations

Global Sites [2-1, 2-6]

Coretronic's headquarters is located in the Hsinchu Science Park in Taiwan. Its main production sites consist of 16 plants: the Lixing Plant in the Hsinchu Science Park; the Chunan Plant in the Chunan Science Park; the Tainan Plant 1 and Plant 2 in the Tainan Science Park; the Hukou Plant in the Hsinchu Industrial Park; the Wujiang plants (Coretronic Optotech (Suzhou), Coretronic Display (Suzhou), Coretronic Optics (Suzhou)) in Wujiang, Suzhou City, Jiangsu Province, China; the Kunshan plants (Coretronic Projection (Kunshan), Coretronic Optics (Kunshan), Kunshan Yiteng Technology Service Co., Ltd., Vimax (Kunshan) Co., Ltd), Jiangsu Province, China; the Ningbo Plant (Coretronic (Ninbo) Co., Ltd.) in Ningbo City, Zhejiang Province, China; the Fuqing Branch of Coretronic Display (Suzhou) in Fuzhou City, Fujian Province, China; Plant 1 (Coretronic Vietnam Company Limited) in Ho Chi Minh City, Vietnam; and Plant 2 (Coretronic Technology (BRVT) Company Limited) in Binh Duong Province, Vietnam.

Additionally, to promote its brand and provide more timely customer service, its subsidiary and own brand, Optoma (full name Optoma Holding Limited), has customer service and marketing offices in Taiwan, the Americas, Europe, and China.

Site	Location
Headquarters	Taiwan: Hsinchu
Branches	Taiwan: Tainan
Production Sites of Visual Solutions Products	Taiwan: Hsinchu / China: Kunshan
Production Sites of Energy Saving Products	China: Suzhou, Ningbo, Fuzhou Taiwan: Miaoli, Tainan Other Asian regions: Vietnam
Optoma Customer Services and Marketing Sites	Taiwan: New Taipei City Americas: United States Europe: United Kingdom, Netherlands, France, Germany, Norway, Spain China: Shanghai, Hong Kong
Champ Vision Display Operations and Production Sites	Taiwan: Miaoli China: Kunshan
Coretronic Intelligent Cloud Service and Operation Sites	Taiwan: Hsinchu
Coretronic Intelligent Robotics Operations, Customer Service and Production Sites	Taiwan: Hsinchu, Miaoli, Tainan Other Asian regions: Japan

01

Material Topics

Economic Performance

GRI

Economic Performance

1.2 Operating Overview [3-3]

Topic Boundary

Coretronic Taiwan and China Plants (Kunshan Plant, Wujiang Plant), Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics

Topic Importance

Economic/governance is one of the three pillars of ESG. Therefore, we aim to pursue the greatest interests of all shareholders and employees, and fulfill the mission of "technology rooted, sustainable operation." The Company aims to pursue the greatest interests of all shareholders and employees, and to achieve the mission of "technology-rooted, sustainable operations."

Strategies

Upholding the mission as the leader in digital display system technology, we will focus on innovative display solutions and provide comprehensive solutions for cloud services, artificial intelligence, and various intelligent scenarios.

Evaluation Mechanism

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

Performance

- Consolidated net operating revenue was NT$39.492 billion, a decrease of 21% compared to the previous year
- Consolidated gross profit margin was 19.9%, an increase of 0.9% compared to 19% in the previous year
- Consolidated operating income was NT$931 million, consolidated pre-tax net income was NT$1.588 billion
- Consolidated net income after tax was NT$1.202 billion, of which the net income attributable to shareholders of the parent company was NT$1.392 billion, a decrease of 41% year-on-year
- Earnings per share of NT$3.56

Goals

【2024 Goals】

- Continuing business model transformation and enhancing product competitiveness through lean management and intelligent manufacturing to promote efficiency and improve product quality, generating profits
- Establishing a sustainable supply chain, implementing global deployment and local operations to improve competitiveness and strengthen global market share
- Deepening core technologies and key components, leveraging opto-electro-thermal-software, material and system design integration and application capabilities to provide innovative display system comprehensive solutions
- Focusing on R&D of high value-added products and various visual imaging solutions, and developing artificial intelligence, big data, cloud technology, intelligent interaction and other intelligent service solution platforms to expand and drive growth momentum

【2025-2026 Goals】

- Deepening optical core technologies to expand cross-application optical components and system products, semi-system products, enhancing product added value and price competitiveness, and consolidating global competitive advantages in the display and imaging technology fields
- Developing an integrated corporate core operating system and database, artificial intelligence, deep learning, and cloud computing data service platform, providing enterprise customers with "cloud construction", "cloud operation and maintenance", and "cloud application" consulting, planning, implementation and software development solutions. Assisting customers in planning and defining modern IT/MIS information architecture to accelerate enterprise digital transformation
- Focusing on AI vision technology and digital vehicle technology, developing core capabilities such as SLAM navigation solutions based on multi-sensor fusion technology, image recognition and motion control algorithms, providing drone and indoor/outdoor autonomous vehicles complete solutions required in applications such as intelligent inspection and smart logistics, and actively expanding international brand design OEM business
- Employing digital optimization technologies to coordinate group resource allocation and ensure information security, enhancing overall organizational efficiency; defining operational information flows and system resource utilization, rapidly providing integrated information management platforms; designing, planning and implementing cloud computing architectures, digital platforms and IoT environments and applications to promote the expansion of new group businesses

Consolidated Financial Statements [201-1, 201-4]

Unit: NT$ Thousand

| Item	2021	2022	2023
Net sales	49,833,368	49,783,157	39,491,708
Operating cost	41,102,386	40,328,961	31,620,007
Gross profit	8,730,982	9,454,196	7,871,701
Operating income (loss)	1,646,426	2,150,622	930,670
Non-operating Income, Net	1,138,893	1,022,358	657,708
Net income after taxes	2,039,280	2,413,434	1,202,029
Earnings per share	5.12	6.03	3.56
Capital expenditures	1,465,671	2,239,760	1,822,817
Employee benefits expense	8,648,154	8,972,782	7,492,636
Research and development expenses	3,008,812	3,056,452	2,901,998
Total assets (year-end)	61,470,393	55,857,815	55,603,904
Total capital (year-end)	22,152,104	22,729,545	23,484,289
Total market value of equity (year-end)	36,126,655	22,246,825	27,955,149
Research and development tax credits	1,308,022	1,261,806	1,239,670
Tax credits	15,653	93,255	19,720
Government subsidies	159,218	110,394	202,665
Income tax expense	746,039	759,546	386,349
Income tax as a percentage of operating revenue (%)	1.50%	1.52%	0.98%

Analysis of Financial Income, Expenditure and Profitability

	Item	2021	2022	2023
Financial Structure	Debt to asset ratio (%)	60.60	55.10	53.87
	Long-term capital to property, plant and equipment ratio (%)	341.77	340.92	293.81
Solvency	Liquidity ratio (%)	139.23	155.63	135.23
	Current ratio (%)	109.13	112.27	102.06
	Interest coverage ratio	31.32	10.30	4.86
Profitability	Return on assets (%)	3.87	4.49	3.09
	Return on equity (%)	9.02	10.51	6.02
	Pretax income to paid-in capital ratio (%)	71.24	81.15	40.63
	Net profit margin (%)	4.09	4.85	3.04
	Earnings per share (NT$)/Weighted average outstanding shares	5.12	6.03	3.56
Others	Cash dividends per share (NT$)	4.0	4.5	3.0
	P/E ratio	12.65	10.38	20.81
	Dividend yield (%)	6.18	7.19	4.05

Market analysis [2-6]

- According to market research firms, the global large-size LCD panel shipment for 2023 is estimated to be 681 million units. Coretronic's total shipment of energy-saving products for 2023 is 30 million units, accounting for approximately 4.41% of the global market share.
- Despite gradual re-openings in various regions in 2023, the highly unstable political and economic situation continues to lead to a sluggish global economy overall, prompting businesses and consumers to cut spending. The global projector market shipment is around 6 million units, with a slight decline of 1-2%. Coretronic's shipment of visual solutions products for 2023 is 975,000 units, accounting for approximately 16.25% of the global market share.
- Ranked first in global DLP projector market share

Sales distribution for major products by region in 2023
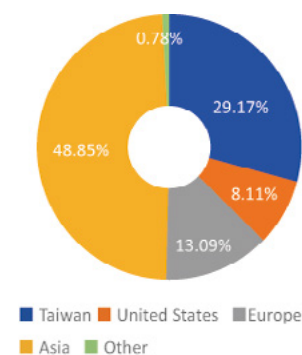
0.78%
29.17%
8.11%
13.09%
48.85%

■ Taiwan ■ United States ■ Europe ■ Asia ■ Other

01

Material Topics

Innovation Research and Development Management

GRI

Economic Performance

8 DECENT WORK AND ECONOMIC GROWTH

1.3 Product Innovation [3-3]

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants)

Topic Importance

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

Strategies

- Establish a Technical Director's office under the supervision of the President and set up innovation and R&D units such as technical directors/technical centers/R&D departments under the management of each business group, responsible for the evaluation and development of advanced technologies and products.
- Deepen core optical technologies, and expand into key components, semi-systems/system products and module core technologies, as well as intelligent context applications across application domains.
- Develop edge-lit new-type light guide plates, direct down-lit light guide mirrors, special optical control films, and Mini LED BLM to create thin, compact, energy-saving, anti-peeping, and high dynamic contrast high-value application products.
- Deepen image processing core technologies and develop automatic contrast, brightness, and color control technologies to increase cost competitiveness.
- Focus on the R&D of high-brightness, wide color gamut, and high-resolution solid-state light source projection products for home and large commercial venues, integrating intelligent technologies with artificial intelligence, deep learning, computer vision, IoT, and cloud computing to improve user experience.
- Based on projection optics core technologies and through actively implementing a vertical integration strategy to master key patents and core technologies, develop micro-projection, AR/MR glasses optics, and intelligent device new applications to create differentiation.

Evaluation Mechanism

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

Performance

- There are 773 R&D personnel, of which the total number of Taiwanese R&D personnel accounts for 37% of the total number of employees in Taiwan
- The group's R&D expenditure is NT$2.9 billion, accounting for 7.35% of consolidated revenue

Performance

【 Energy Saving Products 】

- Continue to deepen various core technologies for light guide plates, display technologies, and system integration technologies to enhance product competitiveness. For example: updated IML & MML series light guide plates with efficiency improved by 50%~70% compared to traditional BLUs; new PC & PMMA RS-IML with thickness down to 0.3T, applicable to ultra-narrow bezel thin displays
- In response to the energy-saving requirements of Energy Star 9.0, high energy-efficiency thick light guide plates for displays of 27 inches and below have been produced, with 15-25% efficiency improvement over existing products
- Mass production of Mini LED local dimming and scanning backlight modules for narrow-bezel gaming laptops and displays, combined with optical alignment, self-made special micro-structured diffuser plates/films, and printing techniques to improve optical and image quality, as well as production stability
- In response to ESG requirements, "front light plates" with special micro-structured designs have been developed for small and medium sizes to further enhance light emission efficiency and achieve energy-saving and carbon reduction goals
- Developed a 6th generation switchable NB privacy module that is lighter, thinner, and with better anti-peeping performance, nearing the trial production stage. For the next generation of OLED displays, privacy samples have been made and tested
- Extended privacy product applications to automotive and industrial control, developing single/double-sided privacy display technologies for vehicle CIDs and passenger displays, with the first-generation products entering the trial production stage
- Developed displays with optical structures, diffuser films, and LED designs, with an OD of only 2.0-4mm and featuring 2D dynamic dimming, low light leakage, and both conventional and irregular shapes for LCDs

【 Visual Solutions Products 】

- Independently developed XPR FPGA with a new algorithm for image segmentation and processing, improving performance and significantly reducing hardware costs
- Developed the industry's first 4K 3D@120Hz function, greatly enhancing product competitiveness
- Developed scene application assistant programs, combined with projectors to form a complete Auto Dome solution
- Developed camera assistant applications to aid projectors in color matching and replication, significantly increasing product competitiveness
- Developed ultra-wide color gamut RGB pure laser combined light technology for 8K high-resolution ultra-short-throw wireless laser projectors, integrating laser light sources and various key technologies to improve system efficiency and color performance, achieving low-cost and high-performance product advantages
- Developed a new generation of mobile ultra-short-throw projectors integrating smart projection, smart speakers, and interactive projection functions
- Mass production of embedded projection modules for gaming machines
- High-brightness DLP full-color projection light engine for smart glasses achieved mass production, 0.85cc full-color Micro LED projection light engine
- Approximately 16.25% global market share, ranking first in the global DLP projector market share

Goals

【 2024 Goals 】

- Introduce a low-carbon development process and requirements in response to energy conservation and carbon reduction
- Continuously develop side-incidence new light guide plates, special optical control films, front light plates for R-LCD, and Mini LED backlight modules and related optical diffusion films/plates and printing technologies
- Develop lightweight, thin, compact, energy-efficient, anti-glare, high dynamic contrast, and related high-value application display products, including head-up displays/head-up displays with touch screens for vehicles, high-end monitors for medical and gaming purposes, all-in-one monitors, thin and smart high-end TVs, and smart home display modules, in addition to traditional applications
- Develop a new generation of cost-effective professional projectors and enter specific application scenarios
- Continuously improve the speed of core technology development, increase overall system conversion efficiency, and strengthen modular design and component sharing to achieve cost reduction, efficiency improvement, and faster product development
- Continuously optimize various automatic adjustment functions and dimming technologies to assist users in installing projectors

【 2025-2026 Goals 】

- Upholding the mission as the leader in digital display system technology, we will focus on innovative display solutions and provide comprehensive solutions for cloud services, artificial intelligence, and various intelligent scenarios.
- Deepening optical core technologies to expand cross-application optical components and system products, sub-system products, enhancing product added value and price competitiveness, and consolidating global competitive advantages in the display and imaging technology fields
- Layout niche products based on potential market demand and develop more extreme and forward-looking display products
- Continuously develop optical component technologies corresponding to OLED display products to expand the operational scope beyond the LCD display industry
- Leverage the advantages of DLP technology, continuously develop high-resolution, high-brightness, intelligent terminal and other high-end engineering application core areas, accelerate and extend Simulation product design, customer and application development
- Develop artificial intelligence and deep learning devices with edge computing capabilities to improve production and development accuracy and efficiency; introduce Internet of Things technology, combine big data collection and remote control applications
- Deepen optical and thermal core technologies, research and develop key components and technologies, improve optical efficiency, and develop lightweight, compact, low-vibration, and high-cost-performance cooling components
- Incorporate ESG concepts to optimize product design, adopt energy-efficient and low-energy consumption designs, choose recyclable, biodegradable and reusable materials, and reduce environmental impact

Visual Solutions [PR1-1]

Dedicated to becoming a world-class total imaging solution provider, the Coretronic Visual Solutions Business Group team has focused its R&D efforts on various projection display technologies, image processing technologies, high-efficiency high-energy-density light source technologies, AR wearable display technologies, virtual image display technologies, high-power high-efficiency power supply technologies, system thermal management technologies, system noise and vibration prevention technologies, high-efficiency optical components and system integration technologies over the past two decades. In response to the gradual maturation of the solid-state light source product market in recent years, it has introduced forward-looking technologies such as image recognition, artificial intelligence, and cloud services, maintaining its competitive advantage in solid-state light sources and 4K/8K ultra-high-resolution projection products, and working hand-in-hand with customers to create advanced projection display application solutions for the AIoT era.

Key Technologies

- **(NEW)** Introduce new-generation laser light source modules and ultra-wide color gamut RGB pure laser light combination technology into mainstream laser light source projectors, ultra-short-throw commercial and educational projectors, and 8K ultra-short-throw laser projector, improving system efficiency and color performance to achieve cost-effective and high-performance product advantages
- **(NEW)** Developed a new generation of mobile ultra-short-throw projectors integrating smart projection, smart speakers, and interactive projection functions
- **(NEW)** Continue to develop intelligent-related technologies, optimizing various automatic adjustment and dimming technologies to assist users in installing projectors, and further integrate voice control, personalized pattern projection, personal intelligent desktop, and other AI functions to provide a more intelligent and convenient product interaction experience
- **(NEW)** Develop mainstream dual-color laser projectors based on the Multi-Color Light Architecture (MCLA™) architecture, achieving the best balance between brightness, color, and cost, providing consumers with more cost-effective projector options
- Continue to pursue projector miniaturization and quietness, improving the heat dissipation efficiency of heat dissipation modules, water-cooling systems, and cooling fans, and optimizing vibration and noise reduction designs
- Develop new 1-DLP Passive 3D display technology for use in large public spaces
- Use digital simulation technology to continuously improve component and system designs to increase efficiency and reduce costs
- Continue to develop wearable display optical modules, in-vehicle and out-of-vehicle, and AR HUD-related display technologies
- Self-develop and manufacture key components such as phosphor wheels, actuators, and heat modules

Product Innovation

- Mass-producing commercial and educational projectors equipped with new-generation blue laser light sources, providing users with products of higher cost-effectiveness, replacing traditional mercury lamps, and achieving energy-saving and carbon reduction goals
- Using RGB laser light sources to launch the new generation of portable smart projectors with the highest brightness and best color saturation among products of the same level in the market
- Optimizing the 6,000~8,000 lm entry-level Pro-AV laser projector series, continuously improving product performance, reliability, color reproduction, and price competitiveness
- Mass-producing 20,000 lm large public display smart control projectors, providing users with better immersive experiences
- **(NEW)** Mass-producing a new generation of portable LED light source projectors for home entertainment
- Mass-producing embedded projection modules that can be integrated into gaming machines.
- Mass-producing mobile micro projectors integrating smart projectors, smart speakers, and ambient lighting functions
- Developing AR glasses optical modules.
- Mass-producing 4K ultra-short throw laser TVs equipped with new-generation laser phosphor and ultra-wide color gamut RGB pure laser beam combining technology
- **(NEW)** Launching RGB tri-color laser portable projectors, providing users with excellent color and brightness experiences, and their portability allows users to enjoy the visual feast anytime, anywhere
- **(NEW)** Developing cost-effective portable blue laser light source commercial and educational projectors, using PCR materials, creating a compact and energy-efficient green projector

Energy Saving Products PR1-1

NEW Injection light guide plate: Develop a new IML series light guide plate, combined with special optical film design, with an efficiency increase of 50-70% or more compared to traditional Laser LGP.

- High-efficiency hot roll-pressed light guide plate: Continuously optimize the manufacturing process and refine the microstructure design to develop a new type of RS-IML for PC and PMMA materials. In addition to having advantages such as low internal stress, anti-material adhesion, no need for molds, optical efficiency equivalent to injection molding, and high productivity, the thickness reaches 0.3T, suitable for ultra-narrow bezel thin displays.
- Energy Star 9.0 display: The high-efficiency thick plate light guide plate technology for 27-inch (inclusive) and smaller displays will be introduced into mass production, with an efficiency increase of 15-25% compared to existing light guide plate products.
- HDR technology: Mini LED local dimming and scanning backlight modules have been mass-produced for use in narrow bezel gaming laptops and displays. Combined with our self-developed optical positioning and splicing techniques, custom-made special diffuser plates, and printing technology, it can significantly improve optical performance, image quality, and production stability.

NEW Anti-peeping display technology:

(1) Through the core technologies of light guide plates, backlight panels, special liquid crystal panels, films, and manufacturing processes, a lighter, thinner, and better anti-peeping switchable 6th generation anti-peeping NB module has been developed. Currently, the anti-peeping display technology has reached the trial production stage and has been recognized and successfully launched by customers.

(2) The first-generation technology meets customer requirements, and the product has entered the trial production stage.

(3) For the anti-peeping needs of the next generation of OLED displays, sample production and testing have been completed, and active discussions with potential customers are underway. The product will also be extended to automotive and industrial control applications, such as applying single/double-sided anti-peeping display technology to in-vehicle CIDs and passenger displays, allowing drivers to dynamically switch viewing angles as needed to reduce safety issues caused by glare while driving. Currently, discussions on launching projects are underway with multiple potential customers.

- Automotive applications: In response to the trend of large, high-brightness, and high-contrast automotive displays, a combination of optical structures, diffuser films, LED designs, OD of only 2.0mm-4.0mm with 2D dynamic dimming, and low light leakage has been successfully developed for both regular and irregular-shaped LCD displays, and collaborative development with customers is underway.
- Backlight display semi-system products (BLU): By leveraging our vertically integrated technology and production integration business model, including Open Cell, light guide plates, touch screens, and in-house assembly, international customer orders have been successfully secured. The Open Cell used in anti-peeping technology is integrated into in-house dicing and lamination processes, providing a one-stop production service from front-end processes to LCD module assembly.

NEW Environmentally friendly display technology: The development of small and medium-sized front light guide plates (Front light L.G.P.) has been completed, meeting the high transmittance and high contrast requirements of reflective panels. The special microstructure design can further enhance light emission efficiency and reduce backlight module power consumption, effectively reducing the carbon emissions generated by customers when using the product.

- For detailed results on reducing environmental impact, please refer to Section 4.4 of this report.

01

1.4 Intellectual Property [3-3]

Every year, the Coretronic Group formulates product and technology development roadmaps based on operational goals, considering both quality and quantity. Depending on different products, technology types, and levels, the Group dynamically adjusts the countries of application, the number and types of applications, and conducts various degrees of patent deployment. The Group reviews the technologies and scopes of patents under application, proposes complementary technological designs and innovations, and leverages different patent systems and priority claims across countries to file patent applications in a timely manner to fill gaps in the Company's patent deployment.

For the Company's important products or technologies, if the number of patents owned by the Company is insufficient, the Group initially encourages R&D personnel to actively file patent applications from different technology types (e.g., optics, mechanics, heat dissipation, materials, software, electronic control, etc.) and different components or modules of the products, to establish comprehensive protection. When a certain number of patents is accumulated, the focus shifts to improving patent quality. Furthermore, to ensure that the company's product technologies are protected by patents, patent engineers participate in the product development process upon request from business units to conduct technology mining and file corresponding patent applications.

Additionally, for key technologies and components, the Intellectual Property Department creates relevant patent maps for R&D units to understand technologies that have not been patented, allowing further development of related technologies to fill the Company's patent technology gaps.

Patent protection measures

▶ Dedicated Unit: In accordance with the "Patent and Technology Development Incentive Regulations," the Intellectual Property Department is responsible for managing the Group's patent applications and maintenance, and annually evaluates whether to continue maintaining approved patents or dispose of them.

▶ Incentive System: Established a "Patent Heroes Leaderboard" to announce the number of patent proposals and approved patents, along with the proposers and patent content of each business group, on the Company's internal website each month. The incentives include proposal rewards, patent grant rewards, patent application rewards, trade secret application rewards, competition rewards, encouragement, and special significant benefits rewards. In 2023, more than NT$1.93 million in patent bonuses were awarded.

▶ Education and Training: Offered courses on "Basic Patent Knowledge," "Trade Secret Protection," and "What Inventors Need to Know About Company Internal Patent Applications" to explain the concept and process of patent deployment to R&D personnel, helping them better understand and effectively submit patent applications. A total of 115 participants attended the training.

Acquisition/Disposal of intellectual property:

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

Technical trade secret management

Established the "Technical Trade Secret Document Management Regulations" to govern the levels, usage, and management methods of technical trade secrets.

Patent management strategy and goals

The Group regularly reports intellectual property-related matters to the Board of Directors annually and optimizes the patent management system to enhance automation, reduce manual operations, and improve information accuracy for effective case tracking and management. In collaboration with R&D units, the Group inventories the Company's technology patents to understand their value. In 2023, in line with the revised "Patent and Technology Development Incentive Regulations" from 2022, the Group consolidated and optimized the electronic patent bonus approval systems for Taiwan and China, unifying the user interface and establishing a patent evaluation system to quickly understand the Group's patent evaluation scores and distribution.

Patent performance

In 2023, Coretronic applied for 307 patents in various countries. Among them, the Taiwan plant ranked 100th in the top 100 patent applications by Taiwanese legal entities in 2023 with 23 invention patent applications and ranked 75th in the top 100 patent grants by Taiwanese legal entities with 47 patents granted.

01

1.5 Customer Service [2-29]

Coretronic values customer feedback, and therefore establishes diverse and real-time communication channels, including dedicated customer service mailboxes and units, irregular customer interviews or phone calls, annual customer satisfaction surveys, participation in quarterly business review meetings (QBR) and domestic and international exhibitions. This allows us to fully understand customer needs in areas such as innovation and research and development, product quality, work environment, and work safety, in order to enhance customer satisfaction and effectively reduce customer complaints.

In recent years, due to the global wave of sustainability, customers have placed more emphasis on suppliers' sustainability practices and compliance than before. To promptly and proactively respond to customer ESG audits, surveys, questions and other needs, and fully showcase the Company's commitment and performance in sustainable development, increase information transparency, and strengthen customer relationships, a "Customer ESG Communication Strategy" was established in 2023. The aim is to increase customer trust in the Company's products and sustainability efforts and open up more opportunities for cooperation.

Customer ESG Communication Strategy NEW

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

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

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

✓ All information provided to customers must be reviewed and confirmed by the ESG sub-group under the Sustainability Committee to ensure consistency and accuracy of external information

Annual Facility Service Satisfaction Survey

Business Group	Visual Solutions Business Group	Energy Saving Business Group
Evaluation Subject	Customers with annual transaction amount reaching 5% or more of annual sales	Customers with transactions in the current year
Evaluation Items	Logistics management, Price/Cost, Technology/Quality, Customer service	Customers with transactions in the current year
Full Score/Passing Score	5 points/3 points	5 points/3 points
Average Score	3.42 points, **decreased by 0.01 points** from 2022	4.5 points, **increased by 0.06 points** from 2022
Satisfaction Trend Chart Over the Years		
Management Policy:	Scores in "Logistics Management", "Technology/Quality", and "Customer Service" remained stable, but the score in "Price/Cost" was still lower than other aspects. In the future, more competitive quotations will be provided to meet customer expectations, and product quality and services will continue to be optimized to enhance customer recognition.	• Regular or as-needed discussion meetings will be held to ensure that customer feedback is addressed. ✓ There were 59 customer complaints, a decrease of 22 from 2022, with a 100% improvement rate, achieving the target (100%). ✓ In 2023, the average customer satisfaction score was 4.5 points, achieving the target (4 points). • We have developed mechanisms for supplier audit quality control, enhanced packaging protection design, and effectively managed supplier materials and engineering quality to ensure the shipping rate meets the standard. The shipping rate in 2023 was 99%, achieving the target (95%).

Visual Solutions Business Group chart — Logistics management: 3.58 (2021), 3.43 (2022), 3.67 (2023); Price/Cost: 3 (2021), 2.9 (2022), 2.8 (2023); Technology/Quality: 4.1 (2021), 3.77 (2022), 3.68 (2023); Customer Service: 4.13 (2021), 3.6 (2022), 3.55 (2023). Pass Rate line at 3.

Energy Saving Business Group chart — Sales: 4.6 (2021), 4.7 (2022), 4.8 (2023); Design: 4.1 (2021), 4.2 (2022), 4.2 (2023); Quality: 4.2 (2021), 4.3 (2022), 4.4 (2023). Pass Rate line at 3.

CH2
Sustainable Development

02

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

- Vision: Coretronic stands as a beacon of direction and optimism, utilizing light to illuminate the economy and society; creating a green environment that ensures everyone has access to a sustainable and bright future.
- Policy: Coretronic adheres to the "RBA Code of Conduct," "Universal Declaration of Human Rights (UDHR)," "United Nations Global Compact (UNGC)," "United Nations Guiding Principles on Business and Human Rights (UNGPs)," and "International Labor Organization (ILO)." Focusing on the Company's core businesses, Coretronic's sustainability strategies are divided into three categories based on the United Nations' Sustainable Development Goals (SDGs), the Task Force on Climate-Related Financial Disclosures (TCFD), the Science-Based Targets Initiative (SBTi), international sustainability trends, social needs, and stakeholder concerns: Environmental, Social, and Governance/Economic. Through the ESG Committee, Environmental Protection Committee, Firefly Volunteer Team and other relevant groups, joint effort is displayed to formulate, promote, and execute corresponding projects and strategies. Coretronic is hoping to combine the Company's core technologies and join hands with stakeholders to create a mutually beneficial and sustainable partnership between the Company and society.
- Management Policies: "Sustainable Development Best Practices Principles," "Materiality Identification Process," "ESG Report Preparation and Verification Procedures," "RBA Code of Conduct Management Handbook," "Human Rights Policy," "Net Zero Declaration," "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Operational Procedures and Guidelines," "Code of Ethical Conduct," "Supplier Conflict of Interest Management Regulations."

• Implementation Status of United Nations' Sustainable Development Goals (SDGs)

SDGs	Goals	Strategies	Performance	Corresponding Chapters
1 NO POVERTY	End poverty in all its forms everywhere.	Increase income for disadvantaged farmers	Purchased **1 ton** of fair trade coffee beans and set up a sustainable staff pantry	7.1 Community Involvement
			Purchased **15 tons** of Yuanli white rice from Miaoli as rice gifts for shareholders to support local farmers	
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Support sustainable food production systems	Purchased **20 tons** of organic vegetable for employees' lunchboxes	7.1 Community Involvement
			Purchased **1.7 tons** of sustainably caught fish, organic vegetables, and local white rice for **10,499 portions** of nutritious lunchboxes provided to disadvantaged elderlies	7.4 Elderly Smile
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	Improve healthcare capacity	• Provided **178** online health classes and remote medical consultation services to **10** cultural health stations in Miaoli • Sponsored **26** public online health classes for **53** NGOs	7.4 Elderly Smile
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Digital divide bridging	Invited **65** students from remote areas to participate in the High-tech Adventure program and held **8** sessions of Future Light Camp 1.0 and 2.0	7.2 Light Pioneer
		Pursue educational equality	Sponsored junior and senior students of Cheng Shiu University providing scholarships of **NT$500,000**	7.3 Dream Walkers
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.	Increase the use of renewable energy	Through the construction of solar power generation equipment, green power wheeling, and the purchase of renewable energy certificates, the use of renewable energy has increased to **16%**	4.1 Climate Change Management
		Develop energy-efficient products	• Continued optimization of projector optoelectronic designs, estimated to **save 16.29 million kWh of electricity** and **reduce 8,290 tonCO₂e** annually • **Three** laser projectors and **two** LCD monitors obtained **ISO 14067** certification	4.4 Green Products
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Improve operational performance	Earnings per share (EPS) of **NT$3.56**	1.2 Operating Overview
		Increase employment opportunities	• Offered **67** job openings; collaborated with **5** schools on industry-academia partnerships and provided **136** internship opportunities • Hired **20** individuals with intellectual disabilities to package rice gifts for shareholders • Trained **17** part-time unemployed individuals as meal delivery ambassadors	6.5 Talent Cultivation 7.1 Community Involvement
		Provide quality compensation	3-5% increase of average annual salary	6.3 Compensation and Benefits

SDGs	Goals	Strategies	Performance	Corresponding Chapters
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.	Reduce waste	• **12%** reduction of waste intensity in Taiwan and **9%** reduction in China compared to baseline year 2021 • Organized "Share Love • Save Earth," donating **366 kg** of second-hand items, reducing carbon by **754 kg**	4.2 Waste Management 7.1 Community Involvement
		Increase the use of green packaging	• Utilized 50% post consumer recycled (PCR) materials for product housings, accounting for **7%** of mainstream and commercial projectors' annual shipments • Utilized FSC or eco-labeled cardboard boxed for **72%** of projectors' annual shipments • Utilized eco-friendly cushioning materials for **77%** of mainstream and smart projectors' annual shipments	4.4 Green Products
		Promote sustainable education	• "Annual Sustainability Course" mandatory for all indirect employees in Taiwan, with a **100%** completion rate • Organized **18** eco-friendly events centers around the "Green Living Practice Program"	2.2 Sustainable Governance 4.5 Green Enterprise
		Enhance supply chain climate change risk awareness	• Held the Annual Supplier Meeting and sustainability seminars, with participation from **125** suppliers • Green achievements feedback received from **39** suppliers	5.3 Green Alliance
13 CLIMATE ACTION	Take urgent action to combat climate change and its impact.	Improve organizational climate resilience	Set science-based emissions reduction targets based on the SBTi 1.5°C pathway, "**an absolute reduction of 50.4% in Category 1 and 2 greenhouse gas emissions and an absolute reduction of 30% in Category 3~6 emissions by 2032 compared to the 2021 baseline**" and submitted for SBTi review.	4.1 Climate Change Management
		Reduce greenhouse gas emissions	**47% reduction** of Category 1 and 2 GHG emissions in Taiwan and China compared to the baseline year 2021	
		Reduce power consumption	**14% reduction** of electricity consumption intensity in Taiwan and 11% reduction in China compared to the baseline year 2021	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Increase employee awareness of ethical management	"Awareness on Business Integrity Course" made mandatory for all employees in Taiwan and indirect employees in China, with a **99.7%** completion rate	3.4 Ethical Management
		Increase employee awareness of human rights	"Human Rights Training Course" made mandatory for all employees in Taiwan, with a **100%** completion rate and **100%** signing rate of the human rights code	6.2 Human Rights Management
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	Collaborate with stakeholders on sustainable projects	"Turning off Lights for One Hour" campaign joined by 18 local elementary schools and **111** suppliers	4.5 Green Enterprise
			Collaborated with **22** suppliers on the "Waste Recycling Program"	5.3 Green Alliance
			Collaborated with **7** social enterprises on the "Farm the Hopes," "Love Followers," and "Elderly Smile" programs	7.1 Community Involvement 7.4 Elderly Smile
			Collaborated with **3** local universities on the "Light Pioneer" and "Dream Walkers" programs	7.2 Light Pioneer 7.3 Dream Walkers

2.2 Sustainable Governance [2-9, 2-13, 2-14, 2-23, 2-24]

ESG Committee

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

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

Operation

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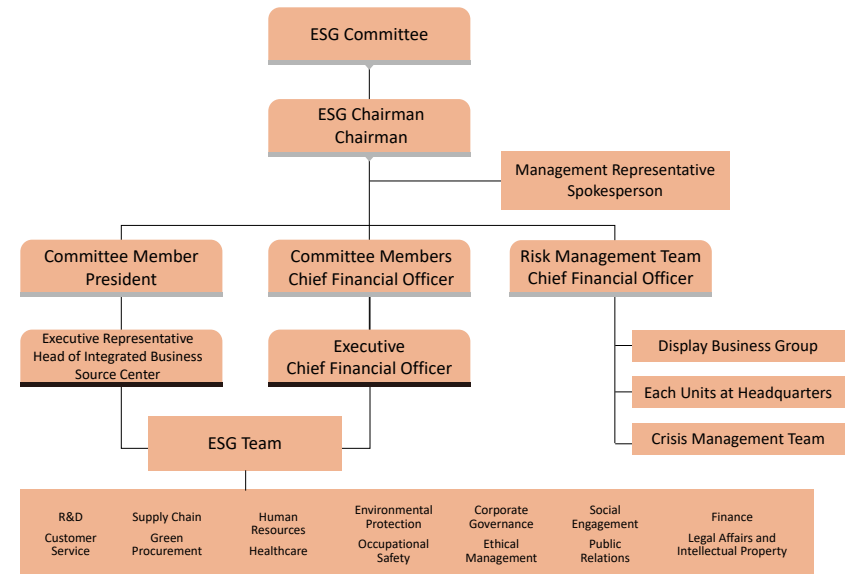
Education and Training

Coretronic aims to raise employees' awareness and understanding of ESG and incorporate ESG into the Company's daily operations through participation in internal/external training courses, publishing quarterly ESG E-Newsletter, and spreading ESG knowledge and activities on electronic/physical bulletin boards. Additionally, photographs and videos of our sustainability activities is compiled, and sustainability philosophy and performance promoted to stakeholders through various channels, including the Company's official website, social media, and Wikipedia.

- Compulsory Internal Training Courses – "Keeping up with the Sustainable Trend": To enhance the sustainability awareness of all indirect employees in Taiwan, an annual mandatory sustainability course was planned to introduce the definition of crucial sustainability terms, the two major sustainability organizations of the Company and their responsibilities, stakeholders and material topics, domestic and international initiatives, and educate employees on how to read the annual ESG Report. A total of **1,662** individuals participated in the training and passed the post-training assessment (passing score of 80), achieving a **100%** completion rate.
- Highlights of External Course – "GRI Standards Certified Training Course" and "Corporate Sustainability Manager Certification Training Course": In response to the implementation of the GRI Standard in 2021, and the new Materiality Identification Process Courses on January 1, 2023, the Company dispatches personnel to attend the 16-hour "GRI Standards Certified Training Course" organized by the Business Council for Sustainable Development (BCSD). The GRI Standards Certified Training Course have been successfully obtained, and the standards incorporated into the 2022 ESG Report. In addition, as the scope of the Company's sustainability deepens, an additional dedicated sustainability employee was hired and arranged to attend the 80-hour "Corporate Sustainability Manager Certification Training Program" organized by the Taiwan Institute for Sustainable Energy (TAISE), and is expected to obtain the "Corporate Sustainability Manager" certification in the first half of 2024 to comprehensively enhance sustainability empowerment.
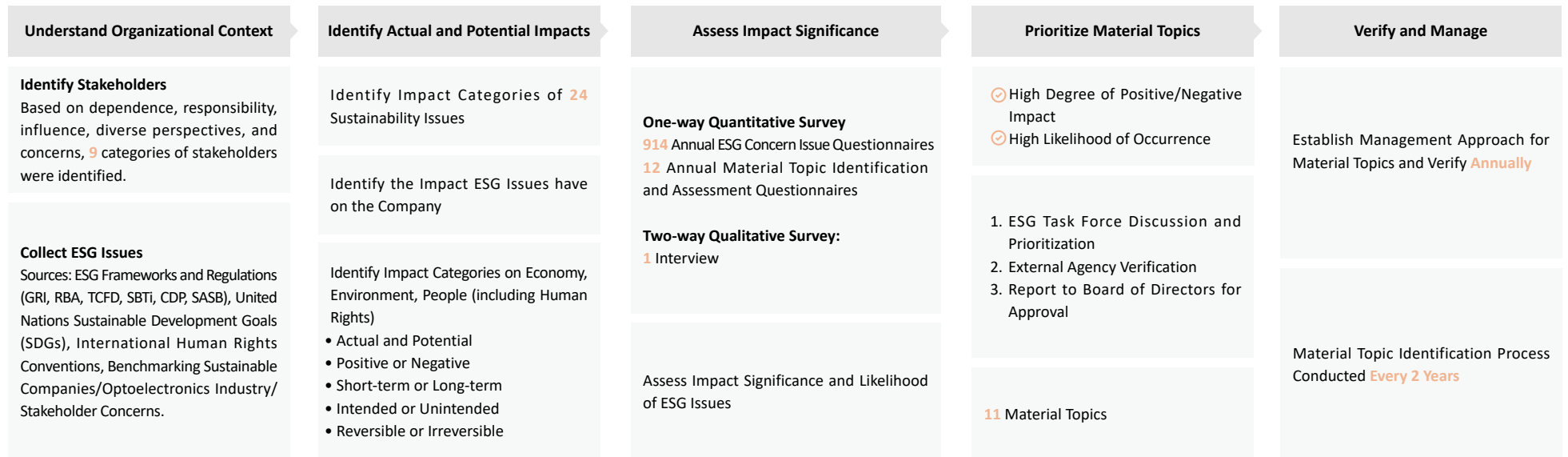
02

2.3 Materiality Identification Process [2-12, 2-14, 2-23, 2-24, 3-1]

According to the GRI 3 - Material Topic, presented in GRI Universal Standards 2021 of the GRI Standards system issued by the Global Reporting Initiative (GRI), companies are required to conduct due diligence and disclose in the ESG Report the process of identifying, preventing, mitigating, and explaining how to address their actual and potential negative impacts on the economy, environment, and people (including their human rights). This process should be documented to obtain consensus and approval from the Company's internal sustainability-related organizations as a standard procedure for future Identifying Material Topics.

In 2023, the Company redefined and implemented the Materiality Identification Process in accordance with the aforementioned GRI Standards, to be carried out every two years. The "Impact Level" was used as the principle for assessing whether a topic is material, and the positive and negative impacts, scope of impact, and likelihood of occurrence were identified for each issue. Finally, the Board of Directors approved the material topics of the 2022 ESG report, covering the Material Identification Process and 11 material topics.

Although the Material Identification Process does not need to be carried out again in 2024, the "Impact Level" and "Likelihood of Occurrence" of the 11 Material Topics in the 2022 ESG Report still need to be reviewed and managed. The ESG team members will then discuss and prioritize, followed by verification by external assurance providers, and finally reported to the Board of Directors. The "Material Topics of the 2023 ESG Report" were approved by the Board of Directors on February 26, 2024.

Understand Organizational Context	Identify Actual and Potential Impacts	Assess Impact Significance	Prioritize Material Topics	Verify and Manage
Identify Stakeholders Based on dependence, responsibility, influence, diverse perspectives, and concerns, **9** categories of stakeholders were identified.	Identify Impact Categories of **24** Sustainability Issues	**One-way Quantitative Survey** **914** Annual ESG Concern Issue Questionnaires **12** Annual Material Topic Identification and Assessment Questionnaires **Two-way Qualitative Survey:** **1** Interview	⊘ High Degree of Positive/Negative Impact ⊘ High Likelihood of Occurrence	Establish Management Approach for Material Topics and Verify **Annually**
Collect ESG Issues Sources: ESG Frameworks and Regulations (GRI, RBA, TCFD, SBTi, CDP, SASB), United Nations Sustainable Development Goals (SDGs), International Human Rights Conventions, Benchmarking Sustainable Companies/Optoelectronics Industry/ Stakeholder Concerns.	Identify the Impact ESG Issues have on the Company Identify Impact Categories on Economy, Environment, People (including Human Rights) • Actual and Potential • Positive or Negative • Short-term or Long-term • Intended or Unintended • Reversible or Irreversible	Assess Impact Significance and Likelihood of ESG Issues	1. ESG Task Force Discussion and Prioritization 2. External Agency Verification 3. Report to Board of Directors for Approval **11** Material Topics	Material Topic Identification Process Conducted **Every 2 Years**

Understanding Organizational Context

▶ Stakeholder Identification and Engagement [2-29]

Questionnaires were distributed to 138 senior executives of the Company and asked them to identify the 9 most influential stakeholders based on the AA1000 SES (2015) assessment criteria of "Dependency," "Responsibility," "Influence," "Diverse Perspectives," and "Tension." They were then asked to rank the importance of each stakeholder from 1-9 (1 being the least important and 9 being the most important), and finally determine the importance ranking of stakeholders based on the average score.

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

Stakeholders	Importance to the Company	Main Communication Channels and Frequency	Topics Focused	Response and Results	Corresponding Chapters
Employees	Employees are the Company's important assets, and also the key driving force for our continued growth and sustainable operations.	• Labor-Management Meeting (quarterly) • Employee Welfare Committee Meeting (quarterly) • Occupational Safety and Health Committee Meeting (quarterly) • Employee Opinion Survey (annual) • General Affairs Service Satisfaction Survey (semi-annual) • New Employee Forum (quarterly) • Company Website, Mobile App, Line Platform (irregular) • Physical Employee/8585 Mailbox (irregular) • Employee 8585 Hotline (irregular) • Departmental Forums and Communication Meetings (irregular) • Employee Assistance Program, EAP (irregular)	Compensation and Benefits Friendly Workplace Talent Cultivation	• Awarded the TCSA "Talent Cultivation Leadership Award" • Awarded the "2023 Sports Enterprise Certification" by the Sports Administration, Ministry of Education • Awarded the "Excellent Certification for Breastfeeding Rooms" in 2023 by Hsinchu City • 16 Labor-Management Meetings held at Taiwan plants • 12 Employee Welfare Committee Meetings held • 25 Occupational Safety and Health Committee Meetings held • Annual Employee Opinion Survey and General Affairs Service Satisfaction Survey conducted • 4 New Employee Forums held • 57 Complaints recorded • 39 Forums and Communication Meetings held • EAP utilized 38 times • Please refer to "6.4 Communication Channels" for detailed communication results	6.3 Compensation and Benefits 6.4 Communication Channels 6.5 Talent Cultivation
Client	Client satisfaction with our products and services is the key to our sustainable operations.	• Customer Satisfaction Survey (annual) • Quarterly Business Review, QBS • Customer Service Mailbox (irregular) • Customer ESG Audit Questionnaire (annual/irregular) • Client Hosted Supplier Conference (annual)	Economic Performance Customer Privacy Supply Chain Management	• Visual Solutions customer satisfaction scored 3.43 • Energy Saving customer satisfaction scored 4.5 • Please refer to "1.5 Customer Service" for detailed communication results	1.2 Operations 1.5 Customer Service 3.3 Information Security Management 5.2 Responsible Supply Chain Management
Shareholders Investors	Shareholders and investors are the owners of Coretronic and must be accounted for.	• Shareholders' Meeting (annual) • Earnings Conference (quarterly) • Financial Reports (monthly/quarterly/annual) • Spokesperson hotline: 886-3-5772000 #7170 (irregular) • Stock Affair Specialist hotline: 886-3-5772000 #1542 (irregular) • Investor mailbox: ir@coretronic.com (irregular) • Participation in investor forums (irregular)	Innovative R&D Management Talent Cultivation Economic Performance	• Ranked in the top 5% of TPEx listed companies in the 9th Corporate Governance Evaluation • Awarded BBB rating from MSCI ESG Ratings • Awarded the "Corporate Governance Award" from Asia Responsible Enterprise Awards (AREA) • Awarded the "Transparency and Integrity Leadership Award" from TCSA • Held 1 Annual Shareholders' Meeting • Held 4 Earnings Conferences • 125 news exposures • Released 55 material announcements in Chinese and 54 in English • Please refer to "3.1 Corporate Governance" for detailed communication results	1.2 Operations 1.3 Product Innovation 3.1 Corporate Governance 6.5 Talent Cultivation
Suppliers Contractors	Stable support from suppliers and contractors is the key to our continued provision of good products and services.	• Violation of professional ethics complaint mailbox/hotline (irregular) • Supplier Conference (annual) • Outstanding Supplier Award (annual) • Conflict Minerals Survey (annual) • Financial Risk Assessment (annual) • Regular audits (quarterly/annual) • Contractor Agreement Organization Meeting (irregular) • Supplier Cycle Alliance (irregular) • Green Product Management System (irregular)	Green Production and Product Management Economic Performance Occupational Health and Safety	• Carbon Disclosure Project (CDP) Supplier Engagement Rating (SER) rewarded A (Leadership level) • Held 1 annual supplier conference, with participation from 125 suppliers • Awarded "Energy Saving and Carbon Reduction Contribution Award" and "Sustainability Award" to 16 suppliers • 10 suppliers received financial risk assessment • Conflict Mineral Survey response rate exceeded 95% • 89 suppliers accepted RBA audits • 171 suppliers accepted annual audits • 468 suppliers accepted quarterly reviews • A total of 61 contractor agreement organization meetings were held • 22 suppliers joined the recycling alliance, with a 97% recycling rate • Please refer to "5. Sustainable Supply Chain" for detailed communication results	4.4 Green Products 1.2 Operations 5. Sustainable Supply Chain 6.6 Health Care 6.7 Safe Working Environment

Stakeholders	Importance to the Company	Main Communication Channels and Frequency	Topics Focused	Response and Results	Corresponding Chapters
Government	All operational activities of the Company are subject to review and supervision by relevant government regulations.	• Attend regulatory public hearings, seminars, courses, and forums (irregular) • Participate in ESG competitions hosted by the government (annual)	Climate Change Occupational Health and Safety Labor-Management Relations	• No major violations of regulations occurred • Selected for TPEx 50, TPEx 200, TPEx High Dividend Yield, TPEx Corporate Governance, TPEx Compensation, TPEx Labor Employment 88, TIP TPEx ESG HD TR, TIP TPEx ESG ML Total Return, and TPEx FactSet Climate Resilience Index • Ranked in the top 5% of TPEx listed companies in the 9th Corporate Governance Evaluation • Awarded the Silver Award for the "National Enterprise Environmental Protection Award" by the Ministry of Environment, Executive Yuan • Awarded the "Long-term Sponsorship Award" and "Gold Award" at the 16th Arts & Business Awards by the Ministry of Culture • Awarded the "2023 Sports Enterprise Certification" by the Sports Administration, Ministry of Education • Awarded the Second Prize in the "Buying Power - Social Innovation Product and Service Procurement Incentive Mechanism" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs • Rewarded the "Excellent Certification for Breastfeeding Rooms" in 2023 by Hsinchu City • Rewarded as an "Outstanding Green Procurement Enterprise" by Hsinchu City • Rewarded as an "Outstanding Green Procurement Enterprise" by Tainan City	4. Friendly Environment 6.4 Communication Channels 6.6 Health Care 6.7 Safe Working Environment
Local Community	Remembering the source, giving back to the local community, and striving for the collective good of society.	• PR Hotline: 886-3-5772000 #1500 (irregular) • Organize diverse social participation events (irregular) • Organize/participate in ESG sharing sessions (irregular)	Water Resource Management Social Welfare and Participation Climate Change	• Invited to serve as a lecturer at the "2023 Chunan Science Park Cross-Industry ESG Seminar" organized by Excellence Optoelectronics Inc., sharing the Company's carbon reduction journey • Invited students from Yuan Ze University to visit and shared the Company's ESG practices with faculty and students • Rewarded the "Social Empowerment Award" from the Asia Responsible Enterprise Awards (AREA) • Awarded the "SDG4 - Silver Award" from the Asia-Pacific Sustainable Action Award (APSAA) • Awarded the "Social Inclusion Leadership Award" from the Taiwan Corporate Sustainability Awards (TCSA) • Awarded the Second Prize in the "Buying Power - Social Innovation Product and Service Procurement Incentive Mechanism" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs • Please refer to "7. Social Engagement" for detailed communication results	4.1 Climate Change Management 4.3 Water Resource Management 7. Social Engagement
Non-Governmental Organizations (NGOs)	Working with non-governmental organizations to solve social problems and make up for the shortcomings of the government.	• PR Hotline: 886-3-5772000 #1500 (irregular) • Participate in seminars, forums, and organizational meetings (irregular)	Climate Change Friendly Workplace Social Welfare and Participation	• Participated in 15 domestic forums and seminars • Participated in the Taiwan Alliance for Net Zero Emissions, Taiwan Climate Partnership (TCP), and the Social Innovation Partnership • Please refer to "ESG Performance Highlights and Milestones," and "7. Social Engagement" for detailed communication results	4. Friendly Environment 6.4 Communication Channels 7. Social Engagement
External Evaluation Agencies	The comments and suggestions from external evaluation agencies are the best mentors that motivate us to continuously improve.	• PR Hotline: 886-3-5772000 #1500 (irregular) • Investor mailbox: ir@coretronic.com (irregular) • Spokesperson hotline: 886-3-5772000 #7170 (irregular) • Participate in sustainability awards (annual)	Friendly Workplace Labor-Management Relations Occupational Health and Safety	Please refer to "ESG Performance Highlights and Milestones," and the Official Website - Milestones for detailed communication results	ESG Performance Highlights and Milestones 6.4 Communication Channels 6.6 Health Care 6.7 Safe Working Environment
Media	The supervision of the media is the driving force for our growth.	• Spokesperson hotline: 886-3-5772000 #7170 (irregular) • PR Hotline: 886-3-5772000 #1500 (irregular) • Invited to attend investment and sustainability-related events (irregular) • Send press releases (irregular)	Economic Performance Innovative R&D Management Green Production and Product Management	• 286 news exposed • Held 4 institutional investor conferences • Please visit the Official Website - News - Latest Updates for detailed communication results	1.2 Operations 1.3 Product Innovation 4.4 Green Products

▶ Collect Sustainability Issues

Refer to GRI Standards, RBA Code of Conduct, Task Force on Climate-Related Disclosures (TCFD), Science Based Targets Initiative (SBTi), Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDGs), The International Human Rights Conventions, benchmark against sustainable companies/PV industry/electronics manufacturing industry/stakeholder concerns, annual sustainability issues are listed as the core scope for survey questionnaires and interviews.

Identifying Actual and Potential Impacts

Following the definition of "Impact" in the GRI Universal Standards (2021) of the GRI Standards, we identified the impacts, both actual and potential, positive and negative, short-term and long-term, intended and unintended, reversible and irreversible, that the Company's 24 sustainability issues have or could have on the economy, environment, and people (including their human rights).

Assess Impact Significance

With the Company's daily operations as the reference background, evaluate the positive impact level (benefits) and negative impact level (severity) of 24 sustainability issues, as well as the likelihood of positive and negative impacts occurring, and assign scores accordingly.

▶ One-way Materiality Assessment: The "Annual ESG Questionnaire" responded by 138 senior executives and 776 stakeholders, and the "Annual Identification and Evaluation of Material Topics Questionnaire" responded by 12 ESG Committee members.

▶ Bi-directional qualitative survey: Conduct 1 interview with the ESG Task Force under the ESG Committee.

Prioritizing and Identifying Fundamental Topics

▶ According to the analysis results of the "Annual ESG Questionnaire," select the sustainability issues that are highly concerning to both internal and external stakeholders of the Company.

▶ According to the analysis results of the "Annual Identification and Evaluation of Material Topics Questionnaire," the various sustainability issues are ranked based on their impact and likelihood scores. Material Topics are then selected based on the aforementioned two indicators, and corresponding management measures are formulated.

Impact Category	Impact Level	Possibility of Impact	Management Measures
Positive	High(≧ 8.5)	High(≧ 8.5)	The implementation of this sustainability issue is highly likely to have a positive impact on the Company. Therefore, it has been listed as a fundamental topic of the year, and its benefits will continue to be optimized through management.
Negative	High(≧ 8.5)	High(≧ 8.5)	If the sustainability issue is not implemented, it is highly likely to have a negative impact on the Company. Therefore, it has been listed as a fundamental topic of the year, and impact level lowered through management and formulation of improvement measures.
Positive	High	Low	Regarded as a future business opportunity, continue to be observed and incorporated into the Company's future operational direction considerations.
Negative	High	Low	Regarded as a potential risk, to formulate relevant risk control measures.
Positive/Negative	Low	High/Low	To be continuously observed and monitored.

▶ Prioritize Material Topics
1. Based on the "Annual Identification and Evaluation Material Topics Questionnaire," select sustainability issues that have high positive benefits and high likelihood of occurrence (both scores ≥ 8.5), or high negative severity and high likelihood of occurrence (both scores ≥ 8.5) as the annual material topics.
2. Rank the weighted total negative severity scores (issues related to people are given a weight of 0.1) and positive benefit scores of the major topics from highest to lowest.
3. The fundamental topics with negative impacts are prioritized in the order of their severity, and the fundamental topics with positive impacts are added to the order. The prioritization is based on the total weighted score of negative severity, and if there is a tie, the one with a higher positive benefit score takes priority.

▶ Identifying Material Topics
1. Conducted interviews with members of the ESG task force under the ESG Committee, discussed the Company's actual operating conditions and implementation of management policies from the previous year, and established annual major topics.
2. Verify annual material topics together with external verification units.
3. Reported to the Board of Directors for resolution: The "2023 ESG Report Material Topics" was approved by the Board of Directors on February 26, 2024

Material Topics Identification Results [3-2]

Chart 1 (left): X-axis: The extent of positive impact (5.00–10.00). Y-axis: The possibility of positive impact (5.00–10.00). Plotted points: 21, 16, 22, 24, 18, 15, 23, 13, 14, 11, 2, 9, 6, 1, 5, 3, 4, 20, 12, 10, 8, 7, 17, 19.

Chart 2 (right): X-axis: The extent of negative impact (5.00–10.00). Y-axis: The possibility of negative impact (5.00–10.00). Plotted points: 21, 16, 22, 14, 24, 23, 15, 13, 8, 7, 9, 4, 5, 6, 10, 1, 3, 2, 17, 18, 12.

No.	Topic	No.	Topic
1	Compensation and Benefits	7	Labor-Management Relations
2	Friendly Workplace	8	Green Process and Product Management
3	Talent Cultivation	9	Climate Change
4	Innovative R&D Management	10	Information Security
5	Occupational Health and Safety	11	Social Welfare and Participation
6	Economic Performance	12	Supplier Management (Environmental Aspect)

No.	Topic	No.	Topic
13	Anti-Discrimination	19	Local Procurement
14	Waste Management	20	Water Resource Management
15	Raw Materials Management	21	Customer Privacy
16	Diverse Workforce Composition	22	Equal Pay for Equal Work
17	Supply Chain Management (Human Rights, Labor Practices)	23	Prohibition of Forced Labor
18	Anti-Corruption	24	Prohibition of Child Labor

【 11 Material Topics for 2023 】

No.	Code	Material Topics	No.	Code	Material Topics	No.	Code	Material Topics
1	5	Occupational Health and Safety	5	4	Innovative R&D Management	9	14	Waste Management
2	10	Information Security	6	9	Climate Change	10	3	Talent Cultivation
3	6	Economic Performance	7	7	Labor-Management Relations	11	2	Friendly Workplace
4	1	Compensation and Benefits	8	8	Green Process and Product Management			

【 Top 3 Positive Impact Issues 】

Code	Positive Issues
1	Compensation and Benefits
4	Innovative R&D Management
6	Economic Performance

【 Top 3 Negative Impact Issues 】

Code	Negative Issues
5	Occupational Health and Safety
10	Information Security
6	Economic Performance

■ Economic Aspect   ■ Environmental Aspect   ■ Labor (Human Rights)

1. According to the Company's material topic identification process, material topics are identified once every two years. In 2023, 11 material topics for the "2022 ESG Report" were identified and executed. In 2024, only the impact level and likelihood of occurrence for these 11 material topics will be reviewed and managed, and the ranking will be adjusted to produce the "11 material Topics for 2023."

2. The sustainability issues where both "Level of Positive Impact" and "Likelihood of Positive Impact" scores are ≥8.5, or both "Level of Negative Impact" and "Likelihood of Negative Impact" scores are ≥8.5, are considered as the annual Material Topics.

3. Due to its highly positive benefits, the "Green Process and Product Management" was included as an annual Material Topic after being discussed by the ESG Committee.

Material Topics Boundary [2-2, 2-6]

This report is based on the organizational chart of affiliated companies and the internal supply chain as shown on pages 108-109 of the 2023 Annual Report (please refer to the diagram below). It further identifies material topics for companies with substantial production, in which the company holds more than 50% ownership, have a significant economic, environmental and social impact on the Company, have upstream or downstream relationships with the Company, and where the Company is able to control the operations of non-controlling and venture capital investees.

The scope of this report includes: Coretronic's Taiwan Plants (Lixing Plant, Chunan Plant, Tainan Plant 1, Tainan Plant 2), Coretronic's China plants (Kunshan plants: Coretronic Projection (Kunshan), Coretronic Optics (Kunshan); Wujiang plants: Coretronic Optotech (Suzhou), Coretronic Display (Suzhou), Coretronic Optics (Suzhuo)), and subsidiaries in Taiwan (Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics).

Furthermore, for identifying material topics outside the organization, we selected stakeholders with high importance and high relevance to the Company's daily operations from 9 stakeholder groups, including customers, suppliers, and communities, to conduct the identification.

Components
Coretronic Optics (Kunshan)
(Optical-Mechanical Modules)

System Assembly

Coretronic Projection (Kunshan) (Projectors)	Coretronic Display (Suzhou) (Backlight Modules, LCD Modules, Touch Modules)
Coretronic Optotech (Suzhou) (Backlight Modules, LCD Modules, Displays)	Coretronic Optics (Suzhou) (Backlight Modules, LCD Modules, OLED Modules)

Sales

OEM/ODM

Coretronic (Projectors, Backlight Modules)	Champ Vision Display (Display Products)
Coretronic Intelligent Robotics (Intelligent Unmanned Aerial Vehicles, Autonomous Mobile Robots)	Coretronic Intelligent Cloud Service (Smart Retail, Smart Enterprise, Public Space Media)

▲ Coretronic internal supply chain

Material Topics	Specific Topics	Corresponding Chapters	Within the Organization					Outside the Organization		
			Coretronic		Champ Vision Display	Coretronic Intelligent Cloud Service	Coretronic Intelligent Robotics	Client	Supplier Contractor	Community
			Taiwan	China	Taiwan	Taiwan	Taiwan			
Occupational Health and Safety	Occupational Health and Safety	6.6 / 6.7	●	●	●	●	●	-	●	-
Information Security	Customer Privacy	3.3	●	●	●	●	●	-	-	-
Economic Performance	Economic Performance	1.2	●	●	●	●	●	-	-	-
Compensation and Benefits	Market Presence	6.3	●	●	●	●	●	-	-	-
	Diversity and Equal Opportunity	6.3	▲	▲	-	-	-	-	-	-
Innovation Research and Development Management	Economic Performance	1.3	●	●	●	●	●	-	-	-
Climate Change	Energy	4.1	●	●	●	●	●	-	-	-
	Emissions	4.1	●	●	●	●	●	-	-	-
Labor/Management Relations	Labor/Management Relations	6.4	●	●	●	●	●	-	-	-
Green Manufacturing and Product Management	Energy	4.4	●	●	●	-	○	-	●	-
	Emissions	4.4	●	●	●	-	○	-	●	-
Waste Management	Waste	4.2	●	●	●	●	●	-	●	-
Talent Cultivation	Training and Education	6.5	●	●	●	●	●	-	-	-
Friendly Workplace	Employment	6.1 / 6.3	●	▲	●	●	●	-	-	-

● : Material and fully disclosed in this report ; ▲ : Partially disclosed ; ○ : Information not fully collected and cannot be disclosed

Material Topics Management Policies [3-3]

▶ Environmental Aspect

Material Topics and SDGs	Definition	Impact	Strategies	Indicators	2023 Performance		Short-Term Goals (2023-2025)	Mid-Term Goals (2026-2028)	Long-Term Goals (2029-2031)
Climate Change (SDG 7, SDG 13)	Comprehensive mitigation and adaption strategies are able to enhance organizational climate resilience and reduce the impacts of climate change	**Positive Reality** In the face of the impacts brought about by climate mitigation, actively manage climate-related risks and opportunities, thereby strengthening the resilience of company operations	• Net Zero Declaration • Installation of solar power generation systems • Implementation of ISO 50001 • Environmental Sustainability and Occupational Safety and Health Policy • Joining domestic and international environmental sustainability initiatives • Implementing carbon reduction actions and measures	GHG (Categories 1+2) emission intensity reduction ratio	Taiwan	23%	6%	10%	13%
					China	41%	6%	10%	13%
				Electricity consumption intensity reduction ratio	Taiwan	14%	7%	10%	13%
					China	11%	7%	10%	13%
				Proportion of renewable energy usage in annual electricity consumption	Taiwan	7%	5%	6%	8%
					China	20%	13%	15%	17%
Green Process and Product Management (SDG 7)	Implement green production and management, and develop green products to meet international trends and customer requirements	**Positive Potential** Leading with innovation and sustainability, integrating green thinking into development technologies and manufacturing processes, reducing the environmental impact of products, bringing the Company new revenue streams.	• Establishment of Green Product Team in each product business group • Establishment of a product carbon footprint platform • Regular self-audits and reviews of product carbon footprint emissions • Introduction of green design, raw materials, and manufacturing solutions	Product Carbon Footprint Inventory	• Design platform structure • Self-audit 14-inch backlight module • 5 products obtained ISO 14067		• Plan and build platform • Self-inventory • Obtain ISO 14067	Audit new products Carbon footprint	Audit new products Carbon footprint
				Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) materials	7%		10%	15%	30%
				Shipment ratio of mainstream and smart projectors using eco-friendly buffer materials	77%		66%	74%	75%
				Shipment ratio of projectors using FSC or recycled pulp paper boxes	72%		50%	75%	92%
				Percentage of reduced power consumption by high-efficiency backlight modules	5.7%		5%	10%	10%
				Proportion of new developed NB models introducing recycled aluminum materials	3%		3%	4%	6%
Waste Management (SDG 12)	Reducing environmental impact at all stages of the product life cycle is one of the Company's key environmental indicators	**Positive Reality** Proper handling of waste can reduce waste generation and associated costs, as well as lower the environmental impact of operations	• Environmental Sustainability and Occupational Safety and Health Policy • Regular reviews of waste generation situations • Waste reduction programs • Internal and external audits	Waste output intensity reduction ratio	Taiwan	12%	5%	8%	11%
					China	9%	5%	8%	11%

▶ Social Aspect

Material Topics and SDGs	Definition	Impact	Strategies	Indicator	2023 Goals		2023 Performance	Achievement Review	2024 Goals	2025 Goals	2026 Goals
Occupational Health and Safety	Providing employees with a safe working environment and maintaining their physical and mental health, allowing them to work with peace of mind and achieve exceptional results.	**Negative Reality** Workplace hazard incidents may affect Company reputation, decrease stakeholders' trust in the Company and increase Company personnel and operating costs	• Environmental Sustainability and Occupational Safety and Health Policy • Review occupational injury incidents regularly and popose preventive improvement measures • Conduct disaster response drills	Number of occupational injuries (Excluding traffic accidents)	Taiwan	3 cases	1 cases	✓	3 cases	3 cases	3 cases
					China	10 cases	2 cases	✓	10 cases	10 cases	10 cases
				Number of occupational injuries for contractors (Excluding traffic accidents)	0 case		0 case	✓	0 case	0 case	0 case
			• Implement health protection plans for older workers, health risk assessment and management, health screening • Provide health education lectures and professional physician consultation services	Middle-aged and elderly employees' workplace health satisfaction	Taiwan	70/100	97/100	✓	80/100	80/100	80/100
			• ISO 45001 • Promote heath advancement • Reduce the rate of occupational accidents	Number of health promotion activities held	China	4 Events	11 Events	✓	4 Events	8 Events	8 Events
Information Security	A comprehensive information security management and customer privacy protection policy effectively enhances customer trust, making long-term cooperative relationships more solid and close.	**Negative Reality** Yet to establish a robust information security management system, may lead to the leakage of confidential information of the Company and its customers, consequently damaging company reputation	In accordance with ISO 27001, improve information security mechanisms from six major aspects: network security, host security, application system security, equipment security, operational analysis, and information security management	ISO 27001 coverage ratio (companies within the scope of this report)	Taiwan	75%	75%	✓	75%	100%	100%
				Number of network service interruptions in data rooms	Taiwan	Less than 3 times	0 time	✓	Less than 3 times	Less than 3 times	Less than 3 times
				Number of critical business system service interruptions	Taiwan	Less than 1 time	0 time	✓	Less than 1 time	Less than 1 time	Less than 1 time
				Number of important system vulnerability scans performed annually	Taiwan	1 time	1 time	✓	1 time	1 time	1 time
				Number of important system data backups performed annually	Taiwan	2 times	2 times	✓	2 times	2 times	2 times
Compensation and Benefits	A comprehensive compensation and benefits package is the core foundation for employees to both live and work happily.	**Positive Reality** Offer competitive market-level compensation to effectively recruit and retain target talents	Comprehensively evaluate past performance and future potential, refer to market competitiveness and internal job balance, and provide a motivating level of compensation	Number of annual salary structure reviews	1 time		1 time	✓	1 time	1 time	1 time
				Number of annual salary adjustments	1 time		1 time	✓	1 time	1 time	1 time
				Number of promotion salary adjustments	2 times		2 times	✓	2 times	2 times	2 times
Labor-Management Relations	Companies and employees need to work together to create a positive labor-management relationship of mutual trust.	**Positive Potential** Positive labor-management relations are able to promote mutual trust, reduce communication costs, and improve operational efficiency	Continuously communicate in a two-way and protected manner with colleagues through various channels, and actively address issues	Number of annual employee opinion surveys	1 time		1 time	✓	At least 1 time	At least 1 time	At least 1 time
				Number of labor-management meetings at Taiwan plants	Taiwan	4 times per plant	16 times	✓	4 times per plant	4 times per plant	4 times per plant
				Number of employee communication meetings at China plants	Wujiang	2 times	6 times	✓	2 times	2 times	2 times
					Kunshan	4 times	18 times	✓	4 times	4 times	4 times
				Conduct multi-faceted employee surveys	Taiwan	Gen-Z Workplace Survey	Response rate of 90%	✓	Cross-generational Survey feedback	Expatriate Employee Survey	Workplace Sustainability Engagement Survey
				Annual scope of labor and human rights risk identification	Taiwan	Coretronic Taiwan Plants	Coretronic Taiwan Plants	✓	Coretronic China and Vietnam Plants	Entire group (including subsidiaries)	Include suppliers

▶ Social Aspect

Material Topics and SDGs	Definition	Impact	Strategies	Indicator	2023 Goals		2023 Performance	Achievement Review	2024 Goals	2025 Goals	2026 Goals
Talent Cultivation (SDG 4 QUALITY EDUCATION)	Build a diverse development training system to continuously enhance the competitiveness of employees and supervisors.	**Positive Reality** A comprehensive and diverse training mechanism, effectively enhancing employees' competitiveness, work efficiency, and goal achievement rate	Continuously construct a comprehensive career map and training blueprint, cultivating managerial talents	Number of times for annual training needs survey	Taiwan	1 time	1 time	✓	1 time	1 time	1 time
				Average employee training hours	Taiwan	18 person-hours	22.3 person-hours	✓	20 person-hours	22 person-hours	24 person-hours
					China	9 person-hours	13.2 person-hours	✓	9 person-hours	9 person-hours	9 person-hours
Friendly Workplace (SDG 5 GENDER EQUALITY, SDG 8 DECENT WORK AND ECONOMIC GROWTH, SDG 10 REDUCED INEQUALITIES)	Create a friendly workplace environment, thereby maintaining work-life balance.	**Positive Reality** Employees working in a friendly workplace can enhance their sense of belonging and confidence in the Company, and improve work efficiency	Provide diversified welfare programs, making every effort to create a happy workplace that employees would appreciate	Number of HR-related awards or certifications obtained	Taiwan	1 item	• TCSA Talent Development Leadership Awards • Sports Administration, Ministry of Education "Sports Enterprise Certification" • Breastfeeding-Friendly Workplace "Excellent" Certification	✓	At least 1 item	At least 1 item	At least 1 item
				New hire retention rate	Taiwan	85%	93.1%	✓	85%	85%	85%

▶ Economic Aspect

Material Topics and SDGs	Definition	Impact	Strategies	Indicator	2023 Goals	2023 Performance	Achievement Review	2024 Goals	2025-2026 Goals
Economic Performance (SDG 8 DECENT WORK AND ECONOMIC GROWTH)	The Company aims to pursue the greatest interests of all shareholders and employees, and to achieve the mission of "technology-rooted, sustainable operations."	**Positive Reality** Good economic performance, increasing stakeholders' trust and willingness to invest in the Company	• Deeply cultivate innovative display solutions, and focus on comprehensive solutions for cloud services, artificial intelligent and various intelligent domains • Steady profitability, sustainable operations	Consolidated gross profit margin annual budget	More than 18%	In 2023, the consolidated gross profit margin reached 19.9%	✓	More than 18%	• Promote global deployment • Facilitate the expansion of new businesses for the group
				Net profit attributable to parent company shareholders annual budget	More than 3%	The net profit margin attributable to the parent company's shareholders was 3.5%	✓	More than 3%	
Innovative R&D Management (SDG 8 DECENT WORK AND ECONOMIC GROWTH, SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION)	Continuous innovation, research and development are key factors for an organization's continuous improvement and sustainable development.	**Positive Reality** Develop products with high-tech contexts, increasing product sales	Deeply cultivate core technologies and expand key technologies in cross-application domains	Strengthen the global competitive advantage in display technology	Introduce carbon reduction development process and requirements	Continuously optimize photovoltaic design and energy-saving technologies, improve product performance, and introduce eco-friendly packaging and material reduction	✓	• Developing energy-saving, privacy-protecting, high dynamic contrast high-value application display products • Focusing on R&D of high value-added products and various visual imaging solutions	• Develop more advanced and forward-looking display products • Develop new AIoT trend application products
				R&D expenditure as a percentage of consolidated revenue	6%	7.35%	✓	6%	6%
			Protect intellectual property rights	Actively apply for invention patents	Ranked among the Top 100 Patent Applications	The 100th Taiwanese legal entity among the Top 100 Patent Applications	✓	Ranked among the Top 100 Patent Applications	Ranked among the Top 100 Patent Applications

CH3
Corporate Governance

03

3.1 Governance Organization

Coretronic adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" as the guiding framework for its corporate governance operations. Coretronic complies with relevant laws and regulations regarding corporate governance and internal management mechanisms. It ensures operational and financial information transparency, prioritizes shareholder rights, and strengthens supervision and management of the Company's operations through the Board of Directors. Additionally, Coretronic has established an Audit Committee, Compensation Committee, and Nomination Committee to facilitate the board's execution of its responsibilities.

To safeguard the rights of shareholders, Coretronic not only discloses the Company's financial-related information and corporate governance information through the company website and the Market Observation Post System (MOPS) but also appoints both spokespersons and deputy spokespersons to handle shareholder suggestions or disputes. The Company has implemented a spokesperson system and assigned dedicated personnel to collect and disclose company information, fulfilling its legal obligations and responsibilities for information disclosure.
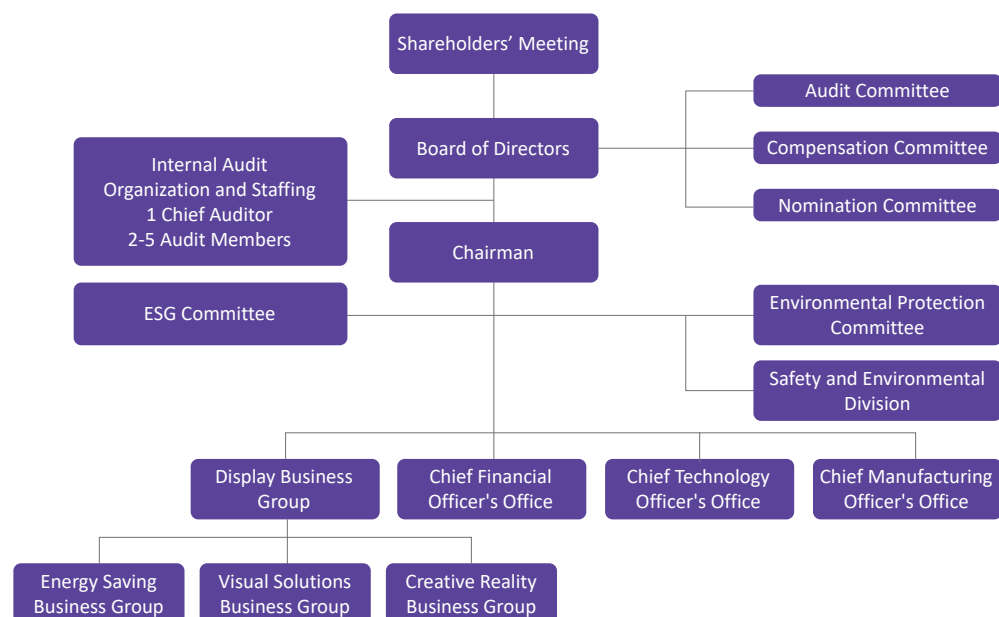
Board of Directors [2-9, 2-12, 2-16]

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

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

The Board has established three functional committees: the Audit Committee, the Compensation Committee, and the Nomination Committee. These committees will report their resolutions to the Board for discussion. The audition of three committees and execution by the Board will enhance the benefits to shareholders. Additionally, the "Rules of Procedure for Shareholders Meeting" and relevant regulations report major issues concerning governance, economic, social, and investment matters to the Board. In 2023, 34 major topics were reported to the Board.

▶ **Board Members** [2-9, 2-10, 2-11, 2-15]

Title	Name	Gender	Main Educational Background And Experience	Concurrent Position At Coretronic	Attendance Rate	Term Of Office
Chairman	Wade Chang	Male	• Master of NTU-Fudan EMBA, National Taiwan University • Chairman and CEO, Coretronic Corporation	Managerial Officer	100%	June 10, 2022 - June 9, 2025
Director	Representative of Hsun Chieh Investment Ltd.: Tai-Shung Ho	Male	• Master of Electrical Engineering, National Tsing Hua University • Chairman, Novatek Microelectronics Corporation	None	100%	
Director	Representative Hanns Prosper Investment Corporation: Yu-Chi Chiao	Male	• Ph.D. in Business Administration, City University of Hong Kong and Doctor of Business Administration, Fudan University, Shanghai • Chairman and President, HannStar Display Corporation	None	80%	
Director	Han-Ping D. Shieh	Male	• Ph.D. in Electrical and Computer Engineering, Carnegie Mellon University, USA • Lifetime Chair Professor, National Yang Ming Chiao Tung University	None	100%	
Independent Director	Hsing-Yi Chow	Male	• Ph.D. in Business, Indiana University, USA • Emeritus Professor of Department of Finance, National Chengchi University	None	100%	
Independent Director	Audrey Tseng	Female	• MBA, National Taiwan University/ Fudan University • Advisory Committee Member, Bio-Taiwan Committee	None	80%	
Independent Director	Hung-Pin Ku	Male	• Bachelor of Laws, National Taipei University • Lawyer, Ku Hung-Pin Law Firm	None	100%	

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

1. Basic conditions and values: gender, age, nationality, and culture, etc.
2. Professional Knowledge and Skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The Company's diversified policy and implementation status of specific management goals:

Management Objectives	Achievement Status
Directors who concurrently serve as managerial officers of the Company shall not exceed one-third of the total number of board members.	Achieved
The addition of a female director.	Achieved
The maximum term of independent directors shall not exceed nine consecutive years.	Achieved

As Chairman, Wade Chang is expertise in business management, leadership decision-making, and foresight industrial trend, which is evidently beneficial to the Company's operational development, he concurrently serves as a managerial officer and provides professional opinions at the Board of Directors meetings. The Board of Directors meeting rules include provisions for directors to recuse themselves from potential conflicts of interest. If a director has a personal or representative legal entity's interest in a meeting agenda item, they should explain the important content of their personal interest at the current Board of Directors meeting. If there is a risk of harming the Company's interests, they cannot participate in the discussion and voting, and must recuse themselves from the discussion and voting, and cannot exercise voting rights on behalf of other directors. Simultaneously, the company has appointed three independent directors, who should provide advice based on their expertise and experience. When the Board of Directors discusses any proposal, it should fully consider the opinions of the independent directors and record their consent or dissenting reasons in the minutes of the Board of Directors meeting. Furthermore, none of the Board members have cross-shareholdings with major suppliers.
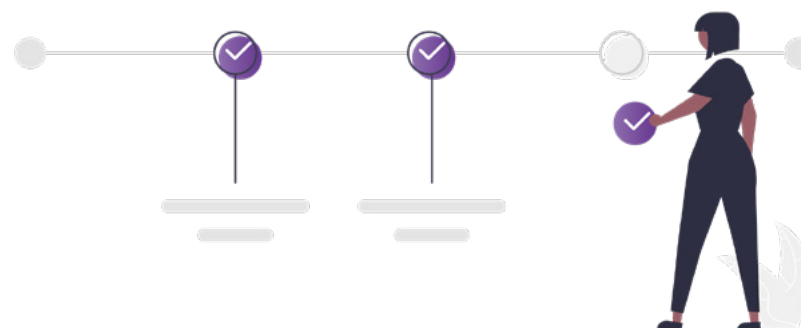
▶ Director Training Courses [2-17]

To improve the corporate governance capabilities and literacy of all directors, the company arranges training courses annually. In 2023, the total training hours for all directors was 93 hours.

Sustainable Operation	Corporate Governance	Finance/Cybersecurity/Innovative Technology
• ESG Practice Analysis • Sustainable Development Performance, and Executive Compensation • Corporate Governance - ESG Sustainability Project Workshop - Supply Chain Integration • 2023 Cathay Sustainable Finance and Climate Change Summit • Emerging Trends in Sustainability, and Board Governance • The Future of Enterprises in a Changing Landscape: Strategic Repositioning & Strategic Transformation • Company Strategic Development Direction	• The 14th Taipei Corporate Governance Forum • 2023 Annual Insider Trading Prevention Advocacy Seminar • Corporate Governance and Securities Regulations • Sustainable Governance Practices in Enterprise Succession and Transformation • Practical Responses of Board Members to the Wave of Information Technology • Enterprise Risk Management Framework and Practical Insights	• The Financial Consumer Protection Law and Fair Treatment of Customers • Anti-Money Laundering and Counter-Terrorist Financing Awareness of Legal Obligations and Responsibilities for Directors • The Help and Impact of Emerging Cybersecurity Technologies on Financial Digital Innovation • The Technology, Applications, and Socio-Economic Impact of Artificial Intelligence • Impact and Opportunities of AI on Industries

Historical Directors' Training Hours

▶ Board of Directors' Performance Evaluation [2-18]

The Company's Board of Directors has established the "Regulations for Performance Assessment of the Board of Director" in April 2018, revised in October 2019 and disclosed on the Company's website. An internal evaluation of the performance of the Board of Directors, board members, and functional committees is conducted annually through a self-evaluation questionnaire. The evaluation unit is responsible for the evaluation, and the evaluation period is from January 1, 2023, to December 31, 2023. The evaluation results will be reported to the Board of Directors. Additionally, the external performance evaluation of the Board of Directors is conducted at least once every three years by an external professional independent institution and reported to the Board of Directors. The results of the 2023 internal and external performance evaluations of the Board of Directors are as follows:

• Internal performance evaluation results

Evaluation Subject	Board of Directors	Board Members	Compensation Committee	Audit Committee	Nomination Committee
Self-Assessment Standard	• Degree of participation in company operations • Upgrade the quality of board decisions • Board composition and structure • Director selection and continuing education • Internal control	• Mastering company goals and tasks • Awareness of board responsibilities • Degree of participation in company operations • Internal relationship management and communication • Director professionalism and continuing education • Internal control	• Degree of participation in company operations • Understanding of committee responsibilities • Improving the quality of committee decisions • Committee composition and selection of members • Internal control	• Degree of participation in company operations • Understanding of committee responsibilities • Improving the quality of committee decisions • Committee composition and selection of members • Internal control	• Degree of participation in company operations • Understanding of committee responsibilities • Improving the quality of committee decisions • Committee composition and selection of members
Evaluation Results	Excellent	Excellent	Excellent	Excellent	Excellent

• External performance evaluation results

Coretronic has commissioned "Ernst & Young Business Advisory Services Inc. (EY)" in October 2023 to assess the performance of our Board of Directors. The EY institution and the executing experts have no business dealings with our company and maintain independence. In January 2024, a Board of Directors performance evaluation report was issued, and the external evaluation results were soon be reported to the Board of Directors in February 2024.

√ Evaluation period: January 1, 2023, to December 31, 2023

√ Evaluation method: EY conducted a review of the relevant documents provided by the company and arranged an on-site interactive session with the directors on October 30, 2023.

√ The evaluation criteria: By reviewing the three aspects of Board Structure, People, and Process and Information. EY accomplished this by examining relevant documents, interacting with directors, and analyzing questionnaires on Board performance, in order to provide recommendations.

√ Evaluation result: All three dimensions is performed as "advanced", the improvement form on the right have been formulated based on recommendations provided by EY.

Item	Suggestions	Improvements
1	Encourage directors to participate more in Shareholders' Meetings, listen to shareholders' opinions and their thoughts on business operations, in order to protect shareholders' rights.	Encourage directors to participate more in Shareholders' Meetings.
2	To enhance the functions of the Board of Directors and strengthen management capabilities, companies may assess establishing non-statutory functional committees based on their size and business nature, in order to improve the Board's governance effectiveness and quality over the company.	Depends on operational needs, we will evaluate establishing non-statutory functional committees to enhance the effectiveness and quality of corporate governance by the Board of Directors.

▶ Functional Committees [2-9, 2-19, 2-20]

Committee	Audit Committee	Compensation Committee	Nomination Committee
Date of Establishment	2010	2012	2020
Members	The Committee is composed of 3 Independent Directors (Hsing-Yi Chow, Audrey Tseng, Hung-Ping Ku)		
Responsibilities/Matters for Review	• Establishing or amending internal control systems. • Assessing the effectiveness of internal control systems. • Handling procedures for major financial and business activities. • Matters involving the directors' personal interests. • Major asset or derivative transactions. • Major lending of funds, endorsements, or guarantees. • Raising, issuing, or privately placing equity-type securities. • Appointment, dismissal, or compensation of certified public accountants. • Appointment or dismissal of finance, accounting, or internal audit officers. • Financial reports signed or sealed by the chairperson, managers, and accounting manager. • Other major matters as stipulated by the company or competent authorities.	• Periodically review the "Organizational Regulations of the Compensation Committee" and propose amendments. • Formulate and periodically review the annual and long-term performance goals and compensation policies, systems, standards, and structures for the Company's directors and managers. • Regularly evaluate the achievement of performance goals for the Company's directors and managers, and determine the content and amount of their individual compensation.	• According to the standards of professional knowledge, skills, experience, and gender diversity as well as independence required for directors and senior managers, search, review, and nominate candidates for directors and senior managers. • Conduct performance evaluations of the Board of Directors, each committee, and each director, and assess the independence of independent directors. • Other matters resolved by the Board of Directors to be handled by this committee.
Number of Meetings	5	2	1
Average Attendance Rate	93%	100%	100%
Current Committee Term of Office	June 10, 2022 – June 9, 2025		

Note: The Company has not yet incorporated ESG performance into the compensation considerations for the board of directors and senior management.
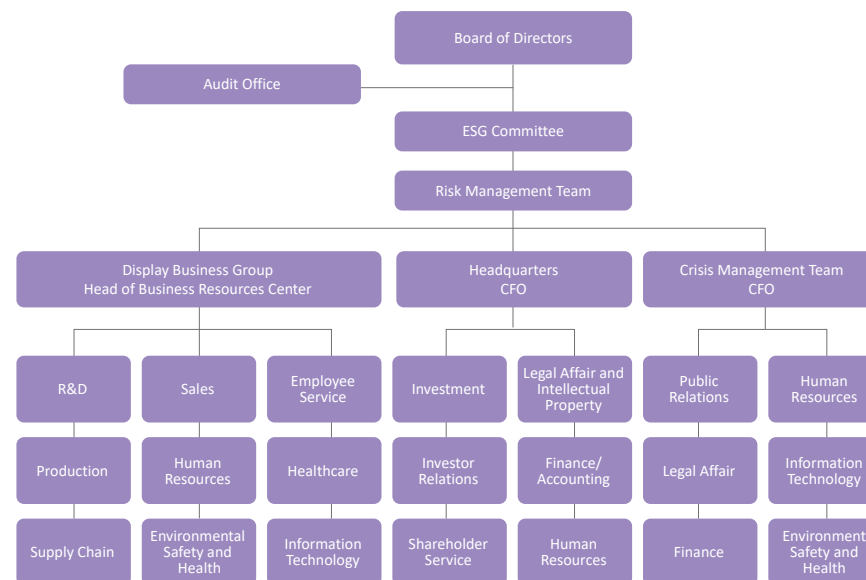
3.2 Risk Management

Risk Management Policy

To grasp the internal and external risks that the Company's operations may face, we identify risk factors, screen out the scope of risk management, and monitor potential risks and implement preventive measures in accordance with the latest developments in internal audits and regulatory requirements. We strengthen risk management, enhance crisis response capabilities, and achieve the goal of risk control, thereby promoting shareholder value, maintaining competitiveness, and laying the foundation for sustainable business operations.
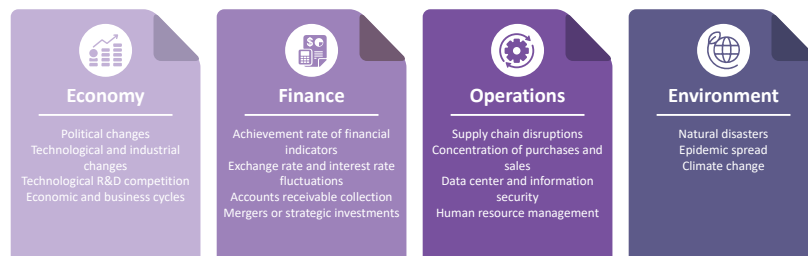
Risk Management Organization

The "Risk Management Team" integrates various risk management units, under the ESG Committee. The Chief Financial Officer leads the operations of the Risk Management Team, which identifies and manages risk factors according to the Risk Management Policy approved by the Board of Directors in 2020. This ensures more efficient command and control, self-assessment, and execution of the risk management organization. The 2023 operational status was reported to the 11th Board of Directors at the 7th meeting on July 31, 2023. The responsibilities of the various levels of the risk management organization are as follows:

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

Risk Management Scope

Economy
Political changes
Technological and industrial changes
Technological R&D competition
Economic and business cycles

Finance
Achievement rate of financial indicators
Exchange rate and interest rate fluctuations
Accounts receivable collection
Mergers or strategic investments

Operations
Supply chain disruptions
Concentration of purchases and sales
Data center and information security
Human resource management

Environment
Natural disasters
Epidemic spread
Climate change

Risk Management Courses

Offering risk identification, information security, climate change, and occupational safety and health-related risk management courses, such as: "Safety Risk Identification and Control," "Environmental Issues Identification," "Production Safety Management and Occupational Safety and Health Products Use and Management," "Occupational Disease Prevention and Control," "Handling of Occupational Accidents," and "Information Security," etc., to enhance employees' risk awareness. A total of 3,784 people participated in the training, with a total of 5,841 person-hours of training.

Risk Identification

- To implement the detection, analysis, and identification of risk-related issues in the risk management domain, and to grasp the internal and external risks that the Company's operations may face, a biennial risk factor identification process will be carried out by the end of 2023 with the aim of conducting prior assessments, establishing countermeasures, and taking preventive measures.
- The Risk Management Team listed 40 risk issues for a questionnaire survey: In the first stage, 276 mid-level and above managers were asked to fill out a questionnaire on "The main risks they had faced," "The risks that had occurred in the past 12 months," and "The top five risks they might face in the next three years," to generate the top 20 risk issues. Then, the top 20 risk issues were screened by 20 senior executives participating in the group's senior management meeting to identify Coretronic' top 10 risk issues.

Screen 40 risk issues by industry nature (Risk Management Team) → Generate risk issue identification questionnaire (Risk Management Team) → **First stage survey** Vote for the top 20 risk issues (276 mid-to-senior executives) → **Second stage survey** Vote for the top 10 risk issues (20 senior executives) → Formulate and implement management strategies for the top 3 risks (Responsible units)

- Top 10 Risk Issues in 2023

Item	Top 10 Risk Issues in 2023
1	External factors- geopolitical volatility or material scarcity
2	External factors- political risks/uncertainties
3	External factors- rapid changes in market trends
4	External factors- dramatic changes in technology and industry
5	External factors- economic slowdown/slow recovery
6	Information technology- technical/system failure/data center security
7	Enterprises- unable to innovate or meet customer needs
8	External factors- disruptive technologies
9	External factors- intensifying competition
10	Information technology- network attacks/data breaches

Key focus for future implementation

Regarding major and emerging risk issues, the responsible units will be identified to require the formulation of management strategies and implementation of risk control. The risk management scope will continuously carry out risk item detection, analysis and identification. This aims to strengthen the ability to prevent and resolve crises, as well as rapidly recover after crises, in order to effectively control risks.
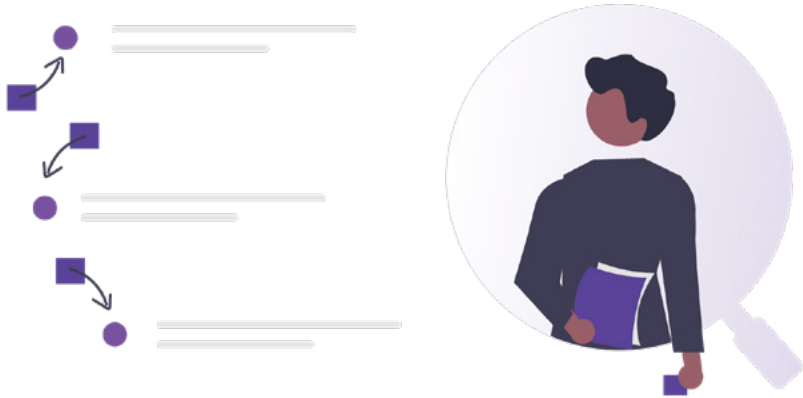
03

Material Topics

Information Security

GRI

Customer Privacy

3.3 Information Security Management [3-3, 418-1]

Topic Boundary

Coretronic Taiwan and China Plants (Kunshan Plant, Wujiang Plant), Champ Vision Display, Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.

Topic Importance

A comprehensive information security management and customer privacy protection policy effectively enhances customer trust, making long-term cooperative relationships more solid and close.

Strategies

Establish an internal information security management system based on ISO 27001 and NIST standards, plan, execute, and review internal information security activities, and verify various activities and the related results to grasp potential deficiencies in the Company's information security and timely correct, track, confirm, and continuously improve.

Evaluation Mechanism

Establish an internal information security management SOP based on the ISO 27001 standard, using the 14 control objectives and 114 control measures of ISO 27001. Strengthen information security from six major perspectives: network security, host security, application system security, equipment security, operations analysis, and information security management.

Performance

- Implemented ISO 27001, completed asset inventory, risk assessment, and 47 sets of four-tier document forms, and expected to obtain certification by April 2024.
- Strengthened the information security protection framework and upgrading the forensic analysis platform. The number of network disruptions in the data center and critical business systems was 0 times.
- Offered cybersecurity-related courses, with 721 people participating and conducting 2 social engineering drills.
- 220 new hired employees have completed the "Information Confidentiality and Computer Network Usage Policy" course.
- Continuously strengthened host security protection, established a centralized bastion server login architecture, and adopt two-factor authentication.
- Completed 3 operational continuity practices to ensure the correctness of relevant contingency procedures and processes.
- Ran 1 platform vulnerability scan.
- No incidents of customer privacy violations or major information security incidents occurred.

Goals

【2024 Goals】

- The number of network service interruptions in the data center is less than 3 times.
- The number of service disruptions for critical business systems is less than 3 times.
- Perform an important system vulnerability scan annually.
- Back up important system data twice a year to meet RPO requirements.
- Obtainment of ISO 27001 verification for the Taiwan plants of Coretronic, Champ Vision Display, Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.

【2025-2026 Goals】

- The number of network service interruptions in the data center is less than 3 times.
- The number of service disruptions for critical business systems is less than 3 times.
- Perform an important system vulnerability scan annually.
- Back up important system data twice a year to meet RPO requirements.
- Obtainment of ISO 27001 verification for the Taiwan plants of Coretronic, Champ Vision Display, Coretronic Intelligent Cloud Service and Coretronic Intelligent Robotics.
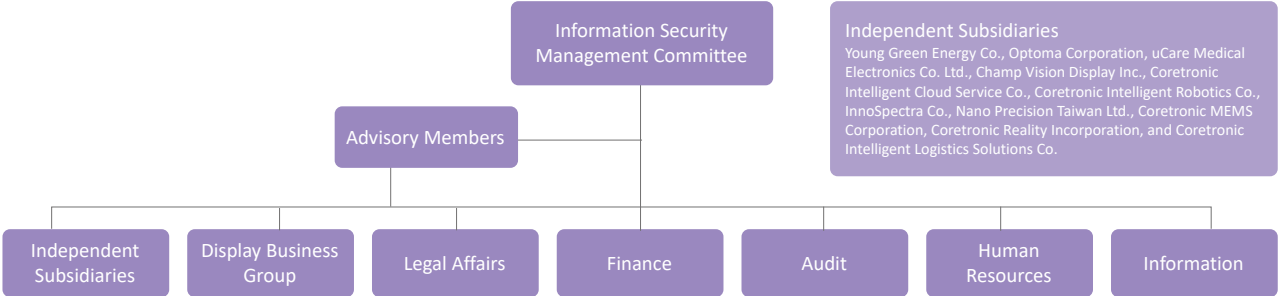
To implement sustainable development and protect the Company's confidential information and customer privacy, Coretronic established an "Information Security Management Committee" in 2012 to execute information security policy dissemination and establish communication mechanisms. This effectively prevents information from being stolen, tampered with, lost, or omitted. Beside the confidentiality, integrity, and availability of information, it should also comply with ISO 27001 standards or relevant information security laws and regulations.

Information Security Management Committee

Responsible for reviewing information security governance policies, overseeing the operation of information security management, constructing a comprehensive information security protection mechanism, enhancing employees' information security awareness, regularly assessing information security risks, and reporting the implementation status to the Board of Directors annually since 2020.

Information Security Management Committee

Independent Subsidiaries
Young Green Energy Co., Optoma Corporation, uCare Medical Electronics Co. Ltd., Champ Vision Display Inc., Coretronic Intelligent Cloud Service Co., Coretronic Intelligent Robotics Co., InnoSpectra Co., Nano Precision Taiwan Ltd., Coretronic MEMS Corporation, Coretronic Reality Incorporation, and Coretronic Intelligent Logistics Solutions Co.

Advisory Members

Independent Subsidiaries | **Display Business Group** | **Legal Affairs** | **Finance** | **Audit** | **Human Resources** | **Information**
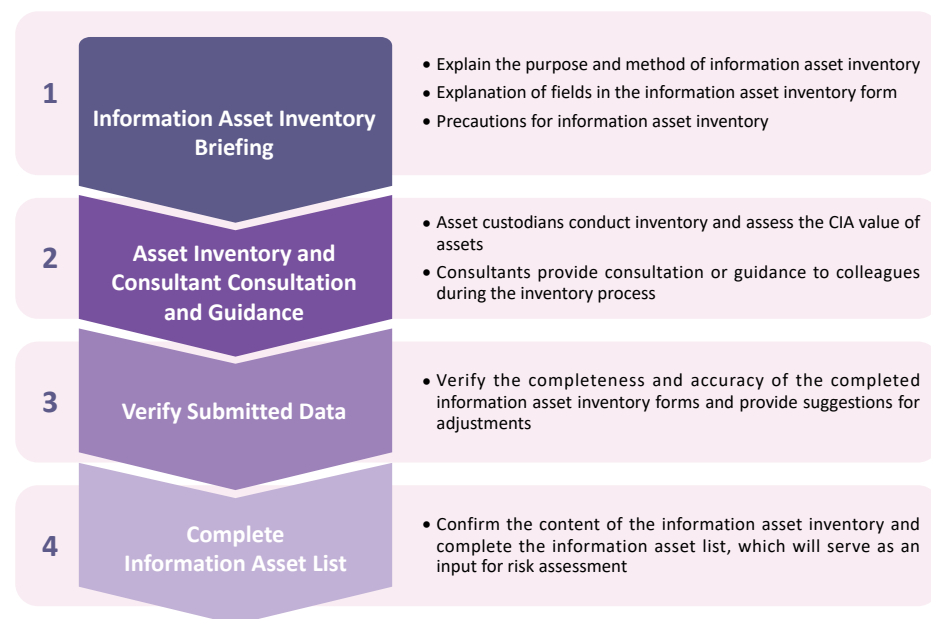
Information Security Policy

With reference to ISO 27001 and NIST standards, and based on actual internal management needs, the Company has formulated the following information security policies:

- The Information Management Center has established relevant information asset inventories for all units and has clearly defined owners. Based on the differences in information asset levels, risk assessment operations are carried out. For risks above the acceptable level, risk management should be implemented to effectively reduce risks, and various control measures should be continuously implemented.
- Relevant personnel should undergo necessary screening during employment and sign related operational regulations documents. When changes or resignations occur, they should return their information assets. New and current staff must participate in information security education and training to enhance their awareness of information security protection.
- When entering and exiting the Company building and information security control areas, relevant access control and regulations for carrying items in and out should be implemented.
- It is strictly prohibited for colleagues to set up network devices to connect the external network with the Company's internal network without authorization. Both internal and external networks are equipped with firewalls, demilitarized zones (DMZ), and necessary security facilities. Important equipment should have appropriate backup or monitoring mechanisms in place to maintain availability. Personal computers of colleagues should have antivirus software installed and virus codes updated regularly, and unauthorized software use is prohibited.
- Employees should properly safeguard and responsibly use their personal accounts, passwords, and permissions. Management personnel should regularly review and audit them. Important system operation data should be regularly backed up, and recovery tests should be performed.
- System development should consider the establishment of security control mechanisms from the initial stage; outsourced development should strengthen control and contractual requirements for information security.
- If colleagues encounter an information security incident, they should immediately report it and follow the procedures outlined in the Information Security Incident Handling Manual to prevent the incident from escalating and cooperate with the responsible department to resolve the issue together.
- Colleagues should implement a verification and review mechanism in daily operations to maintain data accuracy. Supervisors should supervise the implementation of information security compliance systems, enhance colleagues' awareness of information security and legal concepts.
- Our Company regularly reviews its information security policies to respond to the latest developments in government regulations, technology, and business. The Information Security Management Committee adjusts its objectives according to the security policies to ensure the effectiveness of security drills.

Information Security Risk Identification

- Policy: Based on the 14 control items and 114 control measures of ISO 27001, cybersecurity is strengthened from six major aspects: network security, host security, application system security, equipment security, and operation analysis and information security management. The risk improvement process is systematized and digitized, establishing a multi-layered cybersecurity defense architecture to enhance cybersecurity strength.
- Annual goal: Set annual information security management goals, establish evaluation metrics based on their characteristics, and provide improvement recommendations for non-compliance or obvious risks through quantified indicators and standardized processes, which will be included in the tracking.
- Vulnerability Scanning: To address the ever-changing hacker intrusion methods, we regularly perform vulnerability scans on the systems related to our services, and all vulnerabilities will be remediated within three months.

Information Asset Inventory Process

1 Information Asset Inventory Briefing
- Explain the purpose and method of information asset inventory
- Explanation of fields in the information asset inventory form
- Precautions for information asset inventory

2 Asset Inventory and Consultant Consultation and Guidance
- Asset custodians conduct inventory and assess the CIA value of assets
- Consultants provide consultation or guidance to colleagues during the inventory process

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

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

Information Security Risk Identification Process

Identify Assets
- Asset Inventory
- Asset Level Identification Information Systems Classification and Ranking

Risk Assessment
- Identify Threats and Vulnerabilities
- Level Analysis
- Risk Assessment

- Business Impact Analysis
- Business Continuity Management
- Business Continuity Planning

Risk Treatment
- Evaluate Treatment Options
- Implement Treatment Options
- Effectiveness Measurement

Information Security Education and Training

- Information Security training: "Information Confidentiality and Computer Network Usage Policy" courses were arranged for 220 new hired employees. Other courses such as "Information Security and Social Engineering Awareness", "Network Security and Computer Usage Regulations", and "Cybersecurity Education Training" were also offered, with a total of 721 participants.
- Security Announcement: Whenever a cybersecurity incident occurs at a partner company, a cybersecurity awareness announcement will be issued to remind employees of related risks, in order to avoid repeating the same mistakes and causing operational losses to the company. In 2023, 5 cybersecurity announcements were issued.
- Social Engineering Drills: Conduct 2 email social engineering drills for all groups of employees.

Information Security Measures

- Establishing a multi-layered defense security architecture, strengthening security through six major aspects: network security, host security, application system security, device security, operational analysis, and security management.
- Strengthen the cybersecurity protection architecture, upgrade the forensic analysis platform, and make cybersecurity protection flawless.
- Stay synchronized with the International Threat Intelligence Center, update threat intelligence in real-time, and effectively block malicious connections and proactively hunt for suspicious behavior through the proactive alert analysis engine, coupled with cybersecurity experts conducting forensic investigations to reinforce the hacker defense system.
- In response to the update of the system for providing external services, starting from 2020, at least one platform vulnerability scan and one social engineering drill will be conducted annually.

Key Focus for Future Implementation

We will continue to improve our information security protection system with the goal of systematization and intelligentization. We will establish an automatic detection and warning platform and filter out potential risks from the large amount of system logs and records generated every day, in order to take effective preventive measures. Furthermore, to align with international standards, in addition to continuously introducing and expanding the scope of ISO 27001 certification to establish a more comprehensive information security protection mechanism, we will also set annual information security management goals as evaluation criteria, regularly review and improve them, and truly strengthen information security protection.

03

3.4 Ethical Management

Attaching Importance to Business Ethics and Integrity

Coretronic is committed to upholding business ethics and requires all members of the company to act with integrity and honesty, in order to safeguard the Company's assets, rights, and image, and to ensure the rights and interests of the company and all stakeholders. To this end, Coretronic has formulated the "Ethical Corporate Management Best Practice Principles," "Operating Procedures and Guidelines for Integrity Management," "Codes of Ethical Conduct," "Responsibility for Business Alliance Code of Conduct Management Manual," and "Supplier Conflict of Interest Management Measures," as the ethical guidelines for all members and suppliers of Coretronic. Any acts of obtaining improper benefits (including inappropriate banquets, kickbacks, bribery, hospitality, etc.) due to job-related convenience, or any conduct that may affect the Company's image and competitiveness, are strictly prohibited.

Supplier Anti-Corruption Policy

All production raw material suppliers of Coretronic, except for those that are listed companies already registered in Taiwan/place of establishment and their subsidiaries with more than 50% ownership, those that have announced compliance with relevant integrity commitment treaties on their official websites, those that have signed procurement contracts containing integrity commitment clauses, those with annual transaction amounts below a certain amount, customer-designated suppliers, and sole suppliers of certain components, must sign the "Integrity Commitment" to ensure fair and transparent trading practices between both parties. For suppliers who violate anti-bribery and anti-corruption policies, causing damage to the company, compensation and necessary legal actions will be taken in accordance with the terms of the Integrity Commitment Letter signed by the suppliers. In 2023, excluding suppliers who do not need to sign, the signing rate reaches 99%.

Anti-Corruption Whistleblowing Mailbox [2-25, 2-26]

Coretronic has set up a "Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics" mailbox (8215@coretronic.com) and complaint hotline (For Taiwan plants, please call +886-37-777000, ext. 8215; Kunshan plants, please call +86-512-5736-0000, ext. 2199; other plants in China, please call +86-512-6382-8588, ext. 6220) on its official and internal websites. Coretronic employees and external parties can inquire about the internal and external mechanisms related to corporate integrity through the above mailbox and complaint hotline and report any violation of ethical conduct. An independent audit unit of the company will conduct confidential fact-finding investigations, and the identity of the whistleblower will be kept absolutely confidential. The investigation report will be submitted to the management for resolution, and the handling result of the reported matter will be subject to internal disciplinary action or prosecution in accordance with disciplinary measures.

In 2023, Coretronic Taiwan plants received 0 complaint cases, while China plants received 1 anonymous complaint case. After the internal investigation, there was no evidence showing any violation of company regulations, and therefore the case has been dismissed. In the future, the company will continue to implement anti-corruption policies and establish a corporate culture of integrity.

Implementation Status of the Ethical Management Dedicated Unit

- The Board of Directors approved the "Ethical Corporate Management Best Practice Principles," agreeing that the Company's human resources unit will be responsible for formulating and implementing ethical business policies and prevention programs.
- Report the implementation of corporate integrity operations to the Board of Directors on an annual basis.
- We have set up an "Employee Code of Ethics," section on the EIP employee-exclusive information website, which includes related regulations on the Code of Integrity, whistleblowing channels, and case sharing.
- In addition to exercising the duty of care of a good administrator, the Board of Directors shall also supervise the implementation to enhance the effectiveness of ethical management.
- Distributed "Integrity Reminder Cards" to all colleagues in the Taiwan plants.
- In 2023, Taiwan plant areas will set the "Awareness on Business Integrity Course" (including four courses on Ethical Corporate Management Best Practice Principles, Employee Code of Ethics, Trade Secret Protection, and Insider Trading Laws and Case Studies) as a mandatory course for all employees. Employees need to watch the course videos and score 80 or above in the post-course test to complete the course, and also sign the "Statement of Business Integrity Principles." When the course started in October 2023, the number of people to be trained was 1,662, and all 1,662 completed the training and signed the declaration, achieving a 100% completion rate and signing rate.
- In 2023, the Kunshan and Wujiang plant areas respectively designated "RBA Knowledge Awareness" and "Integrity Management - Employee Ethics" as mandatory courses for all indirect employees. The number of people required to train and complete training at the Kunshan plant was 418, with a 100% completion rate; the number of people required to train at the Wujiang plant was 580, and 573 people completed the training, with a completion rate of 99%.

CH4
Eco-Friendly Environment

04

Material Topics

Climate Change

GRI

Energy

GRI

Emissions

Topic Boundary

Coretronic Taiwan and China Plants (Kunshan Plant, Wujiang Plant), Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Champ Vision Display, Suppliers/Contractors

Topic Importance

- Global warming and climate change have impacted the environment, and limited energy resources have increased operating costs for businesses. Therefore, it is necessary to actively implement energy-saving measures to address the impacts of climate change.
- In response to the impacts and challenges of climate change, and in line with the government's implementation of the "Greenhouse Gas Reduction and Management Act" and related control measures, with the goal of becoming a green factory, we continue to develop four major green action plans.

Strategies

Environmental Sustainability and Occupational Safety and Health Policy

Evaluation Mechanism

The Safety & Environmental and Factory Affairs Unit establishes annual goals, budgets, and plans, which are submitted to the Environmental Protection Committee for review. Implementation is carried out in accordance with the ISO 14064-1 GHG Inventory Standard, the ISO 14001 Environmental Management System Standard, and the ISO 50001 Energy Management System Standard, with control measures and corresponding solutions being implemented.

Performance

- GHG (Category 1 and 2) emissions from Taiwan and China plants decreased by 47% compared to 2021, achieving the near-term net zero target
- Taiwan and China plants passed ISO 14064-1 GHG verification
- Taiwan plants, Wujiang plants, and Coretronic Projection (Kunshan) all passed ISO 14001 Environmental Management System certification
- Taiwan plant, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou) , and Coretronic Projection (Kunshan) all passed ISO 50001 Energy Management System certification
- GHG (Category 1 and 2) emission intensity at Taiwan and China plants decreased by 23% and 41% respectively compared to 2021, achieving short-term targets
- Electricity consumption intensity at Taiwan and China plants decreased by 14% and 11% respectively compared to 2021, achieving short-term targets
- Waste output intensity at Taiwan and China plants decreased by 12% and 9% respectively compared to 2021, achieving short-term targets
- Water consumption at Taiwan and China plants decreased by 6% and 33% respectively compared to 2021, achieving short-term targets
- The proportion of renewable energy usage in annual electricity consumption was 7% and 20% for Taiwan and China plants respectively, achieving short-term targets

Goals

- 2024-2025: Continue implementing ISO 14001 and ISO 50001 at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; continue conducting ISO 14064-1 GHG inventories at Taiwan and China plants; reduce GHG (Category 1 and 2) emission intensity by 6% and electricity consumption intensity by 7% compared to 2021
- 2026-2028: Continue implementing ISO 14001 and ISO 50001 at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; continue conducting ISO 14064-1 GHG inventories at Taiwan and China plants; reduce GHG (Category 1 and 2) emission intensity by 10% and electricity consumption intensity by 10% compared to 2021
- 2029-2031: Continue implementing ISO 14001 and ISO 50001 at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; continue conducting ISO 14064-1 GHG inventories at Taiwan and China plants; reduce GHG (Category 1 and 2) emission intensity by 13% and electricity consumption intensity by 13% compared to 2021

04

4.1 Climate Change Management

To effectively reduce the massive impact of extreme climate on the economy, society, and environment, Coretronic introduced the TCFD (Task Force on Climate-Related Financial Disclosures) framework in 2020 to reassess climate change risks. By focusing on low-carbon products and green operations, the Company has formulated energy-saving and carbon reduction strategies to mitigate the greenhouse effect. Additionally, in response to the Paris Agreement, the Company set the Carbon Reduction targets based on the SBT 1.5°C scenario for absolute emission reductions. **The Group announced publicly its net-zero declaration in 2022, pledging to achieve "25% absolute reduction in GHG emissions (Category 1 and 2) by 2025, 50% absolute reduction in GHG emissions (Category 1 and 2) by 2032, and net-zero emissions by 2050."** [*] Simultaneously, it submitted a commitment letter to the SBTi and plans to submit science-based carbon reduction targets for review by April 2024: "**Based on the 2021 baseline, achieve an absolute reduction of 50.4% for Category 1 and 2 GHG emissions and 30% for Category 3-6 by 2032.**" The Company aims to achieve its net-zero vision through actively reducing fossil fuel use, increasing renewable energy usage, and implementing innovative low-carbon technology transitions. Additionally, considering the environmental costs of corporate carbon emissions and implement measures such as internal carbon pricing.

In 2023, the GHG inventory was conducted following the ISO 14064:2018 version to identify GHG emissions sources from Category 1 to 6. The organizational boundary includes the facilities under operational control of the Lixing Plant, Chunan Plant, Tainan plant 1 and plant 2 in Tainan Science Park, Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan). The total GHG emissions (Category 1 and 2) from Taiwan and China plants amounted to 25,325.9 tonCO$_2$e, a 47% decrease compared to 2021, significantly exceeding the expected net-zero pathway.

[*]Science Based Targets (SBT) aim to limit global warming within 1.5°C by scientifically calculating the reasonable carbon reduction quotas for global industries and enterprises.

[**]This report's GHG emissions items consider the ISO14064-1:2018 standard and SBTi definitions, presented as "Category 1 = Scope 1, Category 2 = Scope 2, Category 3-6 = Scope 3."

Environmental Indicator Strategies, Goals and Performance

▼ The following data is compared with base year 2021.

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

Task Force on Climate-Related Financial Disclosures (TCFD)

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

Identifying Climate Change Risks and Opportunities [201-2]

In the context of increasing attention to climate change regulations and net-zero targets, Coretronic actively participates and pays attention to international advocacy trends. In 2021, for the first time, it referenced the TCFD framework to identify climate change risks and opportunities and analyze potential financial impacts. The Company had re-identified and renewed those under-concerned items of risks and opportunities in 2023. In 2023, a total of 6 transition risks, 1 physical risk, and 7 opportunities were identified. For each risk and opportunity, a quantitative assessment of potential impact type, potential impact intensity, and likelihood of occurrence was conducted. Risks and opportunities were then graded and ranked based on the assessment results, and strategies were formulated to address risks and opportunities, in order to mitigate negative impacts and enhance organizational climate resilience, while creating future business opportunities. In addition to identifying climate change risks and opportunities, potential financial impacts of each item were also analyzed to develop relevant plans and strategies.

Climate Change Risk and Opportunity Matrix

● Transition Risks ● Physical Risks ● Transition Opportunities

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

Physical risks	
1	Social uncertainty/geopolitics

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

Potential Financial Impact Analysis of Climate Change Risk and Opportunity

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

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

Strategies for Addressing Climate Change Risks and Opportunities [201-2]

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

Transition risks/opportunities
Physical/other risks

Net Zero Target and Achievement Status

• Announced the commitment of "25% reduction in GHG (Category 1 and 2) emissions by 2025, 50% reduction by 2032, and achieving net zero by 2050," and joined domestic and international initiatives such as the Taiwan Climate Partnership, Taiwan Alliance for Net Zero Emissions, TCFD, CDP, and SBTi.

• In 2022, submitted a commitment letter to SBTi, setting targets based on the SBT 1.5°C pathway. In September 2023, officially submitted the science-based targets to SBTi – "Using 2021 as the base year, achieve an absolute reduction of 50.4% in GHG (Category 1 and 2) emissions and 30% in Category 3-6 emissions by 2032." It was expected to obtain the verification in April, 2024.

• Being invited to complete the CDP for 5 consecutive years, in 2023, it received a B (Management Level) rating for climate change, higher than the industry, Asian and global average levels (C). Among them, "Category 1 and 2 Emissions and Verification" and "Business Strategy, Financial Planning and Scenario Analysis" each received an A and A- (Leadership Level) respectively. The water security rating received a B (Management Level), higher than the industry, Asian and global average levels (C), with "Business Impact" and "Water Risk Assessment" both receiving an A (Leadership Level). The supplier engagement rating received the highest rating of A (Leadership Level), better than the industry, Asian and global average levels (C), with "Supplier Engagement," "Scope 3 emissions" and "Target Achievement" each receiving A, A and A- (Leadership Level) respectively.

• In 2023, the total GHG emissions (Category 1 and 2) from Taiwan and China plants amounted to 25,325.9 tonCO$_2$e, a **47% decrease** compared to 2021, with the absolute reduction **significantly exceeding** the expected net-zero pathway.

Greenhouse Gas and Energy Management

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

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

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

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

Strategies	2023 Results
• Environmental Protection Committee established environmental sustainability policies and regularly reviews carbon reduction performance to achieve GHG reduction targets. • Implement ISO 14064-1 GHG inventory and pass the verification. • Set SBTi carbon reduction targets. • The Environmental Protection Committee established the Sustainable Energy Committee, to strengthen its net-zero trajectory and energy solutions, and regularly review energy-saving performance to achieve energy-saving goals. • Introduce ISO 50001 energy management system to identify opportunities for energy reduction. • Improve energy efficiency and usage rate through regular maintenance, improvements, equipment replacement, process optimization, and system integration. • Review energy consumption status of each plant area and formulate corresponding energy-saving measures. • Build solar power generation systems to increase the use of renewable energy to achieve renewable energy usage targets. • Formulate short-, mid-, and long-term green product targets, specific implementation items, and measurement indicators.	• Taiwan and China plants passed ISO 14064-1 GHG verification. • The GHG (Category 1 and 2) emission intensity of Taiwan and China plants increased by 0% and 14% respectively compared to 2022; decreased by 23% and 41% respectively compared to 2021. • The total GHG Category 1 and 2) emissions of Taiwan and China plants were 25,325.9 tonCO$_2$e, a 47% reduction compared to 2021, with the absolute reduction significantly exceeding the expected net zero pathway. • All 4 Taiwan plants passed ISO 50001 energy management system certification; Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) passed certification for the first time. • The electricity consumption intensity of Taiwan and China plants increased by 11% and 17% respectively compared to 2022; decreased by 14% and 11% respectively compared to 2021. • The annual renewable energy usage of Taiwan and China plants was 950,000 kWh and 5.81 million kWh respectively, accounting for 7% and 20% of their annual electricity consumption. • Since 2015, Taiwan and China plants have implemented 359 energy-saving projects, saved 30.21 million kWh and reducing 17,547 tonCO$_2$e.

▶ Greenhouse Gas Inventory [305-1, 305-2, 305-3, 305-4, 305-5]

- We conduct an annual GHG inventory in accordance with ISO 14064-1, which includes 7 types of gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFC$_s$), perfluorocarbons (PFC$_s$), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). This allows us to fully understand the current status of GHG emissions and verify the effectiveness of our reduction efforts. Although we are not currently subject to regulatory requirements for inventory and emission control, we have set staged targets for reducing GHG emissions and conduct annual reviews to continuously improve. Additionally, by monitoring energy consumption, improving equipment efficiency, managing energy usage, and installing renewable energy facilities, we are maximizing energy efficiency and striving toward our low-carbon goals through data-driven scientific management as much as possible.

- In 2023, the GHG emissions (Category 1 and 2) from Taiwan plants decreased by 18% compared to 2022 and by 20% compared to 2021. This was due to the implementation of various energy-saving measures at the factories, such as installing solar power generation systems, introducing magnetic levitation ice water chillers, monitoring equipment power usage, reducing energy consumption, managing night-time energy use, and improving lighting energy efficiency. At the same time, the use of renewable energy helped reduce the consumption of purchased electricity, achieving the benefit of GHG reduction. The decrease in the emission intensity of Category 3-6 compared to 2022 was due to reductions in Category 4 - "Purchased goods, disposal of solid and liquid waste, asset use." In China, GHG emissions (Category 1 and 2) from the plants decreased by 15% compared to 2022 and by 53% compared to 2021. This was because the plants set carbon reduction targets and implemented renewable energy and various energy-saving measures to address climate change, strengthening energy usage management. Solar power generation systems were also installed at the China plants, with renewable energy accounting for 20% of annual electricity consumption. Through energy conservation and the renewable energy usage, purchased electricity usage was reduced, achieving GHG emission reductions. The combined GHG emissions (Category 1 and 2) from Taiwan and China plants totaled 25,325.9 tonCO$_2$e, representing an absolute reduction of 47% compared to 2021.

- To promote industrial decarbonization, in 2023 the scopes of GHG inventory for China factories has been expanded to include Category 4 - "Purchased goods, disposal of solid and liquid waste, asset use." This means that all procured materials and customer-supplied materials will be included in the inventory. As a result, Category 4 emissions have increased significantly. Going forward, we will actively cooperate with suppliers to improve manufacturing processes in order to reduce Category 4 emissions.

Region	Taiwan			China		
Indicators/Year	2021	2022	2023	2021	2022	2023
Direct Emissions - Category 1 (tonCO$_2$e)	223.1	246.1	238.3	678.8	1,655.5	1,824.7
Indirect Emissions - Category 2 (tonCO$_2$e)	7,985.1	7,726.6	6,324.3	38,858.2	20,382.9	16,938.6
Total GHG Emissions Category 1 and 2 (tonCO$_2$e)	8,208.2	7,972.7	6,562.6	39,537.0	22,038.4	18,763.3
GHG Category 1 and 2 Emissions Intensity (tonCO$_2$e/NT$ million)[1]	0.31	0.24	0.24	0.99	0.51	0.58
Indirect Emissions - Category 3 (tonCO$_2$e)[4]	1,493.1	1,307.7	1,422.3	-	59,964.2	8,112.7
Indirect Emissions - Category 4 (tonCO$_2$e)[4]	6,158.6	41,511.1	12,085.7	-	563,858.6	1,668,599.3
Total GHG Emissions Category 1 to 6 (tonCO$_2$e)	15,859.8	50,791.5	20,070.6	-	645,861.1	1,695,475.3
GHG Category 1 to 6 Emissions Intensity (tonCO$_2$e/NT$ million)[1]	0.59	1.52	0.74	-	14.80	52.37

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

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

3: The carbon emission factor for electricity at Taiwan plants in 2023 is referenced from the Energy Bureau's carbon emission data, 1 kWh = 0.495 kgCO$_2$e; the carbon emission factor for electricity at China plants is referenced from the Ministry of Ecology and Environment of People's Republic of China's "Notice on Properly Handling Greenhouse Gas Emission Reporting Management for Power Generation Enterprises in 2023-2025", 1 kWh = 0.5703 kgCO$_2$e. The GWP values are cited from the global potential value and inventory scope refer to the operational control approach of 201 IPCC's 6th Assessment Report.

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

► **Energy Management System**

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

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

▶ Energy Usage Status [302-1, 302-3, 302-4]

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

- Taiwan plants increased the renewable energy usage by 854 MWh compared to 2022, and China plants increased the use of renewable energy by 638 MWh compared to 2022. The annual use of renewable energy accounted for 16% of the purchased electricity.
- Compared to 2022, the purchase of external electricity at Taiwan plants decreased by 15%, and the purchase of external electricity at China plants decreased by 17%. The total electricity consumption at Taiwan and China plants decreased by 12% compared to 2022.
- The energy consumption at Taiwan and China plants decreased by 9% and 14% respectively compared to 2022 and decreased by 13% and 26% respectively compared to 2021. The total energy consumption at Taiwan and China plants decreased by 13% compared to 2022.
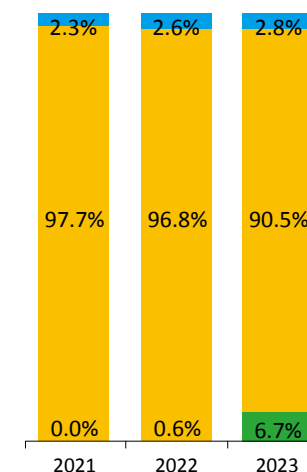
Region		Taiwan			China		
Item/Year	Category	2021	2022	2023	2021	2022	2023
Direct Energy — Renewable Energy [1] (MWh) [2]	Renewable	0	96	950	0	5,171	5,809
Direct Energy — Purchased Electricity (MWh)	Non-Renewable	15,907	15,105	12,776	49,016	35,741	29,701
Indirect Energy — Liquefied Petroleum Gas (MWh)	Non-Renewable	0	0	0	0	0	0
Indirect Energy — Natural Gas (MWh)	Non-Renewable	233	245	284	1,234	2,198	1,217
Indirect Energy — Diesel (MWh)	Non-Renewable	30	32	25	310	184	175
Indirect Energy — Gasoline (MWh)	Non-Renewable	104	123	93	1,057	648	1,090
Total Consumption (MWh)		16,274	15,601	14,128	51,617	43,942	37,992
Energy Consumption Intensity (MWh/NT$ million) [3]		0.61	0.47	0.52	1.29	1.01	1.17

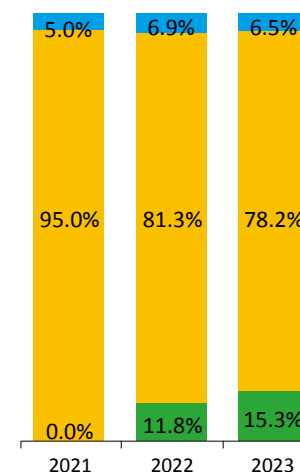1: Includes electricity consumption from self-generated solar power and green power wheeling.
2: 1 MWh = 0.0000036GJ
3: Coverage of revenue: Taiwan plants include Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistic Solutions. China plants include Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).

Annual Energy Consumption Ratio in Taiwan Plants

	2021	2022	2023
Indirect Energy	2.3%	2.6%	2.8%
Direct Energy - Electricity	97.7%	96.8%	90.5%
Direct Energy - Renewable Energy	0.0%	0.6%	6.7%

Annual Energy Consumption Ratio in China Plants

	2021	2022	2023
Indirect Energy	5.0%	6.9%	6.5%
Direct Energy - Electricity	95.0%	81.3%	78.2%
Direct Energy - Renewable Energy	0.0%	11.8%	15.3%

- ■ Indirect Energy - Natural Gas, Diesel, Gasoline
- ■ Direct Energy - Electricity
- ■ Direct Energy - Renewable Energy

▶ Energy Conservation Measures and Performance

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

Region/Year	Taiwan				China				Taiwan and China
Item	2021	2022	2023	Efficiency 2023 vs. 2022	2021	2022	2023	Efficiency 2023 vs. 2022	Efficiency 2023 vs. 2022
Energy saved through energy-saving measures (MWh)	2,346	1,827	741	Total electricity consumption reduced by 1,475 MWh (10%)	2,111	13,473	1,325	Total electricity consumption reduced by 5,402 MWh (13%)	Total electricity consumption reduced by 6,877 MWh (12%)
Carbon reduction (tonCO$_2$e) of energy-saving measures	1,178	904	367		1,672	7,684	756		
Total electricity consumption (MWh) [1]	15,907	15,201	13,726		49,016	40,912	35,510		
Energy consumption intensity (MWh/ NT$ million) [2]	0.59	0.46	0.51		1.23	0.94	1.10		

1: Includes purchased electricity renewable energy (electricity consumption from self-generated solar power and green power wheeling).
2: Coverage of revenue: Taiwan plants include Coretronic, Young Green Energy, uCare Medical Electronics, Champ Vision Display, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Innospectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistic Solutions. China plants include Coretronic Display (Suzhou), Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).

▶ **Renewable Energy**

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

2023 Results

👍 Completed the installation and power generation of solar power systems at the Chunan Plant, Tainan Plant 1, and Tainan Plant 2.

👍 Taiwan plants' solar power systems generated a total of 851,229 kWh, with 99,000 kWh of renewable energy used through the green power wheeling model, representing a 455% increase in total consumption compared to 2022 and accounting for 7% of the annual total electricity consumption, achieving the short-term goal.

👍 China plants' solar power systems generated a total of 5,808,852 kWh, a 12% increase compared to 2022, accounting for 20% of the annual total electricity consumption and achieving the short-term goal.

👍 Taiwan plants' renewable energy usage increased by 854 MWh compared to 2022, while China plants increased by 638 MWh.

👍 The renewable energy usage accounted for 6.7% and 15.3% of overall energy consumption at Taiwan plants and China plants, respectively, representing an increase of 6.1% and 3.5% compared to 2022.

👍 The renewable energy usage accounted for 16% of the annual total electricity consumption at Taiwan and China plants, resulting in a reduction of 3,783 tonCO$_2$e.

1: The electricity usage in the above table indicate the purchased electricity.
2: China plants' emission factor used is 0.5703 tonCO$_2$e/MWh, which is the 2023 national grid average emission factor in China.

04

Material Topics

Waste Management

GRI

Waste

Topic Boundary

Coretronic Taiwan and China Plants (Kunshan Plant, Wujiang Plant), Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, Suppliers/Contractors

Topic Importance

Reducing environmental impact at all stages of the product lifecycle is one of the Company's key environmental indicators

Strategies

Properly handle waste in accordance with environmental sustainability and occupational safety and health policies, continuously improve waste recycling and reduction rates, and establish goals and regularly track and review them.

Operating Mechanism

- Implement control measures and corresponding solutions in accordance with the ISO 14001 environmental management system standards, achieve waste reduction goals through measures such as increasing resource utilization of waste, increasing recycling and reuse rates, implementing waste classification, and promoting in-depth education.

Performance

- The waste generation intensity at the Taiwan plant decreased by 6% compared to 2022 and decreased by 12% compared to 2021, achieving the short-term goal.
- The waste generation intensity at the China plant decreased by 13% compared to 2022 and decreased by 9% compared to 2021, achieving the short-term goal.
- Implemented packaging recycling, circular economy, and chemical container light weighting and reduction programs, resulting in a reduction of 776 tonCO$_2$e and cost savings of NT$170,000 in material procurement and waste treatment fees.
- Audited 38 waste disposal contractors in Taiwan and China plants, with a 100% completion rate.

Goals

- 2024-2025: Continue to implement the ISO 14001 environmental management system at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; reduce waste generation intensity at Taiwan and China plants by 5% compared to 2021.
- 2026-2028: Continue to implement the ISO 14001 environmental management system at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; reduce waste generation intensity at Taiwan and China plants by 8% compared to 2021.
- 2029-2031: Continue to implement the ISO 14001 environmental management system at Taiwan, Wujiang, and Coretronic Projection (Kunshan) plants; reduce waste generation intensity at Taiwan and China plants by 11% compared to 2021.

04

4.2 Waste Management [306-1, 306-2]

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

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

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

Strategies	2023 Results
• Strengthen waste management and increase resource recycling rate • Design waste reduction and material reduction products to minimize waste generation • Prioritize the use of recycled materials to reduce waste and implement circular utilization • Commission legal contractors to handle waste disposal	• The waste intensity of Taiwan and China plants decreased by 6% and 13% respectively from 2022, and decreased by 12% and 9% respectively from 2021, achieving short-term targets. • Promoted 6 packaging recycling and reuse projects, reducing 770 tonCO₂e and saving NT$110,000 in wooden pallet procurement and waste disposal costs. • The Tainan Plant 1 promoted tray recycling and remanufacturing, recycling 0.3 tons of trays in 2023, reducing 0.6 tonCO₂e. • The Kunshan and Coretronic Optics (Suzhou) plants implemented chemical container weight reduction and volume reduction measures, reducing a total of 1.8 tons of hazardous waste and 0.5 tonCO₂e, and saving NT$39,000 in waste disposal costs. • Taiwan and China plants conducted audits on 38 waste disposal contractors, with a 100% audit completion rate.

Waste Generation Status [306-3, 306-4, 306-5]

Coretronic is fully committed to the three principles of waste reduction, reuse, and recycling. By incorporating a circular economy into product manufacturing and strengthening measures such as source reduction and pollution prevention, we continuously optimize waste management performance.

We categorize waste based on its environmental impact into hazardous and non-hazardous waste. Non-hazardous waste is further divided into household, recyclable, reusable, and general industrial waste, which are managed in five categories according to their treatment methods. Apart from general and recyclable waste, other waste is generated from manufacturing processes. In 2023, the waste output of Taiwan plants was 380.6 tons, of which hazardous waste accounted for 1%, non-hazardous directly disposed waste accounted for 45%, and non-hazardous recycled waste accounted for 54%. China plants produced a total of 4,099.8 tons of waste, of which hazardous waste accounted for 1%, non-hazardous directly disposed waste accounted for 13%, and non-hazardous recycled waste accounted for 86%.

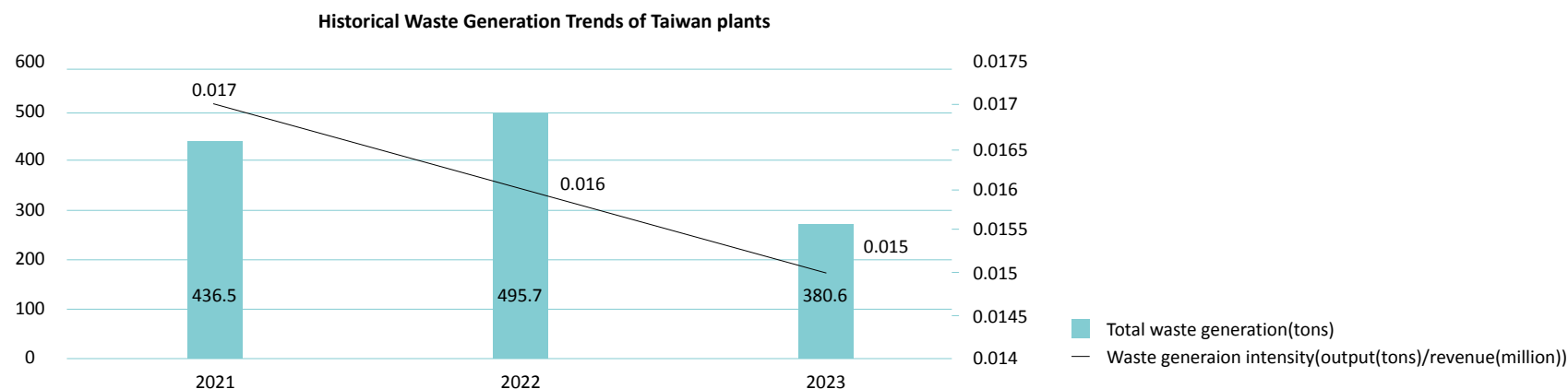| Category	Region	Taiwan			China	
	Item/Year	2021	2022	2023	2022	2023
Hazardous waste[1]	Total	4.1	4.2	4.3	24.2	39.5
	Direct disposal - incineration only	3.1	2.8	1.8	7.1	7.9
	Direct disposal - other disposal operations	1.0	1.4	2.5	0	0
	Recycle - reuse for original purpose	0	0	0	6.0	21.7
	Recycle - recycling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

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

Historical Waste Generation Trends of Taiwan plants

Chart legend:
- Total waste generation(tons)
- Waste generaion intensity(output(tons)/revenue(million))

Data shown: 2021: 436.5 (0.017); 2022: 495.7 (0.016); 2023: 380.6 (0.015)

Waste Reduction Strategy

▶ **Packaging Material Reuse**

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

▶ **Circular Economy Alliance**

- Reuse of wooden pallet prototypes: Since 2017, Coretronic has cooperated with local transportation suppliers for 7 consecutive years to recycle and reuse pallet prototypes for logistics transportation. From 2017 to 2023, a total of 493 tons of wooden pallets were recycled, reducing 1,016 tonCO$_2$e and saving NT$2.25 million in the cost of purchasing new pallets and waste disposal fees.
- Trays recycling and reproducing: The Tainan Plant 1 promoted tray recycling and reproducing. From 2021 to 2023, a total of 1.7 tons of trays were recycled, reducing 3.5 tonCO$_2$e.

▶ **Lightweight Chemical Containers**

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

🔴NEW **Chemical Reduction**

The Wujiang plants promoted green factories by implementing automated assembly equipment for production, reducing the purchase of isopropanol for cleaning and the containers for storing isopropanol. In 2023, a total of 0.7 tons of waste output and 0.2 tonCO$_2$e were reduced, saving RMB 3,430 (approximately NT$15,000) in waste disposal fees.

▶ **End-of-Product Treatment Tracking**

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

04

4.1
Climate Change Management

4.2
Waste Management

4.3
Water Resource Management

4.4
Green Products

4.5
Green Enterprise
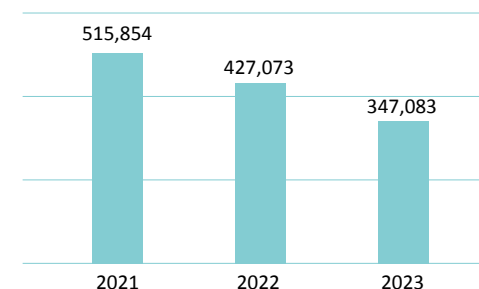
4.3 Water Resource Management

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

Water Resource Management Strategy

▶ Pursue maximized water efficiency

▶ Enhance the importance and conservation of water resources in the upstream and downstream value chains

▶ Set water-saving targets and review them regularly to achieve water-saving goals

▶ Continuously promote various water-saving programs

▶ Discover feasible water-saving measures through daily

▶ Promote water resource education and improve stakeholders' water literacy

Historical Water Usage Trend in Taiwan Plants (tons)

Year	Value
2021	74,171
2022	75,562
2023	69,405
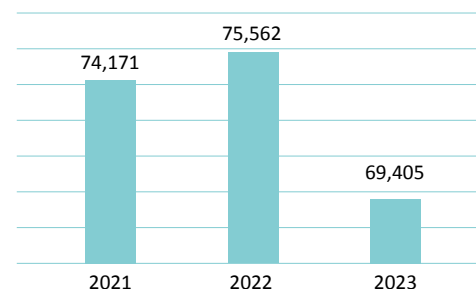
Historical Water Usage Trend in China Plants (tons)

Year	Value
2021	515,854
2022	427,073
2023	347,083

Water Usage Status

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

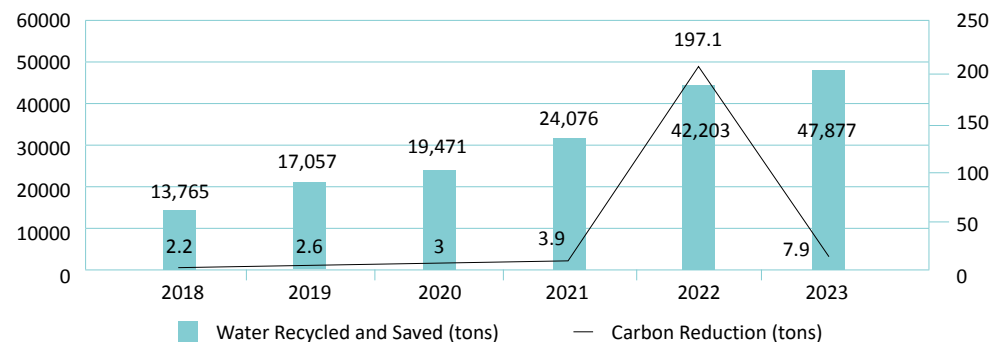### Water Saving Measures – Recycling Systems and Water Saving Devices

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

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

Water Saving Performance

Region	Taiwan				Taiwan and China	
Item/Year	2018	2019	2020	2021	2022	2023
Water Saved (tons)	11,769	14,212	16,405	16,822	27,956	30,297
Water Recycled (tons)	1,996	2,845	3,066	7,254	14,247	17,580
Water Recycled and Saved (tons)	13,765	17,057	19,471	24,076	42,203	47,877
Carbon reduction (tonCO₂e)[1]	2.2	2.6	3	3.9	197.1	7.9

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

Trends of Annual Water-Saving Performance

Year	Water Recycled and Saved (tons)	Carbon Reduction (tons)
2018	13,765	2.2
2019	17,057	2.6
2020	19,471	3
2021	24,076	3.9
2022	42,203	197.1
2023	47,877	7.9

■ Water Recycled and Saved (tons)　— Carbon Reduction (tons)

04

Material Topics
Green Process and Product Management

GRI
Energy

GRI
Emissions

Topic Boundary

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

Topic Importance

Based on the product life cycle, develop eco-friendly products that reduce environmental impact, improve energy efficiency, are easy to disassemble and recycle, and are low-carbon and environmentally friendly, with the goal of "providing convenient, safe and energy-saving sustainable products" together with suppliers and customers

Strategies

Integrate green thinking into development technology, introduce environmentally friendly materials for product development, and achieve the goals of material reduction, energy reduction, and reduced environmental impact

Operating Mechanism

The "Green Product Development Team for Projectors" and the "Green Product Research and Development Team" establish and plan annual goals, budgets, and plans

Performance

- Self-developed "Product Carbon Footprint Inventory Platform" and completed architectural design
- Three EX1 laser projector models and two LCD display models passed ISO 14067 verification
- Conducted product carbon footprint self-inventory for 8 consecutive years, with each 14-inch backlight module having a carbon footprint of 1.89 kgCO_2e
- Continuously optimized projector optoelectronic design, estimated to save 16.29 million kWh of electricity and reduce 8,290 tons of carbon emissions annually
- Specific projector platform extended to specific models with replaceable lenses, estimated to save 28,000 kWh of electricity and reduce 14.3 tons of carbon emissions annually
- Used 50% recycled plastic material (PCR) for product enclosures, accounting for 7% of mainstream and commercial projector annual shipments
- Used paper boxes made of FSC or recycled pulp as shipping boxes, accounting for 72% of annual projector shipments, achieving short-term goal
- Used eco-friendly cushioning materials as packaging, accounting for 77% of mainstream and smart projector annual shipments, achieving short-term goal
- Developed high-efficiency backlight modules, reducing power consumption by 5.7%, achieving short-term goal
- Introduced recycled aluminum into new laptop models, with an introduction rate of 3%, achieving short-term goal
- Adopted DHL's "GoGreen Plus Sustainable Air Solution" to reduce transportation carbon emissions by 17%
- Green raw material total procurement amount accounted for 93% of total raw material procurement amount

Goals

Indicators/Year	Short-Term(2024-2025)	Mid-Term(2026-2028)	Long-Term (2029-2031)
Product Carbon Footprint Inventory	• Plan and build platform • Self-inventory • ISO 14067	Inventory new product carbon footprint	Inventory all product carbon footprints
Shipment ratio of mainstream and commercial projectors using post-consumer recycled (PCR) materials	10%	15%	30%
Shipment ratio of mainstream and smart projectors using eco-friendly buffer materials	66%	74%	75%
Shipment ratio of projectors using FSC or recycled pulp paper boxes	50%	75%	92%
Percentage of reduced power consumption by high-efficiency backlight modules	5%	10%	10%
Proportion of new developed NB models introducing recycled aluminum materials	3%	4%	6%

04

4.4 Green Products [305-5]

Coretronic regards green products as one of the cornerstones of corporate net-zero development, and with sustainable development and SBTi decarbonization path as the core, it formulates green product development strategies and sets clear short-, mid-, and long-term goals. In the concepts of green design and the research, development, and production of green products, the Company promotes green technology innovation, energy-saving technology application, and enhancement of material sustainability, introduction of environmentally friendly and low-carbon materials, eco-friendly packaging, and green transportation, among other sustainable practices. Not only has it achieved breakthroughs in energy conservation and emission reduction, but it has also strived to launch more innovative green products.

The Company also actively collaborates with customers to implement the concept of product recycling and reuse. Through machine recycling, material refurbishment, and performance enhancement, it restores product performance and reuses the products, significantly reducing the use of raw materials and extending the product life cycle. Furthermore, it has established a robust green supply chain with suppliers, requiring them to meet environmental standards and jointly reducing the environmental impact of the supply chain. The diverse green product strategies not only meet market and customer demands but also effectively reduce the carbon footprint of the Company's products. It is expected that in the future, it will lead the trend of green products and provide a more diverse range of environmentally friendly products to the global market.

Green Design [302-5]

▶ R&D Patents: Incorporating green thinking into R&D technology, actively applying for R&D patents to design green products and help customers save energy and reduce carbon emissions. In 2023, Taiwan plants' proposals related to energy saving and carbon reduction accounted for 60% of the total number of proposals, an increase of 3% compared to 2022.

▶ Projector and Visual Solutions

• Continuously optimizing the optical design of projectors to enhance overall product performance, estimated to save approximately 16.29 million kWh of electricity and reduce 8,290 tons of carbon emissions annually.

(NEW) The G50-W7 projector platform has extended to specific models with replaceable lenses, offering field application and energy-saving benefits, estimated to save approximately 28,000 kWh of electricity and reduce 14.3 tons of carbon emissions annually.

(NEW) Specific smart projector models prioritize the use of solar-powered remote controls and reduce the use of a single component by 50%, effectively reducing material consumption and environmental impact.

(NEW) Collaborated with customers to initiate the D32 platform key component revitalization program, using core technology to improve the quality of key components, making them easy to disassemble and recycle. Recycled components can be reused in the product manufacturing process, achieving a 60% recycling rate.

• Solid-state light source (SSI) projectors are more energy-efficient than lamp projectors. The EX1 laser projector, compared to lamp projectors of the same level, can save 45% in energy consumption.

• Power consumption in standard operating mode and standby mode complies with the energy-saving standards set by the European Union.

• Automatic power-off safety feature (including automatic power-off for no signal source and sleep mode).

• Reduced the need for post-processing designs (such as electroplating, painting, printing) depending on the product category.

• Adopted environmentally friendly solid-state light sources (SSI) such as LED and laser, as well as other mercury-free materials, to introduce completely mercury-free projectors.

• Compared to traditional lamp projectors, the lifespan of the light source in LED and laser projectors can be up to 5 times longer, eliminating the need for lamp replacement and reducing environmental impact.

(NEW) Backlight Module and Energy-Saving Product Solutions

• Developed high-efficiency backlight modules to reduce energy consumption: Optimized optical film materials and light guide plate microstructure design, allowing the light source in the light guide plate to provide higher efficiency after interacting with the optical film, effectively reducing energy consumption. The energy-saving rate of newly developed LCD display modules in 2023 reaches 5.7%.

• Introduced recycled aluminum materials into newly developed laptops: In collaboration with customers, recycled aluminum materials were added to the back cover of newly developed laptop models, and the proportion of models with recycled aluminum will gradually increase. In 2023, newly developed laptop models containing recycled aluminum accounted for 3% of the annual newly developed models.

Green Raw Material

▶ Strategies

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

▶ Performance

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

Green Production [305-5]

🔴NEW Project Teams

- Projector Product Green Development Team: The highest executives of the mainstream, commercial, and smart projector business groups appointed the R&D managers to form the Green Development Team. This team leads a comprehensive review of the carbon emissions generated during the projector product development and design processes. Implementing environmentally friendly designs based on the product characteristics and advantages, gradually conducting product carbon footprint assessments and establishing a comprehensive product carbon footprint database. Through continuous product optimization and performance enhancement, aiming to achieve carbon reduction targets.
- Green Product R&D Team: Focuses on developing products with the core concept of green design, emphasizing "low energy consumption," "lightweight design," and "use of recycled materials." In 2023, regular working group meetings will be held, and 28 product development projects will be proposed, including the introduction of recycled aluminum alloy back panels into new laptop models, the development of high-efficiency backlight modules to reduce energy consumption, and the continued adoption of low-carbon light guide plate technology and lightweight optical films to meet customer demands and mass production requirements.

▶ Product Carbon Footprint Inventory

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

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

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

14-inch Backlight Module Life Cycle Stage Emission Statistics (kg/pcs)

Raw Material Acquisition Stage: 1.02
Manufacturing Stage: 0.87
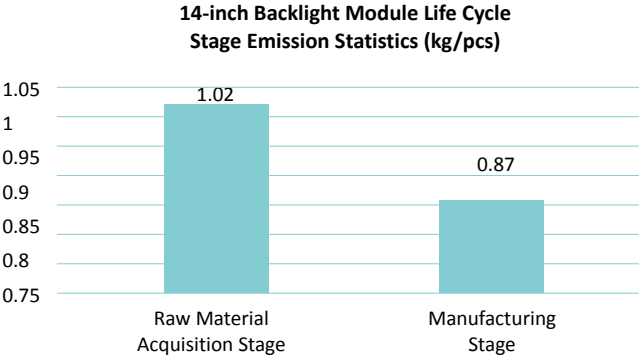
▶ Process Energy Saving Improvement
- Chunan Plant's backlight module process adjusted the production temperature, saving 0.25 kWh per hour. In 2023, with 2,663 production hours, 666 kWh were saved, reducing 0.3 tons carbon emissions.
- (NEW) Coretronic Optics (Suzhou) introduced a cold bending process to replace the traditional hot bending process. For the 12.3-inch automotive touch display, the material was processed by cold bending, reducing carbon emissions by 30% per unit area. In 2023, 10,102 automotive touch displays were manufactured, with a processing area of 5,441.2 square feet, reducing 81.6 tons carbon emissions.

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

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

Green Packaging

▶ Environmental Cushioning Materials: For mainstream and smart projectors, eco-friendly cushioning materials such as pulp molding and paper folding are used for shipping, accounting for 77% of the annual shipments of mainstream and smart projectors.

▶ Shipping Boxes Made from Recycled Pulp: For projector shipments, shipping boxes made from FSC-certified or recycled pulp paper products are used, accounting for 72% of the annual projector shipments.

▶ Recycling and Remanufacturing of Waste Trays: When trays have been recycled multiple times and the quality no longer meets the usage conditions, all waste trays are entrusted to the tray supplier for remanufacturing, aiming to achieve the goals of "waste resource utilization, alternative to natural resource extraction, complete material recycling, and zero waste." In 2023, a total of 5,340 waste trays were recycled and remanufactured, reducing 0.3 tons of waste and 0.6 tons of carbon emissions.

Green Transportation

▶ Optimized the overall volume design of the EX1 laser projector, increasing the sea transportation loading rate by 16.6%, estimated to reduce carbon emissions by 3 kg (5.3%) per unit.

(NEW) Optimized the overall volume design of the G50 projector platform, increasing the sea transportation loading rate by 74%, estimated to reduce carbon emissions by 129 kg (26.9%) per unit.

▶ With green transportation as the main focus, a carbon reduction strategy was formulated. While ensuring timeliness, goods originally requiring air transportation were shifted to sea transportation with lower carbon emissions. In 2023, goods originally requiring air transportation were shifted to sea transportation, reducing carbon emissions by nearly 4 tons (23%).

(NEW) To enhance the benefits of transportation carbon reduction, DHL's "GoGreen Plus Sustainable Aviation Solution" was adopted starting in 2023, utilizing sustainable aviation fuel for transportation, reducing GHG emissions and logistics-related carbon emissions. In 2023, the total carbon emissions decreased from 87 tons to 72 tons, with a reduction of 15 tons, representing a 17% decrease in the annual total.

04

4.5 Green Enterprise

Climate change has become the most prominent and impactful sustainable issue globally in recent years. Coretronic, with its core philosophy of "Environmental Sustainability 4G Force," continues to implement eco-friendly measures and the "Green Life Practice Program," inviting green partners to participate in "Green Earth, Green Action, and Green Knowledge." By enhancing employees' awareness of energy conservation and environmental protection and reducing office water consumption and carbon dioxide emissions, Coretronic aims to create a green factory. With the green culture, we hope to expand our impact, devoting ourselves to mitigating the environmental effects of climate change.

In 2023, Coretronic organized the "Turning off Lights for One Hour" event, inviting 111 suppliers and 18 local elementary schools to participate, with nearly 20,000 people responding. The Company also shared its internal environmental education online courses on the Coretronic APP, allowing employees and their families to watch together, expanding the reach of environmental education. Coretronic also actively engage in environmental charity activities and respond local government needs by adopting public toilets and coastlines. Additionally, we convert the benefits of the environmental activities into donation, thereby expanding the impact from with to the outside.

2023 Results

- Held 18 environmental protection events with a total of 30,167 participants; Taiwan Plants recruited 63 environmental volunteers.
- Offered environmental education courses with a total of 15,975 hours of environmental education time for the year.
- For the "Turning off Lights for One Hour" event on World Earth Day, 19,117 people participated, saving 2,020 kWh of electricity and reducing 1.1 tons of carbon emissions.
- On World Car Free Day, China Plants initiated a "Car Free Day" event, with 1,752 participants, reducing fuel-powered vehicle travel by 29,713 kilometers and reducing carbon emissions by 7 tons.
- Taiwan Plants expanded the "Environmental Product Redemption" event, with 500 participants, collecting 7,463 batteries, 374 CDs, and 2,096 aluminum cans, as well as collecting 481 receipts and 30 second-hand books.
- Taiwan Plants adopted 5 public restrooms, benefiting 430,000 residents, and provided water-soluble toilet paper to reduce waste and carbon emissions by 3.7 tons.
- The "Climb the Stairs" activity accumulated a total of 25.84 million steps, saving 380,000 kWh of electricity and reducing 188 tons of carbon emissions.

▶ Achievements of the Green Living Implementation Program

Year / Item	Content	2021	2022	2023
Green Earth	World Earth Day Events	• 4,471 participants in environmental protection activities • 7,526 person-hours of environmental education • Taiwan plants published thematic environmental protection knowledge posters monthly • Taiwan plants adopted 1 km of Long Fong Fishing Port • Held 1 annual beach cleaning event • Taiwan plants completed 2,943 green points • "Turning off Lights for One Hour" reduced carbon emissions by 0.4 tons • Taiwan plants adopted 4 public toilets • Sponsored 2,000 bottles of straw decomposer for farmlands in Hsinchu County • Taiwan plants sponsored NT$579,000 for environmental protection charity	• 21,446 participants in environmental protection activities • 4,589 person-hours of environmental education • Taiwan plants published thematic environmental protection knowledge posters monthly • Taiwan plants adopted 1 kilometer of Long Fong Fishing Port • Held 4 annual Clean Mountain and Water events • Taiwan plants completed 4,174 green points • "Turning off Lights for One Hour" reduced carbon emissions by 1 tons • Taiwan plants adopted 5 public restrooms • Sponsored 2,000 bottles of straw decomposer for farmlands in Hsinchu County • Taiwan plants sponsored NT$549,000 for environmental protection charity • Three World Earth Day events had 19,121 participants	👍 30,167 participants in environmental protection activities, an increase of 41% compared to 2022 • 15,975 person-hours of environmental education, an increase of 248% compared to 2022 • Published thematic environmental protection knowledge posters regularly 👍 Taiwan plants adopted 1 kilometer of Long Fong Fishing Port • Held 3 annual Clean Mountains and Water events • Taiwan plants completed 4,697 green points, an increase of 13% compared to 2022 👍 "Turning off Lights for One Hour" reduced carbon emissions by 1.1 tons • Taiwan plants adopted 5 public toilets, with sponsorship amount increased by 126% 👍 Sponsored 2,000 bottles of straw decomposing bacteria to farmlands in Hsinchu County 👍 Taiwan plants sponsored approximately NT$685,000 for environmental protection charity, an increase of 25% compared to 2022 👍 Five World Earth Day events had 28,021 participants, an increase of 47% compared to 2022
Green Knowledge	Environmental Education e-Platform Environmental Themed Posters Ecological Environmental Education Environmental Education Courses			
Green Action	Coastline and Public Toilet Adoption Environmental Charity Mountain and Ocean Cleaning Green Earth Point Accumulation Community Feedback			

(1) Green Earth

Earth Day Themes		Program	2023 Results	28,021 Responses
World Water Day (NEW)		**Conserve Water Together**	• Kunshan plants saved water by "turning off two-thirds of the taps for domestic water use," raising awareness of water conservation among employees. • 1,409 participants, reducing water usage by about 6.1% of the average daily usage, reducing carbon by 0.14 tons.	
Earth Day		**Turning off Lights for One Hour**	• The "Turning off Lights for One Hour" event was held for the 4th consecutive year. • Taiwan and China's 9 plants, 18 elementary schools, and 111 suppliers responded, with a total of 19,117 participants, saving 2,020 kWh of electricity and reducing carbon emissions by 1.1 tons.	
		Green Exchange	• Taiwan plants invited employees to recycle used batteries, CDs, aluminum cans, PET bottles, aluminum foil packs, second-hand books, and receipts in exchange for eco-friendly products. • 500 participants, recycling 7,463 batteries, 374 CDs, and 2,096 aluminum cans. • 481 receipts were collected and donated to the "World Peace Association" and the "Taiwan Environmental Information Association," and 30 second-hand books were sold, with the proceeds donated to the "Homeless Taiwan Association."	
World Car-Free Day		**Green Travel Day**	• To reduce the use of fuel-powered vehicles, China plants encouraged taking public transportation, cycling, or walking to work, reducing air pollution caused by vehicles. • 24 events were held with 1,752 participants, reducing fuel-powered vehicle travel by 29,713 km and reducing carbon emissions by 7 tons.	
World Cleanup Day (NEW)		**Saluting the Green Guardians of the City Donate Preloved Items, Share Love**	• Kunshan plants held the "Saluting the Green Guardians of the City" event, sponsoring 60 beverages to appreciate the hard work of sanitation workers in maintaining a clean environment. • Kunshan plants organized the "Donate Preloved Items, Share Love" event, with 21 participants donating 67 pieces of clothing and 160 books to the Kunshan Charity Foundation.	
World Food Day		**Cherish Food, Advocate Rituals Clean Plate Activity**	• China plants held a "Clean Plate Activity" during lunchtime, encouraging employees to practice food conservation by taking only what they can eat to reduce food waste. • 2 events were held with 5,222 participants.	

(2) Green Knowledge

▶ **Environmental Education Site Visit**

- Green World Ecological Farm: Lixing and Chunan Plant invited colleagues and their families to visit the Green World Ecological Farm. Through the introduction of rare plant species and biodiversity exploration courses, learning about natural biodiversity and conservation efforts. A total of 152 people participated, accumulating 608 person-hours of environmental education.
- Tree Valley Food and Agriculture and Ecological Exploration Environmental Education Site: Tainan Plants 1 and 2 invited colleagues and their families to visit Tree Valley Farm. Through earth games and simulated insect models, they learned about the local ecology and environmental sustainability concepts. They also experienced food and agriculture education by making oven-baked pizzas. A total of 80 people participated, accumulating 240 person-hours of environmental education.

▶ **Environmental Education Video Promotion**

- Taiwan plant added 6 educational videos on important environmental issues such as energy conservation and carbon reduction, marine ecology, ecological conservation, climate change, and circular economy to the Coretronic APP, allowing employees and their families to watch together, raise awareness of environmental issues, and participate in environmental protection activities. A total of 1,140 person-hours were accumulated. At the same time, a prize quiz was held to encourage employees to watch environmental education videos, attracting 748 participants, with a satisfaction score of 98.
- Starting from 2023, China plant has been promoting the Environmental Education Video Viewing Program, recommending 4 environmental education videos for colleagues to watch, accumulating a total of 10,109 person-hours.

(3) Green Action

▶ **Green Life Experience**

- Tree Planting Activities: Tainan Plant 1 and Wujiang Plant jointly hosted 2 "Tree Planting Activities", planting seedlings in the open spaces to increase greenery and purify the air quality of the plants. A total of 66 participants.
- Recycled Waste Transformation - Planter DIY: Tainan Plant 1 and 2 used discarded tin and aluminum cans as raw materials for planter DIY, allowing colleagues to further understand the concept of sustainable reuse. A total of 30 participants.

▶ **Low-carbon Healthy Walk Activity**

The Kunshan plant organized a "Green Walk – Healthy Hiking" low-carbon walking activity at the City Ecological Forest Park. The event promoted the concept of prioritizing the use of low-carbon transportation modes (such as buses and shared bicycles) and bringing personal water bottles to colleagues and their families, in order to protect the natural ecology. At the same time, through the hiking activity, participants exercised both physically and mentally, experiencing the beauty of a sustainable city and low-carbon travel. A total of 50 participants.

▶ **Adopt Public Toilets**

Chunan and Tainan Plant 1 have responded to the government's public toilet adoption program for 4 consecutive years, adopting 5 public toilets in the local township office where the plants are located. In addition to providing local residents with a better toilet environment, water-soluble toilet paper is also provided to reduce waste generation. Nearly NT$180,000 was invested, benefiting 430,000 residents and reducing carbon emissions from waste by 3.7 tons.

▶ **Sponsoring Straw Decomposer**

Since 2021, for 3 consecutive years, Coretronic has joined the "Eco-Friendly, Improving Air Pollution" alliance, providing straw decomposer to farmers in Hsinchu County. This allows them to use straw decomposer instead of burning straw, effectively improving air pollution problems. In 2023, we sponsored NT$470,000 to purchase 2,000 bottles of decomposer, which can be used for 200 hectares of rice fields, accounting for approximately 5% of the rice field area in Hsinchu County, reducing carbon emissions by 1,800 tons.

▶ **Clean Water and Mountain Activities**

- Beach cleanup: Since 2017, the Chunan plant has adopted and maintained the Long Fong Fishing Port for seven consecutive years. In 2022, it signed an adoption contract for the Long Fong Fishing Harbor coast until 2025. In 2023, the "Long Fong Fishing Port Cleanup Event" was held, combining three major features: "**Ecology x Treasure Hunt x Public Welfare**" For the first time, suppliers were invited to join the effort to protect the ocean, and a total of 352 kg of marine waste was cleaned up. Over 7 years of beach cleanups, a total of 2.4 tons of marine waste has been collected, and nearly NT$57,000 has been donated to the "Society of Wilderness."
- Mountain/river cleanup: In 2023, the Wujiang plant held two mountain and river cleanup events to protect the mountains and water and maintain the ecological environment. 24 participants cleaned up 61 kg of garbage. The goal was to raise environmental awareness among employees through these environmental protection activities. Additionally, to revive the river's aquatic ecology, 600 native grass carp fry were released into Taihu Lake, bringing new life to the lake.


▶ **"Step Up" Stair Climbing Activity**

- We develop our own counter devices on each floor to record the carbon footprint of our colleagues climbing the stairs, and in 2015 we will launch the "Step Up" stair climbing activity, hoping to internalize the awareness of energy conservation and carbon reduction within the Company.
- By improving machine stability, a friendly participation mechanism, an interesting competition reward system, and encouraging colleagues to form teams to climb stairs, CEO Sarah Lin has specially invited colleagues to join her in climbing stairs to reduce carbon emissions, promoting the stair climbing culture from top to bottom.
- From 2015 to 2023, the stair climbing activity accumulated over 220 million steps, equivalent to climbing 12,489 Yushan Mountains in Taiwan, saving 3.09 million kWh of electricity, and reducing 1,594 tons of carbon emissions, equivalent to 4.1 Da'an Forest Parks.

▶ **Increasing the Usage of Green Products**

- In response to the green procurement policy of the Ministry of Environment and implementing the eco-friendly concept of "recyclable, low-pollution, and resource-saving," we encourage suppliers to actively develop green products to improve its quality in Taiwan. We prioritize the procurement of low-pollution, recyclable, resource-saving, or green building materials, self-declared or products with a lower environmental impact throughout their life cycle (from raw material acquisition to disposal).
- In 2023, the declared amount for Taiwan plants was NT$40.84 million, a 15% increase compared to 2022. This increase is due to the inclusion of solar power system installation costs at Chunan, Tainan plant 1, and Tainan plant 2 in the declaration scope. The declared amounts for all four Taiwan factories met the Ministry of Environment's "Outstanding Green Procurement Units" reward standards.
- In 2023, we procured 34,584 packages of eco-labeled toilet paper, 21,020 packages of eco-friendly hand towels, and 1,820 packages of PEFC-certified copy paper.

Procurement Amount of the Green Products by Year (NT$10,000)

Year	Amount
2021	1,007
2022	3,548
2023	4,084
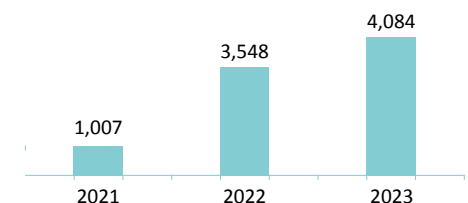
CH5
Sustainable Supply Chain

05

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

Suppliers are important partners for our sustainable operations. Coretronic's Taiwan/China plants have a total of 1,520 qualified suppliers (including 1,339 domestic suppliers, accounting for 88%, and 181 overseas suppliers). We classify and manage suppliers based on their characteristics and the goods and services they provide and prioritize local procurement as a strategy to promote local economic development, ensure stable operations, accelerate production efficiency, and minimize carbon emissions during transportation as much as possible.

To work hand in hand with supplier partners to achieve the vision of "sustainable co-prosperity", we have established the "Sustainable Supplier Management Regulations" for production raw material suppliers, including requiring supplier partners to comply with standards, conducting risk assessments, audits, training and guidance, and using the Annual Supplier Meeting to commend outstanding suppliers and share sustainable trend topics to ensure that supplier partners can operate sustainably. In addition, we have formulated the "Responsible Business Alliance Code of Conduct Management Handbook" based on the Responsible Business Alliance (hereinafter referred to as RBA) to manage suppliers, striving to urge suppliers to pay attention to issues such as ethics, labor human rights, environmental protection, health and safety, thoroughly implement risk management and business continuity plans, in order to establish a sustainable supply chain. If supplier partners have any sustainability-related suggestions, they can make proposals and inquiries through mail to: ESG@coretronic.com.

Supplier Category	Production Raw Material Suppliers [1]		Non-production Raw Material Suppliers [2]	
Definition	Suppliers of raw materials for product manufacturing		Suppliers of non-raw materials for product manufacturing	
Geographic Location of Suppliers	Domestic	Foreign	Domestic	Foreign
Company Location — Taiwan Plants	182	100	451	16
Company Location — China plants	362	38	344	27

1: Suppliers of electronic components, mechanical parts, plastics, packaging materials, and outsourced services.
2: Suppliers of engineering or labor procurement, financial procurement, computer and information equipment, general office supplies, and production consumables.
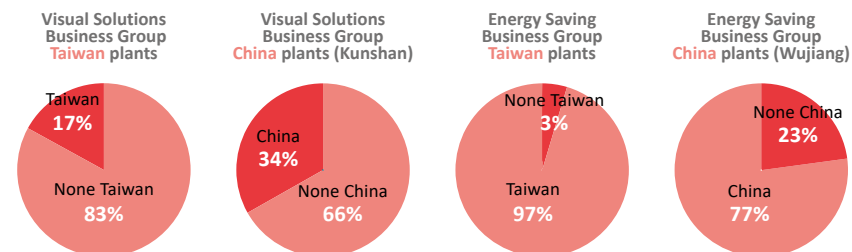
	Strategies	2023 Goals	2023 Performance	2024-2026 Goals
Adhering to Guidelines	Sustainable Supplier Management Regulations	Planned Supplier Management Regulations	Complied with sustainable supplier management regulations	Issue sustainable supplier management regulations as company ISO document
	Sustainability Commitment Statement	Signature rate 85%	Signature rate 96%	Signature rate 87%
Risk Assessment & Audit System	RBA Self-Assessment Questionnaire and On-site Audit	Passing rate 100%	A total of 89 production raw material suppliers accepted audits, with a passing rate of 100%	• Conducted RBA audits on all production raw material suppliers • Audit rate 100%
	ESG Risk Assessment Questionnaire	Planned online "ESG Risk Assessment Questionnaire System"	Cooperated with the customer Wistron to develop the "ESG Risk Assessment Questionnaire System"	Established "ESG Risk Assessment Questionnaire System" on the "Sustainable Supply Chain Website"
	Conflict Minerals Survey	Response rate 90%	Visual Solutions Business Group response rates: 95% and 98% Energy Saving Business Group response rate: 96%	Response rate 90%
	Financial Risk Assessment Form	Assessment rate 100%	A total of 10 suppliers underwent assessment, with an assessment rate of 100%, and risk management policies were formulated for high-risk suppliers	Assessment rate 100%, and formulate corresponding risk management policies
	Environmental Management System	Established "Environmental Management System"	Completed framework of the "Environmental Management System"	"Environmental Management System" officially goes online and starts collecting supplier environmental indicator data
	Annual Audit, Quarterly Review	Audit rate and passing rate both 100%	Audit rate and passing rate both 100%	Audit rate and passing rate both 100%
Training and Guidance	Sustainable Supply Chain Website	Planned "Sustainable Supply Chain Website"	Completed planning and framework of the "Sustainable Supply Chain Website"	Establish "Sustainable Supply Chain Website"
Sustainable Co-Prosperity	Annual Supplier Meeting and Best Supplier of the Year Award	Held one Annual Supplier Meeting and Best Supplier of the Year Award ceremony	Held one Annual Supplier Meeting and Best Supplier of the Year Award ceremony, with 125 suppliers participating	Regularly hold Annual Supplier Meeting and Best Supplier of the Year Award ceremony
	Supplier Recycling Alliance	Jointly implemented waste recycling and reuse programs with suppliers	A total of 22 suppliers participating, with a recycling rate of 97%	Continue to jointly implement waste recycling and reuse programs with suppliers

Local Procurement

We understand the impact of the environmental footprint on the environment during the process of purchasing raw materials and components, so localization of procurement is an important strategy for finding supplier partners. We also expect supplier partners to operate as much as possible through localized procurement, working together to do their part for environmental protection. Please refer to the right figure for the proportion of procurement amount in 2023. Among them, the Energy Saving Business Group's Taiwan plants actively implement the local procurement strategy, with a proportion as high as 97%, while the Visual Solutions Business Group's Taiwan and China plants (Kunshan), due to the need to purchase key components from specific foreign suppliers to maintain product quality, the proportion of local procurement is lower, but for the procurement of other components, it will still strive for localized procurement.

Note: Supplier location is based on the Company's place of registration.

Visual Solutions Business Group Taiwan plants
Taiwan 17%
None Taiwan 83%

Visual Solutions Business Group China plants (Kunshan)
China 34%
None China 66%

Energy Saving Business Group Taiwan plants
None Taiwan 3%
Taiwan 97%

Energy Saving Business Group China plants (Wujiang)
None China 23%
China 77%

5.2 Responsible Supply Chain Management [2-29]

Adhering to Guidelines

▶ **Sustainability Commitment Statement**

To effectively implement the sustainable supply chain management strategy, relevant management measures were established in 2021, and based on RBA, the "Sustainability Commitment Statement" was formulated, requiring all production raw material suppliers to sign (except for customer-designated suppliers, affiliated companies, and suppliers that have obtained exemption from signing due to already having public sustainability information/reports/certificates), to ensure that suppliers can comply with RBA 7.0, Green Product Warranty (promise and guarantee that the products meet the "Green Product Procurement Specifications", and provide RoHS test laboratory test reports from third-party certification bodies, environmental hazardous substance questionnaires, lead-free component reliability questionnaires, safety data sheets (SDS), material certificates, and test summary forms), Responsible Minerals Procurement Policy, Declaration on Non-Use of Conflict Minerals, Integrity Commitment, and Environmental Sustainability and Occupational Safety and Health Policy. In 2023, a total of 530 suppliers were required to sign the "Sustainability Commitment Statement", and 510 suppliers have signed, with a signing rate of 96%.

▶ **Conflict Minerals Management**

We regard conflict minerals as key raw materials and manage them accordingly. We do not accept illegally mined gold, tantalum, tin, tungsten, cobalt and mica from the Democratic Republic of the Congo and neighboring conflict regions. Therefore, we have formulated the "Responsible Minerals Procurement Policy" and "Declaration on Non-Use of Conflict Minerals" according to RBA and added them to the "Sustainability Commitment Statement", and announced the conflict minerals control requirements to suppliers at the Annual Supplier Meeting. All production raw material suppliers must sign the "Sustainability Commitment Statement" to ensure that they can comply with conflict minerals-related regulations. The relevant policies and survey results are also published on the Company's official website.

▶ **RBA VAP**

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

Risk Assessment

▶ RBA Self-Assessment Questionnaire: To effectively assess the various sustainability risks of production raw material suppliers, we send RBA self-assessment questionnaires to all suppliers that need to undergo RBA audits, allowing suppliers to self-assess their sustainability implementation status, and conduct RBA on-site audits after they respond to the self-assessment questionnaire.

▶ **(NEW)** ESG Risk Assessment Questionnaire: To better understand suppliers' sustainable development status and facilitate subsequent guidance for suppliers to become members of the sustainable supply chain, while meeting the requirements of important customers, foreign investors, international ratings and sustainability norms, since 2022, we have successively negotiated with third-party verification units and important customers, hoping to conduct supplier sustainability risk assessment and surveys in a more efficient, comprehensive and credible manner. At the end of 2023, it was decided to cooperate with the customer Wistron on the "ESG Risk Assessment Questionnaire" system. Through the AI preliminary review mechanism, 60% of manpower and document review time can be reduced, while maintaining the consistency of review standards. It is expected to be built on the "Sustainable Supply Chain Website" in the first half of 2024, allowing suppliers to fill out questionnaires online, and then identify suppliers' awareness and management level of sustainability management based on the self-assessment results, and conduct sustainability risk classification, in order to plan appropriate improvement measures for suppliers.

▶ Conflict Minerals Survey

   • Visual Solutions Business Group: Used RMI CMRT 6.31 and EMRT 1.2 versions of the conflict minerals survey to conduct a more detailed conflict minerals survey on all production raw material suppliers, with response rates of 95% and 98% respectively. In the future, the survey recipients will be re-evaluated, considering excluding customer-designated suppliers and suppliers that have publicly declared compliance with conflict minerals regulations, and guiding suppliers that do not meet the requirements to make improvements to increase the response rate.

   • Energy-Saving Business Group: Using RMI CMRT 6.31 and EMRT 1.2 versions of the Conflict Minerals Survey, we surveyed all productive electronic raw material suppliers, with a 96% response rate.

▶ Financial Risk Assessment Questionnaire: Starting from 2020, the Procurement Department annually submits the list of suppliers with potential risks approved by the business group supervisors to the Finance Department for annual supplier financial risk assessment. The Finance Department will conduct risk classification based on the supplier's public financial data, financial statements, and reports obtained from third-party credit agencies (such as Dun & Bradstreet or credit insurance company cooperating credit report vendors), and submit the final results to the CFO for approval. The Procurement Department will then remove high-risk suppliers based on the results. In 2023, a total of 10 suppliers underwent financial risk assessment. According to the assessment results, 4 suppliers were high risk, 4 suppliers were medium risk, and 2 suppliers were low risk. For high-risk suppliers, in addition to formulating more stringent risk management measures and requiring them to improve as soon as possible, alternative suppliers are also actively sought to reduce potential risks. For low and medium risk suppliers, risk management policies have been formulated and require them to improve as soon as possible. Among the 4 suppliers that underwent financial risk assessment in 2022, 1 supplier was still listed as high risk in 2023. The Procurement Department has reduced the order allocation ratio of the supplier and continues to track the subsequent situation. The other 3 were confirmed to have no risk of material shortage and recourse after judgment, so they were removed from the 2023 supplier risk list.

Audit System

▶ RBA Self-Assessment

Supplier Category	Audit Target			Audit Method	Passing Score	Number of Suppliers should be Audited	Number of Actually Audited	Audit Rate	Number of Passing	Passing Rate
New Suppliers	Suppliers with first transaction[1] (excluding affiliated companies, customer-designated, special material suppliers)			Questionnaire/ On-Site Audit	60	6	6	100%	6	100%
Existing Suppliers	Visual Solutions Business Group Taiwan and Kunshan plants		Tier 1 suppliers of customer-designated electronic, mechanical, plastic, packaging materials, outsourcing categories (at least 5 suppliers for each category)	Questionnaire/ On-Site Audit	60	46	46	100%	46	100%
	Energy Saving Business Group	Taiwan Plants	Suppliers with annual purchase batches exceeding 20 or more (excluding packaging category, suppliers without subsequent delivery plans)	On-Site Audit	80	10	10	100%	10	100%
		Wujiang Plants	Suppliers with annual transactions exceeding 5 times or more, select 10-20% of local key component manufacturers with a certain scale for on-site audits (excluding affiliated companies, customer-designated, special material suppliers)	On-Site Audit	60	27	27	100%	27	100%

1: In 2023, the Energy Saving Business Group's Taiwan plants did not have new suppliers that met the RBA audit conditions.

▶ Annual Audit

In order to guide suppliers to provide higher quality products, the Quality Assurance Department conducts annual on-site audits of scheduled major component manufacturers. The audit content includes: shipped quality assurance, quality abnormality handling, environmental prohibited substance testing methods and specification confirmation, environmental internal audit plan review, environment-related information communication and advocacy, testing equipment history, etc. for evaluation and record. Coretronic Visual Solutions Business Group independently developed an electronic audit platform to improve data management efficiency, work efficiency and supplier handling efficiency. It can also configure audit items and rules according to different business needs or audit targets to accurately guide suppliers and achieve win-win cooperation.

Business Group/Plant		Audit Target	Audit Method	Passing Score	Number of Suppliers should be Audited	Number of Actually Audited	Audit Rate	Number of Passing	Passing Rate
Visual Solutions Business Group Taiwan and Kunshan plants		Suppliers with more than 120 annual delivery batches or key component suppliers	Questionnaire/ On-Site Audit	80	46	46	100%	46	100%
Energy Saving Business Group	Taiwan Plants	Suppliers with annual purchase batches exceeding 20 or more (excluding packaging category, suppliers without subsequent delivery plans)	On-Site Audit	80	10	10	100%	10	100%
	Wujiang Plants	Suppliers with annual transactions exceeding 5 times or more (excluding affiliated companies, customer-designated, special material suppliers)	On-Site Audit	70	115	115	100%	115	100%

▶ Quarterly Review

For suppliers that have entered the mass production stage, Coretronic Visual Solutions Business Group conducts quarterly reviews, while the Energy Saving Business Group conducts quarterly reviews for suppliers that have entered the mass production stage and have 5 or more transactions. The review content includes quality, delivery, and service cooperation to ensure stable outbound quality from suppliers.

Business Group	Audit Target	Audit Method	Passing Score	Number of Suppliers should be Audited	Number of Actually Audited	Audit Rate	Number of Passing	Passing Rate
Visual Solutions Business Group Taiwan and Kunshan plants	Suppliers that have entered the mass production stage	Delivery Time Coordination Quality	80	139	139	100%	139	100%
Energy Saving Business Group, Taiwan and Wujiang plants	Suppliers that have entered the mass production stage and have 5 or more transactions		Scored A-C	329	329	100%	329	100%

Training and Guidance

▶ Green Product Management System (GPMS)

This platform includes Announcement Area, MCD Request Area (Material Composition Declaration Request, material declaration area), and Supplier List Area. The announcement area on the homepage provides information such as new versions of green product specifications and GPMS platform training videos to avoid suppliers following incorrect regulatory content or using incorrect forms. It also provides the functions of inquiry for purchasers/engineers to check the status of supplier document uploads, maintain the contact list of raw material suppliers, for suppliers to fill in RoHS 2.0, SVHC, SDS information, and for administrators to download reports based on the model BOM table.

NEW Sustainable Supply Chain Website

To raise the sustainability awareness of supplier partners, we guide them to become members of the sustainable supply chain, and integrate all platforms related to supplier management, in 2023, the content and framework planning of the "Sustainable Supply Chain Website" was completed, including seven major functions: sustainability standards (Sustainability Commitment Statement, Sustainable Supply Chain Management Regulations), sustainability risk investigation (conflict minerals, financial risks, ESG risks, environmental data), sustainability online courses, sustainability activities (Annual Supplier Meeting, Annual Best Supplier, Earth Day activities), GPMS, material carbon footprint database, online consultation, etc. It is expected to be established from 2024 to 2026.

05

5.3 Green Alliance [2-29]

Annual Supplier Meeting

Since 2017, we have been promoting responsible supply chain and working with suppliers to make progress in aspects of quality, cost, delivery, environmental protection, safety and health. At the same time, through on-site guidance and face-to-face communication, we enhance supply chain management capabilities to fulfill sustainable commitments. To continue strengthening supply chain resilience and improving adaptability.

The 2023 annual supplier meeting focused on sustainable trends and shared with supplier partners the Company's sustainable development management results, sustainable supply chain management strategies, green manufacturing and product concepts, and future sustainable development plans. We will continue to work hand in hand with supplier partners to achieve a win-win supply chain relationship, while calling on supplier partners to pay attention to climate change issues and invest more in environmentally friendly actions to jointly create a sustainable supply chain.

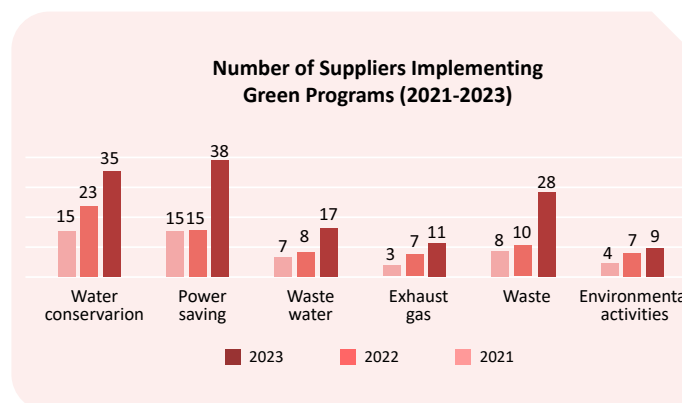| Number of Participating Suppliers	125 suppliers
Main Topics	• ESG strategies and performance sharing • Preview of Sustainable Supply Chain Website • Announcement of environmental policies and regulations • Outstanding Supplier Awards – Energy Saving and Carbon Reduction Contribution Award, Sustainability Award • Award-winning supplier experience sharing

Best Supplier of the Year

During the annual supplier meeting, we recognize supplier partners with outstanding energy-saving and carbon-reduction performance and sustainability performance through awards. In 2023, we awarded the "Energy Saving and Carbon Reduction Contribution Award" and the "Sustainability Award" to 16 outstanding suppliers. The "Energy Saving and Carbon Reduction Contribution Award" refers to suppliers who have continuously cooperated in packaging material recycling and circular use of carriers (trolleys) during the transaction period and jointly promoted specific carbon reduction effects on the environment during the transaction period. The "Sustainability Award" is given to suppliers whose supply performance and response capabilities have helped improve the resilience of the supply chain system within a specified time.

Promoting Supplier Energy Saving and Carbon Reduction - Sustainable Supply Chain Achievements

- Since 2019, suppliers have been invited to join in energy saving and carbon reduction. In 2023, a total of **39** suppliers responded, of which **2** have participated for five consecutive years.
- Regular supplier exchange meetings are held to invite outstanding suppliers to share energy saving implementation experiences and exchange sustainable supply chain management methods to enhance the supply chain's adaptability to climate change. In the future, we will continue to implement green action plans in cooperation with suppliers to reduce the impact of corporate risks and work together to build a sustainable supply chain.

Number of Suppliers Implementing Green Programs (2021-2023)

	2021	2022	2023
Water conservarion	15	23	35
Power saving	15	15	38
Waste water	7	8	17
Exhaust gas	3	7	11
Waste	8	10	28
Environmental activities	4	7	9

Supplier Recycling Alliance

We jointly promote waste recycling and reuse programs with suppliers, implementing packaging material recycling plans for plastics, paper, etc. In addition to recycling packaging materials, we also use reusable packaging for shipment and recycling to reduce the consumption of raw materials for production packaging or carriers, while also advocating the concept of circular reuse and waste reduction, which is more environmentally friendly. In 2023, a total of 22 suppliers responded to the recycling of acrylic protective boards, cartons, pallets, wooden pallets, plastic boxes, trolleys, plastic and foam protective materials, with a recycling rate of 97%.

External CDP's Recognition of Partnership 👍

In the 2023 CDP Supplier Engagement Rating, Coretronic went a step further and **obtained the highest rating of A (Leadership Level)**, surpassing the industry, Asia and global average (C). We are committed to supplier partnerships and actively engage in value chain partner engagement for climate change mitigation and adaptation. The rating items are "Supplier Engagement," "Targets," "Scope 3 Emissions," "Overall CDP Climate Change Score" and "Governance" in five aspects. We obtained the highest rating of A (Leadership Level) in three items: "Supplier Engagement," "Targets" and "Scope 3 Emissions." In the future, we will continue to invest in value chain management and work with suppliers and customers to demonstrate the best performance in operational resilience.

CDP Supplier Engagement Rating A 2023

CH6
Friendly Workplace

06

6.1 Human Resources Overview

Note: The data in this chapter is based on the total number of employees at the end of 2023, and statistics are conducted according to the definitions of each category.

Employee Distribution (by Contract Type) [2-7]

Region	Contract Type	Male	Female	Total
Taiwan	Indefinite Contract [1]	928	668	1,596
	Fixed-Term Contract [2]	19	8	27
	Total Employees in Taiwan	**947**	**676**	**1,623**
China	Indefinite Contract [1]	1,528	1,179	2,707
	Fixed-Term Contrac [2]	0	0	0
	Total China Employees	**1,528**	**1,179**	**2,707**
	Total Employees	**2,475**	**1,855**	**4,330**
	Gender Ratio of Total Employees	57%	43%	100%
	Total Managers [3]	**482**	**213**	**695**

1: Full-time employees, including direct and indirect personnel
2: Non-full-time employees, including consultants, contract personnel, interns, and apprentices
3: Basic, middle, and senior managers at and above department and section levels

Employee Distribution (by Employment Type) [2-7]

Region	Employment Type	Male	Female	Total
Taiwan	Full-Time Employees [1]	946	676	1,622
	Part-Time Employees [2]	1	0	1
	Non-guaranteed Hours Employees [3]	0	0	0
	Total Employees in Taiwan	**947**	**676**	**1,623**
China	Full-Time Employees [1]	1,528	1,179	2,707
	Part-Time Employees [2]	0	0	0
	Non-guaranteed Hours Employees [3]	0	0	0
	Total China Employees	**1,528**	**1,179**	**2,707**
	Total Employees	**2,475**	**1,855**	**4,330**

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

Worker Distribution [2-8]

Region	Worker Type	Male	Female	Total
Taiwan	Dispatched [1]	18	14	32
	Others [2]	29	37	66
	Total Workers in Taiwan	**47**	**51**	**98**
China	Dispatched [1]	295	168	463
	Others [2]	118	113	231
	Total Workers in China	**413**	**281**	**694**
	Total Workers	**460**	**332**	**792**
	Gender Ratio of Total Workers	**58%**	**42%**	**100%**

1: Direct line personnel, hourly workers
2: On-site personnel (café, cafeteria, security guards, cleaning staff), contractors

### New Employee Hire and Employee Turnover Ratios of Taiwan Plants [401-1]

Age/ Category	Male				Female				Total			
	New Hires	Ratio to Number of Employees	Resignations	Ratio to Number of Employees	New Hires	Ratio to Number of Employees	Resignations	Ratio to Number of Employees	New Hires	Ratio to Number of Employees	Resignations	Ratio to Number of Employees
Below 30	30	29.7%	19	18.8%	22	28.6%	24	31.2%	52	29.2%	43	24.2%
30-50	27	4.1%	40	6.1%	22	4.4%	60	12.1%	49	4.3%	100	8.7%
Above 50	1	0.5%	14	7.2%	0	0.0%	9	8.7%	1	0.3%	23	7.7%
Total	58	6.1%	73	7.7%	44	6.5%	93	13.8%	102	6.3%	166	10.2%
Ratio to Number of Employees	**3.6%**	-	**4.5%**	-	**2.7%**	-	**5.7%**	-	**6.3%**	-	**10.2%**	-

- New Hire Rate: Total number of new hires in the gender and age group in Taiwan plants / Total number of employees in the gender and age group at the end of 2023 in Taiwan plants
- Turnover Rate: Total number of turnover in the gender and age group in Taiwan plants / Total number of employees in the gender and age group at the end of 2023 in Taiwan plants
- The number of employees, new hires and turnover in the above table exclude apprentices (who return to school after three months) and short-term project interns (employee children's summer internships and industry-academia cooperation project interns who must leave the company due to contract expiration)
- The new hire and turnover rates for those under 30 are higher than average, so we have launched two major projects for Generation Z (ages 25-29): the "Comprehensive Generation Z Survey Report" and the "Be A Giver Program." We are dedicated to creating a cross-generational, mutually prosperous and creative friendly workplace environment. Please refer to Chapter 6.5 of this report for detailed implementation results.

Historical Employee Turnover Rate in Taiwan

	2021	2022	2023
New Hire Rate	12.9%	13.1%	6.3%
Turnover rate	15.6%	10.3%	10.2%
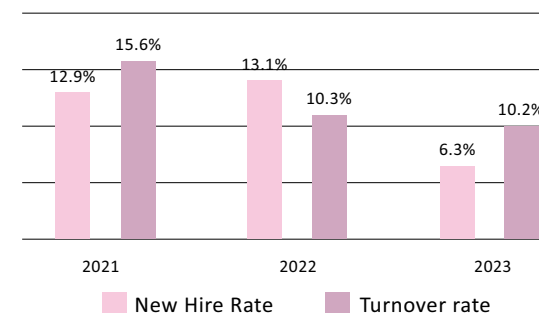
- The new hire rate of Taiwan employees in 2023 decreased compared to 2022 due to the independent establishment of subsidiaries by new ventures, adjusting Coretronic's incubation role, resulting in a decrease in the proportion of new hires in 2023.

06

6.2 Human Rights Management [2-23, 2-24]

As a corporate citizen in the electronics industry, we comply with and follow the "Responsible Business Alliance Code of Conduct (RBA)", the "Universal Declaration of Human Rights (UDHR)," the "United Nations Global Compact (UNGC)," the "United Nations Guiding Principles on Business and Human Rights (UNGPs)," and the "International Labour Organization (ILO)" international human rights conventions. We eliminate any infringement and violation of human rights, clearly demonstrate fair and equitable treatment and respect for workers, and comply with relevant government regulations.

Coretronic's human rights policy follows the labor-related clauses in the ISO document "RBA Code of Conduct Management Manual" signed by the Chairman. We comply with labor and gender equality laws and regulations where we operate, and formulate policies and execute related measures on human rights protection and labor. We continue to promote human rights policies and practical principles. Through the signing of the human rights code, we ensure the human rights awareness of all employees and enhance their literacy in various aspects, enabling them to reasonably respond to different challenges.

Human Rights Policy : Goals and Performance

Strategy	Goals	2023 Taiwan Performance
Diversity, Inclusion, and Equal Opportunity	• In recruitment, promotion, and compensation, we do not discriminate against employees based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical or mental disability, or previous union membership. • We ensure development opportunities for minority fairness without compromising operational efficiency and overall fairness. • Our "Personnel Recruitment Procedure" outlines the above commitment to equality.	• No discrimination complaints. • In terms of gender, the ratio of male to female employees is approximately 3:2, due to the nature of job roles. • For various employee categories, the ratio of male to female salaries is approximately 1:0.984, close to equal pay for equal work.
Against Child Labor	Except for government-approved internship programs, we do not hire employees under the age of 16. The compromise is committed through the "Personnel Recruitment Procedures" and related forms outline.	• No employment of individuals under the age of 16. • All contracted units comply with regulations prohibiting child labor, including internships and summer interns, with no employment of individuals under the age of 16.
Meeting Minimum Wages	• At all our operational sites, all employees' salaries meet the local legal minimum wage standards, and we provide social insurance as required. • We offer additional insurance and welfare measures beyond legal requirements. • Our "Coretronic Work Rules" outlines the above commitment.	• Male and female entry-level employees (direct employees) have a starting salary of NT$26,400, meeting Taiwan's 2023 minimum wage standard.
Reasonable Working Hours	• At all operational sites, we have established working hour systems and management plans in compliance with local regulations. • To meet operational needs and with employee consent, we arrange overtime work in compliance with regulations and compensate with overtime pay or time off at the employee's preference. • Our "Coretronic Work Rules," "Working Hours Management Measures," "Overtime Management Measures," and related forms outline the above commitment.	• We arrange a Golden Travel Week and provide 5 days of flexible leave to ensure employees can take vacations with peace of mind. • We have night broadcasts and patrolling personnel to remind employees to avoid excessive working hours. • We implement an "attendance and working hours' notification" system to promptly notify employees and their supervisors of their attendance status to prevent overtime work.

Strategy	Goals	2023 Taiwan Performance
Healthy and Safe Workplace	• We actively promote various health promotion activities and evaluate their effectiveness after completion, formulating improvement strategies to provide comprehensive care for all employees, striving to create a healthy, safe, and comfortable friendly workplace. • For a safe work environment, we have established an "Occupational Safety and Health Committee" responsible for reviewing and promoting annual goals related to occupational safety and health, continuously advancing a safe work environment and preventing occupational hazards.	• We have installed art, music, and other facilities in public spaces to alleviate work pressure and promote a healthy workplace. • Through stair-climbing competitions and plant sports events, we encourage exercise and promote health. • For strategies and measures related to the safe work environment, please refer to Chapter 6.7 of this report.
Freedom of Association	• To protect employee welfare, we have established an Employee Welfare Committee and selected employee representatives in accordance with the law to ensure employee rights and interests. • We encourage employees to participate in legitimate leisure and welfare activities and protect their right to form clubs, providing subsidies in accordance with the "Welfare Committee Club Activity Management and Subsidy Measures."	• For employee welfare measures, please refer to Chapter 6.3 of this report. • We have established 7 clubs and provided NT$43,600 in club subsidies.
Labor-Management Communication	To safeguard employee rights, create a win-win labor-management system, establish two-way labor-management communication channels, and provide a sound labor-management relationship, we regularly hold labor-management meetings in accordance with the "Labor Standards Act" and "Regulations for Implementing Labor-Management Meeting," where employee-elected labor representatives engage in labor-management consultations on company operations and employee issues.	Each plant holds quarterly labor-management meetings, with a total of 16 meetings held in 2023. Meeting records are announced on the Company's internal website to ensure thorough communication.

Human Rights Education and Training

Taiwan plants offer an annual "Human Rights Policy Course" as a mandatory course for all employees. In October 2023, 1,662 employees were required to take the course, and all 1,662 completed the training and signed the "Coretronic Human Rights Code," achieving a 100% completion and signing rate.

Human Rights Incident Complaint Channels [2-25, 2-26]

▶ Coretronic builds multiple Internal communication channels such as the 8585 hotline and mailbox, physical employee suggestion boxes, employee free service hotline, EIP employee exclusive information website, Line@ communication platform, labor-management meetings, and welfare committee meetings.

▶ The official website has a "Stakeholder and Employee Violation of Business Ethics Complaint Channel" for external personnel to report or complain.

▶ Each complaint case is forwarded by the receiving unit to the responsible unit of the issue, and communication with the employee is conducted based on the content of the issue.

▶ The issues and handling results of each complaint case are filed by the audit office to ensure reasonableness and compliance.

Management Review 🔴 NEW

To implement the spirit of RBA, the Labor and Ethical Management System was established in 2022, and the first labor and ethical management review meeting was held to complete the review of the management evaluation operating procedures, evaluation and management operating procedures, and target and management plan operating procedures. Following the conclusions of the 2022 labor and ethical management evaluation meeting, Coretronic conducted the first "Coretronic Labor Human Rights Risk and Ethical Risk Identification" from September 6 to September 22, 2023. The responsible unit formulated two identification forms, the "Labor Human Rights Risk Identification Form" and the "Ethical Risk Identification Form," with reference to the RBA Standardized Risk Assessment Template (SAQ), and sent them to department-level supervisors of each unit in Taiwan plants for self-assessment, which was then reviewed by higher-level supervisors. Finally, the overall identification results were submitted to the management review meeting for review, and improvement targets and management plans were resolved for items identified as "unacceptable risks." In 2023, a total of 444 identification forms were distributed and 444 were collected, with a collection rate of 100%.

The identification results show that in the "Labor Human Rights Risk Identification," "acceptable risks" accounted for 98%, "not applicable" 2%, and "unacceptable risks" 0%; in the "Ethical Risk Identification," "acceptable risks" accounted for 96%, "not applicable" 4%, and "unacceptable risks" 0%, indicating that Coretronic's current regulations and implementation related to labor human rights and ethics have no unacceptable risks and comply with RBA standards.

Future Plans

We will continue to implement human rights policies in various aspects of corporate operations management, and deepen employees' and supervisors' understanding of human rights policies.

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

▶ Conduct "Labor Human Rights Risk and Ethical Risk Identification" annually, and plan to expand the scope of identification to China and Vietnam plants in 2024.
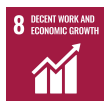
Material Topics

Compensation and Benefits

GRI

**Market Presence
Diversity and Equal Opportunity**

6.3 Compensation and Benefits [3-3]

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants)

Topic Importance

A comprehensive compensation and benefits system is the core foundation for employees to "live comfortably and work happily." We provide competitive market-level salaries to ensure employees can "live comfortably," and offer performance-based rewards to encourage employees to "work happily." This approach is also a necessary condition for the company's sustainable development.

Strategies

- Set competitive salary structures based on market salary analysis
- Evaluate individual incentive compensation levels based on performance

Evaluation Mechanism

- Regularly take inventories of internal salary distribution and grasp the overall market situation through industry salary analysis
- For key job categories, set salary structures that are more competitive than the market
- Based on individual and team performance, grant operating bonuses and employee compensation (profit sharing)
- Based on individual performance and potential, evaluate annual salary adjustments to make their salaries more market competitive

Performance

- The starting salary for both male and female basic-level employees (direct personnel) in Taiwan was NT$26,400, RMB 2,430 in Kunshan Plants, and RMB 2,400 in Wujiang Plants, all in compliance with 2023 local legal minimum wage standards
- For various employee categories, the ratio of basic salary plus compensation for males to females in Taiwan was 1:0.984, 1:0.922 in Kunshan Plants, and 1:0.964 in Wujiang Plants, close to gender pay equity
- Executed one annual salary adjustment in 2023, with an average adjustment range of 3-5%
- Average salary of full-time employees not in managerial positions in Taiwan: NT$1.203 million
- Median salary of full-time employees not in managerial positions in Taiwan: NT$1.125 million

Goals

- 2024: Conduct market compensation comparisons, salary adjustments, and bonus evaluations through salary analysis
- 2024-2026: Set appropriate compensation mechanisms based on industry, key positions, and key talents to encourage employees to pursue achievement and self-realization

06

Material Topics

Friendly Workplace

GRI

Employment

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants)

Topic Importance

Goal-oriented and fast-paced work is the norm in the technology industry, while creating a friendlier workplace atmosphere is an important element in helping employees adjust their pace, maintain high efficiency, and further maintain work-life balance.

Strategies

Maintain employee physical and mental health, increase employee recognition, and further shape the employer brand

Evaluation Mechanism

- Increase the diversity of activities to enhance communication between employees and interaction with families
- Create a positive atmosphere and establish a harmonious organizational atmosphere
- Review participation rates and conduct questionnaire surveys after activities
- Increase new employee retention rate

Performance

- Awarded the "iSports Enterprise Certification" by the Sports Administration of the Ministry of Education
- Lixing Plant was awarded the "Excellent Friendly Breastfeeding Room Certification" in 2023
- Coretronic Taiwan provided employees with free breakfast and afternoon tea once a month, and distributes movie tickets to employees to add a little happiness
- Coretronic Taiwan provided leave superior to the Labor Standards Act (5 days of fully paid leave for Golden Week, fully paid volunteer leave with no limit on application hours) to employees
- We held 173 diverse activities with 47,389 participants.
- Three Green Actions in Taiwan plants: Greening the Environment X Greening Meals X Greening Physical Fitness
- New employee retention rate in Taiwan plants reached 93.1%, achieving the target

Goals

- 2024: Promote beautifying green plants (Taiwan), hold 2 caring special activities (Kunshan), and diversified welfare activities (Kunshan and Wujiang) to provide employees with a good working environment; new employee retention rate in Taiwan plants 85%
- 2025-2026:
  Taiwan plants: Establish a work-from-home mechanism to connect with aging and long-term care issues; increase employee recognition and further shape the employer brand; new employee retention rate 85%
  Kunshan Plants: Conduct annual employee opinion surveys, hold 2 caring special activities every year, and regularly hold welfare activities
  Wujiang Plants: Promote and implement workplace friendliness concepts through diverse communication channels such as bulletin boards, official accounts, and TikTok accounts

Labor Unions [2-30]

Company Name/Item	Union Establishment Date	Signing of Collective Agreement	Number and Percentage of People Covered by Agreement
Coretronic Projection (Kunshan)	July 2014	Collective Contract on Wages, Collective Contract	792 people, accounting for 100% of total employees
Coretronic Optics (Kunshan)	December 2020		91 people, accounting for 100% of total employees
Coretronic Display (Suzhou)	July 2015	Collective Contract, Special Collective Contract on Wages, Special Collective Contract on Occupational Health and Safety, Special Collective Contract on Special Protection for Female Employees	206 people, accounting for 100% of total employees
Coretronic Optotech (Suzhou)	June 2019		363 people, accounting for 100% of total employees
Coretronic Optics (Suzhou)	May 2021		1,255 people, accounting for 100% of total employees

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

A comprehensive and market-competitive compensation and benefits system can greatly increase employee enthusiasm for work and is an indispensable element in creating a happy workplace. We adhere to the principle of fairness, determine salaries based on job category, education and experience background, and professional seniority, and salaries do not differ due to factors such as gender, age, race, nationality, or religion. Additionally, we conduct market salary analysis every year, and through the comparison of internal salary status and external salary levels, we set competitive salary structures as the basis for talent recruitment salary determination to ensure the recruitment of outstanding talents.

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

	Taiwan		Kunshan		Wujiang	
	Standard Salary	Ratio to Local Minimum Wage	Standard Salary	Ratio to Local Minimum Wage	Standard Salary	Ratio to Local Minimum Wage
Male	NTD 26,400	1	RMB 2,430	1.066	RMB 2,400	1.053
Female						

▶ Basic salary ratio by gender

We group by job category and level at each major operating location, calculate the salary ratio of male and female employees with the same job category/level, calculate the average salary ratio of the group, and present it based on males. The difference is caused by job level, job category, number of males and females, and performance differences, not by gender differences; the total compensation ratio is not disclosed for the time being.

Plant/Job Category	R&D	Production	Sales	Administration	Total Ratio
Taiwan	1.004	1.014	0.940	0.983	0.984
Kunshan	0.921	1.030	-	0.886	0.922
Wujiang	0.989	0.951	1.003	1.000	0.964

Note 1: The Kunshan Plants has fewer sales personnel, cannot provide comparable gender salary ratios.
Note 2: Calculation is based on December 2023 salaries

Employee Benefits [401-2]

Item/Region	Taiwan	China
Sharing of Operating Profits and Achievements (Applicable to Full-time Employees)	• Employee profit sharing (depending on annual operations and individual performance) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, senior employee, and outstanding employee recognition • Employee stock ownership (handled as appropriate)	• Operating bonuses (depending on operations and individual performance of the current year) • Production performance bonuses, operating performance bonuses, R&D patent bonuses • Excellent R&D personnel, senior employee, and outstanding employee recognition
Comprehensive Employee Care	• Free group insurance for employees, accident insurance for expatriates and dependents on business trips, overseas travel insurance, regular on-site consultation services for insured employees • Annual health check-ups (superior to legal requirements), employee health management, comfortable rest areas, and professional medical consultations • Free low-dose CT (LDCT) screening for employees aged 45 and above • Comprehensive retirement system, equal working conditions for both genders • Flexible working hours, shuttle buses, and Plants shuttle services • Provide dedicated friendly parking spaces for injured or ill employees	• Free group insurance for employees, regular on-site consultation services for insured employees • Employee health management, comfortable rest areas, and professional medical consultations • Equal working conditions for both genders • Flexible working hours, shuttle buses, and Plants shuttle services
Diverse and Thoughtful Welfare Benefits	• Labor Day, Mid-Autumn Festival, Dragon Boat Festival, and birthday vouchers • Wedding cash gifts, childbirth cash gifts, travel subsidies, hospital subsidies, condolence payments, club subsidies, female employee miscarriage condolence payments • Family Day, club activities, year-end parties • Restaurants, smart cafes shop, convenience stores, employee recreation centers, multi-function employee fitness centers, yoga rooms • Free breakfast and afternoon tea once a month and 2 movie tickets per person • Provide organic vegetable boxes	• Birthday vouchers • Wedding cash gifts, childbirth cash gifts and condolence payments • Year-end parties, quarterly welfare activities • Restaurants, dormitories, convenience stores, employee service center
Support for Women	• Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, prenatal checkup leave • Lactation rooms • Dedicated indoor parking spaces for pregnant women • Contracted nursery schools and kindergartens • Priority dining rights for pregnant women	• Maternity leave, paternity and prenatal checkup leave • Lactation rooms • Dedicated parking spaces for expectant mothers • Priority dining rights for pregnant women • Half-day leave for female employees on International Women's Day
👍 **Leave Exceeding Legal Requirements**	• Golden Week: 5 days of paid leave • Volunteer leave: Participate in company-organized volunteer activities on holidays, can apply for volunteer leave equal to the activity hours, with no annual limit on application hours	None

▶ Various benefit payments

Item/Region	Taiwan	China
👍 Childbirth Subsidy	Both employees and their spouses can apply, with a subsidy of NT$5,000 per birth If a single birth results in more than one child, an additional NT$1,000 is subsidized for each additional child	Both employees and their spouses can apply, with a subsidy of RMB100 per birth If a single birth results in more than one child, an additional RMB100 is subsidized for each additional child
Wedding Cash Gift	NT$2,000 per person	RMB 200 per person
Female employee miscarriage condolence payments	No limit on applications; NT$2,000 each time	None
Travel Subsidy	NT$3,000 per person	None
🔴NEW Adoption Subsidy	Both employees and their spouses can apply, with a subsidy of NT$5,000 per birth For multiple adoptions, an additional NT$1,000 subsidy for each additional child	None

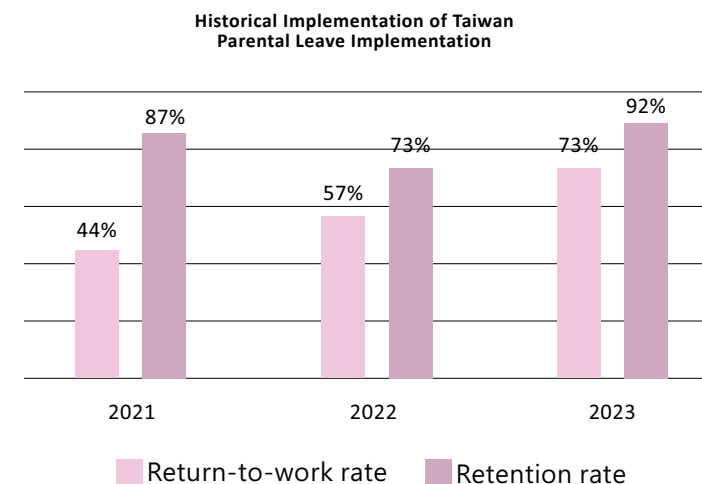**Taiwan Historical Childbirth Subsidy Payments**

	2021	2022	2023
Amount (NTD)	162,000	181,000	79,000
People	32	36	23
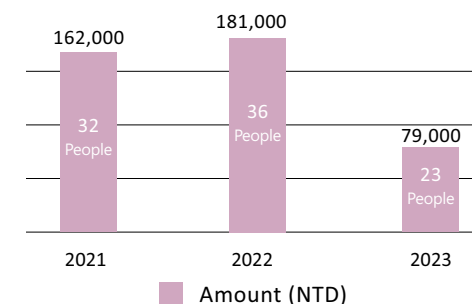
► Parental Leave [401-3]

	Gender/Item	Male	Female	Total
A.	Number of People Entitled to Parental Leave from 2020-2023	81	59	140
B.	Number of employees who applied for parental leave in 2023	4	13	17
C.	Expected number of employees to return to work after parental leave in 2023	1	14	15
D.	Actual number of employees who returned to work after parental leave in 2023	1	10	11
E.	Number of employees who returned to work after parental leave in 2022	2	10	12
F.	Number of employees who remained employed one year after returning from parental leave in 2022	1	10	11
G.	Return-to-work rate (D/C)	100%	71%	73%
H.	Retention rate (F/E)	50%	100%	92%

Note 1: The parental leave data statistics in the above table cover Taiwan employees who have applied for paternity leave/maternity leave from 2020-2023.
Note 2: There is no parental leave in China.

Historical Implementation of Taiwan Parental Leave Implementation

2021	2022	2023
Return-to-work rate: 44% / 57% / 73%		
Retention rate: 87% / 73% / 92%		

Return-to-work rate   Retention rate

► Equal Workplace

We are committed to creating a friendly and harmonious workplace environment, and provide protection opportunities for disadvantaged and minority groups to promote fair employment. In 2023, a total of 27 people with disabilities were employed, with an employment ratio of 1.65%, an over-employment rate of 68%.

► Retirement System [201-3]

- Taiwan plants comply with the Labor Standards Act and Labor Pension New System regulations to make timely monthly contributions to employee retirement pensions. For employees with old system retirement seniority, the Company also makes sufficient contributions according to the law as retirement reserve funds deposited into the Company's retirement pension account, sufficient to pay the retirement pensions of employees eligible for retirement in the current year, ensuring the rights and interests of retiring employees.
- China plants comply with the "Social Insurance Law of the People's Republic of China" and "Jiangsu Province Enterprise Employee Basic Pension Insurance Regulations" to make timely monthly pension insurance contributions for employees.
- For senior employees with outstanding work performance who apply for retirement, the Company invites them to serve as consultants to pass on their rich experience to other employees, not only providing professional consulting services for the company but also providing a stage for retired employees to continue developing and guiding the new generation of workers to establish generational inheritance. In 2023, there were a total of 4 professional consultants.

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

▶ Vitality in the Workplace **173 events, 47,389 participants** (Maximum event satisfaction score: 10)

2023 Innovative "Art"
Dragon Boat Festival Egg Creation Show 🇹🇼

On the eve of the Dragon Boat Festival, the "Innovative Art Dragon Boat Festival Egg Creation Show" was held, with the theme of "standing eggs." A total of **391** employees and their relatives and friends participated in the painting and creation, giving "standing eggs" a new meaning. Through a popularity voting activity, **352** works were showcased to display a new style of creation.

Visually Impaired Massage -
"Hands" Protect Your Health 🇹🇼

Starting from April 2023, visually impaired masseurs from the Hsinchu City Visually Impaired Account Growth Association and Tainan City Yowming Visually Impaired Advancement Association are regularly invited to the four Taiwan plants every month to provide "shoulder and neck massage services" to employees, while supporting the employment and life of visually impaired individuals. A total of **528** employees came to experience it.

Employee Care -
Childish Version & Young Version 🇹🇼

- Childish Version: To allow employees to release stress, whack-a-mole machines were introduced and a whack-a-mole PK activity was held, with a total of **119** employees participating.
- Young Version: Financial expert Shih-Wei Fang was invited to conduct an "Asset Allocation and Financial Planning" financial lecture, with **199** people attending and a satisfaction **score of 9**; well-known bestselling author Huai-Chin Yu was invited to conduct an "Accompanying Children on the Path of Their Talents" parent-child lecture, with **101** people attending and a satisfaction **score of 8.8**.

Fun Handmade! Women's Day X Mother's Day X Father's Day 🇹🇼 🇨🇳

On the eve of Women's Day, the Wujiang Plants held a "Coin Purse DIY" activity, inviting **60** employees to use classical embroidery techniques to make retro coin purses, with a satisfaction **score of 9.5**.
On the eve of Mother's Day, Taiwan plants held a baking DIY activity, inviting **215** employees and their families to make their own cakes and experience the fun, with a satisfaction **score of over 9.6.** On the eve of Father's Day, a "Card in Hand Takes You Traveling" handmade leather ID card holder DIY activity was held, with a total of **150** employees participating and a satisfaction **score of over 9.6**.

Forest Breathing One-Day Tour 🇹🇼

Employees and their families were invited to walk into the green surroundings of The Great Roots Forestry Park and Fenqihu Forest Trail to enjoy the baptism of phytoncides, and experience a tour of distinctive architecture and old street strolls, with a total of **258** employees and their families participating.

Love Credits ALL PASS 🇹🇼

Co-organized with EOI group and National Taiwan University Hospital Hsinchu Branch, it expanded the social life of single male and female employees in the company, increased opportunities for interaction between the sexes, and hoped to promote good fate. A total of **25** employees participated (including external companies) and successfully matched **15 pairs**.

Food Festival 🇨🇳

To promote a healthy diet culture, improve the quality of employee meals, and stimulate employee enthusiasm for work, the Kunshan Plants has held a food festival activity **quarterly** since the second quarter of 2023, providing each employee with a free food voucher and inviting various specialty food vendors to supply pastries, cold pot skewers, oden, rice dumplings, beverages, marinated foods, and so on for employees to enjoy. A total of **3,071** participants.

Creative Christmas Gift Exchange Party 🇹🇼

To enhance the festive atmosphere, we held a "Creative Christmas Gift Exchange Party," inviting employees to exchange gifts and donate receipts. A total of **258** employees participated and donated **900** receipts.

Family Open House 🇨🇳

During the summer vacation, employees' families were invited to visit the Kunshan Plants and participate in interactive games, increasing their recognition of the company and corporate culture, and also allowing families to better understand and support employees' work, effectively enhancing family harmony and corporate cohesion. A total of **62** employees and their families participated in the activity, with a satisfaction **score of over 9.5**.

2023 Cross-Plant RISE Sports Meet 🇹🇼 🇨🇳

To enhance employee health, create positive team interaction energy, and implement the RISE corporate culture spirit, the "2023 Cross-Plant RISE Sports Meet" was specially held. This sports meet was held separately in Taiwan, Kunshan, and Wujiang plants for the first time, with competitions including online fat loss exercise, rowing relay, canoe slalom, centipede race, javelin throw, taiko no tatsujin, and so on. To inspire team morale, each team in Taiwan had a 【Team Spirit Overall Championship】 competition prize money to encourage everyone to strive for the highest team honor. A total of **3,506** employees from Taiwan, Kunshan, and Wujiang plants participated, with a participation rate of **81%**.

"Company Encyclopedia, Employee Classroom" Knowledge Competition 🇨🇳

We compiled 92 frequently asked questions that employees often inquire about in their daily work into an online question bank. Through a knowledge competition format, we helped employees quickly resolve these common issues, with **309** employees participating in the competition.
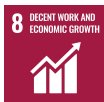
06

Material Topics

Labor/ Management Relations

GRI

Labor/ Management Relations

6.4 Communication Channels 2-25, 2-26, 2-29, 3-3, 402-1

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants)

Topic Importance

The Company needs to achieve the operational performance by employees, and the employees also need the stage and working remuneration provided by the Company. Therefore, both parties need to jointly create a good and trustworthy labor-management relationships.

Strategies

• Taiwan plants hold quarterly labor-management meetings
• Wujiang Plants hold quarterly president symposiums
• Kunshan Plants holds employee symposiums from time to time
• Conduct annual employee opinion surveys
• Establish diverse and smooth two-way communication channels
• Notify employees of major operational changes at least four weeks in advance

Evaluation Mechanism

Annual employee opinion survey, facility service satisfaction survey

Performance

• Taiwan Plants held 16 labor-management meetings
NEW Wujiang Plants held 6 plant manager meetings
NEW Kunshan Plants held 16 employee meetings
• Taiwan plants conducted annual employee opinion surveys, with a response rate of 96% for indirect employees and 90% and 97% for direct employees, respectively
• Wujiang Plants conducted an annual employee opinion survey in 2023, with a response rate of 100% for indirect employees and 75% for direct employees
NEW Kunshan Plants conducted its first annual employee opinion survey, with 249 responses
NEW Taiwan Plants implemented the "New Hire Project" and the "Gen Z Alliance Project"
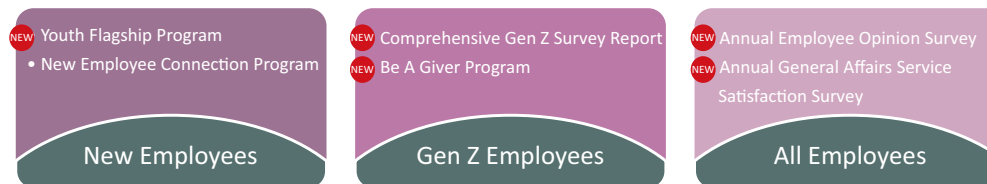
Goals

• 2024: Conduct annual employee opinion surveys and engage in necessary communication after compiling various employee opinions; conduct annual labor human rights risk identification
• 2025-2026: Incorporate employee opinions into the management meeting agenda to allow the management to receive suggestions from stakeholders for corresponding assessments

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Communication Channel	Implementation Plants	Content	2023 Results		
Labor-management Meetings	Taiwan	Held once per quarter for each plant, a total of **16** meetings, reporting operational status, employee problems and improvement methods.			
Employee Welfare Committee	Taiwan, China	Held once per quarter for each plant, a total of **12** meetings, discussing the operation of the welfare committee and future activity plans, and reviewing and planning improvement measures based on activity satisfaction survey results.			
Email	Taiwan China (Kunshan) China (Wujiang)	8585@coretronic.com 1885@coretronic.com.cn 6885@coretronic.com	**Taiwan** • **No** complaint cases.	**China (Kunshan)** • Complaint cases: **13** • Complaint topics: Labor relations, meals and accommodation, salary and benefits. • Closure rate: 100%, and must be closed within the month of case the complaint.	**China (Wujiang)** • Complaint cases: **44** • Complaint topics: Employee relations, labor relations. • Closure rate: 100%, and must be closed within the month of case the complaint.
Hotline	Taiwan China (Kunshan) China (Wujiang)	037-777000 #8585；0800-299-988 0512-57360000 #1885 0512-85168838 #4885；0512-63828588 #6885			
Physical Suggestion Box	Taiwan, China	Set up on each floor of the plant, at the entrance of the parking lot, and in the dormitory area.	The human resources department engaged in two-way communication and coordination with employees and the relevant departments involved in their feedback. They continuously work on improving and resolving the issues raised by employees, ensuring that communication channels remain smooth and effective.		
Annual Meetings	Taiwan (Visual Solutions Products)	A total of **6** meetings were held, where supervisors of each unit explained the development strategies and directions for the next half year to employees, with a total of **356** people attending.			
BU Communication Meetings	Taiwan (Energy Saving Products)	A total of **3** meetings were held to explain the operational strategies and directions, customer focus, and future prospects of the energy-saving business group, with a total of **123** participants attending.			
🔴NEW **Employee Care Interviews**	Taiwan	To immediately respond to employee concerns and deeply understand their career plans, employees are invited for interviews **weekly** , and employee opinions are immediately feedback to each unit or their supervisor, with a total of **265** people interviewed.			
🔴NEW **President Symposium**	China (Wujiang)	A total of **6** meetings were held to communicate difficulties encountered in daily grassroots management work, and the plant managers immediately clarified doubts and also promoted personnel policies to allow employees to understand in a timely manner.			
Employee Symposium	China (Kunshan)	A total of **16** meetings were held to communicate difficulties encountered in daily grassroots management work, and the department supervisors immediately clarified doubts and also promoted personnel policies to allow employees to understand in a timely manner.			
Assistant Symposium	China (Kunshan)	A total of **2** meetings were held to improve work process methods, simplify unnecessary processes, strengthen communication with assistants, and make work smoother.			
Employee Care Day	China (Kunshan)	A total of **6** meetings were held to distributing small gifts on-site, providing free replacement of ID cards and lanyards, encouraging employees to express their own ideas, listening and accepting different opinions.			
EAP (Employee Assistance Program)	Taiwan	Provided an 0800 external professional consultant service telephone, which employees can call for free to consult on family marriage, parenting, interpersonal relationships, personal emotions, legal advice on buying and selling disputes, car accident settlement, property inheritance, civil and criminal issues, and management issues, with usage reaching **38** person-times.			
New Employee Symposium	Taiwan	For employees in the probationary period, held once per quarter, through various small games and activities to allow new employees to better understand each other and their department positioning, and held a new employee-exclusive performance management course to allow new employees to better understand the company's performance evaluation and system regulations through practical course exercises.			
Coretronic APP	Taiwan, China	An exclusive employee app, including company directory, push notifications, approval forms, store discounts, coffee shop ordering and pickup reminders, meeting room inquiry and parking space inquiry, environmental education videos viewing, psychological observation stations, commuting records, Employee Welfare Committee website, and other functions.			
Line Communication Platform	Taiwan	• Production line operators can use this platform to instantly know various company information and raise questions, and relevant departments will provide responses and assistance within two days. • The total number of chat uses was **623** times consulting on attendance and salary-related issues.			
Coretronic i-Micro Service	China (Wujiang)	An exclusive employee service public account, including information on human resource processes, news, salary and benefits, employee complaints, employee training, and more, with regular updates.			
CPC WeChat Official Account	China (Kunshan)				
EIP Employee Information Website	Taiwan, China	Published various types of announcements and regulations, resource reservations, collaborative work, group insurance and other related information.			
Welfare Committee Website	Taiwan	Information sharing on Employee Welfare Committee, clubs, recreational activities, exclusive company discounts, and contracted vendors.			

Besides the above-mentioned routine and diverse communication channels, starting from 2023, we will allow colleagues' opinions to be more comprehensively conveyed to the management through different age longitudes and different latitudinal methods, turning suggestions from different perspectives into driving forces for the company's growth. Furthermore, to enhance our attractiveness to Generation Z (born between 1997-2012) young people and improve the retention rate of current employees, we conducted the following six survey methods for new employees, Generation Z employees, and all employees, respectively.

New Employees	Gen Z Employees	All Employees
NEW Youth Flagship Program • New Employee Connection Program	NEW Comprehensive Gen Z Survey Report NEW Be A Giver Program	NEW Annual Employee Opinion Survey NEW Annual General Affairs Service Satisfaction Survey

【 New Employees 】

Youth Flagship Program NEW

- To help new employees aged 15-29 better connect with the Company, we simultaneously applied for and implemented the Ministry of Labor's Youth Employment Flagship Program. From the start of new employees joining the Company, training is conducted for 3-6 months according to job category, and each employee is assigned a senior colleague as a workplace mentor. A learning plan is scheduled on a biweekly basis, and employees provide feedback on their learning, while workplace mentors provide comments every 8 weeks for supervisors to immediately grasp learning progress and make adjustments.
- In 2023, a total of 34 new employees participated in this program, and 29 employees remained employed after the program period ended, with a retention rate of 85%
- For the 24 employees who completed the training, a satisfaction survey was conducted on aspects such as "training content," "workplace mentor performance," "environment and benefits," "overall training satisfaction," and "ability improvement." The overall average satisfaction score was 90 (out of 100), of which satisfaction with "Mentor's professionalism, guidance, and care" was 92. It was believed that this program can effectively improve professional skills, communication, teamwork, and problem-solving abilities, while helping new employees quickly adapt to the workplace.

New Employee Connection Program

- For new employees in the Energy Saving Business Group, a three-month "New Employee Connection Program" exclusive Mentor system is launched. Through one-on-one guidance and care, it helped new employees adapt to work content and become familiar with organizational culture, enhances interaction and communication among internal employees, and establishes a regular care mechanism. After three months, in addition to inviting new employees to fill out a satisfaction survey, Mentors need to provide feedback on their observations of guiding new employees, allowing HR to provide assistance in a timely manner and establish a two-way feedback mechanism.
- In response to the joining of Generation Z talents, in 2023, communication and motivation skills courses for new generation employees were specially planned to allow Mentors to conduct guidance more skillfully, help new employees quickly adapt to the company, and increase the chances of new employee retention. Through the courses, Mentors can learn how to formulate work task inventory tables and teaching plan tables, and conduct behavioral verification after the course, collecting recent actual care STAR cases. In 2023, the Energy Saving Business Group cultivated 26 employees to obtain Mentor certification qualifications.
- Moreover, a total of 11 new employees participated, and new employee satisfaction with Mentor guidance reached 9.3 (out of 10), with a new employee retention rate of 100% and overall satisfaction reaching 9.5 (out of 10). It is expected that in 2024, the "New Employee Connection Program" will be simultaneously introduced to the Visual Solutions Business Group, with the hope of continuously improving new employee satisfaction and retention rates to ensure the effectiveness of the mentor-apprentice system implementation.

【 Generation Z Employees 】

To better understand the thinking of Generation Z (born 1997-2012) employees and allow Generation Z to unleash their digital potential and creativity, pass on the company's expertise, and promote corporate culture, we have committed to creating a cross-generational, mutually prosperous, and creative friendly workplace environment through two major Generation Z alliance projects: the "Comprehensive Generation Z Survey Report" and the "Be A Giver Program," allowing employees of different generations to fully develop within the Company.

Comprehensive Generation Z Survey Report NEW

The first stage was a "quantitative questionnaire," in which a total of 103 Generation Z employees participated. The second stage was a "qualitative interview," where sampling was conducted according to the ratio of various job positions and genders, and 40 Generation Z employees were ultimately invited to participate. Through the aforementioned two-stage survey, the thoughts of Generation Z employees on "job-seeking trends," "learning models and needs," and "long-term factors" were collected, and based on the survey report, various concrete actions were launched, such as: enhancing company favorability, deepening employer brand management, optimizing demand training surveys, and other activities.

Be A Giver Project NEW

- "Digital Creator" activity: Supervisors and Generation Z collaborated to create digital courses, sharing department expertise with cross-generational employees. 21 digital course lecturers were specially trained, establishing courses in R&D, sales, financial accounting, human resources and other fields, impacting over 399 people with learning hours as high as 181 hours.
- "Corporate Culture Ambassador" activity: 12 Generation Z employees were trained as experiential activity lecturers. Generation Z took the stage on the front line, becoming promoters of corporate culture. They designed reality escape and factory challenge activities, allowing 36 teachers and students from Yuan Ze University to experience the company's corporate culture through experiential learning.

【All Employees 】

Annual Employee Opinion Survey

Plants	Indirect Employees	Direct Employees
Taiwan	• Employees can express their opinions on work content, work environment and the company in the "Annual Employee Suggestions" field of the online performance appraisal system. • The response rate was 96%, of which 386 employees provided valuable suggestions, and a proposal rate (number of proposers / number of participants in the opinion survey) was 25%. • The Human Resources Department compiles the top 3 issues for each BG each year and provides them to the business group supervisors for reference. If there are issues that need to be handled by administrative units, they will be forwarded to the relevant units for subsequent improvement evaluation. The responses from the relevant units have been included in the fourth quarter labor-management meeting presentation and published on the EIP for colleagues to view.	• Online/paper/online and paper questionnaires and incentive activities were conducted to encourage direct employees to put forward opinions and ideas. • In 2023, 2 communication questionnaires were sent out, with a 90% response rate in the first half of the year, with 12 questions and suggestions raised; and a 97% response rate in the second half of the year, with 3 questions and suggestions raised. • The main issues were related to attendance, salary, production performance bonuses, and three-festival bonuses, all of which have been provided feedback.
[NEW] Kunshan	• An online questionnaire survey was conducted, where employees could express their opinions on living/working environment, welfare system, performance compensation, communication channels, career development, and so on. • It was held for the first time, with 249 people responding. According to the survey results, employee satisfaction with the Company's communication channels and working environment was relatively high. • Employee suggestions and improvement measures: increase the variety of employee meals, improve dormitory environment, and inquire about salary and attendance through WeChat.	
Wujiang	• Employees can express their opinions on work content, work environment and the company in the "Annual Employee Suggestions" field of the online performance appraisal system. • Excluding employees on probation, short-term interns, long-term injured employees, and employees on unpaid leave, the participation rate was 100%, with a total of 42 improvement suggestions collected. The improvement status will be continuously tracked according to the issue category and improvement period.	• An online questionnaire survey was conducted, with a response rate of 75%. Employees had relatively high overall satisfaction with the activities held by the company. • A total of 12 improvement suggestions were collected and improvement measures were formulated accordingly: adjust plant employee shuttle bus departure times according to overtime conditions, increase the variety of employee meals, and announce employee meals in advance.

Taiwan Indirect Employee Suggestions	2023 Improvement Measures
The lighting in the working environment is relatively dim, it is suggested to improve the lighting to create a bright working environment, which is conducive to work efficiency and work mood.	The three 4000K (yellow light) fluorescent tubes in each light fixture have been changed to two 6500K (white light) fluorescent tubes, and the number of panel lights has been increased.
The road construction in Lixing Plant's first parking lot affects the safety of motorcycles entering and exiting the lanes, as well as parking space related issues.	The problem of external road construction has been communicated and improved with the Science Park Administration Bureau and the Construction Management Section. The parking spaces under the bridge were applied for with the Science Park Administration Bureau after the external road was opened, and the parking lot planning was completed in December 2023. Rental approval was obtained on January 8, 2024, and the renovation and construction of the first parking lot is expected to be completed in March 2024.
Hoping that the company can green the working environment.	Environmental greening and optimization have been carried out in the four Taiwan plants, such as: establishing a mobile office on the fourth floor of Lixing Plant to increase different types of office spaces.
Suggested to increase insulation measures for the lunch meals in the Tainan Plant 2 at noon to improve dining quality.	Insulated food tables have been purchased to provide employees with a better dining experience.

Annual General Affairs Service Satisfaction Survey

• Survey method: An online questionnaire survey is conducted once every half year, with evaluation items including employee meals, coffee shops, security, cleaning, counter services, and so on.
• Survey subjects: All employees of Taiwan plants. Before 2022, the survey scope was employees of Chunan Plant, Tainan Plant 1, and Tainan Plant 2 it also was expanded to Lixing Plant in 2023.
• Performance: In the second half of 2023, a total of 741 people responded to the survey, with a response rate of 37%. Among the various evaluations, the average satisfaction with cleaning, security, counter services, and so on, all reached over 91%. However, the satisfaction with employee meal services at Lixing Plant was only 76%. Measures such as formulating "Meal Service Quality Management Operation Regulations," regularly adjusting menus, strengthening meal insulation, setting up employee meal feedback channels, and conducting regular satisfaction surveys will be taken to improve employee meal service satisfaction.

Material Topics

Talent Cultivation

GRI

Training and Education

6.5 Talent Cultivation [3-3]

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants)

Topic Importance

Talent is the foundation of an enterprise. By establishing a diverse training system and developing training and development mechanisms for different levels, employees and supervisors can continuously enhance their competitiveness, aiming for the company's sustainable development.

Strategies

- According to operational needs, combining theory and practice, stimulating employee potential, cultivating high-quality talents, and through the inheritance and management of knowledge and experience, shaping a learning organization culture, continuously accumulating the company's intellectual capital, and creating sustainable corporate operations
- With corporate sustainability as the company's core value, actively investing in employee competency reconstruction, revitalizing and strengthening the human organization to assist employee career development

Evaluation Mechanism

The Human Resources Center and Talent Development Center establish annual plans based on corporate culture, youth empowerment, internal talent training, and other development directions, actively invest in management talent cultivation, carry out corporate inheritance and organizational strengthening, and establish autonomous reading groups to jointly create a learning organization atmosphere

Performance

- Awarded the " Talent Cultivation Leadership Award " at the 2023 TCSA Taiwan Corporate Sustainability Awards
- Compared with 2022, the total training expenses of Taiwan plants increased by 118%, the total training hours increased by 71%, and the average training hours per capita was 22.3 person-hours
- Compared with 2022, the total training expenses of China plants increased by 124%, the total training hours increased by 20%, and the average training hours per capita was 13.2 person-hours
- "Core Competency Academy": Opened 87 R&D, sales, and operational competency courses, with a total of 2,785 participants and an overall satisfaction score of 9.6
- "Youth Empowerment Training": Improved the solution ability of Generation Z partners and accelerated their deployment in the workplace. A total of 2 courses and 7 sharing sessions were opened, with a total of 293 trainees. After the training, direct supervisors conducted behavioral inspections, and ability improvement was 23%
- "Leadership Reading Club": Cultivated the leadership of middle-level managers, established 11 department-level reading clubs, with a total of 95 people participating in co-reading, held 81 reading club sessions, with a total training of 910 person-hours, building a learning organization from the inside out
- "Workplace Mentor Full Attack": Assisted workplace mentors in providing different guidance methods according to the adaptation stages of new employees. A total of 51 mentors were cultivated, and 41 new employee teaching plan tables were produced after the course as the department's internal teaching SOP. In the three months after the course, 26 care cases were submitted
- "International Talent Cultivation": Planned "Business English Lecture Series," with a total of 379 participants. Through pre- and post-testing, trainees' self-evaluation level improved by an average of 43%; "Korean Language Improvement Program," "Vietnamese Language Course," "Advanced Speaking Class," with 80% of trainees achieving learning goals

Goals

- 2024: Plan creative problem-solving solutions for talent management and demonstrate concrete results; expand the introduction of digital self-learning resources through training system updates
- 2025-2026: Continue to construct a comprehensive career map and learning blueprint, continue to cultivate management talents, and make advance arrangements for the company's sustainable development

We uphold the philosophy that "Talent is the company's most important asset" and strengthen employees' professional competencies through diversified channels and platforms; use experiential learning and action learning methods to allow employees to experience the "R.I.S.E." corporate culture of responsibility/innovation/excellence/pioneering and cultivate common values and attitudes. Additionally, employees can participate in systematic training courses to become experts in management or professional lines, and can also achieve their dreams on the international stage through the group's global strategic deployment, regional rotation, and foreign language studies.

According to the historical training performance trend chart of Taiwan and China, the total training expenses of Taiwan plants in 2023 exceeded NT$4.27 million, a significant increase of 118%, and the total training hours also increased significantly by 71%. This was due to the easing of the pandemic, making good use of internal and external lecturer resources, planning a series of physical courses for employees at all levels, and simultaneously planning online training courses to expand training resources to different plants. At the same time, combined with reading clubs, work guidance, and other department cultivation mechanisms, professional practice inheritance was carried out.

The total training expenses of China plants in 2023 exceeded RMB 390,000, a significant increase of 124%, and the increase in total training person-times and hours both exceeded 20%.
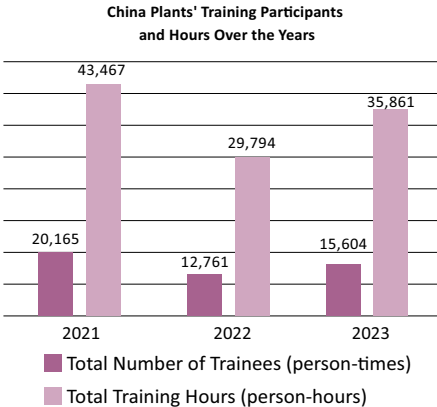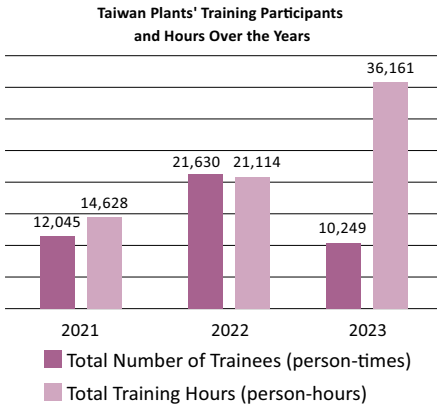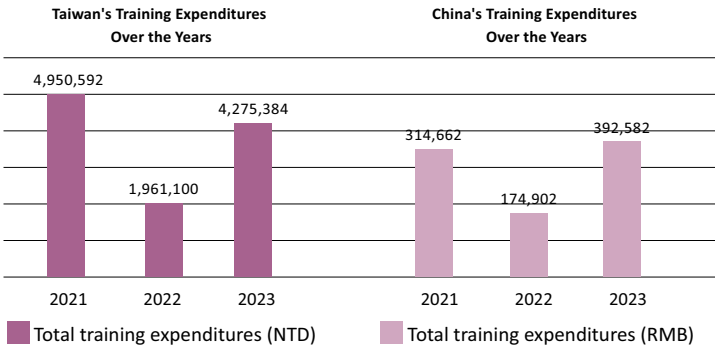

Taiwan's Training Expenditures Over the Years
(2021: 4,950,592; 2022: 1,961,100; 2023: 4,275,384)
■ Total training expenditures (NTD)

China's Training Expenditures Over the Years
(2021: 314,662; 2022: 174,902; 2023: 392,582)
■ Total training expenditures (RMB)

2023 Average Employee Training Hours [404-1]

Region	Gender	Job Level [1]					Job Category				
		Senior Management	Middle Management	Junior Management	Non-Management	Total	R&D personnel	Sales personnel	Administration personnel	Production personnel	Total
Taiwan	Male	35.9	24.6	23.0	22.9	23.5	18.5	39.1	15.4	34.6	23.5
	Female	19.1	24.4	22.6	20.2	20.5	13.7	24.7	13.4	25.2	20.5
	Total	30.4	24.6	22.9	21.6	22.3	18.0	30.2	14.1	29.3	22.3
China	Male	35.0	62.0	21.3	11.5	13.4	17.6	21.9	12.7	12.9	13.4
	Female	0.0	74.6	25.7	11.2	13.0	15.5	22.7	15.7	11.8	13.0
	Total	35.0	65.2	23.1	11.4	13.2	17.1	22.5	14.7	12.5	13.2

1: Chairman, president, business group, sub-business group, business division, and independent center supervisors are senior management; center and division-level supervisors are middle management; department and section-level supervisors are junior management; other employees are non-management personnel.

2: The data in the above table is based on physical, online course lectures, department training and other training data opened from 2023/1/1-2023/12/31, and the training hours are calculated according to the number of employees in December 2023.

3: In terms of training resource provision, except for mandatory courses, all kinds of courses are open for employees to enroll voluntarily. However, due to differences in member composition and willingness to participate in training, the proportion of male and female participants is affected. The company has included DEI in the three-year plan and is committed to promoting a diverse and equitable workplace, and encourages female employees to continue investing in self-learning and pursuing work-life balance development.

Training Development Channels [404-2]

Continuous innovation and excellent quality are important competitive advantages. Therefore, we design and develop various learning tools and activities to plan the best combination of training. Employees can consider their personal time and learning styles, and adopt different training channels, including internal training (on-the-job training, classroom courses, self-development, digital learning) and external training, to meet their job and personal development needs.

For employees whose careers are terminated or whose employment is terminated, in addition to issuing relevant work certificates, we also provide information on relevant career transition assistance programs from government agencies to facilitate their continued employability or retirement life management.

Taiwan Plants' Training Participants and Hours Over the Years
(2021: 12,045 / 14,628; 2022: 21,630 / 21,114; 2023: 10,249 / 36,161)
■ Total Number of Trainees (person-times)
■ Total Training Hours (person-hours)

China Plants' Training Participants and Hours Over the Years
(2021: 20,165 / 43,467; 2022: 12,761 / 29,794; 2023: 15,604 / 35,861)
■ Total Number of Trainees (person-times)
■ Total Training Hours (person-hours)

Training and Development Courses (The full score for course satisfaction surveys is 10 points)

▶ Featured Courses

Course Name	Content	2023 Results
RISEMON Corporate Culture Experience Camp	To enhance the organizational identification of new employees, we redesigned the corporate culture experience camp module. Using the concept of Pokémon games, we incorporated elements such as gym challenge competitions and RISEMON cards into the course to quickly capture the attention of the new generation of trainees.	• 1 experience camp was held, with a total of 33 trainees participating, and the trainees' understanding of the RISE corporate culture reached 9.7 points. • Most trainees indicated that through the experience camp activities, they better understood the RISE spirit and increased their identification with the company.
TTT Internal Lecturer Training	• Certified lecturers were arranged to teach the essential knowledge and skills required for teaching, strengthening the awareness of supervisors and outstanding employees in developing others, and assisting employees in planning teaching activities and learning diverse teaching methods. • Lecturers designed appropriate course content based on job functions and trainee needs, using diverse teaching methods. • HR provided one-on-one coaching to internal professional competency lecturers, build functional module teaching materials, and offered internal courses. • Through pre-course questionnaires, discussions on application were strengthened, and development functional courses are changed to seminar format to create opportunities for cross-departmental practical discussions.	• HR provided one-on-one coaching to internal professional competency lecturers, build functional module teaching materials, and offered internal courses. A total of 21 reserve lecturers were coached to start actual teaching and obtain internal lecturer certification. • A total of 428 people participated in the series of courses, with a satisfaction rate of 9.6/10. Trainees gave feedback that the courses were very practical and could be applied after the course.
NEW **Trend Forum**	To enhance employees' sensitivity to industry trends, four main topics: "International Trends," "Industrial Upgrade," "Sustainability & ESG," and "Management & Talent" were launched as the four major themes of the trend forum.	• A total of 213 people participated, with a total of 168.6 training hours.
Leadership Reading Club	• Through middle-level managers leading department junior managers and employees, a co-reading model was selected to establish department common language and tacit understanding through sharing in the form of co-learning, promoting communication and cohesion. • The reading club focuses on supervisor development needs. Note only to setting team common growth goals and feedback mechanisms are also designed to cultivate supervisors' communication skills through mutual feedback between coaches and members.	• 11 department-level reading clubs were established, holding 81 reading club sessions, with a total of 95 people participating, and a total training of 910 person-hours. • Designed according to supervisor development needs, strengthened team dialogue and feedback mechanisms, promoted team communication, supervisor satisfaction reached 9.6 points, and supervisors rated member engagement at 9.5 points. • Utilizing questionnaires to collect opinions, and HR actually demonstrated leading points to break down resistance. Employee satisfaction reached 9.5 points, satisfaction with process design 9.6 points, self-evaluation of engagement reached 9.2. • Supervisor feedback: Through reading clubs, listened to different voices of the team, gathered consensus, trained subordinates, and could induce members to exert influence and optimize organizational output. • Member feedback: reading clubs, effectively engaged in perspective taking, adjusted work attitude and ways of handling matters, and could apply it to cross departmental issue discussions to solve problems and achieve win-win.
NEW **Youth Empowerment Training**	To cultivate the problem-solving abilities of the new generation, a dedicated two-stage learning journey was designed, combining learning and application, creating a co-learning mechanism for Generation Z. • First stage - Topic course "Problem Analysis and Solving & Concise Presentation Communication": Enhance Generation Z partners' "professional competency solution ability." • Second stage - Interdisciplinary sharing session: In the form of community learning, let interdisciplinary partners share their own expertise and spark new ideas from it.	• 2 courses and 7 interdisciplinary sharing sessions were opened, with a total of 293 trainees, to strengthen new generation partners' solution skills and present to the audience in a logical and structured manner, increasing communication efficiency. • Three months after the courses, direct supervisors conducted behavioral assessments and found a 23% improvement in employees' problem-solving abilities. • Created an interdisciplinary learning environment, established a Generation Z co-learning circle, and cultivated high-potential talents in the new generation. • Produced 42 digital courses, with content covering introductions to various department employees to select, expanding the impact of learning.
NEW **Digital Creator - Be A Giver**	Through the "Digital Creator" and "Corporate Culture Ambassador" programs, Generation Z become workplace contributors, unleash their digital potential and creativity, pass on the company's expertise, and promoting corporate culture.	• "Digital Creator": 21 Generation Z as digital course instructors, impacting over 345 learning person-times, with learning hours as high as 83 hours. • "Corporate Culture Ambassador": Trained 12 experiential activity instructors, designed reality escape and factory challenge activities, and let 36 teachers and from Yuan Ze University experience the corporate culture.

Course Name	Content	2023 Results
(NEW) **Quality School (Wujiang Plants)**	To enhance employees' ability and quality awareness, allow all employees to understand and recognize the company's quality policy through tool-type courses, knowledge competitions, and reading clubs, and implement it in their work to effectively improve quality management ability.	• General courses: A total of 7 quality tool courses were held, with a total of 247 participants, oriented towards practical application, with a learning application rate of 86%. • Knowledge competition: Each BU held 7 competitions, with a total of 186 participants. • Reading club: Each BU, with the Quality Assurance Department as the lead unit, formed teams to read a book together, and representatives from each plant conducted exchange and sharing. A total of 3 reading groups were established, holding 36 reading club sessions, with 25 paritcipants.
New Enterprise Apprenticeship Class (Kunshan Plants)	Encourage employees to develop diverse skills, enhance employees' knowledge and skill reserves, cultivate and reserve diversified technical talents for the company, and apply for and obtain the qualification to issue 3 types of skill certificates: Electronics Dedicated Equipment Installer and Adjuster (Intermediate), Computer Programmer (Advanced), Draftsman (Intermediate).	Opened "Draftsman (Intermediate) Skills Class" and "Computer Programmer (Advanced) Skills Class," with a total of 45 people trained and obtaining vocational skill level certificates, receiving government subsidies of RMB 30,615.

▶ Management Talent Training

Course Name	Content	2023 Results
Complete Guide for a Great Workplace Mentor	• Assist workplace mentors in understanding their roles and responsibilities, mastering work instruction and coaching skills, and providing different coaching methods according to the adaptation stages of new employees to effectively enhance Mentor coaching ability. • Cooperating with and implementing the Ministry of Labor's Youth Employment Flagship Program, from the start of new employees joining the company, training is conducted for 3-6 months according to job category, and each employee is assigned a senior colleague as a workplace mentor, adopting a biweekly method to schedule a learning plan, and employees provide feedback on their learning, while workplace mentors provide comments every 8 weeks for supervisors to immediately grasp learning progress and make adjustments.	• 2 courses were held, with an average satisfaction of 9.7 points, cultivating 51 Mentors. • A total of 41 new employee teaching plan tables were produced after the course as the department's internal teaching SOP. • 3 months after the course, 26 actual care cases were collected as reference cases for new Mentor coaching. • Condensed the essence of the physical course and produced 1 Mentor instruction digital course to help new Mentors quickly grasp the key points of new employee coaching. • Based on the company's internal New Employee Connection Program, satisfaction with Mentor guidance was scored, and satisfaction reached 9.4 points . • A total of 43 new and transferred employees participated in the plan, and 38 employees remained employed after the plan period ended, with a retention rate of 88%. • The overall satisfaction of the Youth Flagship Program averaged 90 points (out of 100), of which satisfaction with "Mentor's professionalism, guidance, and care" was 92 points, and it was believed that it could effectively enhance professional skills, communication, teamwork, problem-solving abilities, and effectively assist workplace adaptation.
(NEW) **Friendly Workplace Lecture**	Starting from 2023, "Creating a Friendly Workplace Starts with You and Me" is listed as a mandatory course for supervisors at all levels, to help supervisors identify and confront workplace illegal infringement, including verbal communication, gender differences, and other items that supervisors must abide by, to jointly create a friendly workplace.	• 3 lectures were held, with a total of 142 participants. • The overall satisfaction of the course was 9.4 points, and the class combined with practical exercises to help supervisors grasp the attitudes and skills of responding to subordinates or colleagues, such as: avoiding using "negative sentences" and "why" as the beginning, and paying attention to facial expression control during communication.
Department Manager Training	To assist department-level supervisors leading cross-generational teams in reducing management challenges and problems of personnel, "Cross-generational Leadership" and "Team Building and Motivation" courses were held.	• The "Cross-generational Leadership" course had 42 participants, with a satisfaction of 9.7 points, and the post-course action plan submission rate was 100%. • The "Team Building and Motivation" course had 30 participants, with a satisfaction of 9.4 points, and the post-course action plan submission rate was 100%. • Through post-course assignments, subordinate abilities were inventoried, appropriate development methods were planned, 1-3 months of coaching actions were set to help trainees link what they learned in the course to daily management, with a task completion rate of 100%.
(NEW) **Questioning Leadership Workshop**	Assist division-level supervisors in becoming better team leaders, combining four management competencies of subordinate cultivation, team building, influence, and leading change, and enhancing supervisors' leadership ability through guidance techniques (questioning power).	• A total of 40 participants with a satisfaction of 9.0 points, helping trainees master 7 questioning leadership tools that can be immediately used • With "subordinate cultivation, team building, influence, and leading change" as the themes, practical exercises were conducted after the course, with a completion rate of 100%.
Leadership School (Wujiang Plants)	Through group activities, stimulate the potential and vitality of grassroots employees, release the pressure of team leader front-line management and stimulate their creativity.	• For team leader front-line supervisors, 2 physical and online development training sessions were conducted, with a total of 332 participants. • Corporate culture, environmental awareness, production safety knowledge were integrated into the development training, letting employees understand the core competencies of corporate culture while relaxing, and stimulating employee competitiveness through online PK. • The average employee satisfaction was 94.6%, and more than 6,000 likes were collected. The album live broadcast views reached 91,102 times; the activity video had a cumulative playback of 8,235 person-times, 2,770 person-times likes, and received 215 recommendations.
Team Leader Training Camp (Kunshan Plants)	• Opened management, general education, production management, and practice-type courses. • Enhance the comprehensive abilities, cohesion, and competitiveness of team leaders.	• 11 courses were held. • 3 team leader training camp activities were held, cultivating a total of 50 people.

▶ Senior Executive Development Program 🔴NEW

To cope with the new challenges posed by the ever-changing business environment to enterprises, in 2023, the main focus was on enhancing corporate strategic deployment and innovation and entrepreneurial leadership capabilities, cultivating macro analysis of the industry and the ability to continuously lead teams to meet challenges

Course Name	Content	2023 Results
Enterprise Foresight Deployment Lecture	To strengthen industry knowledge, electronic newspaper editors and industry analysts were invited to conduct trend analysis of various industries, with lecture topics including semiconductors and supply chain, electric vehicles and automotive displays, Asian deployment, Sino-US confrontation and supply chain, current status of Taiwan's information and communications industry, displays and regional markets, industry research methods, IoT growth and application, future 10-year reform challenges.	Taiwan Plants held 9 seminars with 1,056 managerial participants and 2,112 training hours. Wujiang Plants held 3 seminars with 199 managerial participants.
Economic Forecast Analysis Lecture	To understand future trends, invited Taiwan's Economic Forecast Center to conduct an economic forecast analysis for 2024.	1 lecture was held, with a total of 169 participating supervisors and 338 person-hours of training.
Innovation & Entrepreneurship Leadership Seminar	To enhance supervisors' management competency in leading internal startup teams, startup technology company executives were invited to share and exchange entrepreneurial experience, team leadership, market deployment and other perspectives.	4 lecture was held, with a total of 259 participating supervisors and 518 person-hours of training.

▶ Professional Talent Training

Course Name	Content	2023 Results
Automotive Product Competency Training	Build employees' "zero defect" awareness, and improve automotive product quality management for product development, process design, supplier control, automotive specifications and processes.	• Taiwan plants opened 6 courses, with a total of 662 participants and a satisfaction of 9.1 points. • Wujiang Plants opened 13 courses, with a total of 342 participants. • Established employee automotive quality awareness and mastery of operating processes, and carried out actual application after the course, such as: producing FEMA documents, revising ISO clauses, and successfully obtaining IATF 16949 certification.
Core Competency Academy	• Build a competency map as a framework for recruitment, selection, training development, performance management, and organizational design to cultivate Core professionals. • Continue to build the knowledge (K), skills (S), and attitudes (A) required by various positions (R&D, sales, operations) and at different levels. • Analyze employee competency gaps to understand the company's development and strengthening points, and then formulate specific action plans to improve organizational effectiveness. • Utilize a blended learning approach, combining digital learning with in-person training (internal/external lecturers), and design post-course action plans for employees to apply through on-the-job training (OJT), with direct supervisors conducting evaluations to ensure learning effectiveness. • Leverage internal and external resources, with experienced in-house colleagues teaching basic professional knowledge, complemented by external lecturers introducing comprehensive core competency concepts.	• 87 training courses were opened, with a total of 2,785 participants and an overall satisfaction of 9.6 points. Trainees gave feedback that the courses were practical and could be applied after learning. • Combined with the regulations on the teaching hours of promoted employees to continue promoting a learning organization culture. • Combined internal lecturer coaching and pre-course questionnaire collection to create the most organizationally relevant professional courses. • Established a cross-departmental technical exchange platform and conducted extensive discussions in class. Trainees gave feedback that they could directly use it in future product design. • Post-course application assignments for sales competency courses needed to be submitted to supervisors for review, with a submission rate of 95%.
🔴NEW Core Competency Academy Digital Courses	• For the critical knowledge (K) required by various positions (R&D, sales, administration, operations) and at different levels, digital courses are built. • Through one-on-one HR coaching, trained subject matter experts to become digital course lecturers, building a talent pool for future digital knowledge repositories.	• Built 3 R&D courses: "Stamping and Die Casting Process," "Introduction to Plastic Molds," "Backlight Module Optics Principles." • For the "problem analysis and solving needs" of basic-level employees, the course "See the Trick! Four Steps to Problem Solving" was produced, combining practical cases to help employees establish a solid knowledge foundation.
🔴NEW Automation Academy (Wujiang Plants)	As the Company introduced automated production modes, the demand for automation technology talent increased. Lecturer from vocational industrial schools were hired to teach "Electrical and Electrical Design" skills for production line automation and equipment personnel.	• 8 courses were opened, cultivating a total of 34 people.

▶ International Talent Training

Since 2011, we have listed English scores as a necessary threshold for promotion, clearly specifying the required English score standards for each job level and category.

Course Name	Content	2023 Results
Korean Language Improvement Program	A six-month Korean beginner course in two stages, "basic" and "elementary," was planned to allow employees to learn correct Korean pronunciation and engage in basic daily life conversations, cultivating employees' second language ability and bringing them closer to customers.	• After the course, trainees could master Korean pronunciation, basic grammar, and 100 daily life conversations. • A total of 13 people participated, with a course satisfaction of 9.9 points, of which practicality of content and helpfulness to work were 10 points, and the test pass rate was 100%.
(NEW) Business English Lecture	To enhance internal employees' business English communication skills, bring them closer to external vendors/customers, and increase communication efficiency, business English themed lectures were planned.	• 4 lectures were held, with a total of 379 participants, and an average post-course satisfaction of 9.7 points. • Through pre- and post-testing methods, trainees' self-evaluated level improved by an average of 43%. • Senior executives gave feedback: Through this course, English application ability effectively improved. • The key points of the course were summarized and made into an E-newsletter, which was sent to all employees after the course to help trainees review and expand the learning benefits.
Vietnamese Language Basic Course	In response to the needs of the new Vietnam plant, a six-month Vietnamese basic class course was planned to assist expatriate employees iwn using Vietnamese to engage in simple daily life conversations (such as eating, shopping, taking transportation, etc.), bring them closer to Vietnamese employees, and accelerate expatriate adaptation.	• Trainees could master Vietnamese pronunciation, basic grammar, and 50 daily life conversations. • Taiwan plants had a total of 14 participants, with an average course satisfaction of 9.7 points, of which satisfaction with course content and teaching material design was 9.7 points, and 80% of trainees' learning outcomes met expectations. • A total of 13 trainees in Kunshan Plants passed the exam and obtained certificates.
(NEW) English Speaking Class	• In response to senior executives' work needs, 70 one-on-one online speaking classes were planned to assist trainees in mastering business communication skills and applying them in actual work, and actively initiating social talk in social occasions to establish informal communication channels with foreign customers. • In response to middle-level managers' needs to correspond with front-line brand customers, an online English learning platform was used to plan a one-on-one tutoring class, where managers independently planned a six-month learning course, so that after 50 lessons, trainees could fluently conduct business communication and negotiation in English and make business presentations on company products.	【Advanced Speaking Class】 • Each week's course focused on three main themes: social conversation training (Social Talk), language training and business communication skills (Summary), business communication skills (topic course training) to train trainees' listening, speaking, reading, and writing abilities. • After 9 months of continuous practice, trainees showed significant improvement in sentence structure, pronunciation and intonation, expression ability, and Social skills. The language in their correspondence with customers became smoother, and they could actively initiate Social Talk in social occasions. 【Intermediate Speaking Class】 • Through online level upgrade tests, 3 trainees improved by 1 level in the pre- and post-tests, and their TOEIC scores improved by more than 100 points. • Senior executives were arranged to conduct simulation tests, and after evaluation by executives, trainees' presentation and speaking response ability averaged 86 points (a score of 80 or above passed the evaluation). • After half a year of continuous practice, trainees developed English logical thinking, and their responses to customers also became more fluent, gaining high recognition from customers.

Friendly Workplace Seminar

Complete Guide for a Great Workplace Mentor

RISEMON Corporate Culture Experience Camp

RISEMON Corporate Culture Experience Camp

Automation Academy

Leadership School

Youth Empowerment

▶ 5th Dream Walkers• Earn Your Future
- Cooperated school: Cheng Shiu University of Science and Technology
- Number of cooperating students: 6
- Cooperation method
  - ▷ Junior students: NT$200,000 scholarship per person
- Senior students: One-year internship opportunity and NT$100,000 scholarship per person
- One-year internship
  - ▷ Provide free dormitory, salary higher than the basic wage, NT$100,000 scholarship
  - ▷ Understand product and design processes at the R&D unit of Hsinchu headquarters, and then go to Tainan Science Park plant to become familiar with engineering and manufacturing processes
  - ▷ School teachers regularly visit, and the Company can design courses together with the school to make students' learning more in line with industry needs and achieve the goal of "employment upon graduation"
- 👍 Highlight results
  - ▷ 2023 intern - Yu-Shun Chang performed outstandingly during the internship period, winning a gold medal at the "American Innovation and Invention Expo," a silver medal at the "2023 14th IIIC International Innovation Invention Competition," and "Outstanding Intern" at Cheng Shiu University of Science and Technology
  - ▷ 4 fourth-year students interned in the engineering department and electronic R&D department respectively, serving as RD engineering assistants and PE engineering assistants
  - ▷ Since the start of the project in 2019, a total of 2 selected students have become official engineers of the Company after completing a one-year internship, achieving the project's goal, and currently 1 is still employ

▶ Industry-Academia Cooperation and Collaboration
- Cooperating school: Chung Shan Industrial & Commercial School
- Number of cooperating students: 70
- Cooperation methods and measures:
  - ▷ Cooperated with the K-12 Education Administration, Overseas Community Affairs Council, and schools to recruit children of overseas Chinese to study in 3-year technical high schools in Taiwan, and directly enter 4-year technical colleges after graduation
  - ▷ Implemented rotation in units of two classes, rotating every 3 months, learning technical skills and related knowledge to ensure high-quality and stable manpower, and further cultivate high-quality talents needed for the development of Taiwan's key industries
  - ▷ Provided free dormitory (two people per room), three meals, transportation shuttle, and salary higher than the basic wage
  - ▷ Provided a good training environment, and plan a complete training program for each grade level to receive vocational skills training in the manufacturing department, and cultivate excellent work attitude, safety awareness, and professional ethics
  - ▷ Sponsored lucky draw prizes and extra meal funds for the ancestral worship activities during the Chinese New Year to express care, allowing overseas Chinese students from different countries to experience Taiwan's folk festivals and celebrate the Chinese New Year together

▶ Weebly Program with National Yang Ming Chiao Tung University
- Collaborated University: National Yang Ming Chiao Tung University
- Number of cooperating students: 3
- Collaboration Method: To strengthen inter-school relationships and continue industry-academia cooperation, the company's R&D team (comprising alumni from National Yang Ming Chiao Tung University) serves as "Corporate Pilot" mentors. Through professional knowledge sharing and career consultation arrangements, students not only gain a deeper understanding of optical knowledge and the projection industry but also consider their future career plans and enhance their competitiveness through the experience shared by the mentors.
- Special Activities: This program designed three stages of courses: "Topic Introduction," "Career Consultation," and "Acceptance and Feedback"
  - ▷ First stage - "Topic Introduction": With "Optical Architecture of Projectors" and "Colorimetry/Color Science Introduction" as themes, introduced optical knowledge (color science, geometric optics, optical materials) and application scenarios related to the Company, as well as optical work content
  - ▷ Second stage - "Career Consultation": Students raised career-related issues, and mentors provided suggestions to assist students in future career planning
  - ▷ Third stage - "Acceptance and Feedback": Based on the previous two stages of courses, mentors assigned assignments related to expertise and careers for students to share and report
- Highlight results: The students who participated in the program all gave the Company highly positive feedback and indicated that through the course arrangements, they gained a deeper understanding of optical principles and the projector industry. In addition to sparking interest in the optoelectronics industry, they also understood the direction they should strengthen in the future.
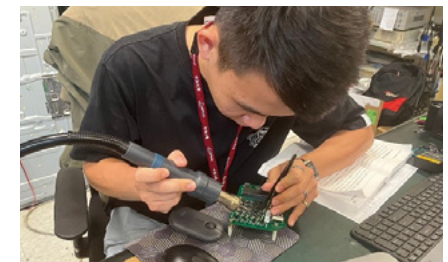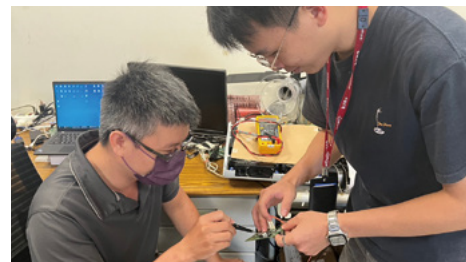
▶ **Summer Internships**
  • Number of Interns: 13
  • Cooperation method: Invite employees' children and general university students to intern at the Company during the summer vacation, encourage students to establish a correct work attitude early and provide practical training, allow students to understand the workplace status and ability differences in advance, and provide complete professional guidance by direct supervisors, offering interns all-round suggestions on career and future studies to enhance their workplace adaptability and competitiveness
  • Special Activities
    ▷ Hired diverse nationality interns (Vietnamese and Korean), and arranged for interns from different departments to jointly execute projects to increase teamwork and cross-departmental communication skills
    ▷ At the end of the internship, a "Closing and Achievement Presentation" was held to allow students to showcase their summer internship achievements and share their internship experiences, and invited intern supervisors to listen to the students' internship achievements and provide guidance and encouragement
    ▷ Through the corporate culture experience camp, interns were led to understand the corporate culture, and familiarity was increased through game interactions to facilitate future cooperation

▶ **Employment Explore Supporting Program for High School Graduates**
  • Program goal: Encourage high school graduates to explore and establish their life direction through workplace, learning, and international experiences
  • Number of cooperating students: 1
  • Cooperation method: The government provides NT$10,000 per month per youth to be used for future schooling, employment, or entrepreneurship, and we provide official employee job openings to youth participating in the program
  • Highlight results: Hired 1 person who has been working in the production department for 2.5 years, with high cooperation and ability to work independently, and plans to continue employment

▶ **MOE Industry-Academia Cooperative PhD Project**
  • Project goal: Assist universities in improving the integration of doctoral education with practical use, establish a system of joint supervision of thesis research by universities and industry, and jointly cultivate the practical R&D abilities of PhDs
  • Number of cooperating students: 1
  • Cooperation method
    ▷ In the first and second years of the PhD program, courses are taken at the school, and in the third and fourth years, R&D can be conducted at the Company, with the thesis completed in the fifth year
    ▷ Donate NT$200,000 in cultivation funds to the school each year
  • Highlight results: Assist in advancing the Company's key project R&D

Performance Review [404-3]

A performance management cycle oriented towards talent development can identify high-potential talents, focus on their development potential and required skills, and provide them with a diverse development stage; for employees who do not meet expectations, clear requirements and coaching are provided to effectively improve performance.

Performance Appraisal System
- Performance appraisals are conducted twice a year to regularly review the achievement of work goals and competency development every six months, and employees are required to conduct one-on-one performance interviews with supervisors to understand the employee's work situation and provide timely guidance and feedback to assist employees in completing annual work goals.
- In Taiwan plants, all employees need to participate, except for those who have not completed the probationary period, are on unpaid leave, or have fixed-term contracts; in China plants, all employees need to participate, except for those who have not completed the probationary period, have long-term work injuries, are short-term interns, or are on unpaid leave. The Company is performance-oriented and does not discriminate based on gender.
- For new employees who have been employed for less than three months, the company has a probationary appraisal system; for employees whose performance does not meet expectations, the Company has a performance improvement system, with the main purpose of providing coaching to employees, allowing employees to clearly understand where their performance does not meet expectations and the key points that need improvement, thereby improving their performance.

Diverse Feedback Evaluation Mechanism
- Employee self-evaluation: Self-assess work goal achievement and competency performance, state employee opinions, arrange performance interviews with supervisors, set personal future work goals based on department goals, and confirm competencies recommended by supervisors.
- Supervisor evaluation: Recommend appropriate competency indicators for subordinates, designate multiple evaluators, evaluate subordinates' goal achievement and competency behavior performance, state supervisor comments, conduct performance interviews with subordinates, and discuss and set their future work goals with subordinates.
- Multi-person evaluation: Employees participating in multi-person evaluation assess and evaluate competency indicators, and the evaluation results can serve as a reference for supervisor evaluation.

Region	Gender	Job Level [1]					Job Category				
		Senior Management	Middle Management	Junior Management	Non-Management	Total	R&D personnel	Sales personnel	Administration personnel	Production Personnel	Total
Taiwan	Male	84%	97%	98%	96%	96%	98%	95%	95%	92%	96%
	Female	80%	103%	100%	97%	97%	98%	97%	96%	97%	97%
	Total	83%	98%	98%	96%	96%	98%	96%	96%	95%	96%
China	Male	100%	100%	99%	96%	96%	97%	94%	99%	96%	96%
	Female	No personnel	100%	100%	96%	97%	98%	95%	98%	96%	97%
	Total	100%	100%	100%	96%	96%	97%	95%	98%	96%	96%

1: Chairman, president, business group, sub-business group, business division, and independent center supervisors are senior management; center and division-level supervisors are middle management; department and section-level supervisors are junior management; other employees are non-management personnel.
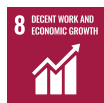
2: The proportions in the above table are calculated with the total number of employees in Taiwan and China plants as the denominator and the total number of employees participating in the performance review at the end of the year as the numerator.

Material Topics

Occupational Health and Safety

GRI

Occupational Health and Safety

6.6 Health Care [3-3]

Topic Boundary

Coretronic Taiwan, China Plants (Kunshan Plants, Wujiang Plants), Contractors

Topic Importance

Providing employees with a safe working environment and maintaining their physical and mental health allows employees to work with peace of mind and achieve further success

Strategies

Follow the international occupational health and safety management system, continue to promote health, reduce occupational hazard and epidemic risks, and create a healthy and safe workplace environment

Evaluation Mechanism

- The safety and environment Division formulates and plans annual goals, budgets, and plans, submits them to the Occupational Safety and Health Committee for review, and then implements relevant strategies through the ISO 45001 certified occupational health and safety management system
- The Health Management Department implements health protection measures based on employee health problems and needs, and also formulates annual health promotion plans and organizes diverse health promotion activities to enhance disease prevention capabilities

Performance

- 100% pass rate for Occupational Safety and Health Management System ISO 45001 verification
- Regularly review accident events and propose prevention and improvement plans every year, with a 100% achievement rate
- Occupational health and safety education and training for a total of 24,115 participants, with a total training time of 236,878 person-hours
- Held 45 disaster response and fire drills, with a total of 7,029 participants trained and a total training time of 10,500 person-hours
- Number of occupational injuries (excluding traffic accidents): 1 in Taiwan plants, 2 in China plants
- Number of occupational injuries for contractors (excluding traffic accidents): 0 in both Taiwan and China plants
- Held 68 health promotion activities, with a total of 2,809 participants
- Implemented the "i Health Program," improving employees' metabolic problems through smart fitness equipment and professional coach exercise guidance in the plant, with 42 people participating, a 92.5% exercise prescription achievement rate, and the number of people with weight and body fat reduction both exceeding 50%

Goals

- 2024: Pass ISO 45001:2018 Occupational Safety and Health Management System verification, number of occupational injuries in Taiwan plants less than 3 / China plants less than 10, number of occupational injuries for contractors 0; Taiwan plants promote the Happy Aging Project, implement Age-Appropriate Work Plans for middle-aged and elderly, increase health screening items, conduct risk assessments and provide health guidance, physician consultation, and health promotion measures based on the results / China plants hold at least 4 health promotion activities and hire professional doctors to provide medical consultation services
- 2025-2026: Pass ISO 45001:2018 Occupational Safety and Health Management System certification, number of occupational injuries in Taiwan plants less than 3 / China plants less than 10, number of occupational injuries for contractors 0; Taiwan plants actively hold diverse health promotion activities, adopt e-health management, and also hope to extend good health behaviors to employees' families / China plants hold at least 8 health promotion activities and hire professional doctors to provide medical consultation service

"How to add value to employees' health" has always been an issue we value. Through the support and commitment of the management, a friendly and healthy work environment is created, employee health awareness is carefully gathered, and employee health data is grasped. High-risk employees are tracked and controlled, and even under the interference of the COVID-19 pandemic, health promotion measures continue to be promoted. In 2023, "Preventing Metabolic Syndrome" continued to be an important goal, implementing the digital gym "i Health Program," combined with the uGym software developed by the subsidiary - uCare Medical Electronics, to cultivate employees' exercise habits and train healthy body and mind in a systematic way.

Health Management [403-3]

Annual Health Examination

- Taiwan plants: Annual health checkups are conducted at a frequency superior to regulations, and employees with obviously abnormal results in some items are immediately notified and assisted in arranging referrals. As the mortality rate from hypertensive diseases, heart diseases, and diabetes continues to rise, the company arranges free additional glycated hemoglobin tests for employees with fasting blood sugar over 100mg/dl, and provides electrocardiogram examinations for employees over 45 years old and those with stage 2 hypertension for early detection and early treatment. In addition, during the annual health checkup, the "Personal and Work Fatigue Scale" is distributed to employees to understand their mental health, and based on the questionnaire results, employees with work stress are invited to have health consultations and overload assessments with medical personnel.
- Wujiang Plants: According to RBA requirements, annual health checkups are conducted for special operations personnel (forklift operators, electrical workers, and low-voltage electrical workers). In 2023, a total of 50 people were examined, of which 3 had occupational contraindications. Among them, 1 person did not require a transfer due to no direct contact, and the other 2 have been transferred to other positions after physician judgment.

Annual Special Operations Health Examination

- Taiwan plants: The test items include noise, ionizing radiation, lead, n-hexane, dust, cadmium, and nickel. A total of 54 people were examined, with an examination rate of 100%.
- China plants: For personnel who may be exposed to harmful factors during operations, special operations health checkups are arranged before, during, and after employment. The test items include dust, tin dioxide, methyl methacrylate, ethyl acetate, pentane, n-hexane, methanol, acetone, butanone, n-heptane, cyclohexane, benzene, toluene, xylene, isopropanol, noise, power frequency electric field, ionizing radiation, acrylic acid, laser radiation, ultraviolet radiation, and anhydrous ethanol. The number of people who should be examined is 323, with an examination rate of 100%. For employees with abnormal examination results, re-examination follow-up is arranged. If the results are abnormal for two consecutive times, it belongs to an occupational contraindication item, and internal position transfer is conducted to avoid health hazards caused by repeated exposure. In 2023, a total of 3 employees in Kunshan Plants underwent position transfer due to abnormal examination results.

Health Protection [403-3, 403-10]

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

No occupational disease cases occurred in 2023.

Maternal Health Protection

- Conduct workplace hazard assessments and arrange doctor interviews and guidance for 10 pregnant and postpartum employees.
- Provide a comfortable lactation room, designated indoor parking spaces, and priority dining rights.
- Regularly hold cancer screening activities for women.
- Offer free on-site ovarian function (AMH) testing for women.

Prevention of Abnormal Workloads

- Daily work hour reminders and overtime control.
- Annual overwork questionnaire survey.
- Arrange doctor consultations for 15 employees who work overload, and refer those with cardiovascular diseases.

Prevention of Human Factor Hazards

- Annual musculoskeletal symptom survey.
- Arrange occupational physician interviews and guidance for 15 high-risk employees.
- Conduct on-site workplace visits as needed.

Middle-aged and Elderly Work Suitability Assessment

- Conduct work ability assessments for middle-aged and elderly employees.
- Perform health screenings and personal health risk assessments for middle-aged and elderly employees, and arrange on-site physician interviews and guidance.
- Promote the Happy Aging Health Promotion Program.

Health Promotion [403-6]   **68** activities held, with **2,809** person-times

We continue to formulate annual health promotion plans based on the results of annual health checkups and employee health needs, and implement the i Health Program, influenza vaccination, lectures on improving bone health and staying away from metabolic syndrome, lectures on Chinese medicine health knowledge, fat loss activities and other health promotion activities to enhance employees' health awareness and strive to create a healthy, energetic and comfortable friendly workplace.

- Cancer prevention activities: According to the statistics of the Ministry of Health and Welfare, malignant tumors continue to threaten people's lives and health. To strengthen employee care, the Company provides employees with fecal occult blood tests and gynecological cancer screening activities. If high-risk groups are found, active health care and medical referrals are immediately conducted. Furthermore, employees are also invited to respond to "Quit Smoking and WIN." In addition to providing employees with smoking cessation channels and methods, to increase the willingness of employees and their families to quit smoking, smoking cessation bonuses are provided and cooperation with nearby regional hospital smoking cessation clinics is conducted. Lectures such as "Dangers of Cigarettes to the Body, Understanding New Tobacco Products," "Smoke-free and Light, Get Rid of Nicotine Addiction from This Moment!" "Eat the Right Foods to Take Care of Your Lungs," and "Quit Smoking FUN and Easy" are held to increase the success rate of employees quitting smoking.
- Happy Aging: In response to Taiwan's entry into an aging society with a low birth rate, the labor population is gradually aging. The Company implements health promotion activities for all ages, providing lectures and activities related to physical exercise, nutritional diet, disease prevention, and long-term care rehabilitation.
  - ▷ Regularly conduct bone density checks, physical fitness tests, happy aging lectures, and establish an online blood pressure and weight inquiry system
  - ▷ The employee cafeteria provides organic vegetables every day and fruit light meals every week
  - ▷ Organize "Low-Dose Lung Computed Tomography Examination," with free participation for employees over 45 years old, and a participation rate of 64%. If the examination results are in the high-risk group, active referral and regular follow-up will be conducted for employees to achieve the effect of active treatment and prevention of disease progression
- Fat loss activities: Before the arrival of summer, the Wujiang Plants held a one-month fat loss activity, inviting employees to participate in teams by department and supervise teammates to exercise regularly to achieve the final victory. 130 employees and their families lost 490 kilograms in one month and consumed 1,652,144 kilocalories, with an average satisfaction of 9.4 points (out of 10 points). It is expected to continue in 2024.
- Happy Sharing, Empowering the Heart: To care for employees' mental health, the Wujiang Plants specially held a 21-day "Happy Sharing, Empowering the Heart" check-in activity, inviting employees to share positive energy events in the activity circle of friends, guiding employees to discover every happy little thing in life with a positive perspective, increase their sense of happiness, and create a good working atmosphere. A total of 115 employees shared 1,644 posts, with an average satisfaction of 10 points (out of 10 points).

6.7 Safe Work Environment

Employees are the key driving force for the company's continuous innovation and sustainable development, so providing employees with a safe working environment is the company's responsibility. We take "building a safe and healthy workplace" and "zero occupational accidents" as the management goals of a safe working environment, hoping that employees and workers of the Coretronic Group can work in a healthy and safe environment.

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

We fully institutionalize environmental safety and health management regulations for employees and workers to follow, and formulate safety and health policies, regularly review safety and health performance, strengthen personnel education and training, implement risk management and regular on-site inspections to ensure the safety of the work environment. In 2023, the internal and external verification scope of the occupational health and safety management system covers the number of employees and workers reported in the "Occupational Accident Management."
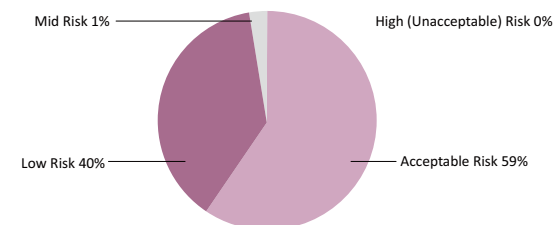
Additionally, to implement and introduce hazard prevention measures and related management regulations in accordance with national laws and regulations and the nature of different workplaces, the top supervisor establishes a safety and health organization and an Occupational Safety and Health Committee, and occupational safety and health personnel in each plant are responsible for the third-party certification (ISO 45001) inspection of the occupational safety and health management system. The certification pass rate of Taiwan plants, Wujiang Plants, and Coretronic Projection (Kunshan) is 100%. Under the ISO 45001 management system, the number of employees covered by internal audits is 15,484, the number of non-employees is 27,708, and the audit coverage ratio is 100%; the number of employees covered by external audits is 14,290, the number of non-employees is 27,022, and the audit coverage ratios are 92% and 98% respectively; Taiwan plants have also simultaneously obtained the CNS 45001 certificate. We hoped that by implementing the work plans of each management cycle, the purpose of continuous improvement can be achieved, the occurrence of occupational accidents can be reduced, and the safety and health of all employees and stakeholders can be ensured.

*Coretronic Optics (Kunshan) is the upstream supplier of Coretronic Projection (Kunshan), and its work environment safety system is jointly managed with it. In the future, it will pass the ISO 45001 certification according to customer needs.
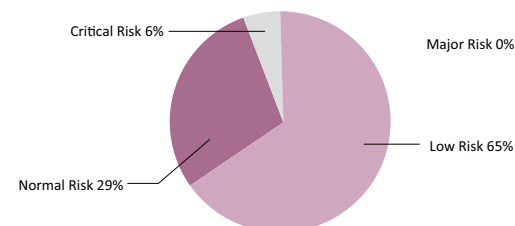
Occupational Safety Risk Managemen [403-2]

Coretronic has established hazard identification and risk assessment operation specifications, and the management unit promotes each department to regularly review and revise hazard identification and risk assessment data every year. Before changes in manufacturing process, equipment, raw materials, and working environment, hazard identification is conducted according to chemical, physical, ergonomic, biological, and other safety and health (including social and psychological) hazards, and personnel related to the implementation of hazard identification and risk assessment are required to receive at least three hours of risk assessment related training. Each department classifies different work environments, equipment or manufacturing processes, conducts job and operation inspections according to possible hazards, and cooperates with the operation process of each department to expand and fill in each operation step in the "Hazard Identification and Risk Assessment Form." Based on the severity and probability, the risk level is converted, and risk control is judged and adopted. For the higher risk hazard factors of each plant in the year, improvement plans are formulated and continuous improvement is carried out to provide employees and workers with a good work safety environment; if a major occupational accident occurs, it will be listed as a high risk level and risk control will be carried out. In 2023, Taiwan and China plants have all completed risk assessments for various operations, with no unacceptable risks or major hazards.

Referring to the local government occupational safety and health regulations in Taiwan and China, when there is an immediate danger in the workplace, the employer or the person in charge of the workplace needs to stop the operation and have employees evacuate to a safe place; if employees believe that the duties they perform have potential hazard risks, they can stop the operation and evacuate to a safe place on their own without endangering the safety of other workers, and immediately report to their direct supervisor. For employees who actively report and evacuate due to occupational safety hazard concerns, it is stated in the relevant operation specifications that they will not be punished.

Taiwan 2023 Hazard Identification Grading Results

Mid Risk 1% — High (Unacceptable) Risk 0%
Low Risk 40% — Acceptable Risk 59%

China 2023 Hazard Identification Grading Results

Critical Risk 6% — Major Risk 0%
Normal Risk 29% — Low Risk 65%

Occupational Safety and Health Organization [403-4, 403-7, 403-8]

Coretronic's Taiwan and China plants have occupational safety and health management units responsible for planning, supervising, and promoting labor safety and health related business. To smoothly promote and implement safety and health work, the PDCA management mechanism is used to continuously improve the risks of personnel, equipment, and environment, enhance employees' self-safety awareness, and jointly achieve the goal of zero accidents.

Occupational Safety and Health Performance Indicators		
• Occupational safety and health accident/incident investigation • Occupational accidents Severity • Environmental safety and health audit deficiencies or suggestions • Environmental safety and health management plan implementation tracking • Internal and external communication and transmission	• Compliance with chemical management • Compliance with change management • Compliance with waste management • Compliance with health management • Corrective prevention and improvement measure tracking	• Compliance with environmental safety and health certifications • Status of self-inspection implementation • Participation in environmental, safety, and health education and training • Compliance with contractor environmental safety and health management

Occupational Safety Consultation, Participation, and Communication [403-4]

To create a comfortable and safe environment and promote communication between labor and management, Coretronic's Taiwan plants regularly hold "Occupational Safety and Health Committee" meetings, and China plants also regularly hold "Occupational Health Management Committee" and "Safety Regular Meetings." The committee members are composed of supervisors at all levels, safety and health personnel, and labor representatives. Their responsibilities are to put forward suggestions on the company's safety and health policies, and to review, coordinate, and suggest safety and health related matters. Meetings are also held quarterly to jointly decide on the planning and operation of the safety and health system, and the results are announced in paper or electronic form. All employees are encouraged to put forward occupational safety related suggestions through the "Environmental Safety and Health Zone Opinion Platform," and the management unit actively assists upon receiving notification, and the suggester will not be punished; contractors communicate occupational safety issues through the annual agreement organization meeting for advocacy, consultation, and communication. In 2023, Taiwan and China plants held a total of 25 Occupational Safety and Health Committee meetings and 61 contractors, and no controversial working safety cases happened in 2023.

The proportion of worker representatives at the 2023 Occupational Safety and Health Committee meetings for various plants agreement organization meetings		Taiwan				China	
Matters promoted for research and consultation	Meeting Frequency	Quarterly					
• Continue to promote a safe working environment and prevent occupational accidents • Continue to promote energy conservation, carbon reduction, and industrial waste reduction in the plant • Regularly conduct education and training to enhance employee safety and health awareness • Continue to promote environmental safety audits • Management review to ensure the effective operation of the environmental safety and health management system	Plants	Lixing Plant	Chunan Plant	Tainan Plant 1	Tainan Plant 2	Kunshan Plants	Wujiang Plants
	Number of labor representatives	6	10	8	3	4	6
	Total Number of committee members	13	23	21	9	16	18
	Proportion	46%	43%	38%	33%	25%	33%

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

To ensure that every employee is familiar with occupational safety and health related laws and regulations and the company's safety and health management mechanisms, environmental safety and health education and training operating procedures are formulated, and employees are provided with safety and health training courses according to laws and regulations and job requirements to enhance employees' safety and health awareness. In 2023, Taiwan and China plants had a total of 24,115 participants in occupational safety and health education and training, with a total training time of 236,878 person-hours. On-the-job safety and health education and training includes on-the-job training for occupational safety and health business supervisors, occupational safety and health management personnel, hazardous operations supervisors, fire management personnel, Occupational Safety and Health Committee members, and general employees.

2023 Training Results		
Training Item	Taiwan	China
Occupational Safety Education Training for New Employees (people)	206	8,621
Annual Fire/Civil Defense Team Training (person-times)	536	5,866
Occupational Safety and Health On-the-job Training (person-times)	1,203	6,570
Annual Contractor Plant Entry Training (people)	1,010	103
Total Training Person-times (person-times)	2,955	21,160
Total Training Hours (person-hours)	10,205	226,673

Disaster Response Drills [403-5, 403-7]

To implement employees' disaster prevention concepts and enhance the crisis awareness and emergency response capabilities of emergency response team personnel, in addition to regularly reviewing emergency response plans, factory fire drills are also regularly conducted in cooperation with the fire department to strengthen employees' response capabilities through practical drill courses. In 2023, Taiwan and China plants held a total of 53 disaster response and fire drills, with a total of 7,043 participants trained and a total training time of 10,500 person-hours.

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

- To reduce the occurrence rate of occupational accidents, systematic management of occupational accident risks is conducted. In addition to formulating occupational injury and accident management operation specifications, an "Accident Report/Personnel Occupational Injury/Environmental Safety and Health Anomaly Incident Handling Record" platform is also set up to record and track the causes of accidents and corrective improvement. When various occupational injury accidents occur, hazard factors are re-examined and risks are assessed to strengthen disaster prevention. At the same time, through regular internal inspections, compliance with accident management specifications and notification system investigation mechanisms, accident analysis and improvement are implemented to ensure a safe work environment. In 2023, there were a total of 6 false alarm incidents in Taiwan plants, and only 1 occupational injury accident of tripping, excluding traffic accidents. Accident investigation analysis and individual case safety advocacy have been completed, achieving the 2023 target.

- From March 27, 2019 to December 31, 2023, an average of 299 people per month at Chunan Plant participated in the safety and health autonomous management movement promoted by the Industrial Safety and Health Association - joining the ranks of the "Zero Accident Hours Record Activity." As of the end of 2023, the cumulative zero accident hours reached 2,673,744 hours. In the future, we will continue to strive to maintain a safe work environment with the goal of "zero workplace accidents."

- In China plants, there were a total of 10 false alarm incidents, and 2 occupational injury accidents excluding traffic accidents, including 1 fall injury incident at Wujiang Plants and 1 cut injury incident at Kunshan Plants. The number of occupational injury incidents decreased by 9 compared to 2022. Accident investigation analysis and safety advocacy have been completed, achieving the 2023 target. To reduce the occurrence of occupational injury accidents, Wujiang Plants promotes safety training and advocacy for operators at stations such as production line automation equipment, assembly lines, and fixtures, increases machine warning signs, and maintains 5S in the workplace. At the same time, on-site inspection work is implemented, and the occupational injury accident occurrence rate decreased by 89% compared to 2022; Kunshan Plants continues to strengthen operator advocacy and education and training, implements on-site management and occupational accident prevention operations, and the occupational injury accident occurrence rate decreased by 50% compared to 2022.

Region	Taiwan [5]		China [5]	
2023 Occupational Injury Rate	Employed Employees [4]	Non- Employed Workers [4]	Employed Employees [4]	Non- Employed Workers [4]
Total Hours Worked	3,018,456	181,528	6,062,224	880,160
Fatality Rate from Occupational Injuries [1]	0.0	0.0	0.0	0.0
Numbers of Serious Occupational Injuries (excluding fatalities) [2]	1.0	0.0	2.0	0.0
Rate of Serious Occupational Injuries (excluding fatalities) [2]	0.3	0.0	0.3	0.0
Number of Days Lost from Disabling Injuries	3.0	0.0	66.0	0.0
Number of Recordable Occupational Injuries [3]	1.0	0.0	2.0	0.0
Rate of Recordable Occupational Injuries [3]	0.3	0.0	0.3	0.0

1. Fatality rate from occupational injuries = Number of fatalities from occupational injuries / Working hours × 1,000,000

2. Rate of serious occupational injuries (excluding fatalities) = Number of serious occupational injuries (excluding fatalities) /Working hours ×1,000,000; "Number of serious occupational injuries" refers to the number of people injured due to occupational accidents and medically diagnosed as having serious injuries or illnesses
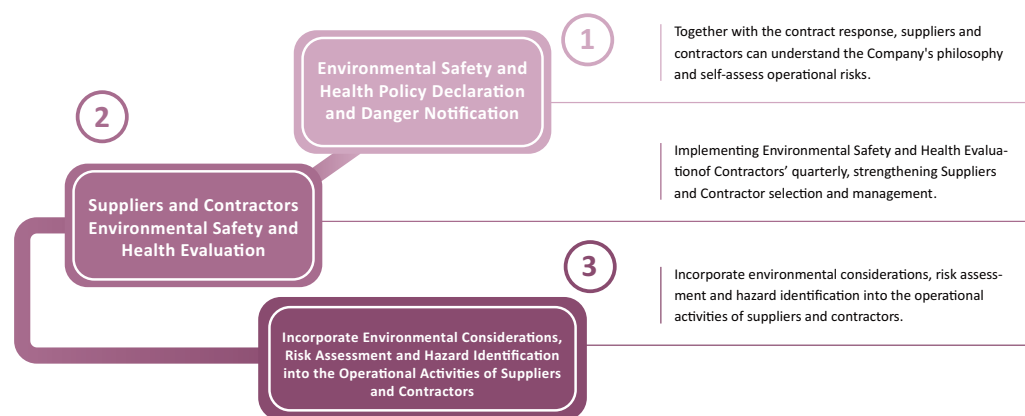
3. Rate of recordable occupational injuries = Number of recordable occupational injuries / Working hours × 1,000,000; in Taiwan plants, "Number of recordable occupational injuries " refers to the number of cases that should be reported as occupational accidents according to the announcement of the Occupational Safety Administration; in China plants, it refers to the number of cases recorded according to company regulations on human resource system data

4. Employed employees and non-employed workers: Each Taiwan plant is calculated based on occupational accident reporting statistics from January to December 2023; China plants are calculated based

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

Contractor Management [403-7]

Except for our employees, contractors are also Coretronic important partners. To ensure the health of partners, maintain facility safety, and concretely implement Coretronic commitment to workplace health and safety, Taiwan plants have clear supplier and contractor management operation specifications, and regularly conduct contractor evaluations to ensure that contractors meet the plant entry specifications; at the same time, emphasis is placed on communication and hazard notification for non-employee workers. Construction contractors participate in the "Contractor Workplace Hazard Notification and Agreement Meeting" before entering the plant, and all construction personnel need to receive Coretronic "Contractor Environmental Safety and Health Education and Training"; construction applications and management before, during, and after the project are effectively controlled by the electronic construction application system.

Through the implementation of contractor safety and health management, the Taiwan plants have had **no** contractor incidents for 9 consecutive years from 2015 to 2023. The China plants have also had **no** contractor incidents for 2 consecutive years from 2022 to 2023.
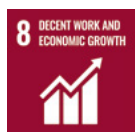
1. Together with the contract response, suppliers and contractors can understand the Company's philosophy and self-assess operational risks.

2. Implementing Environmental Safety and Health Evaluationof Contractors' quarterly, strengthening Suppliers and Contractor selection and management.

3. Incorporate environmental considerations, risk assessment and hazard identification into the operational activities of suppliers and contractors.

Environmental Safety and Health Policy Declaration and Danger Notification

Suppliers and Contractors Environmental Safety and Health Evaluation

Incorporate Environmental Considerations, Risk Assessment and Hazard Identification into the Operational Activities of Suppliers and Contractors

▲ Supplier and Contractor Management Operation Specifications

CH7
Social Engagement

Vision | Plans | Performance | 2024 Goals

Vision

SDG Icons:
- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 17 PARTNERSHIPS FOR THE GOALS

Firefly Volunteer Team Proposal Department

Plans

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

Performance

— 2023 Goals   — 2023 Actual Results

Target		Achievement Rate
Amount Invested	19.03 million / 20.94 million	110 %
People Benefited	37,279 person-times / 57,180 person-times	153 %
Units Benefited	109 units / 148 units	136 %
Volunteers	559 person-times / 554 person-times	99 %
Hour Volunteered	7,645 person-hours / 7,241 person-hours	95 %
High-tech Adventure	2 events / 2 events	100 %
Future Light Camp 1.0	2 events / 2 events	100 %
Future Light Camp 2.0	6 events / 6 events	100 %

2024 Goals

- 4 High-tech Adventure
- 3 Future Light Camp 1.0
- 6 Future Light Camp 2.0
- Sponsor outstanding school teams
- Meal and Medical Services for the Elderly
- Scholarships
- Co-organized Projects with Clients/Suppliers Community Involvement Projects

- Won the "Social Inclusion Leadership Award" of the Taiwan Corporate Sustainability Awards (TCSA) for the fourth time
- Received subsidies totaling NT$1.975 million for four consecutive years from the Ministry of Education's "University Social Responsibility Practice Base Project" under the Higher Education Sprout Project
- Won the second prize in the "Buying Power Social Innovation Product and Service Procurement Award" from the Small and Medium Enterprise Administration, Ministry of Economic Affairs

103

07

7.1 Public Welfare Concerns

Since 2011, the "Light Wishes for the Rural," "Farm the Hopes," and "Love Followers" programs have been launched successively, providing long-term care for underprivileged groups in remote areas of Miaoli, Hsinchu, and Tainan. Additionally, we actively collaborate with social enterprises, regularly purchasing organic agricultural products from local smallholder for stakeholders, it proves that Coretronic does not only caring for stakeholders' health but also assisting the farmers' livelihoods.

2011-2023【Public Welfare Concerns】 Achievements

Amount Invested	People Benefited	Number of Volunteers	Volunteered Hours	Benefited Units	Procure local agricultural products
NTD 5.235 million	31,121	1,036	5,268	250	384 Tons
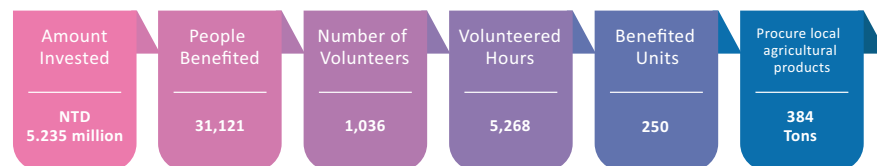
2023 Fulfill Kids' Dreams on Children's Day (NEW)

In cooperation with Bing Beng Club, we held 5 "X Lamp Workshops" for a total of **243** students from Yushan Elementary School, Jinshan Elementary School, Rueifong Elementary School, Lufong Elementary School, and Huayuan Elementary School in Hsinchu County. In addition to learning the principles of optics and understanding the three primary colors of light, the children explored the relationship between light and color through the free creation and design process of their own X lamps, and ultimately created a unique Children's Day gift - X lamps. Moreover, they could also get a can of delicious popcorn as the gift. To learn from the unrestricted production process, we hope that children can improve their independent thinking and creative abilities, explore and discover new aspects of themselves.

2023 Rice Donation

Supporting local smallholder for **12** consecutive years, we have donated more than **27** tons of Miaoli Yuanli rice. In 2023, we donated **1,618.2 kg** of Yuanli rice to the Huashan Social Welfare Foundation, the Chinese Christian Relief Association, and the Chunan Township Office (Wei Gong Memorial Hospital).

2023 Farm the Hopes

- Purchased over **20 tons** of organic vegetables from social enterprises "Buy Nearby" and "Earth Friend" for employee meals, with a total procurement amount of nearly **NT$1.49 million**.
- Purchased **15 tons** of rice from Yuanli Township, Miaoli County from the social enterprise "Buy Nearby" as gifts for shareholders meetings, furthermore, hired **20** people with intellectual disabilities from the Jixian and Tzu Yu sheltered workshops in New Taipei City to package the rice.
- Purchased over **1 ton** of fair-trade coffee beans from the social enterprise "OKOGREEN" to share with employees.
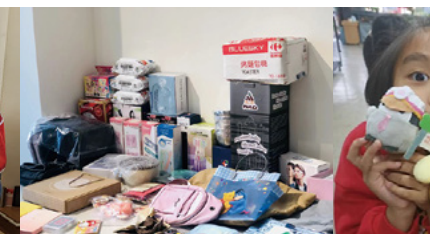
2023 Exchange Love and Warmth on Xmas 10th Anniversary

Utilizing donations of **NT$560,000** from nearly 400 colleagues, sports backpacks that are practical and fashionable, warm blankets, and delicious popcorn were purchased for **553** children. Through the Firefly Volunteer Team's in-person delivery or postal service, these heartwarming gifts and blessings were sent to Taisin Elementary School and Kindergarten, Wen Shuei Elementary School and Kindergarten in Miaoli County's Tai'an Township, Yong Fong Elementary School and Kindergarten in Hualien County's Fuli Township, Wuling Elementary School and Kindergarten, Hongye Elementary School and Kindergarten, Ansu Elementary School and Kindergarten in Taitung County's Daren Township, Taiyuan Elementary School and Kindergarten in Donghe Township, Bin-Lang Elementary School and Kindergarten in Beinan Township, Jhong Siao Elementary School and Kindergarten in Chenggong Township, and Jia-Na Elementary School and Kindergarten in Haidaun Township, totaling **10** elementary schools.

In addition, part of the donations were invested in public welfare projects such as the "Save the Children from Starvation" of the Association of World Peace Council and "Satisfying the Hunger 30" of the Zenan Homeless Social Welfare Foundation, allowing **142** students in need of help and homeless people to enjoy a month of hearty breakfasts and red envelopes for Chinese New Year.

2023 Volunteer Day - Share Love • Save Earth

Cooperated with the social enterprise, "Give Circle" for the 4 consecutive year, inviting employees to donate second-hand items to small and medium-sized public welfare organizations and disadvantaged families.

Participating colleagues 89	Distributed 1,558 sets	Distributed to 910 people	Distributed to 14 NGOs	Carbon Reduction 754kg

2023 Love Followers

To drive and implement ESG from the inside out, the "Firefly Volunteer Group" was established in 2011, renamed the "Firefly Volunteer Team" in 2015, and formally established the "Firefly Volunteer Team Management Regulations" in 2018. This includes **paid volunteer holiday leaves**, a volunteer reward system, an annual volunteer conference, volunteer days, volunteer courses, and the division of **121** volunteers into "public welfare volunteers," "environmental volunteers" and "product volunteers" to carry out social welfare, environmental protection, product introduction and setup tasks respectively.

Volunteer Leave with Full Pay 1,022.5 hours	Annual Volunteer Conference 33 participants	Service Passion Award 14 winners	Special Contribution Award 1 winner	Volunteer Training 33 participants
Employees can apply for volunteer leave equal to the hours spent participating in company-organized volunteer activities on holidays, with no limit on the number of hours requested.	Outstanding volunteers are recognized, annual achievements and future plans are shared, and volunteer experiences are passed on at the conference.	Vouchers and certificates are awarded to volunteers who have served more than 20 hours in the year.	Vouchers, certificates, cash awards, and public commendation are given to the volunteer with the most hours and activity participation from 2020-2022.	The "Coding Ocean-Programming Board Game Teaching" course was held to prepare volunteers as instructors for the upcoming "Future Light Camp 2.0".

Fortunately, my husband and children fully support me and even willing to join me as volunteers during the weekend camp. Not only did the children learn programming in advance, but they also learned how to interact with others and gained valuable friendships. I also gained a lot of confidence from being an instructor.

- Yami, Principal Engineer, Special Contribution Award Winner
"Green Elementary School" Dedicated Instructor
Contributed 139.5 hours to community service activities from 2020 to 2022

I did not expect the "Code Ocean" board game to be so much fun. No wonder children love it so much. It can also cultivate logical reasoning abilities and should be promoted more.

—Franck Ho, Chief Financial Officer and Vice President, Firefly Volunteer Team Commander

2023 Run for Love

To thoroughly fulfill the responsibility of being a sports enterprise and continue to introduce the sports atmosphere into the corporate culture and balance work and life, the "4th Run for Love" was held, attracting **nearly 450** employees and their families to run together. The event included a 3km race and a 10km race, led by Frack Ho, the CFO of Coretronic, Tony Hsu, the Assistant Management of Coretronic, Carol Wu, the COO of Optoma, John Ruhala, the consultant of Optoma and William Hsu, the CEO of the subsidiary InnoSpectra, and other senior executives. The Chairman, Wade Chang also made a surprise appearance at the event and presented awards personally. At the end, he took a group photo with hundreds of Run for Love participants and their friends and families, drawing a perfect conclusion to the event.

To enhance the professionalism and challenge of the race, and to improve based on valuable suggestions from participants in previous editions, with the aim of increasing registration numbers and satisfaction, this year's race was specially held at the "Advanced Runner's Training Ground" - Second Baoshan Reservoir. Hoping that while challenging and training their own limits, runners can also appreciate the beautiful scenery around the lake and temporarily forget about various worries and fatigue. At the same time, professional chip timers were added, allowing all runners to immediately query and print their results after the race. The race system for the 10km group was also specially adjusted, not only increasing the prize money but also separating the timing and ranking of the employee men's group, employee women's group, and friends and family group. The total number of registrations also reached a record high for the four years, with a satisfaction rate as high as **98** points.

In addition to inviting **4** charity organizations - the Huashan Social Welfare Foundation, the World Peace Council, the Yuan Nurturing Institution, and the Hsinchu City Association for the Welfare of the Disabled - to set up booths for charity sales, hiring the Vision Inaction Massage Studio to provide massage services, and inviting the Martial Arts Team from Fuxing Junior High School in Miaoli County to perform, all registration fees were also donated to the Huashan Social Welfare Foundation after the race to sponsor the 21st "Reunion with Love" Chinese New Year meal program, fully realizing the charitable concept of "Run for Love".

Highlight video of the Event

07

7.2 Eliminating the Digital Divide — Light Pioneer

In 2016, the "Light Pioneer" program was launched, implementing "High-tech Adventure, " "Digital Interactive Classroom," "Future Light Camp 1.0," and "Future Light Camp 2.0" in sequence at remote schools in Miaoli. Hoping to use the Company's core products and cooperate with local universities to jointly eliminate the digital divide and educational inequality caused by the urban-rural gap, balance programming education resources in rural areas, open the switch for students to learn programming, and teach children how to think and reason and strengthen their logical ability. Among them, the "Digital Interactive Classroom" has achieved interim results in 2022, and suitable products are currently being re-planned to enhance digital capabilities in remote areas.

2023 High-tech Adventure

Invited **65** teachers and students from **2** schools, Shinkai Elementary School in Dahu Township, Miaoli County and Shuang-Lian Elementary School in Zhuolan Town, to visit the Company. This allowed the teachers and students to learn and experience technological products, simulate operating drones, VR Smart Headset, visit the Green Roof, and share the results of the Company's environmental protection activities.

2023 Future Light Camp 1.0

Firefly Volunteer Team volunteers and their families, together with the National United University (NUU) Information Volunteer Team, held **2** one-day Future Light Camps at Lilin Elementary School in Dahu Township and Kaigong Elementary School in Gongguan Township, Miaoli County. Utilizing the Digital Interactive Classroom equipment, they provided assembly and programming instructions for self-driving cars, DIY Rainbow Gun, and environmental knowledge sharing to 57 students in remote areas.

🏅 This project assisted NUU in obtaining the "Higher Education SPROUT Project - Promoting University Social Responsibility Practice Base" project subsidy of **NT$410,000** from the Ministry of Education for the **fourth time.**

2016-2023【Light Pioneer】Achievements

People Benefited	Number of Volunteers	Volunteered Hours	High-tech Adventure	Digital Interactive Classroom	Future Light Camp
3,679 person-times	1,282 person-times	8,980 person-hours	32 Events	31 Classrooms	24 Events
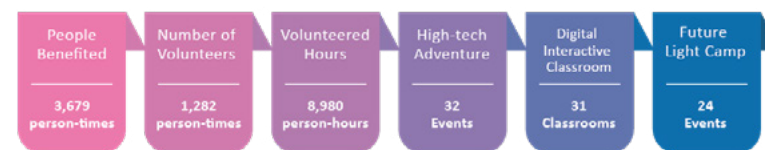
2023 Future Light Camp 2.0

The Firefly Volunteer Team volunteers along with their families, collaborated with students from the Department of Electrical Engineering at National Yang Ming Chiao Tung University (NYCU) and Papacode. After **14** volunteers and **60** students received **10** hours of training, they held 6 programming camps (totaling 30 hours of learning time) for students in grades 4-6 at Fuji Elementary School in Gongguan Township and Jiaupu Elementary School in Yuanli Township, Miaoli County, with a total of **145** student participants.

- First semester, Days 1-3: Through programming education board games like "Coding Ocean," creative lesson plans like "Musical Chairs" and "Loop Drawing," and the "Sport Stacking," they sparked children's interest in program design. Abstract and difficult programming concepts such as "sequence, debugging instructions, loops, conditional statements, and functions" were incorporated into games, allowing children to learn through play. Finally, a problem-oriented computer programming course using "Scratch" was arranged to help children complete the first semester of the junior high school programming curriculum in advance.

- (NEW) Second semester, Days 4-6: Through advanced programming education board games like "Advanced Coding Ocean" and "CO·DECODE," creative lesson plans like "Animal ABC" and "Restricted Communication," and computer programming courses using "Scratch," children learned about if/else statements, infinite loops, AI recognition principles, how to define messages and encryption principles, practiced debugging instructions, deconstructed problems, and implemented solutions. Ultimately, each group **collaborated to complete two game programs**, helping students complete the second semester of junior high school and the first semester of sophomore year programming curriculum in advance.

07

7.3 Pursuing Educational Equality — Dream Walkers

To help various departments of the Company better understand the ESG strategy and lead colleagues to actively participate in related activities, the "Dream Walkers" program was launched in 2018, encouraging departments to propose ESG plans with the Company's core products and resources. This program includes four sub-projects: "Grab Your Bat," "Your Dream • Your Future," "Earn Your Future," and the newly added program in 2023, "Aboriginal Sound Legend." In 2023, due to annual resource allocation considerations, only "Grab Your Bat," "Earn Your Future," and "Aboriginal Sound Legend" will be implemented.

2023 Dream Walkers • Grab Your Bat

As a company which awarded the "Taiwan i Sports Certification", we have been sponsoring the Show-Lin Elementary School baseball team in Minxiong Township, Chiayi County **yearly** since 2018. We regularly promote the achievements of the young players on our company's Facebook fan page and electronic bulletin board to encourage employee participation. In 2023, the boys' and girls' baseball teams have a total of 21 players (66% of whom come from underprivileged families).

- Annual sponsorship: **NT$250,000** (NT$100,000 for the second semester of the 2023 academic year), mainly for purchasing nutritional supplements for players, coaching fees, and expenses for away training.

- Glorious achievements: Third Runner-up in the Chiayi County District Baseball National League for the Elementary School Hardball Division in the 2022 academic year.

2023 Dream Walkers • Aboriginal Sound Legend

In collaboration with World Vision, we sponsored the Jinping Elementary School Choir in Jianshi Township, Hsinchu County in 2023. We regularly promote the talented voices and achievements of the choir members from the Tayan Nalu tribe on our company's Facebook fan page and electronic bulletin board to increase employee participation. In 2023, the choir has 25 members (40% of whom come from underprivileged families).

- Annual sponsorship: **NT$614,000** mainly for instructor fees, choir uniforms, stationery, snacks, scholarships (for low-income and marginalized households), and competition-related expenses.

- Glorious achievements: Excellence Award in Hsinchu County Student Music and Local Folk Song Competition for the Elementary School Choir Group and the Indigenous Language Elementary School Choir Group categories in the 2023 academic year.

2018-2023【Dream Walkers】 Achievements

Amount Invested	BenePeople fited	Number of Volunteers	Volunteered Hours	Benefited Units
NTD 9.25 million	1,013 person-times	403 person-times	3,571 person-hours	11 Units

2023 Dream Walkers • Earn Your Future

- We held the **5th** "Dream Walkers˙Earn Your Future" award selection event at Cheng Shiu University, where two outstanding senior student were selected to receive scholarships of **NT$200,000** each.

- **4** senior student undertook a **one-year corporate internship** in the engineering course and electronic R&D department, serving as RD engineering assistants and PE engineering assistants. The interns received **NT$100,000** scholarships, free accommodation, and internship salaries.

- In 2023, intern Chang Yu-shun performed exceptionally during his internship, winning a gold medal at the "American Innovation Invention Exhibition," a silver medal at the "14th IIIC International Innovation Invention Competition," and the "Outstanding Intern Award" from Cheng Shiu University.

- Since the launch of the program in 2019, 2 selected students have become **full-time engineers** at our company after completing their one-year internships. As of 2023, 1 of them continues to contribute their skills to the Company.
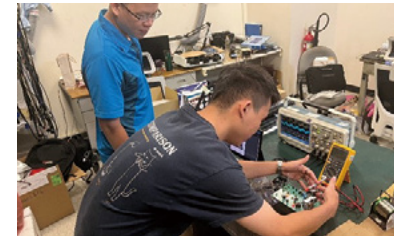
7.4 Caring for the Solitary Elderly — Elderly Smile

Taiwan has entered an aging society, and the need for care for the elderly living alone is increasing, but resources cannot grow at the same pace. Caring for disadvantaged elderly people living alone has become a problem that society urgently needs to solve. Therefore, Coretronic has started from the material, dietary, and health needs of the elderly, planning three major "Elderly Smile" programs: "Warm Delivery," "Warm Telehealth," and "Warm Restaurant." It hopes to work with many social enterprises and NPOs to solve the problem of solitary elderly, using technology to shorten the distance between remote areas and health, filling the gap in manpower and resources of welfare institutions, so that the elderly can have physical and mental warmth and have a good state of health, achieving the vision of aging in place.

2019-2023【Elderly Smile】Achievements

Amount Invested	People Benefited	Number of Volunteers	Volunteered Hours	Benefited Units
NTD 520 million	95,742 person-times	594 person-times	7,739 person-hours	124 Units

2023 Warm Delivery

For five consecutive years, we have sponsored the "Reunion with Love" Chinese New Year Meal Program of the Huashan Social Welfare Foundation. First, through the foundation's regular visits and surveys, the needs of the recipient elderly were investigated. Then, based on this, customized material boxes were prepared for each elderly person. Finally, members of the Firefly Volunteer Team personally delivered the Chinese New Year meals, warm blankets, red envelopes, and customized material boxes to a total of **40** disadvantaged elderly people in Hengshan Township, Beipu Township, and Qionglin Township, Hsinchu County before the Lunar New Year.

(NEW) In 2023, in addition to helping the elderly put up spring couplets, measuring their body temperature and blood pressure, and inquiring about their medication use, we also arranged free haircuts and presented them with Lunar New Year cards featuring their Polaroid photos, allowing them to keep the memories.

2023 Warm Telehealth

- To increase the medical care capacity in rural Miaoli and the professional ability of care service staff in cultural health stations, we have cooperated with the social enterprise "Digital Humanitarian Association" for 2 consecutive years, sponsoring **NT$1.3 million** per year, and working with experts such as doctors, nurses, nutritionists, sports experts, psychologists, and physical therapists to break through real-world distances through digital technology and provide customized online health courses, one-on-one/group medical consultations, and care service staff education and training for the elderly in rural Miaoli.

- **Exclusively sponsored** health promotion and medical consultation services for 10 cultural health stations in Miaoli (Mountaintown Cultural Health Station, Fengmei Tribe Cultural Health Station, Xiangbi Community Cultural Health Station, Tiangou Tribe Cultural Health Station, Gaagaoouan Tribe Cultural Health Station, Donghe Tribe Cultural Health Station, Nanzhuang Tribe Cultural Health Station, Yuandun Cultural Health Station, Fuan Community Development Association, Siwaxige Cultural Health Station in Tai'an Township). The care service staff at each station also guided and assisted the elderly in raising heacoretlth or medical issues, allowing professional doctors to successfully answer questions for the elderly. In 2023, a total of **178 health courses** and medical consultation services were provided, benefiting 25,794 people.

- Sponsoring **26** online public health promotion courses, enabling 64 NGOs across Taiwan (including remote mountain areas in Nantou and Taitung, Kinmen, Matsu, Lanyu, and Penghu islands) to access free online courses and enhance the health awareness of the elderly. Our employees and their families can also flexibly participate in these health promotion courses, fostering a healthier lifestyle together, benefiting **7,478** people.

2023 Warm Restaurant

To address the issue of insufficient manpower and resources for meals on wheels project in Miaoli, and to expand the beneficiary areas, in 2023, we continue to collaborate with the social enterprise "Silver Gate for Elders". We sponsor nearly **NT$1.24 million** over the year to provide stable meal delivery services for the elderly in urban areas such as Chunan and Tongxiao, and donate white/brown rice, organic vegetables, responsibly caught fish and meat, and nutritious food for the elderly to remote mountainous areas like Tai'an and Nanzhuang.

- Meal delivery service: Hiring **17** part-time unemployed individuals as meal ambassadors to deliver **10,499** meal boxes that have been evaluated by nutritionists as meeting the health needs of the elderly. At the same time, they care for the physical and living conditions of the elderly and report back to the system for real-time tracking.

- (NEW) White/brown rice and organic vegetables: In cooperation with the social enterprise "Buy Nearby", donating white/brown rice and organic vegetables to elderly dining halls, addressing the issue of insufficient variety of vegetables in many dining halls.

- (NEW) Friendly fishing: In cooperation with the social enterprise "Fish Bar", providing a variety of fish meat to elderly dining halls, solving the pain point of being unable to purchase good fish due to cost considerations, allowing the elderly to have a healthier diet.

- (NEW) Nutritional food for the elderly: In collaboration with Chi Mei Hospital, providing liquid nutritional products for the elderly who are unable to chew, or if the elderly have the ability to cook, providing microwaveable liquid food.

- (NEW) Meal delivery care system: Allowing for real-time viewing of meal ambassadors' delivery logs, tracking and keeping track of their delivery status and the physical and mental condition of the elderly.

## 7.5 Coretronic Culture and Arts Foundation

Under the promotion of the integration of industry and art culture, light, electricity and technology have gradually become important elements in cross-disciplinary artistic and cultural creation. In order to continue the Company's passion for "light", Coretronic established the "Coretronic Culture and Arts Foundation" in 2010. The foundation combines professionals from various fields with cultural and artistic leaders to promote the aesthetics of light environments through extensive and in-depth perspectives over the long term. The foundation aim to highlight Taiwanese culture, promote light and shadow art, and improve quality of life. It has held various cultural and artistic events across Taiwan, using light as a medium to connect culture and the environment, making light a part of lifestyle aesthetics. In 2023, in collaboration with the Forestry Research Institute, it launched the "Light Re-Planting Plan @Taipei Botanical Garden" to establish a friendly and beautiful relationship between light and nature. It also hosted the 6th "Taiwan Environment Lighting Award" and promoted the "Taiwan Environment Lighting Award Seminar" and other activities to continuously promote the concept of light environments.

The 6th "Taiwan Environment Lighting Award"

Founded in 2018, the "Taiwan Environment Lighting Award" has officially entered its sixth edition. After nearly half a year of preliminary, secondary, and on-site selections, the judging panel held the award ceremony on November 24, 2023, at the Cloud Gate Theater. The ceremony began with the warm and energetic voice of Ilid Kaolo, ranging from the lively and melodious "Hard - Working Guad" to the gentle and profound "Grandma's Murmurs," taking the audience on a unique vocal journey through this year's nominated works.

In 2023, "Chiayi Station Square," "Between Reflections," "Huwei Steel Bridge," and "THE DARK LINE" emerged as the winners of the Taiwan Environment Lighting Award; while "Landscape in the Frame" and "Bangka Lungshan Temple" were awarded the Rising Star Award and the Special Jury Award, respectively!
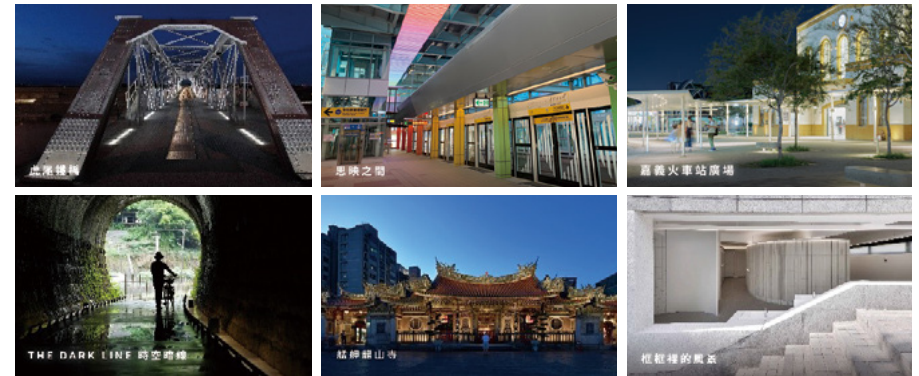
NEW Taipei Botanical Garden Light Re-Planting Plan

The foundation, in collaboration with the Forestry Research Institute, has undertaken the "Light Re-Planting Plan @Taipei Botanical Garden". With the aim of caring for the ecological environment, they have improved the lighting conditions in the park area, optimizing the lighting environment along the approximately 435-meter-long walkway from the Heping West Road entrance to the Bo'ai Road exit. The goal is to reduce light pollution through lighting reduction, providing a safe and environmentally friendly walkway in harmony with nature. Additionally, they have organized volunteer training, VIP tours, and public outreach activities, inviting people from various fields to experience the transformed lighting atmosphere, raise awareness about lighting environment issues, and contribute to improving the lighting environment.

The "Light Re-Planting Plan" is like planting a seed for a friendly lighting environment within the botanical garden. Through the planning and improvement of the lighting environment, they hope to enable the public to rediscover this urban green space that respects and coexists harmoniously with the ecosystem. It aims to inspire deeper thoughts and imagination regarding "light".
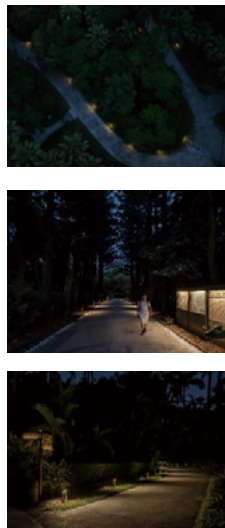
### Taiwan Environment Lighting Award Seminar

For the first time in 2023, the "Taiwan Environment Lighting Award Seminar" was held in the Hualien Creative and Cultural Industries Park in eastern Taiwan, promoting the exchange of ideas on light environment creation. This seminar invited Ms. Wu Mali, a judge of the Taiwan Environment Lighting Award, and Mr. Chiu Cheng-Han, the manager of the House of Takao Ginza, to share their perspectives and experiences on creating light environments. Guests from different backgrounds raised various issues and challenges they face in improving light environments, leading to lively discussions and exchanges with the speakers.

Light Lights Hsinchu: A Night Visit to the Old City

Since 2016, the Foundation and the Coretronic Sustainability Committee have held an annual "Light Lights Hsinchu" light art workshop exclusively for employees, with **573** participants to date.

In 2023, the main route includes the Image Museum, Fire Museum, Hsinchu Municipal Government Hall, Hsinchu State Library, and Hsinchu Moat Park, which were awarded in the 2022 Taiwan Environment Lighting Award's "Hsinchu Environment Lighting Improvement Project". The event led **92** employees and their families to appreciate the silhouettes of local historic buildings and immerse themselves in the city's lighting environment, with a satisfaction rate of **97.5 points**.
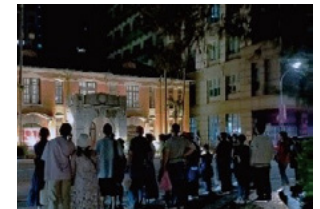
CH8

Sustainability Performance Summary of Subsidiaries

08

8.1 Champ Vision Display

Company Profile

- Organization Name: Champ Vision Display Inc.
- Date of Incorporation: 2017
- Chairwoman: Sarah Lin
- Headquarters: 3F, No.2, Kebei 5th Rd., Chunan Science Park, Miaoli Country 35053, Taiwan (R.O.C.)
- Number of Employees: 114 in total (65 male, 57% and 49 female, 43%)

- Capital: NT$180 million
- Global Locations: Taiwan (Miaoli), China (Kunshan)
- Main Products/Services: Providing one-stop services and display solutions for industrial, medical, and commercial applications
- Associations: Taiwan Panel & Solution Association (TPSA)

Innovative Products and Technologies

NEW **15.6-inch 4K Creator Professional Drawing Display**
- Adopts a 15.6-inch IPS display panel and supports 4K UHD ultra-high resolution, with 10-bit color depth, 100% cinema-grade DCI-P3 ultra-wide color gamut, and features 500nit high brightness and VESA DisplayHDR 400 certification, presenting more vivid and realistic images and picture details. Each unit is pre-calibrated during production to Delta E < 2, providing high color accuracy.
- The world's first portable monitor certified by PANTONE and Calman.
- Built-in Wacom EMR drawing technology accurately detects every action, even when the pen is tilted at an angle of up to 40°. Combined with 4096 levels of pressure sensitivity, whether writing at a fast or slow speed, or creating lines with distinct thickness or delicate shading effects. It provides a better writing and drawing experience for creators, such as illustrators, image editors, and photographers.
- Innovative dual stand design, with the upper stand for drawing, allowing users to be closer to keyboard shortcuts and optimizing desktop space during creation; the lower stand for expanding display, paired with a comfortable working viewing angle design, users can freely adjust the tilt angle to improve work efficiency.

NEW **31.5-inch High Brightness Energy-Saving 1152-Zone Mini-LED Backlight Display**
- Uses a 31.5-inch 4K UHD LCD panel and is equipped with a Mini-LED energy-saving high dynamic contrast backlight module in a thin design. The R&D team redesigned the optical structure, optical drive, and process technology to reduce the difference with the actual finished product and improve product luminous efficiency. While achieving a thin and light LCM module structure, it can effectively reduce power consumption (HDR dynamic <40W, Max <80W) under conditions of high brightness (1,000nits (Peak)), high resolution (4K), and high contrast (>20,000), and extend the light source life to 60,000 hours.
- With regional dimming technology and scanning matrix method, a small amountof driver ICs can control a large number of backlight zones effectively, which obtaining significant advantages in design cost and product assembly.
- The energy-saving high dynamic contrast backlight technology can simultaneously take high brightness, high contrast, life stability, and energy-saving requirements into account, combining the concepts of "energy saving" and "green environmental protection".
- Can be applied in the medical industry, suitable for users who need to use high brightness and high contrast displays for a long period of time, such as X-ray images, CT images, ultrasound images, and so on.

NEW **37-inch Long Bar Type High Brightness FHD (1920 x 540) Rail Transit LCD Display**
- Designed for railway transportation applications, its high resolution and brightness ensure clear visibility of the display even in sunlight. On the other hands, its operating range accommodates extreme temperatures, supporting from -25°C to +55°C. Furthermore, the lifespan can reach of up to 100,000 hours and features a specialized anti-blackening LCD screen capable of withstanding temperatures as high as 110°C.
- The front panel is made of aluminum alloy material, conforming to the industrial-grade IP65 standard waterproof and dustproof design, are able to resistant impact and vibration. Moreover, it has obtained EN50155 standard rail transportation certification, EN45545 railway vehicle fire test certification, and US FCC certification, to prove that it can maintain stable operation in harsh environments such as extreme temperature and humidity, vibration impact, electromagnetic interference, surge or electrical performance.
- Simplified structure and fanless design, equipped with M12 waterproof connector, also supporting multiple voltage inputs (24/36/48/72/96/110 VDC) and HDMI video input.

NEW **23-inch Screen Lighting Auxiliary LED Light**
- Developed an asymmetric light source design for gaming monitor auxiliary pendant lights to avoid screen glare caused by direct light.
- The brightness and color temperature can be controlled through the built-in scroll wheel, with a maximum center illuminance of 800Lux and an average illuminance of 500Lux. The adjustable color temperature range is 2700K~6500K, with a color rendering index of over 95; powered by USB, with a maximum power consumption of 5W, and has passed various safety certifications.
- It provides three modes: the main lighting source for illuminating the desktop, a rear colored light source for ambient lighting, and a combination light for immersive viewing, effectively reducing eye fatigue. Additionally, it supports both flat and curved screens, offers individual adjustment, and integrates with game environment settings to achieve advanced functions such as light and system synchronization.
- By designing various shapes and using different materials to control the distribution of light in space, we achieve optimal light efficiency and uniformity. Therefore, considering volume constraints, it is paired with circuit boards capable of accommodating multiple interconnected pieces, while also considering assembly and maintenance feasibility.
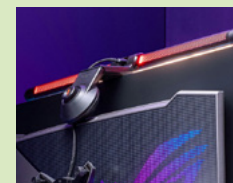
▶ **Intelligent Energy-Saving Privacy Display Solution**
- The privacy display module has a light guide plate and an independent light source, which can be set between the display module and the viewer. By lighting the privacy display module, the visibility on both sides of the display is weakened, narrowing the viewing angle of the display. When the viewer looks at it beyond a certain viewing angle, the image is blocked by strong light and cannot be seen, achieving the privacy effect.
- The privacy display module is an additional module design that can be placed outside the display without changing the original structure of the display.
- The image recognition sensor has AI full-time detection that detects and recognizes people, people's movements, face direction, and tracks eye movements. When the smart privacy display module is set on an ATM, and a bystander is looking directly at the user's ATM screen, the smart privacy display module will automatically increase the brightness on both sides of the ATM display, which can block the screen content at both viewing angles, effectively preventing peeping by criminals and protecting user confidential information.
- When the user looks away, the product can automatically dim the display brightness to save power. When the user looks back at the screen, the product automatically brightens the display (restoring it to the original setting) and can adjust the brightness according to the ambient light to optimize performance in privacy mode.

▶ **Professional Dental Medical Integrated Display AIO**
- Developed a 21.5-inch integrated medical diagnostic display AIO for dental treatment applications. This device utilizes the ARM-based RK3588 SoC (previous generations used Intel x86 CPUs) as its computing core with Android 10 for operational tasks. While the ARM-based platform is easy networking capabilities, to provide internet-based cross-platform management software for AIO devices, including frontend human-machine interface, device agents, and backend management software.
- Adopts a 21.5-inch FHD 16:9 multi-touch screen, which can be adjusted to a 180-degree handwriting workstation, allowing medical personnel to directly operate related tasks by tapping the screen. This brings significant advancements to digital dental software (Chair-side CAD).

Customer Service

Establish customer service communication channels, regularly review customer satisfaction surveys and collecting feedback through two-way communication, so as to continuously improve enhancing our products and services, meeting customer needs, and fostering mutual growth.

✉ Customer service email: sales.cvd@champvision.com.tw

▦ The sales team regularly communicates with customers regarding pricing advantages, sales support, delivery coordination, and other needs through face-to-face meetings or phone calls. The customer service department handles returns, deal with customer complaints, and implements follow-up measures for improvement.

🌐 Establish an official website and LinkedIn to enable customers to provide feedback and share their opinions at any time.

⚡ Strategies for enhancing customer satisfaction
- Aim to meet customer requirements for defect rates and improve customer satisfaction with quality.
- In order to adapt to changes in the business model, sensing modules are being gradually added into the hardware equipment installed at project sites. These modules detect issues promptly, therefore, to minimizing operational losses for customers during screen downtime. Alarm functions are also being planned to enhance product value and achieve higher customer satisfaction.
- Sales personnel often receive numerous product inquiries through the official website. Due to limited capacity and diverse requirements, many customers are unable to find suitable suppliers. Therefore, the company provides standard products for customers to choose from, which can potentially reduce research and development costs and development time. Additionally, Champ Vision Display has added a product matching function to the product selection page on the official website, enabling customers to select and match suitable products based on different types, applications, sizes, brightness, and temperature.
- Integrate the hardware, firmware and testing software of color correction into an independent and complete solution that can be directly embedded in other models of customers to meet their needs and develop a new product line for the company.
- In response to the increasingly complex international political and economic situation and the risk of supply chain disruption caused by the pandemic, cooperate with Coretronic's 2023 Vietnam new factory plan to set up a new production line, diversify production risks and provide better services.

Customer Service

Customer Satisfaction Survey

🖥 Conduct annual satisfaction surveys with customers who have transactions in the current year, focusing on four major aspects: "quality", "service", "delivery", and "technology". The survey employs a 100-point scale, with a passing score set at 70.

👍 In 2023, the average customer satisfaction score was 88, showing a slight increase of 0.25 points compared to 2022, attributed to stable shipment of customer orders. The company remains committed to sustainable management and future development, fostering a win-win situation with customers through QBR meetings.

Customer Satisfaction Survey

	Quality	Service	Delivery	Technology
2021	87%	88%	89%	80%
2022	90%	88%	90%	83%
2023	89%	88%	91%	84%
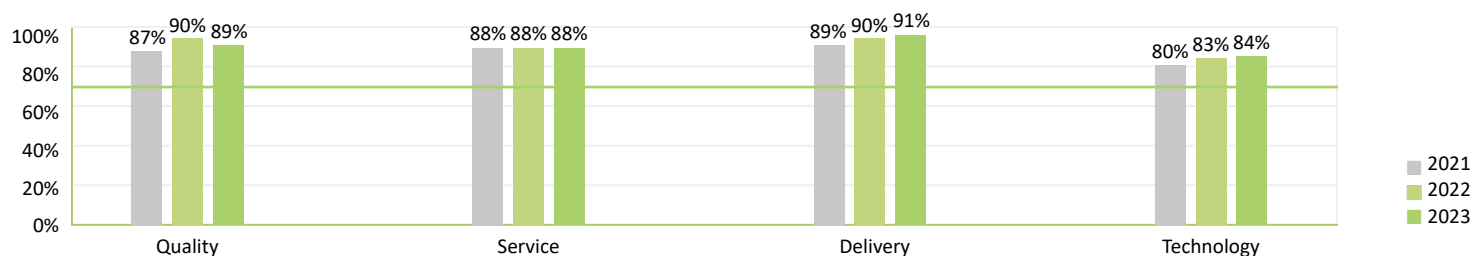
Supply Chain

- Number of suppliers: 225 in total (194 domestic and 31 overseas)
- Signing the "Sustainability Commitment Statement": All production raw material suppliers are required to sign the "Sustainability Commitment Statement" to ensure that suppliers comply with the RBA Code of Conduct 7.0, Green Product Warranty (promise and guarantee that their products meet the "Green Product Procurement Specifications", provide RoHS test laboratory test reports from third-party certification bodies, environmental hazardous substance questionnaires, lead-free component reliability questionnaires, safety data sheets (SDS), material certificates, and test summary forms), Conflict Minerals Policy, Declaration on Non-Use of Conflict Minerals, Integrity Commitment, and Environmental Sustainability and Occupational Safety and Health Policy. In 2023, a total of 109 suppliers agreed to the "Sustainability Commitment Statement", resulting in a signing rate of 48%. The suppliers with larger transaction volumes will be gradually required to agree to the statement to increase the signing rate.
- Audit system: In 2023, we conducted annual written or on-site audits for production raw material suppliers with 12 or more purchase batches. The audits covered aspects such as quality, cooperation, and delivery. To pass the audit, a score of 80 or above was required. A total of 105 suppliers passed the audit in 2023, achieving a 100% audit and pass rate.
- Proportion of local procurement amounts: Taiwan 90%, non-Taiwan 10%

Social

- Non-discrimination: Comply with the RBA commitment, clearly state the fair and equal treatment and respect for labor, and followed the relevant government laws and regulations. In addition to prohibiting the use of child labor, the relevant regulations for labor employment are also clearly stipulated. In personnel selection, the principles of fairness, justice, openness, and reasonableness are also followed. There is no differential treatment in recruitment, selection, employment, placement, evaluation, promotion, education and training, welfare measures, retirement, etc. due to age, gender, race, ethnicity, political inclination, or pregnant women.
- Prohibition of child labor
- No forced labors
- No incidents of violation of environmental, labor, economic or human rights regulations
- Anti-corruption training: The "Awareness on Business Integrity Course" (including code of integrity management, employee ethics, protection of trade secrets, insider trading-related laws and case analysis, etc.) is set as a compulsory course for all indirect labor. They are required to watch the course videos and obtain a score of 80 or more on the post-course test to complete the course. At the same time, they need to sign the "Statement of Business Integrity Principles". In 2023, both the completion rate and signing rate reached 100%.
- Human rights training: The "Human Rights Policy Course" is a mandatory course for all indirect labor, and all of them are required to agree with the "Coretronic Human Rights Code". Both the completion rate and signing rate reached 100%.
- Green actions: Organized the "Shi'erliao Mountain Cleanup Activity", 31 employees worked together to pick up waste in support of environmental protection.

Material Topics

Material Topics	Strategies	2023 Performance	2024 Goals
Occupational Health and Safety	Follow the international occupational health and safety management system to continue promoting health, preventing occupational disasters, and increasing employees' awareness of occupational safety and health, in order to creating a healthy and safe workplace environment.	• Obtained ISO 45001 certification. • Number of contractor accidents: 0 • Occupational safety and health education and training for new full-time and non-full-time employees: 8 participants, total training hours of 24 person-hours. • General knowledge education and training on hazardous and harmful substances for new full-time and non-full-time employees and current employees: 8 participants, total training hours of 24 person-hours. • Occupational Safety and Health Committee Education and Training: 38 participants, total training hours of 19 person-hours. • Annual fire/civil defense team training: 28 participants, total training hours of 224 person-hours. • Fatality rate due to occupational injuries: 0% • Rate of severe occupational injuries (excluding fatalities): 0% • Rate of recordable occupational injuries: 0% • Occupational disease incidence rate: 0%	• Obtained ISO 45001 certification. • 0 occupational injury incidents. • 0 contractor accidents. • 100% completion rate for occupational safety and health education and training. • Through annual health check reports and the four major occupational safety and health program questionnaires, identify high-risk groups for hazard identification and assessment, continue to care for and track them, and conduct regular reviews and improvements to prevent occupational hazards and avoid occupational diseases. • Apply for Healthy Workplace certification.

Material Topics	Strategies	2023 Performance	2024 Goals
Information Security	Consistent as Coretronic, please refer to Chapter 3.3.		
Economic Performance	Consistent as Coretronic, please refer to Chapter 1.2.		
Compensation and Benefits	• Based on market salary analysis, offer a competitive salary structure. • Provide individual rewards and incentives based on performance.	• Male/female base-level personnel (direct employees) starting salary: NT$28,400, which is **7.58% higher** than Taiwan's minimum wage. • Average salary adjustment range: 3.83%	Update company regulations in a timely manner in response to revisions to the Labor Standards Act and conduct internal advocacy.
Innovation Research and Development Management	• Integrate the development of core products with AI platforms, cloud management platforms and application software to provide complete smart retail, smart living, smart transportation, Industry 4.0 and medical display solutions • Apply the latest display technology to deepen product design, build a software management platform, and use system integration of software and hardware technology to develop products that meet the AIoT trend and strengthen the competitiveness of existing products	• Completed the design and development of ARM Base BD medical display products and applied them to AIO products under Linux OS environment. Compared with AIO products of x86 architecture, its power consumption is lower, greatly reducing the power consumption requirements of the entire system • Completed the design and production of a 10.1-inch display that meets Energy Star 8.0, creating a small-size monitor product that meets the same specifications as the market to meet ES 8.0 energy-saving requirements • Developed a color sensor module that can be connected to a display to measure color and brightness, completing color calibration and ambient light detection functions to maintain the color accuracy of the display and adjust the brightness and color temperature of the display according to the ambient light to achieve energy-saving and eye protection effects • Developed a slim 15.6-inch 4K high-resolution display with touch and handwriting functions to meet the needs of diverse usage scenarios • Developed industrial control display products with anti-static high-voltage capability to meet customized requirements • Developed screen lighting auxiliary light products, and matched with additional adapter modules for easier installation on curved screens; used asymmetric light source design to avoid reflections caused by direct light on the screen, while supporting 2700K-6500K color temperature adjustment; RGB LEDs are installed behind the pendant lamp to provide lighting and atmosphere lamp functions. • Developed an ultra-thin light panel, introduced a flat-pressing process to greatly reduce thickness, which can be applied to smartphones, and through a unique dynamic light display, the appearance is more eye-catching, increasing product competitiveness • Research and development personnel totaled 44, accounting for 39% of the total number of employees • Research and development expenses accounted for 8% of revenue • Applied for 23 patents and 8 patents were granted	• Integrate precision sensing and intelligent interaction technologies to provide one-stop flexible design and manufacturing services, becoming the best partner for human-machine interfaces in smart fields • With strong research and development capabilities and flexible mass production capabilities, meet customer needs for innovative products

Material Topics	Strategies	2023 Performance	2024 Goals
Climate Change	Consistent as Coretronic, please refer to Chapter 4.1.		
Labor Relations	• Hold labor-management meetings every quarter. • Hold "Meet with the CEO" employee meetings quarterly. • Hold employee welfare committee meetings every quarter. • Notify employees at least four weeks before the major operational changes.	• 8585 email: 8585@champvision.com • Quarterly labor-management meetings: 4 • Quarterly employee meetings: 4 • Quarterly employee welfare committee meetings: 4 • Labor and human rights complaint events: 0	• 0 labor-management dispute incidents.
Green Manufacturing and Product Management	• Material selection and control for green products • Optimize product energy-saving design • Improve product energy efficiency	• The 27-inch drawing board LCD module can reduce power consumption from 30W to 27W through the design of a high-efficiency light guide plate, saving about 3W of power consumption per unit (including 0.9W of heat loss), saving about 11.2 tonCO$_2$e per year • The power consumption of the 10.1-inch POS open-frame display can be reduced by 10~15% through the design of a high-efficiency light guide plate (IML) and optimization of LED photoelectric efficiency	• Develop green products that meet green design and existing customer needs, and promote them to at least one new customer • The proportion of products that meet Energy Star and ErP energy consumption standards reaches over 40% • Adopt new technologies and high-end processes to improve product energy efficiency by more than 20%
Waste Management	• Properly handle hazardous/general waste • Increase waste recycling rate and waste reduction rate, and regularly track and review	• Obtained ISO 14001 certification • Implemented audits of waste contractors, 100% audit completion rate • Recycled 6.83 tons of wooden pallets, reducing 14.07 tonCO$_2$e • Recycled 1.48 tons of waste plastics, reducing 3.05 tonCO$_2$e	• Obtained ISO 14001 certification • Continue to recycle waste plastic packaging to achieve waste reduction and recycling • Commission legal contractors to clean up waste and audit them, 100% audit completion rate • Annual waste recycling rate greater than 45%
Talent Cultivation	• Strengthen employees' professional skills through diversified channels and platforms. • Participate in systematic training courses in line with the parent company's training system. • Enhance employees' workplace soft skills and encourage job rotations to cultivate and improve their diverse skills.	• Average total employee training hours: 27.2 hours • Percentage of employees participating in performance appraisals: 99.1%	• Annual plan execution rate of at least 90% • Total average employee training hours reach 8 hours
Friendly Workplace	• Base on the Labor Standards Act and Labor Pension Act regulations, monthly contributions to employee pensions on time. • For employees with seniority under the old pension system, the company also makes sufficient contributions according to the law to ensure the rights of retiring employees. • Invite retired senior employees with outstanding work performance to serve as company consultants. • Provide 9 days of Golden Week (including 5 days of paid leave) and travel subsidies to employees. • Continue to participate in the "Work-Life Balance" subsidy program of the Ministry of Labor. • Encourage employees' regular exercise habits	• New hire rate: 3.4% • Turnover rate: 4.2% • Parental leave reinstatement rate and retention rate: 0% (no applications during the data period). • Awarded the "2023 Sports Enterprise Certification" by the Sports Administration, Ministry of Education.	• Arrange diverse activities and encourage employees to take proper leave. • Follow government regulations, implement and promote friendly workplace facilities. • Follow the principles of Sports Enterprise Certification and continue to hold sports-related lectures and activities.

8.2 Coretronic Intelligent Cloud Service

Company Profile

- Organization Name: Coretronic Intelligent Cloud Service Corporation
- Date of Incorporation: 2017
- Chairwoman: Yu-Nu Lin
- Headquarters: 6F, No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan (R.O.C.)
- Number of Employees: 83 in total (61 male for 73% and 22 female for 27%)

- Capital: NT$250 million
- Global Locations: Taiwan (Hsinchu)
- Main Products/Services: Providing consulting, planning, implementation, and software development solutions for "cloud construction," "cloud operation and maintenance," and "cloud application" for enterprise customers

Innovative Products and Technologies

With the fast development of digital cloud technology, Coretronic Intelligent Cloud Service actively develops and integrates data-driven services including enterprise core operation systems, databases, artificial intelligence, deep learning, and cloud computing. The company offers consulting, planning, implementation, and software development solutions for enterprise customers in "cloud construction", "cloud operation and maintenance", and "cloud application".

We define optimized and modern IT and MIS information structures for customers, assist them to achieve digital transformation. Through these solutions, we empower customers to extract insights from massive amounts of business data, streamline processes, reduce costs, and gain competitive advantages in their industries.

Customer Service

- Customer service email: cics.service@coretronic-cics.com.tw
- The sales team regularly communicates with customers regarding pricing advantages, sales support, delivery coordination, and other needs through face-to-face meetings or phone calls. The customer service department handles returns, deal with customer complaints, and implements follow-up measures for improvement.
- Establish an official website and Facebook to enable customers to provide feedback and share their opinions at any time.

Supply Chain

- Number of suppliers: 151 in total (141 domestic, 10 overseas), all of which are non-productive raw material suppliers.
- Proportion of local procurement: 100% in Taiwan

Social

- Non-discrimination: Comply with the RBA commitment, clearly state the fair and equal treatment and respect for labor, and followed the relevant government laws and regulations. In addition to prohibiting the use of child labor, the relevant regulations for labor employment are also clearly stipulated. In personnel selection, the principles of fairness, justice, openness, and reasonableness are also followed. There is no differential treatment in recruitment, selection, employment, placement, evaluation, promotion, education and training, welfare measures, retirement, etc. due to age, gender, race, ethnicity, political inclination, or pregnant women.
- Prohibition of child labor
- No forced labors
- No incidents of violation of environmental, labor, economic or human rights regulations
- Anti-corruption training: The "Awareness on Business Integrity Course" (including code of integrity management, employee ethics, protection of trade secrets, insider trading-related laws and case analysis, etc.) is set as a compulsory course for all indirect labor. They are required to watch the course videos and obtain a score of 80 or more on the post-course test to complete the course. At the same time, they need to sign the "Statement of Business Integrity Principles". In 2023, both the completion rate and signing rate reached 92%.
- Human rights training: The "Human Rights Policy Course" is a mandatory course for all indirect labor, and all of them are required to agree with the "Coretronic Human Rights Code". Both the completion rate and signing rate reached 92%.

Material Topics

Material Topics	Strategies	2023 Performance	2024 Goals
Occupational Health and Safety	• Adopt ISO 45001 to establish an occupational safety and health management unit responsible for planning, supervising, and promoting occupational safety and health related work. • To enhance disaster prevention measures and emergency response capabilities, conduct annual training for fire and civil defense teams.	• Disaster prevention and response training: 4 participants, total training hours of 28 person-hours. • Fatality rate due to occupational injuries: 0 • Rate of severe occupational injuries (excluding fatalities): 0 • Rate of recordable occupational injuries: 0 • Occupational disease incidence rate: 0 • The target for occupational injury incidents was less than 3, and 0 actually occurred.	• Less than 3 occupational injury incidents in the factory. • 0 occupational injury incidents for contractors.
Information Security	Consistent as Coretronic, please refer to Chapter 3.3		
Economic Performance	Consistent as Coretronic, please refer to Chapter 1.2		

Material Topics	Strategies	2023 Performance	2024 Goals
Compensation and Benefits	• Based on market salary analysis, offer a competitive salary structure. • Provide individual rewards and incentives based on performance.	Average salary for new hired employees: • The starting salary for university graduates without experience is about 57% higher than the minimum wage. • The starting salary for master's graduates without experience is about 84% higher than the minimum wage. • The starting salary for doctoral graduates without experience is about 115% higher than the minimum wage.	Update company regulations in a timely manner in response to revisions to the Labor Standards Act and conduct internal advocacy.
Innovation Research and Development Management	• Assist customers in defining optimized and modernized IT/MIS information architecture based on customer pain points • Cross-domain integration, agile interface with new applications, and compatibility with existing enterprise systems • Alization of industries	• Provided enterprise customers with consulting, planning, implementation, and software development solutions for "cloud construction", "cloud operation and maintenance", and "cloud application", making progress in the upstream and downstream IC industry, technology manufacturing industry, game/e-commerce platforms, and public enterprise fields • Completed several digital transformation projects for large enterprises, achieving goals such as painless ERP migration, enhanced information security protection, support for new business processes, increased system resilience, and cloud-based remote disaster recovery • Research and development personnel totaled 70, accounting for 84% of the total number of employees • Research and development expenses accounted for 10% of revenue • A total of 4 patents were granted	• Increase the number of successful customer transformation cases • Expand the Alization of industries and accelerate the implementation of AI applications
Climate Change	Consistent as Coretronic, please refer to Chapter 4.1.		
Labor Relations	• Hold labor-management meetings and employee welfare committee meetings every quarter. • Establish diverse and smooth two-way communication channels. • Notify employees at least four weeks before themajor operational changes.	• Quarterly labor-management meetings: 4 • Quarterly employee welfare committee meetings: 4 • Labor and human rights complaints: 0	Hold labor-management meetings every quarter to improve labor-management relations.
Waste Management	Consistent as Coretronic, please refer to Chapter 4.2.		
Talent Cultivation	Combining theory and practice according to operational needs to unleash employees' potential and nurture quality talents.	• Average employee training hours: 3.91 hours. • Percentage of employees participating in performance appraisals: 100%	• Consolidate group resources and diverse learning channels to provide employees with digital and physical learning resources. • 100% of employees receive regular performance appraisals and are promoted based on the results.
Friendly Workplace	Maintain employees' physical and mental health, enhance employee identification, and shape the employer brand	• New hire rate: 9.64% • Turnover rate: 17.54% • Parental leave reinstatement rate and retention rate: 0% (no applications during the data period)	Create a work environment of gender equality, diversity, acoid discrimination and harassment.

08

8.3 Coretronic Intelligent Robotics

Company Profile

- Organization Name: Coretronic Intelligent Robotics Corporation
- Date of Incorporation: 2017
- Chairwoman: Ann Wu
- Headquarters: 4F, No. 11, Lixing Rd., Hsinchu Science Park, Hsinchu City 300094, Taiwan (R.O.C.)
- Number of Employees: 88 in total (73 male, 83% and 15 female, 17%)
- Capital: NT$180 million
- Global Locations: Taiwan (Hsinchu, Miaoli, Tainan), Japan
- Main Products/ Services:
  Development, manufacturing, sales, and services of intelligent unmanned aerial vehicle (UAV).

- Honors:
  √ Becoming one of the "leading system integrators of military-grade commercial drones" and two military-grade commercial drone prototypes passed all military tests, making it the first and only company in Taiwan to pass two military-grade commercial drone prototype certifications.
  √ Achieved the Gold Award for Intelligent Innovation from Japan Ministry of Land, Infrastructure, Transport and Tourism Chūbu Regional Bureau.
- Participating associations:
  √ Unmanned Aircraft Systems Team of Taiwan (UAS Taiwan)
  √ Taipei Computer Association
  √ Chiayi County Asia Drone Innovation Park Manufacturers Association,
  √ Taiwan Defense Industry Development Association,
  √ Japan Unmanned System Traffic & Radio Management Consortium (JUTM):

Innovative Products and Technologies

Starting from core technologies such as aircraft design, flight control, AI, and system integration, our UAVs are equipped with high-speed computing and sensing control platforms. By combining automation and application-specific technologies, we have developed intelligent autonomous security drones, long-range VTOL logistics drones, and military-grade commercial drones, enhancing the commercial value of drone applications.

Intelligent Autonomous Security Drone Solution

Featuring full autonomy and artificial intelligence (AI), it provides support for automated inspection, threat response, and abnormal monitoring tasks. The system is equipped with a high-speed computing and sensing control platform, enabling fully automated flight, precise landing, and automatic charging operations. Users can view the monitoring through the control center, realizing an all-round protection network of land-air joint defense and security to achieve intelligent security monitoring goals.

Long-Range VTOL Logistics Drone Solution

The features are vertical take-off and landing (no runway required) VTOL drones and a 7-kilogram suspension cargo compartment design, providing fully automated medium and long-range (30-kilometer radius), suburban delivery to the door (Hub to Door), and remote material transportation (Hub to Facility) logistics applications. The system is equipped with high-speed computing and has AI landing detection, aerial hovering fast unloading, backup power, and parachute design to complete safe flight delivery.

Military-grade Commercial Drones 🔴NEW

Two prototypes, micro and surveillance types, were released. We independently developed flight control modules, remote controllers, payload cameras, and other key components, as well as AI target acquisition and tracking algorithms, flight control software, and remote-control firmware. All are based on highly mastered drone autonomous key technologies and the advantage of Taiwan's design and manufacturing, fully meeting military specifications such as communication range, flight speed, waterproof and dustproof levels, and obstacle avoidance. It can rapidly achieve design to production according to the operational requirements of various military branches.

Innovative and Sustainable Solutions

NEW Coretronic Intelligent Robotics X KDDI Japan X Tobishima Corporation Japan

"Smart City Solution"

By setting the optimal flight altitude and route through automated drones, it can monitor, investigate, and capture image data of unmanned construction sites, reducing the inconvenience of manual inspection. When the drone reaches the target survey area, it can automatically take over one hundred photos by changing the camera angle, and automatically upload the photos after landing. The image data can assist construction engineers in conducting image analysis to compare construction progress, 3D modeling, and confirm ground anomalies. The Japanese government recognizes the benefits of this service in various construction sites and has awarded the company the "Gold Award for Intelligent Innovation from Japan's Ministry of Land, Infrastructure, Transport and Tourism Chubu Regional Bureau".

▶ Coretronic Intelligent Robotics X Rakuten Japan

"Rural Logistics Case in Chichibu City "

In collaboration with Rakuten Japan, verification of the "mountain logistics" drone cargo delivery service was conducted in the Chichibu area of Saitama Prefecture. Through a mobile application developed by Rakuten combined with a communication system, drones were used to provide cargo delivery services, successfully reducing delivery time from 30 minutes to 10 minutes. The drones automatically return to the starting point after successful delivery, effectively solving the difficulties of shopping in remote areas.

This project has become one of the most mature drone logistics service solutions in Asia, apart from Amazon and Google in the United States.
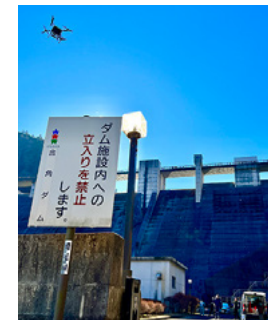
Customer Service

- Customer service email: service.circ@coretronic-robotics.com
- Overseas market customer service email: Japan (jp.circ@coretronic-robotics.com), Europe (eu.circ@coretronic-robotics.com)
- The sales team regularly communicates with customers regarding pricing advantages, sales support, delivery coordination, and other needs through face-to-face meetings or phone calls. The customer service department handles returns, deal with customer complaints, and implements follow-up measures for improvement.
- Establish an official website, LinkedIn and YouTube to provide the latest news and enable customers to provide feedback and share their opinions at any time.

Supply Chain

- Number of suppliers: 309 in total (264 domestic, 45 overseas)
- Supplier evaluation: The procurement, engineering, and quality assurance units jointly conduct delivery, research and development technology, and quality audit for suppliers entering the mass production stage. The passing score is 70 points and 11 suppliers should be audited, however, both of the audit rate and pass rate reach 100%
- Proportion of local procurement amount: Taiwan 68%, non-Taiwan 32%

Social

- Non-discrimination: Comply with the RBA commitment, clearly state the fair and equal treatment and respect for labor, and followed the relevant government laws and regulations. In addition to prohibiting the use of child labor, the relevant regulations for labor employment are also clearly stipulated. In personnel selection, the principles of fairness, justice, openness, and reasonableness are also followed. There is no differential treatment in recruitment, selection, employment, placement, evaluation, promotion, education and training, welfare measures, retirement, etc. due to age, gender, race, ethnicity, political inclination, or pregnant women.
- Prohibition of child labor
- No forced labors
- No incidents of violation of environmental, labor, economic or human rights regulations
- Anti-corruption training: The "Awareness on Business Integrity Course" (including code of integrity management, employee ethics, protection of trade secrets, insider trading-related laws and case analysis, etc.) is set as a compulsory course for all indirect labor. They are required to watch the course videos and obtain a score of 80 or more on the post-course test to complete the course. At the same time, they need to sign the "Statement of Business Integrity Principles". In 2023, both the completion rate and signing rate reached 99%.
- Human rights training: The "Human Rights Policy Course" is a mandatory course for all indirect labor, and all of them are required to agree with the "Coretronic Human Rights Code". Both the completion rate and signing rate reached 99%.

Material Topics

Material Topics	Strategies	2023 Performance	2024 GOALS
Occupational Health and Safety	• Adopt ISO 45001 to establish an occupational safety and health management unit responsible for planning, supervising, and promoting occupational safety and health related work. • To enhance disaster prevention measures and emergency response capabilities, conduct annual training for fire and civil defense teams.	• Disaster prevention and response training: 9 participants trained, total training hours of 60 hours. • Fatality rate due to occupational injuries: 0 • Rate of severe occupational injuries (excluding fatalities): 0 • Rate of recordable occupational injuries: 0 • Occupational disease incidence rate: 0 • The target for occupational injury incidents is less than 3, and 0 actually occurred.	• Less than 3 occupational injury incidents in the plant. • 0 occupational injury incidents for contractors. • Strengthen the promotion of "workplace safety" to remind employees to confirm the safety of the workplace before operation to avoid injury.
Information Security	Consistent as Coretronic, please refer to Chapter 3.3		
Economic Performance	Consistent as Coretronic, please refer to Chapter 1.2		
Compensation and Benefits	• Based on market salary analysis, offer a competitive salary structure. • Provide individual rewards and incentives based on performance.	• The starting salary for research and development personnel with a master's degree is higher than the industry average. • Average salary adjustment range: 3-5%	Update company regulations in a timely manner in response to revisions to the Labor Standards Act and conduct internal advocacy.
Innovation Research and Development Management	Based on advanced technologies such as computer vision, artificial intelligence, high-speed computing and control, combined with the parent company's experience in optics, mechanisms, heat transfer, and electronics, develop core robotic technologies such as human-machine interaction, motion control, intelligent recognition, sensor fusion, and navigation to provide comprehensive intelligent commercial robot solutions	**Intelligent and Automated Drones** NEW • Military: Dual-payload, tri-payload, and two military-grade commercial drone prototypes delivered to military customers have all passed all tests • Commercial: Continue to sell Teledyne FLIR drones for public safety and inspection applications in the United States • Logistics: Continue to cooperate with Rakuten Japan on the "Chichibu City Remote Logistics Case," which has been listed as a key project by the Ministry of Land, Infrastructure, Transport and Tourism of Japan • The product roadmap is oriented towards the development of drones, payloads, and remote controllers, focusing on the US Non-DJI market, with inspection applications as a priority • The drone used for monitoring, surveying, and capturing image data of unmanned sites won the "Gold Award for Intelligent Innovation from Japan's Ministry of Land, Infrastructure, Transport and Tourism Chubu Regional Bureau." **Research and development Investment** • Research and development personnel totaled 71, accounting for 81% of the total number of employees • Research and development expenses accounted for 85% of revenue • Applied for 4 patents and 10 patents were granted	**Market Development** • Continue to develop and expand domestic military-grade commercial and military-grade product and business opportunities. • Dual-payload, tri-payload, and two military-grade commercial drones obtained military procurement cases • Mass production and shipment of FLIR drones to Australia; initiated remote controller and payload ODM projects • Expand into Japanese and European markets. **Technology Development and Certification Application** • Develop the RB5 computing platform and establish new technologies for intelligent obstacle avoidance and AI navigation • Drones have passed CE and EU ESEA Level 2 certification
Climate Change	• Consistent as Coretronic, please refer to Chapter 4.1.		
Labor Relations	• Hold labor-management meetings and employee welfare committee meetings every quarter. • Notify employees at least four weeks before the major operational changes.	• Quarterly labor-management meetings: 4 • Quarterly employee welfare committee meetings: 4 • Labor and human rights complaint events: 0	Reach consensus through labor-management meetings and continuously optimize the work environment and quality based on employee feedback.
Waste Management	Consistent as Coretronic, please refer to Chapter 4.2.		
Talent Cultivation	Combining theory and practice according to operational needs to unleash employees' potential and nurture quality talents.	• Average employee training hours: 7.7 hours • Percentage of employees participating in performance appraisals: 93%	• Cultivate innovative research and development, engineering, and manufacturing talents. • Enhance coaching leadership, thinking, and communication skills.
Friendly Workplace	Maintain employees' physical and mental health, increase employee recognition, and further shape the employer brand.	• New hire rate: 23% • Turnover rate: 10% • Parental leave return-to-work rate: 100% • Parental leave retention rate: 0% (no applications during the data period)	Plan family trips through the annual leave scheduling system to enhance employees' health and sports awareness.

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CORETRONIC CORPORATION'S ESG REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE
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 2023. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 High level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) during on-site assurance (2024/01/05~2024/05/10) in Coretronic headquarter. The boundary of this report includes Coretronic Taiwan and oversea operational and production sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD). 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 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Coretronic. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the report content within the scope of assurance 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 and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2: General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3: 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

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

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

TWLPP5008 Issue 2404

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:

Reporting Criteria Options	
1	GRI Standards (in Accordance with)
2	AA1000 Accountability Principles (2018)
3	SASB (Hardware)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in Coretronic's ESG Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for Coretronic and moderate level of scrutiny for its subsidiaries or joint ventures.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- The evaluation of the report against the SASB Disclosures and Metrics included in the Hardware, VERSION 2023-12 Sustainability Accounting Standard (VERSION 2023-12) and conducted alongside an evaluation of accuracy assurance at high level of scrutiny.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG 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 has 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 assurance, 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 organisation, 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 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

TWLPP5008 Issue 2404

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation 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 commit to ensuring full and balanced involvement of stakeholders in its diverse decision-making processes related to sustainability.

Materiality
Coretronic has regularly assessed materiality and aligned it with its processes for strategy development, decision-making, risk and compliance management, operational management, and reporting. The highest governance body actively participated in reviewing material issues for each group. The report addresses these appropriately 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 the needs, concerns, and expectations of stakeholders.

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. Furthermore, Coretronic has considered implementing methods to capture and measure both actual and potential impacts, including direct and indirect, intended and unintended, as well as positive and negative impacts.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Coretronic's ESG Report of 2023, complies with the Requirements set out in section 3 of GRI 1 and is adequately in accordance with the GRI Universal Standards 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021. Coretronic has strengthened the transparency and accountability of its governance disclosures, enabling stakeholders to thoroughly understand its sustainability strategy and development. For future reporting, when assessing impacts, Coretronic should also consider sustainability challenges at local, regional, and global levels, taking into account the sectors and geographic locations of its activities and business relationships.

TWLPP5008 Issue 2404

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Coretronic has referenced with SASB's Standard, Hardware, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to Coretronic's ESG Report of 2023. 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. It is recommended that Coretronic adopts a practice of regular monitoring of peer disclosures to better understand evolving expectations among investors and other stakeholders. By keeping up with peer disclosures, Coretronic can gather insights into industry trends, benchmarks, and changing reporting practices. This monitoring facilitates pinpointing areas for enhancement and ensures Coretronic's reporting remains comparable.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
18 June, 2024
WWW.SGS.COM

AA1000
Licensed Report
000-8/V3-U9PFL

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GRI Standard Index

Statement of Use	Coretronic has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023, to publish the 2023 ESG report.
GRI 1 Version Applied	GRI 1: Foundation 2021
Industry Standards of GRI Application	The Company does not have any industry standards to follow.

GRI Standards	Disclosure Content	Chapters	Pages	Omission/Note
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1	9, 11	
	2-2 Entities included in the organization's sustainability reporting	Introduction, 2.3	1, 30	
	2-3 Reporting period, frequency and contact point	Introduction	1	
	2-4 Restatements of information	No information has been restated.		
	2-5 External assurance	Introduction, Assurance Statement	1, 123	
	2-6 Activities, value chain and other business relationships	1.1-1.3, 2.3, 5.1	9, 11, 13, 29, 65	
	2-7 Employees	6.1	72	
	2-8 Workers who are not employees	6.1	72	
	2-9 Governance structure and composition	2.2, 3.1	23, 34, 35, 37	
	2-10 Nomination and selection of the highest governance body	3.1	35	
	2-11 Chair of the highest governance body	3.1	35	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.3, 3.1	24, 34	
	2-13 Delegation of responsibility for managing impacts	2.2	23	
	2-14 Role of the highest governance body in sustainability reporting	2.2, 2.3	23, 24	
	2-15 Conflicts of interest	3.1	35	
	2-16 Communication of critical concerns	3.1	34	
	2-17 Collective knowledge of the highest governance body	3.1	36	
	2-18 Evaluation of the performance of the highest governance body	3.1	36	
	2-19 Remuneration policies	3.1	37	
	2-20 Process to determine remuneration	6.3	37, 77	

GRI Standard Index

GRI Standards	Disclosure Content	Chapters	Pages	Omission/Note
	2-21 Annual total compensation ratio	• The annual salary ratio between the highest remuneration and the median remuneration of non-managerial employees in Taiwan plants: 38.6 • The salary adjustment ratio between the highest remuneration and the median remuneration of non-managerial employees in Taiwan plants: -77.4 • Data description: The calculation is based on the salaries, bonuses, stock awards, option awards, non-equity incentive plan compensation, and retirement amounts of full-time employees in the Taiwan plants in 2023.		
	2-22 Statement on sustainable development strategy	Letter from the Chairman	2	
	2-23 Policy commitments	1.1, 2.1-2.3, 6.2	9, 21, 23, 24, 73	
	2-24 Embedding policy commitments	1.1, 2.1-2.3, 6.2	9, 21, 23, 24, 73	
	2-25 Processes to remediate negative impacts	3.4, 6.2, 6.4	43, 74, 82	
	2-26 Mechanisms for seeking advice and raising concerns	3.4, 5.1, 6.2 , 6.4	43, 65, 74, 82	
	2-27 Compliance with laws and regulations	Coretronic had no significant violations of regulations in 2023.		
	2-28 Membership associations	1.1	9	
	2-29 Approach to stakeholder engagement	1.5, 2.3, 5.1-5.3, 6.4	19, 24, 65, 67, 70, 82	
	2-30 Collective bargaining agreements	6.3	77	

GRI Standards	Topic	Chapter	Pages	Response/Reasoning for Omission
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.3	24	
	3-2 List of material topics		28	
★ Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.6	30, 95	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.7	96, 98	
	403-2 Hazard identification, risk assessment, and incident investigation	6.7	98, 100	
	403-3 Occupational health services	6.6	96	
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.7	99	
	403-5 Worker training on occupational health and safety	6.7	99-100	
	403-6 Promotion of worker health	6.6	97	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	6.7	98-101	
	403-8 Workers covered by an occupational health and safety management system	6.7	98-99	
	403-9 Work-related injuries	6.7	100	
	403-10 Work-related ill health	6.6	96	

GRI Standard Index

GRI Standards	Topic	Chapter	Pages	Response/Reasoning for Omission
★ **Information Security**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 3.3	30, 40	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3	40	
★ **Economic Performance**				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2, 2.3	12, 30	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2	13	
	201-2 Financial implications and other risks and opportunities due to climate change	4.1	48	
	201-3 Defined benefit plan obligations and other retirement plans	6.3	79	
★ **Compensation and Benefits**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.3	30, 75	
GRI 202: Market Presence 2016	202-1 Ratio of standard entry level wage by gender compared to local minimum wage	6.3	77	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men			
★ **Innovation Research and Development Management**				
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3, 1.4, 2.3	14, 18, 30	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2	13	
	201-4 Financial assistance received from government	1.2	13	
Core PR1: Innovation R&D Management	PR1-1 Key technologies and innovative products	1.3	17	
★ **Climate Change**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 4.1	30, 45	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1	51	
	302-3 Energy intensity			
	302-4 Reduction of energy consumption			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.1	49	
	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	4.1, 4.4	49, 58, 59	

GRI Assurance Statement

GRI Standards	Topic	Chapter	Pages	Response/Reasoning for Omission
★ **Labor/Management Relations**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 6.4	30, 86	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	6.4	82	
★ **Green Process and Product Management**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 4.4	30, 57	
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	4.4	58	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	4.4	49, 58, 59	
★ **Waste Management**				
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3, 4.2	30, 53	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.2	54	
	306-2 Management of significant waste-related impacts			
	306-3 Waste generated			
	306-4 Waste diverted from disposal			
	306-5 Waste diverted to disposal			
★ **Talent Cultivation**				
GRI 404: Training and Education 2016	3-3 Management of material topics	2.3, 6.5	30, 86	
	404-1 Average hours of training per year per employee	6.5	87	
	404-2 Programs for upgrading employee skills and transition assistance programs		87	
	404-3 Percentage of employees receiving regular performance and career development reviews		94	
★ **Friendly Workplace**				
GRI 401: Emplement 2016	3-3 Management of material topics	2.3, 6.3	30, 75	
	401-1 New employee hires and employee turnover	6.1	72	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3	78	
	401-3 Parental leave	6.3	79	

127

SASB Standards Industry Category: Hardware

Topic	Code	Accounting Metric	Chapter/Omission Reasons	Pages
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	3.3 Information Security Management	40
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	(see tables below)	128

Category/Gender	Male	Female
Managers (senior managers)	68%	32%
Non-senior managers (middle and lower-level managers)	69%	31%
Technical staffs (research and production personnel)	60%	40%
All other employees (business and administrative personnel)	27%	73%

Category/Age	Below 30	30-50	Above 50
Managers (senior managers)	0%	36%	64%
Non-senior managers (middle and lower-level managers)	1%	83%	16%
Technical staff (research and production personnel)	33%	63%	5%
All other employees (business and administrative personnel)	17%	75%	8%

Topic	Code	Accounting Metric	Chapter/Omission Reasons	Pages
Product Life-cycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	The Company's main products are projectors and backlight modules. All projectors and a few backlight modules contain IEC 62474 reportable controlled substances, and all comply with the reporting standards. The revenue share for these products is 32% annually.	128
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Most of the Company's products are B2B, and the Company does not apply for the EPEAT or equivalent labels, so this indicator is not applicable.	-
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	According to the "ENERGY STAR Program Requirements for TVs Version 8.0" released in 2019, projectors have been excluded from the covered products, and incomplete products are not included in the covered products, so this indicator is not applicable to the Company.	-
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	1. Recycling of obsolete products: Most of the Company's products belong to B2B, and there are no obsolete products to be recycled. 2. Total weight of recycled electronic waste and percentage of recycling and reuse: Most of the Company's products belong to B2B, and only recycling of obsolete products is conducted without recycling and reuse. The total weight of recycled electronic waste at Taiwan and China plants is 17.6 tons.	128
Supply Chain Management	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	The Company has not yet conducted RBA audits (VAP) on first-tier suppliers, so there is no relevant data to disclose. In the future, RBA audits (VAP) of suppliers will be gradually planned and implemented.	-
	TC-HW-430a.2	Tier 1 suppliers' (1) nonconformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances, and (b) other nonconformances		
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	5.2 Responsible Supply Chain Management	67
Activity Metric	TC-HW-000.A	Number of units produced by product category	1.2 Operating Overview	12
	TC-HW-000.B	Area of manufacturing facilities	Confidential information not disclosed.	-
	TC-HW-000.C	Percentage of production from owned facilities	The Company develops and produces its main products on its own, so the production output of its own production equipment accounts for 100%.	-