

2024 Chicony Power Technology TCFD&TNFD Report

Task Force on Climate-related & Nature-related
Financial Disclosures Report

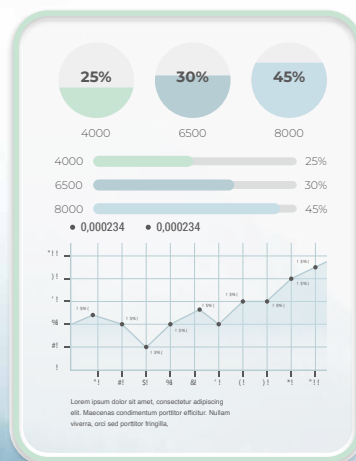


Table of Contents

Message from the Chairman and the President	3
About this Report	4
Principles and Information Preparation Process	4
Reporting Period	4
Reporting Boundary	4
Contact Information	4

01

Vision and Governance for Climate and Nature

1.1 Vision for Nature and Climate	6
1.2 Climate and Natural Governance Framework	6
1.3 Identification of Material Stakeholders	7
1.4 TCFD and TNFD Development Journey	7

02

Climate- and Nature-related Scope and Scenarios

2.1 Reporting Boundary and Value Chain	9
2.2 Scenario Analysis	10

03

Identification of Nature-related Issues Across the Value Chain (Locate/Evaluate)

3.1 Analysis of Environmentally Sensitive Locations (Locate)	14
3.2 Industry-level Dependency and Impact Analysis (Evaluate)	16
3.3 Results of Priority Locations Analysis Across the Value Chain (Evaluate)	18
3.4 Significant Climate and Nature-Related Risks and Opportunities	21

04

Climate- and Nature-related Impact and Risk Management (Risk Management / Assess)

4.1 Identification of Climate- and Nature-related Risk and Opportunity	26
4.2 Significant Climate and Nature-Related Risks and Opportunities	27
4.3 Risk Management Transmission Pathway	29

05

Strategy / Metrics and Targets / Assess / Prepare for Climate and Nature

5.1 Financial Impacts and Strategic Resilience (Assess / Strategy)	33
5.2 Advancing toward the Net Zero Target and Nature-Positive Transformation (Strategy/ Prepare)	38
5.3 Tracking Subsequent Indicators of Climate- and Nature-related Impacts (Metrics and Targets)	46

06

Appendix

6.1 TCFD Index	48
6.2 TNFD Index	49
6.3 GRI Content Index	50
6.4 Related Reports or Policies	50

Message from the Chairman and the President

In recent years, climate change, biodiversity loss, and increasing pressure on natural resources have continued to affect global supply chains and industrial operations. Companies must develop a clearer understanding of their dependencies on nature and the risks they may face. Chicony Power has long placed emphasis on product efficiency, energy conservation, carbon reduction, and supply chain management. This year, we began adopting the TNFD framework, incorporating nature-related considerations into our day-to-day operations as an important extension of our sustainability governance.

For Chicony Power, the metals, minerals, and materials required for power supply products are closely linked to natural resources, and the sourcing and quality of these inputs directly affect product performance and reliability. Our manufacturing sites are located across regions with diverse environmental conditions, each presenting different challenges in terms of water resources, land use, and ecological risks. In addition, our global supply chain footprint means that changes in the natural environment may impact production scheduling, raw material availability, and overall end-to-end stability. Therefore, we view TNFD as a practical tool to help clarify risks, build data foundations, and strengthen management capabilities, rather than merely a compliance requirement.

From a governance perspective, the Company's Sustainability Task Force is responsible for cross-functional collaboration, progressively establishing nature-related data, and regularly reporting progress to the Board of Directors and senior management. This approach is intended to align nature-related topics with climate management, supply chain management, and product life cycle processes. This year, our TNFD efforts begin with the LEAP approach, starting with an assessment of site-specific environmental conditions, material dependencies, and potential impacts, followed by the gradual establishment of a data framework that can be continuously updated. This will form the basis for future scenario analysis and metrics management. As data become more complete, we will progressively introduce quantitative indicators to create clearer links between natural issues and the company's product strategy, risk management, and operational plans.

Global supply chains and regulatory requirements are evolving rapidly. Issues such as biodiversity, water use, and raw material sourcing have increasingly been incorporated into procurement and risk assessment requirements by international customers. Regulations such as the EU CSRD and EUDR have also raised expectations for transparency in nature-related information. In response to these developments, we will continue to collaborate with customers, suppliers, and other stakeholders, advancing related initiatives in a pragmatic and step-by-step manner. This will enhance the Company's resilience and further strengthen Chicony Power's preparedness in terms of product reliability, supply stability, and long-term competitiveness.

About this Report

Principles and Information Preparation Process

- TCFD (Task Force on Climate-related Financial Disclosures)
- TNFD (Task Force on Nature-related Financial Disclosure)

Reporting Period

January 1, 2024, to December 31, 2024.

Reporting Boundary

The scope of this report primarily includes Chicony Power Technology Co., Ltd.'s Taiwan Headquarters (the "Headquarters"), Chicony Power Technology (Dongguan) Co., Ltd. ("Dongguan Factory"), Chicony Power Technology (Suzhou) Co., Ltd. ("Suzhou Factory"), Chicony Power Technology (Chongqing) Co., Ltd. ("Chongqing Factory"), Chicony Power Technology (Thailand) Co., Ltd. ("Thailand Factory"), ZhuZhou Torch Auto Lamp Co., Ltd ("Zhuzhou Torch"), and Guang Sheng Electronics (Nanchang) Co., Ltd. ("Guang Sheng Electronics").

Contact Information

Administration Management Division, Chicony Power Technology Co., Ltd.

Address: 20F, No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City 241561, Taiwan (R.O.C.)

Tel: +886-6626-0678 #57114

Fax: 02-2995-8290

Website: <https://www.chiconypower.com/zh-tw/home/index>

E-mail: SG@Chiconypower.com



01 Vision and Governance for Climate and Nature

02 Climate- and Nature-related Scope and Scenarios

03 Identification of Nature-related Issues Across the Value Chain

04 Climate- and Nature-related Impact and Risk Management

05 Strategy / Metrics and Targets / Assess / Prepare for Climate and Nature

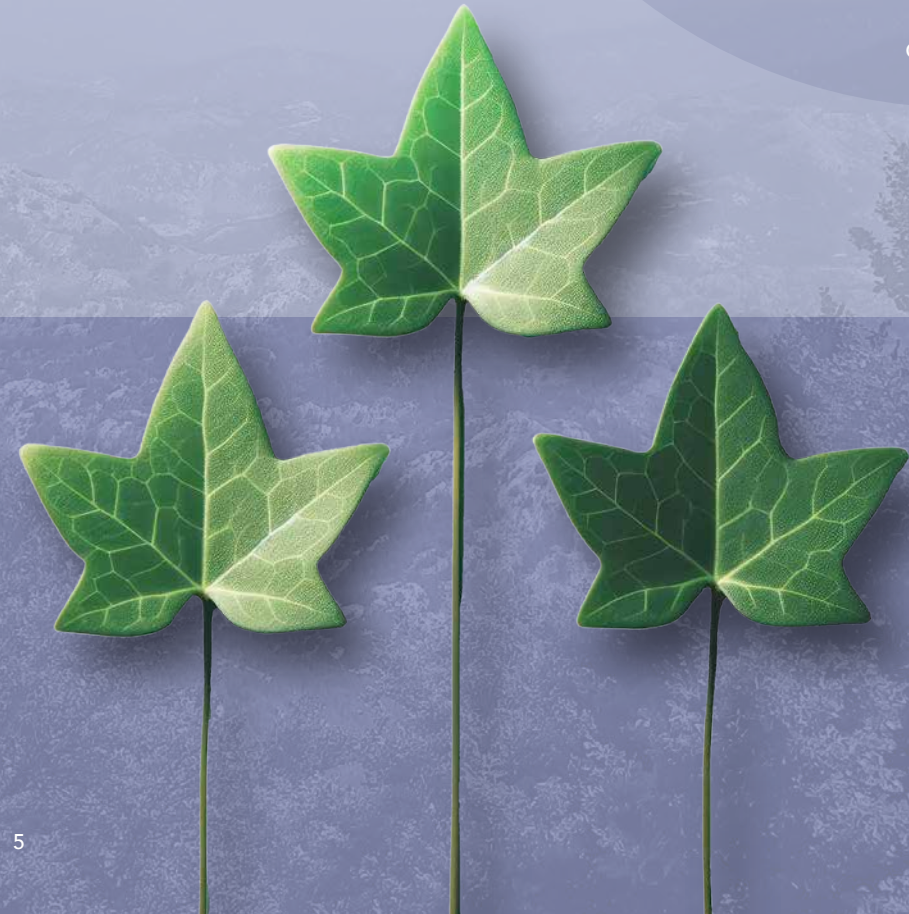
06 Appendix

1.1 Vision for Nature and Climate 1.2 Climate and Natural Governance Framework 1.3 Identification of Material Stakeholders 1.4 TCFD and TNFD Development Journey



01

Vision and Governance for Climate and Nature



1.1 Vision for Nature and Climate

Chicony Power recognizes that climate change and biodiversity loss have become critical challenges for global enterprises, with long-term implications for industrial development and supply chain resilience. In alignment with the goals of the "Paris Agreement" and the Company's internally established policies on climate change and nature-related risk management, we prioritize both climate adaptation and mitigation. We actively promote energy efficiency improvements, the adoption of renewable energy, and circular resource utilization, while establishing relevant performance indicators. Through concrete actions, we implement carbon reduction, pollution prevention, and natural resource management, thereby progressively reducing operational risks and supporting sustainable development.

Vision for Climate Change

We have set a target to achieve net-zero emissions by 2050 and have obtained validation from the Science Based Targets initiative (SBTi). In addition, we have established a 2030 medium term decarbonization target covering key emission sources across Scope 1, Scope 2, and Scope 3. The Company has also joined the RE100 global initiative through the Group, committing to 100% renewable energy usage across global operations by 2030. Through energy efficiency optimization, the implementation of smart energy management platforms, the adoption of renewable energy, collaborative decarbonization efforts across the supply chain, and circular economy initiatives, Chicony Power is steadily advancing its low-carbon transition based on a science-driven approach.

Vision for Natural Capital and Biodiversity

Chicony Power responds to the global action agenda set forth in the Kunming-Montreal Global Biodiversity Framework (GBF) and follows the TNFD LEAP approach to progressively assess dependencies and impacts between our value chain and the natural environment, thereby strengthening risk identification and disclosure capabilities. Although our business does not directly involve land development or the extraction of ecological resources, we remain committed to integrating nature-related considerations into corporate governance and decision-making processes. In accordance with our self-issued Biodiversity and No Deforestation Policy, we apply the mitigation hierarchy in our management approach to evaluate and address impacts, striving to reduce ecological impacts across our value chain. We are steadily advancing toward our vision of achieving No Net Loss and ultimately Net Positive Impact on biodiversity. At the same time, through supply chain audits and sustainability certification management, we uphold the core principle of Zero Net Deforestation and Degradation (ZNDD), ensuring alignment with global nature-positive trends and building a resilient and sustainable business model.

1.2 Climate and Natural Governance Framework

Since 2021, Chicony Power has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework and has progressively expanded to incorporate the Taskforce on Nature-related Financial Disclosures (TNFD) framework, establishing a systematic governance and management mechanism. The Board of Directors serves as the highest decision-making body for sustainability governance, chaired by the Chairman. It convenes at least once annually to review material climate- and nature-related risks and opportunities, and to oversee the effectiveness of sustainability strategy implementation.

To ensure cross-functional coordination and execution, the Board of Directors has established a Corporate Sustainable Development Committee, convened by the Chairman and comprising directors, independent directors, and senior management. The Committee meets at least twice a year and is responsible for overseeing policies related to environmental protection, social responsibility, and corporate governance, as well as reviewing cross-departmental action plans and targets. Key progress and management performance are regularly reported to the Board of Directors.

Under the Corporate Sustainable Development Committee, a Corporate Sustainability Task Force and cross-functional project teams have been established. These groups regularly review climate- and nature-related risks and opportunities, covering areas such as energy management, carbon management, renewable energy strategies, supply chain management, green product design, and low-carbon transition, ensuring that risk identification, assessment, and management are effectively implemented at the departmental level.

▲ Chicony Power Climate- and Nature-related Governance Framework



1.3 Identification of Material Stakeholders

Chicony Power references the TNFD guidance on stakeholder engagement (Guidance on Engagement with Indigenous Peoples, Local Communities and Affected Stakeholders) and conducts internal management review processes to prioritize the identification of key stakeholder groups that have a material impact on financial resilience and operational continuity. In addition to identifying risk transmission pathways, we further conduct financial quantification assessments to translate nature-related risks into measurable financial indicators, thereby enhancing decision-making quality and information transparency.

▲ Logic for Identifying Key Stakeholder Groups: A Dependency-Based Approach

Through the Sustainable Development Committee, Chicony Power conducts internal assessments tailored to the characteristics of the power supply industry, analyzing two key dimensions—nature dependencies and environmental impacts—to identify the following core stakeholder groups:

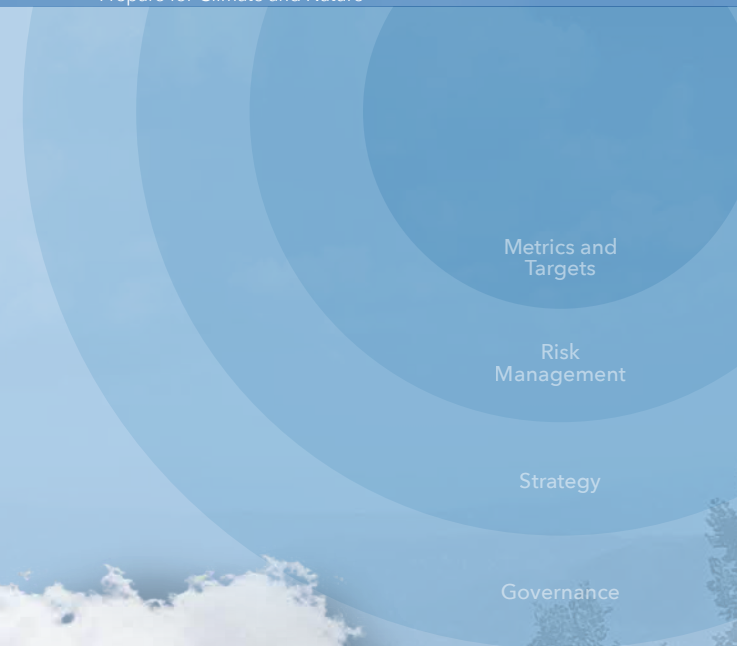
- **Financial and regulatory stakeholders:** Focus on the material financial impacts of nature-related physical risks (such as flooding and drought) on the Company's asset value, operating costs, and profitability.
- **Market and value chain partners:** Focus on how product environmental compliance and resource efficiency translate into market competitiveness and supply chain stability.

▲ Key Stakeholder Groups' Areas of Concern and the Company's Management Pathways

Key Stakeholder Group	Areas of Concern	Management Pathways
Investors and Financial Institutions	Implementation of financial quantification and transparent disclosure	• We have completed financial impact assessments for high-exposure sites (including the Taipei Headquarters, Thailand Factory, and Suzhou Factory). Under climate scenarios such as SSP5-8.5, we conduct valuation impairment analyses on the potential financial impacts of river flooding and storm surge risks on revenue, fixed assets, and current assets.
Customers and Market	Strengthening competitiveness of green products	• We have issued the "Biodiversity and No Deforestation Policy" to proactively respond to customer requirements. • In addition, through the development of high-efficiency power products (e.g., Titanium-level high-efficiency power supplies), we transform nature-related risk management into opportunities for market differentiation and leadership in energy-saving technologies.
Suppliers	Building a resilient supply chain	• We have established an independent supplier audit process. Between 2023 and 2024, we conducted environmental and social risk assessments for 184 suppliers, representing 40% of Tier-1 suppliers. • Through our existing GPM management system and on-site audits, we implement deforestation-free controls in practice, thereby reducing regulatory and operational disruption risks.
Site Employees and Local Communities	Progressive strengthening of safety measures	• For locations exposed to flooding risks, the Company's current management focus is on infrastructure monitoring. • Going forward, the Company will integrate completed quantitative financial impact assessments and incorporate nature-related risks into our Business Continuity Plan (BCP) and Emergency Response SOPs, establishing a science-based resilience and response system.

1.4 TCFD and TNFD Development Journey





02

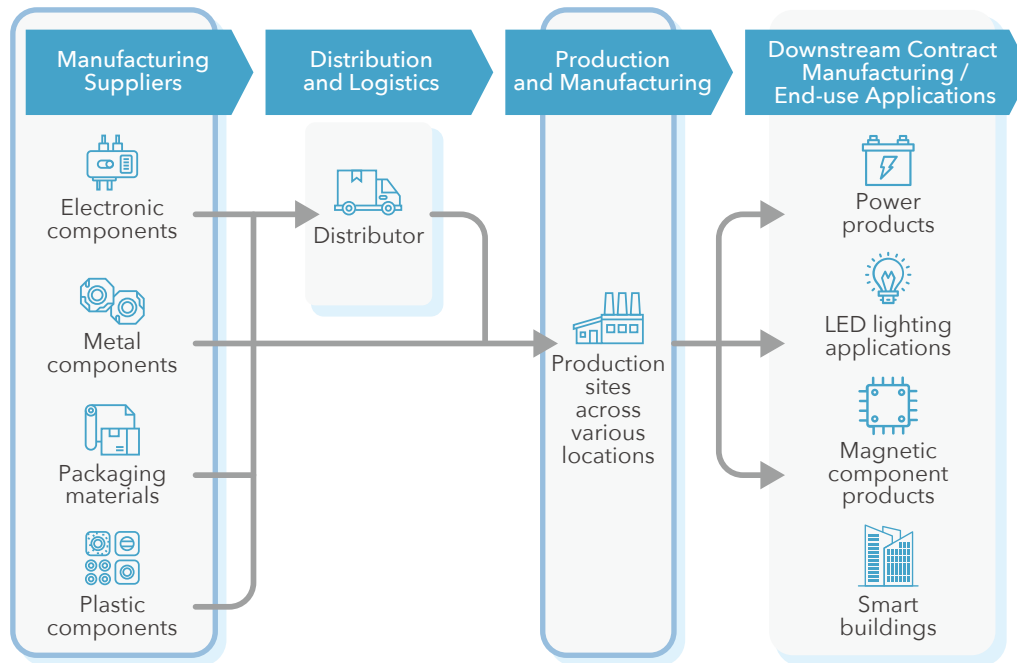
Climate- and Nature-related Scope and Scenarios

2.1 Reporting Boundary and Value Chain

Chicony Power operates within the electronics manufacturing industry, with its headquarters located in Taiwan and major operations and production sites distributed across China and Thailand. We conduct an integrated mapping analysis covering both our own operational sites and upstream and downstream value chain activities. By considering country, geographic location, and industry characteristics, we systematically assess the interface with the natural environment to identify potential hotspot areas with high relevance to natural resources and biodiversity.

Our value chain activities include upstream energy supply, as well as the manufacturing of electronic components, metal parts, packaging materials, and plastic components. These inputs are distributed through logistics channels to Chicony Power's production sites, where core products—including power supply units, LED lighting applications, and magnetic components—are manufactured, before extending to downstream contract manufacturing and end-use applications. The scope of this analysis covers seven of Chicony Power's operation bases and a total of 65 upstream supplier locations. Based on the actual geographic coordinates of each base, buffer zones have been defined with a 2.5-kilometer radius as the indirect impact zone and a 5-kilometer radius as the potential impact zone.

▲ Scope of Analysis



○ Scope of Analysis

▲ Own Operational Sites and Upstream Value Chain Locations



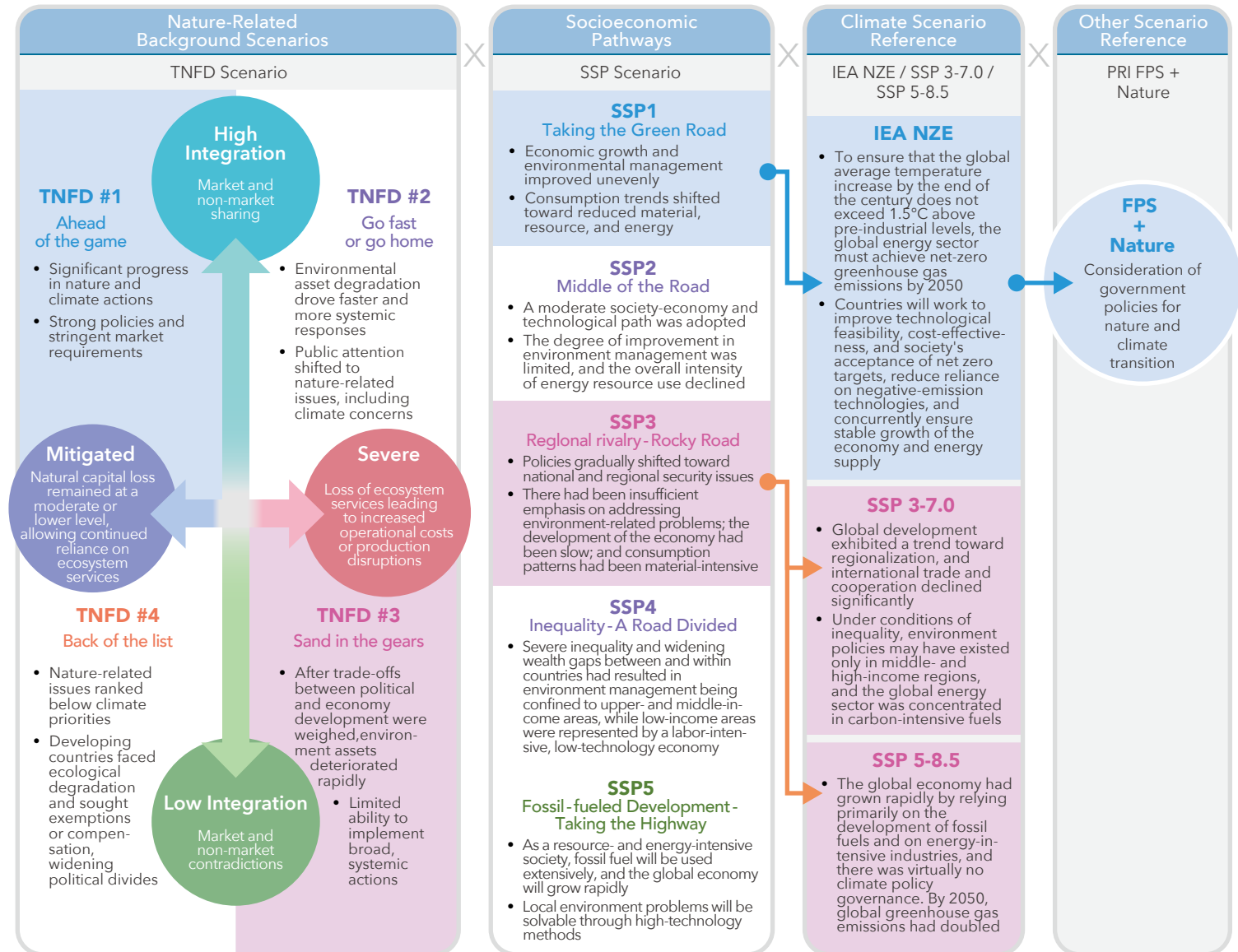
2.2 Scenario Analysis

2.2.1 Framework for Climate- and Nature-related Risk and Opportunity Scenario Analysis

To address the high level of uncertainty associated with climate- and nature-related issues, Chicony Power adopts the widely recognized scenario analysis approach to evaluate the potential impacts of risks and opportunities under different scenarios on operational and strategic resilience. The results of these analyses are incorporated into overall strategic planning. In alignment with the recommendations of the final TNFD framework, four scenarios are selected for analysis, with physical risks (e.g., loss of ecosystem services) and transition risks (e.g., market drivers) as the key variables. The scenarios include “Ahead of The Game,” “Go Fast or Go Home,” “Sand in The Gears,” and “Back of The List.”

Following internal discussions, Chicony Power has identified the “Ahead of The Game” scenario as the primary strategic direction for its climate and natural capital strategy. At the same time, considering the possibility of more conservative macroeconomic and policy environments, the Company also evaluates a potential shift toward the “Sand in The Gears” scenario. Based on these assumptions, we simulate the impacts of previously identified risks and opportunities on operations under different scenarios.

▲ Exploratory Scenario Integration Based on TNFD Framework for Assessing Industry Trends



2.2.2 Trends in Changes in the Macroeconomic Environment

Following the establishment of baseline assumptions, Chicony Power incorporates Shared Socioeconomic Pathways (SSPs) aligned with the selected scenarios to strengthen key background parameters. These include macroeconomic variables such as population, economic growth, and globalization. Based on these inputs, we construct macro-level scenarios to examine the interlinkages between Chicony Power, climate, and nature. Furthermore, for specific impact drivers (e.g., climate change), appropriate analytical models are applied to support in-depth assessment and discussion.

- “Ahead of The Game”: Integrates SSP1 “Taking the Green Road,” the IEA Net Zero Emissions (NZE) scenario, and “FPS+ Nature”;
- “Sand in The Gears”: Integrates SSP3 “Regional Rivalry – Rocky Road,” SSP3-7.0 and SSP5-8.5.

▲ Scenario Selection and Integration

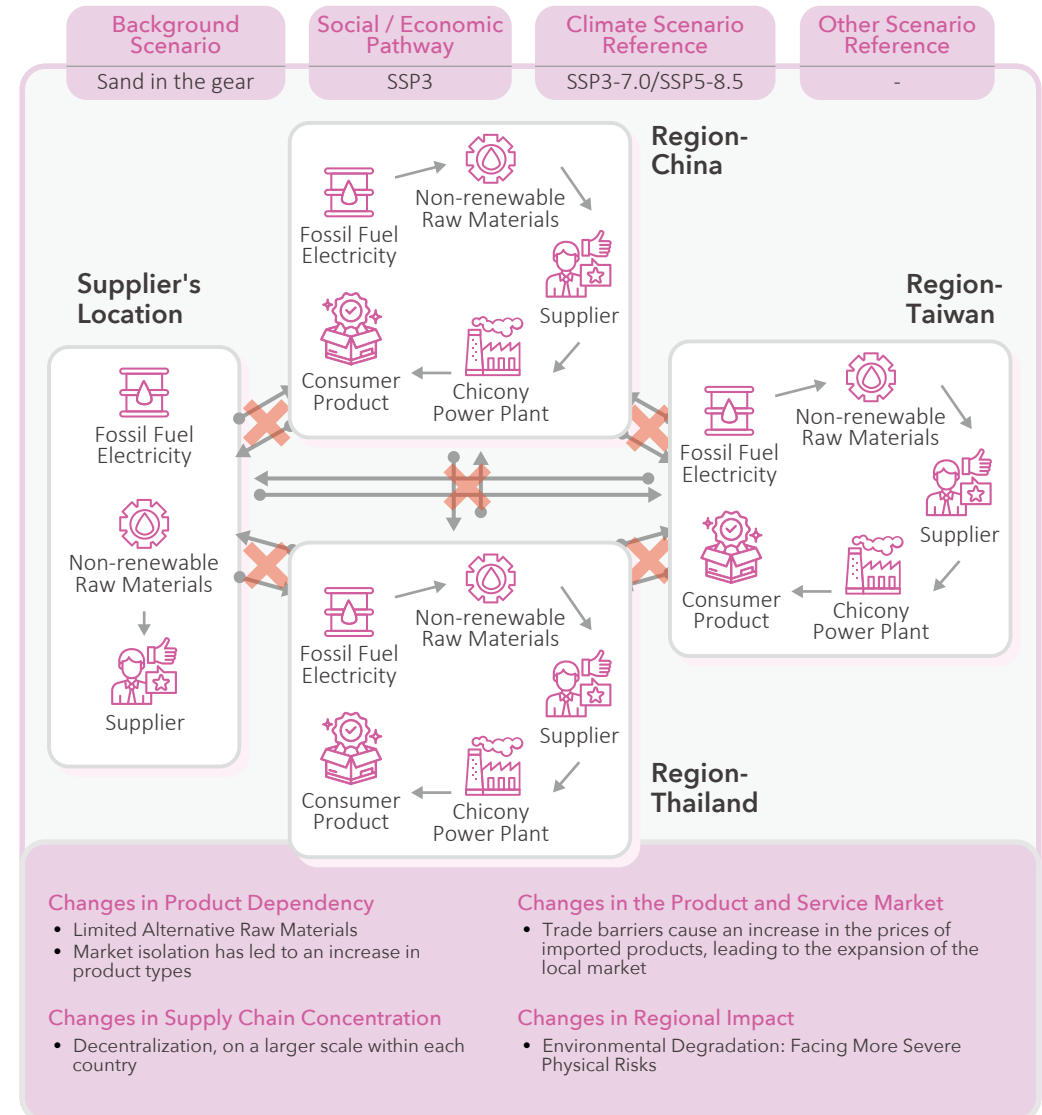
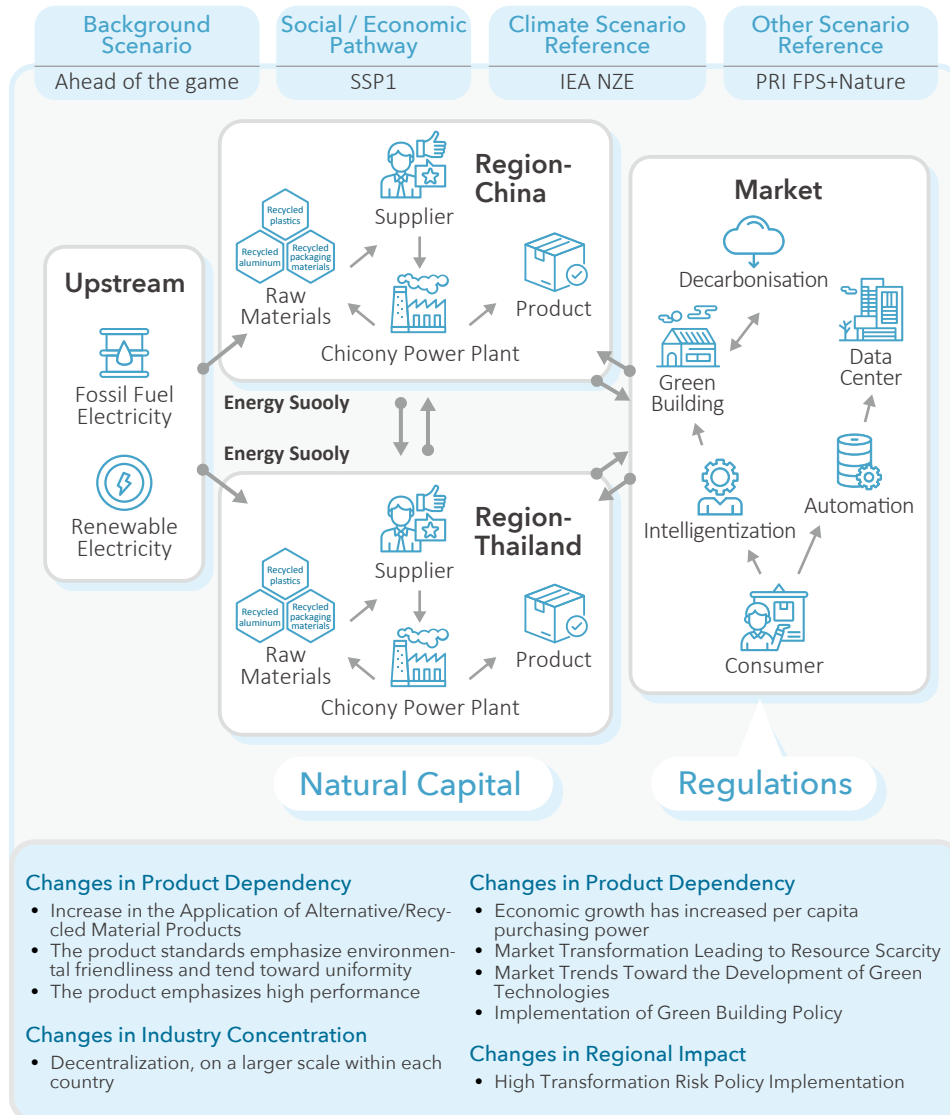
Scenario		Integrated Scenario for "Ahead of the Game"	Integrated Scenario for "Sand in The Gears"
Society		Nature and climate protection are compatible with economic growth, driven by robust regulatory frameworks and technological innovation	Markets become fragmented due to trade protectionism, leading to imbalances and decline in both economic and environmental systems
Consumer		Increased environmental awareness	Mass consumption
Scenario Selection		TNFD#1 / SSP1 / IEA NZE / FPS+Nature	TNFD#3 / SSP3 / SSP3-7.0 / SSP5-8.5
Environment	Nature	Valued and protected	Neglected and continues to degrade
	Climate		
Laws and Regulations	Regulatory stringency	Strict regulations	Limited regulations
	Scope	Globally aligned	Primarily local
	Global collaboration	Effective	Stagnant
Economy	Growth status	Increase and growth	Increase and growth
	Degree of globalization	Accelerated (with preference for local products)	Globalization stagnated (market Fragmentation)
	Investor sentiment	Environment-focused	Limited environmental concern
	Income inequality	Reduced	Worsening
Society	Environmental awareness	High	Low
	Consumer sentiment	Preference for high-quality, low-resource, and locally sourced products	Persistent trend of high consumption
	Infrastructure	Well-developed	Underdeveloped
Technology	Pace of advancement	Fast	Slow
	Data transmission speed	Fast	Slow

Basic Scenario Assumptions

Under the “Ahead of the Game” integrated scenario, products increasingly rely on low-resource-intensity materials while gradually reducing dependence on conventional fossil fuels. Product standards become more harmonized, thereby lowering reliance on region-specific resources. Markets for products and services shift toward environmentally friendly solutions, with consumers willing to pay a premium for environmental value. At the same time, declining learning curves for green technologies further enhance the competitiveness of sustainable products. However, market transformation may also intensify the scarcity of certain natural resources, leading to price volatility. As GDP per capita rises, purchasing power increases, further driving consumption demand. Supply chains progressively reduce dependence on resources from single regions, adopting diversified sourcing strategies to access new markets. Meanwhile, regions are expected to implement more stringent regulatory frameworks and strengthen nature-related resilience infrastructure.

Under the “Sand in the Gears” integrated scenario, production places greater emphasis on output volume, with relatively less focus on the use of recycled or renewable materials. Trade barriers are increasingly established across regions, leading to higher levels of domestic self-sufficiency. In product and service markets, rising import costs due to trade restrictions stimulate the expansion of local markets, which in turn intensifies the exploitation of local natural resources. Additionally, supply chains shift toward more domestically concentrated production models as a result of trade limitations, increasing the scale and centralization of national production systems. However, regions face more severe exposure to physical risks, resulting in continued environmental degradation and a decline in the provision of ecosystem services.

▲ Use of Climate and Nature-related Risk Scenarios





Metrics and
Targets

Risk
Management

Strategy

Governance

03

Identification of Nature-related Issues Across the Value Chain

Locate

Evaluate

Assess

Prepare

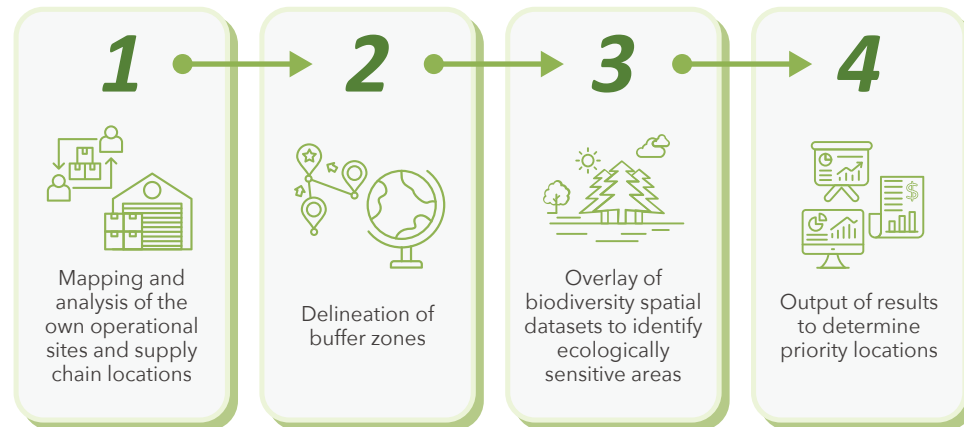


3.1 Analysis of Environmentally Sensitive Locations (Locate)

In its operations and value chain management, Chicony Power has incorporated the use of natural resources and their potential environmental impacts as key considerations. As operational activities and upstream and downstream supply chain activities may spatially intersect with ecosystems, these activities are not only affected by climate change but also involve dependencies on and impacts to the natural environment.

Accordingly, in line with the LEAP approach proposed by the Taskforce on Nature-related Financial Disclosures (TNFD), Chicony Power integrates location data of its operational sites and major supplier facilities during the Locate phase. Through spatial mapping and data consolidation, we identify whether value chain activities are situated within or in proximity to ecologically sensitive or high conservation value areas. Based on this assessment, priority locations with significant nature interactions are identified for subsequent analysis and management.

▲ Locate Analysis Process



As illustrated in the figure above, Chicony Power conducts the Locate analysis through the establishment of spatial datasets, the delineation of impact boundaries, and overlay analysis. This approach enables a systematic identification of interactions between its operational sites, supply chain facilities, and the natural environment, and serves as the basis for prioritizing locations that require focused attention. The relevant analysis are as follows:

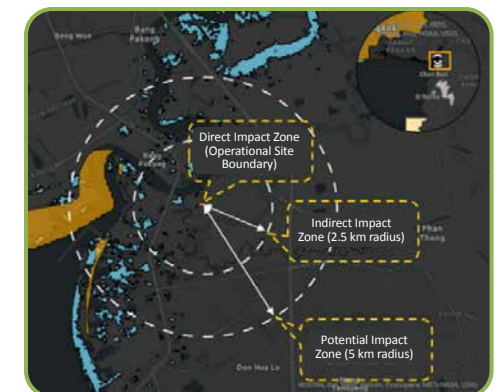
• Establishment of location data:

For own operational sites, boundary data are established and digitized based on the actual site perimeters. For the supply chain, locations of key suppliers identified by each business unit are collected and converted into latitude and longitude coordinates to complete the spatial mapping of all sites.

▲ Illustrative Diagram of Digitalized Analysis for Owned Operational Sites (Taipei Headquarters)



▲ Illustrative Diagram of Buffer Zones for Direct, Indirect, and Potential Impact Areas

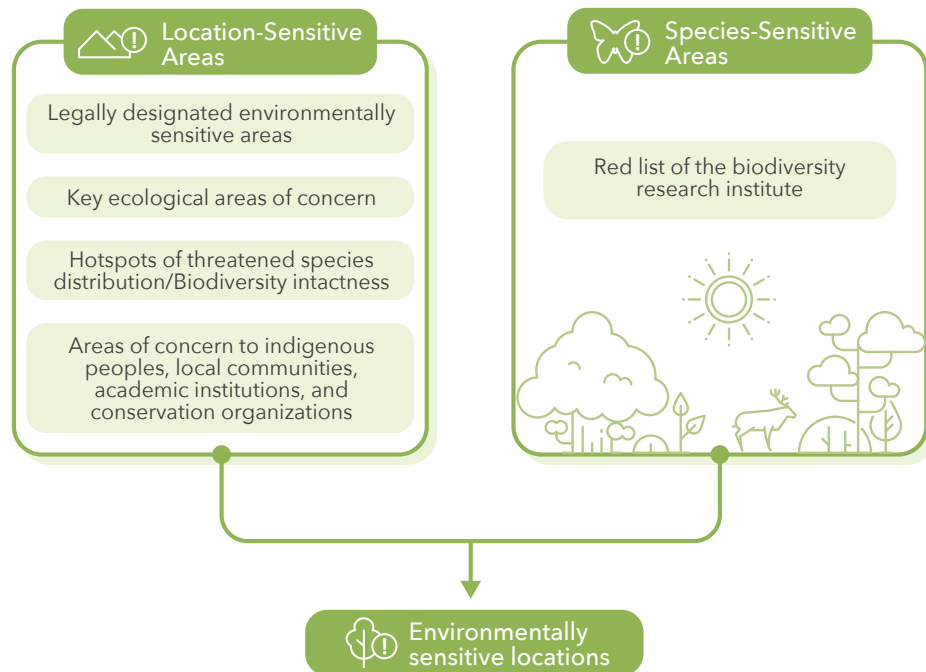


• Definition of impact boundaries:

This analysis defines three levels of impact boundaries, including: (1) the direct impact zone corresponding to the site location, (2) the indirect impact zone within a 2.5-kilometer radius, and (3) the potential impact zone within a 5-kilometer radius. These boundaries are used to assess the potential impacts of operations and supply chain activities on surrounding natural environments and ecosystems.

• **Spatial Overlay and Identification of Sensitive Areas:** By integrating location data of own operational sites and supply chain facilities, we assess their spatial interactions with the natural environment. The analysis incorporates both global and regional biodiversity spatial datasets, which are categorized into six key dimensions: biodiversity priority areas, water risk, ecosystem integrity, forest integrity, natural heritage, and soil organic carbon. Through overlay analysis between these six categories of spatial datasets and the defined impact buffer zones of operational and supply chain sites, the Company identifies whether each site spatially intersects with ecologically sensitive areas or key natural features of conservation value. This enables the identification of locations with potential biodiversity sensitivity, which serve as the basis for subsequent nature-related risk assessment and management prioritization.

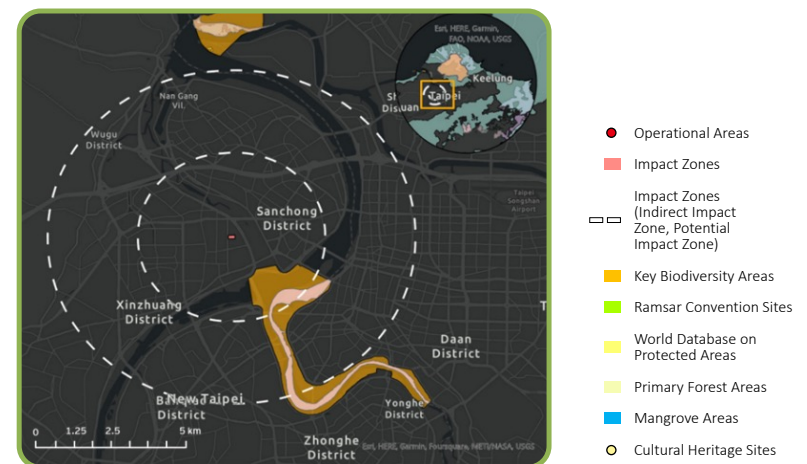
▲ Procedure for Determining Areas of Natural Sensitivity



▲ Spatial Datasets Used in the Locate Analysis

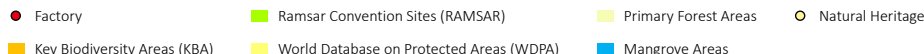
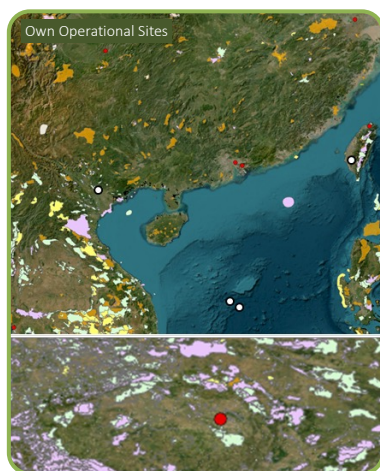
Dataset Criterion	Description
Biodiversity Importance	Identifies globally significant areas critical to the persistence of species and their habitats
Water Resource Risk	Assesses regional water availability and associated risks, identifying areas under high water stress
Ecosystem Integrity	Measures the completeness of species communities and natural conditions within ecosystems, indicating the degree of human disturbance
Forest Integrity	Identifies large, contiguous forest areas that remain in a natural state, to assess whether sites are located near high-integrity forests
Natural Heritage	Determines whether sites are located near natural heritage areas recognized by UNESCO as having outstanding global value
Soil Organic Carbon	Evaluates the organic carbon content in land and soil, serving as an indicator of carbon storage capacity and potential land degradation

▲ Illustrative Map of Environmentally Sensitive Locations



- **Results output:** Based on the aforementioned Locate analysis process and the criteria for identifying environmentally sensitive areas, Chicony Power has completed the screening of nature sensitivity for both its operational sites and supply chain locations, and has identified priority locations with significant nature interactions requiring focused attention. The analysis indicates that within the 2.5-kilometer indirect impact zone, the proportion of key suppliers and owned facilities overlapping with important biodiversity areas is 15.07%. Within the 5-kilometer potential impact zone, the overlap ratio is 17.81%. The analytical results across different buffer zones are illustrated in Figure 2.7. Further review of the Company's owned operational sites shows that, within both the 2.5-kilometer and 5-kilometer impact zones, two sites exhibit spatial overlap with biodiversity-related datasets. These locations will be incorporated into the scope of prioritized monitoring and management going forward.

▲ Overlay Analysis Results of Nature and Ecosystem Zones for Own Sites and Key Suppliers

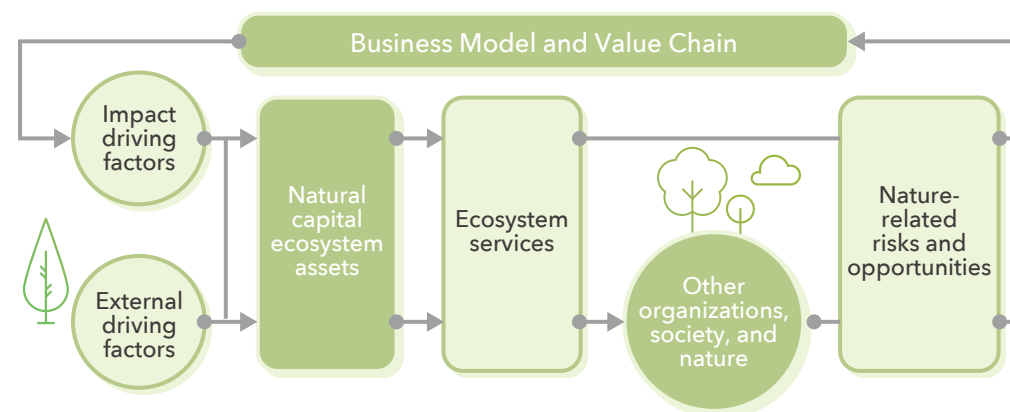


- **Prioritization of key locations:** Through spatial overlay analysis, we examine whether operational sites and supply chain locations geographically overlap with key natural ecological areas or important ecosystems, and rank these sites based on the degree of overlap to identify priority operational and supplier facilities requiring focused attention. In the next step, a dependency and impact analysis will be conducted, combined with internal expert discussions, to assess whether the Company's own operational activities may affect specific ecosystems. At the same time, key suppliers identified as having high nature sensitivity will be designated as priority entities for further monitoring and management.

3.2 Industry-level Dependency and Impact Analysis (Evaluate)

While engaging natural capital in its operations, enterprises may also generate both positive and negative impacts on the natural environment. Such impacts arise not only from a company's own operational activities but may also propagate indirectly through upstream and downstream value chain stages (including raw material sourcing, manufacturing, transportation, use, and end-of-life treatment), thereby exerting pressure on ecosystems. These pressures may manifest as ecosystem degradation, habitat loss, increased water resource risks, and biodiversity decline. This highly interdependent relationship means that companies face both nature-related risks and potential opportunities throughout their operations.

▲ Dependency and Influence Path Diagram



To understand the degree of dependence on and impact upon natural capital arising from the Company's operations, Chicony Power utilizes the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool, jointly developed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and the UNEP Finance Initiative (UNEP-FI). In addition, procurement share from key suppliers is incorporated as a weighting factor, and input-output modeling is applied to conduct analysis and discussion at the value chain level.

Chicony Power presents the results in the form of heatmaps to facilitate the identification of the degree of dependency and impact of its business activities on natural capital and ecosystem services across the entire value chain. For items assessed as having "high" or "very high" levels of dependency or impact, further review is conducted to examine their interfaces with natural resources.

▲ Identification of Industry-level Dependencies and Impacts Across the Value Chain

Chicony Power			Scale	Level of Dependence					Degree of Impact				
				Provision of services		Regulating and supporting services			Changes in land /freshwater /marine use	Overexploitation of resources	Climate change	Pollution	Invasive alien species and other factors
				Energy	Material	Flow regulation	Maintenance of physical, chemical, and biological conditions	Mitigation of waste, toxic substances, and other nuisances					
Packaging Materials	Cradle to gate	Paper manufacturing industry		VL	VH	M	VL	L	L	VH	VH	VH	L
	Manufacturing			VL	H	VL	VL	VL	VL	M	VH	H	VL
Plastic Components	Cradle to gate	Chemical manufacturing industry		VL	VH	H	L	M	M	VH	VH	VH	L
	Manufacturing			VL	L	L	VL	VL	VL	L	H	M	VL
	Cradle to gate	Plastics and rubber manufacturing industry		VL	VH	H	L	H	M	VH	VH	VH	M
	Manufacturing			VL	L	L	VL	VL	VL	M	H	H	VL
Metal Components	Cradle to gate	Iron and steel manufacturing industry		VL	VH	H	L	L	L	VH	VH	VH	VH
	Manufacturing			VL	L	L	VL	VL	VL	M	VH	H	L
	Cradle to gate	Metal products manufacturing industry		VL	VH	H	L	M	H	VH	VH	VH	VH
	Manufacturing			VL	L	L	VL	VL	L	M	VH	H	L
Electronic Components	Cradle to gate	Electric power equipment and machinery manufacturing industry		VL	H	M	VL	L	VL	H	VH	VH	H
	Manufacturing			VL	L	VL	VL	VL	VL	L	M	H	L
	Cradle to gate	Computer, electronic, and optical products manufacturing industry		VL	H	VL	VL	L	VL	L	M	VH	M
	Manufacturing			VL	L	L	VL	VL	VL	VL	VL	M	L
Chicony Power	Manufacturing	Computer, electronic, and optical products manufacturing industry		VL	VL	VL	VL	VL	VL	VL	VL	M	L
Downstream	Use-phase	Power products		VL	L	VL	VL	VL	VL	L	M	H	L
		LED application products		VL	VL	VL	VL	VL	VL	VL	VL	M	L
		Magnetic component products		VL	L	VL	VL	VL	VL	VL	VL	M	L
		Smart buildings		VL	L	VL	VL	VL	VL	VL	VL	M	L

Note:

1. Dependency and impact levels are classified into five tiers: VL (Very Low), L (Low), M (Medium), H (High), and VH (Very High).
2. The classification of dependencies is based on the Common International Classification of Ecosystem Services (CICES).
3. The classification of impacts is based on the Natural Capital Protocol.

Based on the consolidated heatmap results, Chicony Power's overall operations show that dependencies on most ecosystem services are primarily concentrated in "water resources" and "atmospheric pollution dilution" (as presented in the table). From the perspective of impact drivers, the key areas are "pollution," "water resource use," "greenhouse gas emissions," and "disturbance."

▲ Chicony Power's Dependencies on Ecosystem Services

Service Category	Classification	Item
Provision of Services	Material	Surface water and groundwater
	Flow regulation	Water flow maintenance, water quality stability, corrosion control, flood and wind protection
Regulating and Supporting Services	Mitigation of waste, toxic substances, and other nuisances	Atmospheric and ecosystem dilution, mitigation of sensory impacts
	Maintenance of physical, chemical, and biological conditions	Water quality

▲ Chicony Power's Impacts on Ecosystem Services

Pollution Category	Item
Pollution	Water pollutants, soil pollutants, solid waste, and air pollution substances
Climate Change	GHG emissions
Overexploitation of Resources	Water resource use

Further analysis indicates that different industries exhibit significant variations in their dependencies on and impacts upon natural capital. These differences are reflected not only in the intensity of dependency or impact, but also in the types of ecosystem services relied upon, the key environmental impact drivers, and the stages within the value chain where such dependencies and impacts occur.

3.3 Results of Priority Locations Analysis Across the Value Chain (Evaluate)

In accordance with the TNFD framework, Chicony Power identifies priority locations by jointly considering the degree of dependency of key value chain activities on ecosystem services, the potential impacts on the natural environment, and the level of nature sensitivity at the locations where these activities occur. In other words, in addition to assessing the potential negative impacts of operational activities on ecosystem services, we also evaluate whether site locations spatially overlap with highly sensitive species habitats or critical ecosystems, which serves as an important basis for determining priority locations.

In the priority location analysis, the Company focuses on representative key operational activities and evaluates their dependencies on ecosystem services. This includes dependencies on provisioning services (such as surface water resources) as well as regulating and supporting services (such as water flow regulation, flood and wind protection, air and water quality regulation, climate regulation, and environmental buffering functions), in order to identify critical areas of dependence on natural capital.

At the same time, we assess the primary impact drivers through which operational activities may affect the natural environment. These include land use change, greenhouse gas emissions, water withdrawal, generation of solid and liquid waste, and air, water, and soil pollution. This enables an evaluation of the potential pressures exerted by operational activities on ecosystem structure and functions.

In terms of methodology, we reference the ENCORE tool to support the identification of linkages among operational activities, dependencies on ecosystem services, and impact drivers. This is further integrated with the results of nature sensitivity analysis and internal expert discussions to form a comprehensive assessment. Through this multi-dimensional approach, we ultimately identify locations with high nature sensitivity and strong relevance to key operational activities and ecosystem services, and designate them as Priority Locations.

The key ecosystem service dependencies identified in the above analysis, as well as the principal impact drivers of operational activities on the natural environment, are summarized in the table below.

Ecosystem Services	Provision of services		Regulating and supporting services			
	Surface water	Atmospheric and ecosystem dilution	Water flow maintenance	Flood and wind protection	Quality stability and corrosion control	Mitigation of sensory impacts

▲ Key Impact Drivers of Operational Activities on Nature

No.	Operating Activities	Impact Driving Factors
1	Site location	Land use
2	Carbon emissions from industrial activities and transportation	GHG emissions
3	Domestic and industrial water use	Water resource use
4	Waste management	Solid waste
		Water pollutants
		Air pollutants
		Soil pollutants
5	Wastewater treatment	Water pollutants

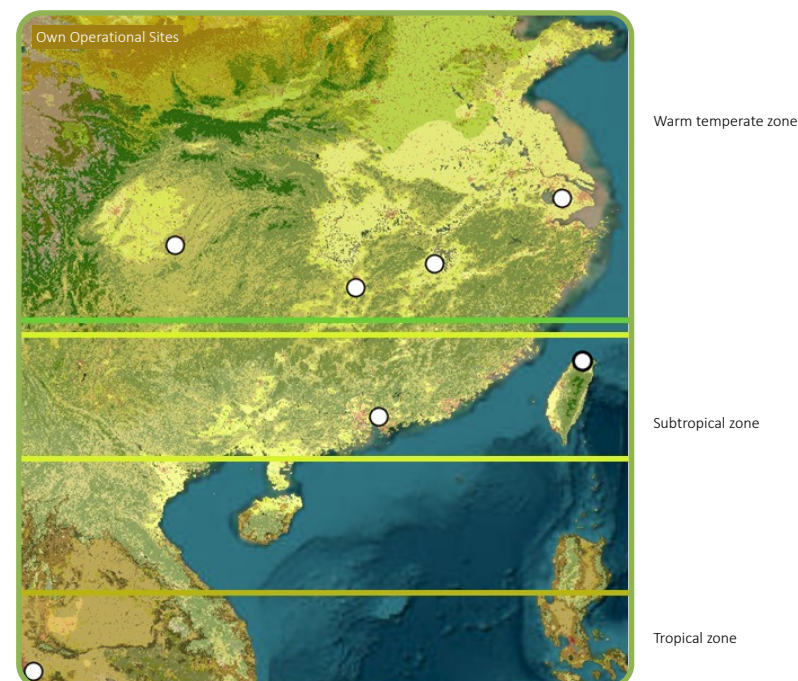
In addition, to gain a deeper understanding of the dependency relationships on ecosystem services at each operational site, as well as the potential nature-related impacts that may arise, Chicony Power follows the TNFD Guidance on Biomes to extend its analysis to the biome level. This guidance helps organizations interpret differences in dependency on natural capital and potential impacts under varying geographic and environmental conditions by linking biome-specific ecosystem service characteristics with relevant impact drivers.

In the analysis process, we integrate the results of the Locate assessment to identify the biome types in which each operational site is situated, and further evaluate the key ecosystem services provided by these biomes and their relevance to operational activities. Biomes are formed at a global scale based on natural factors such as climate, topography, soil, and hydrology. They exhibit distinct species compositions, ecological structures, and ecosystem functions, and play a critical role in maintaining ecological balance at both regional and global levels, as well as supporting human societies and economic activities.

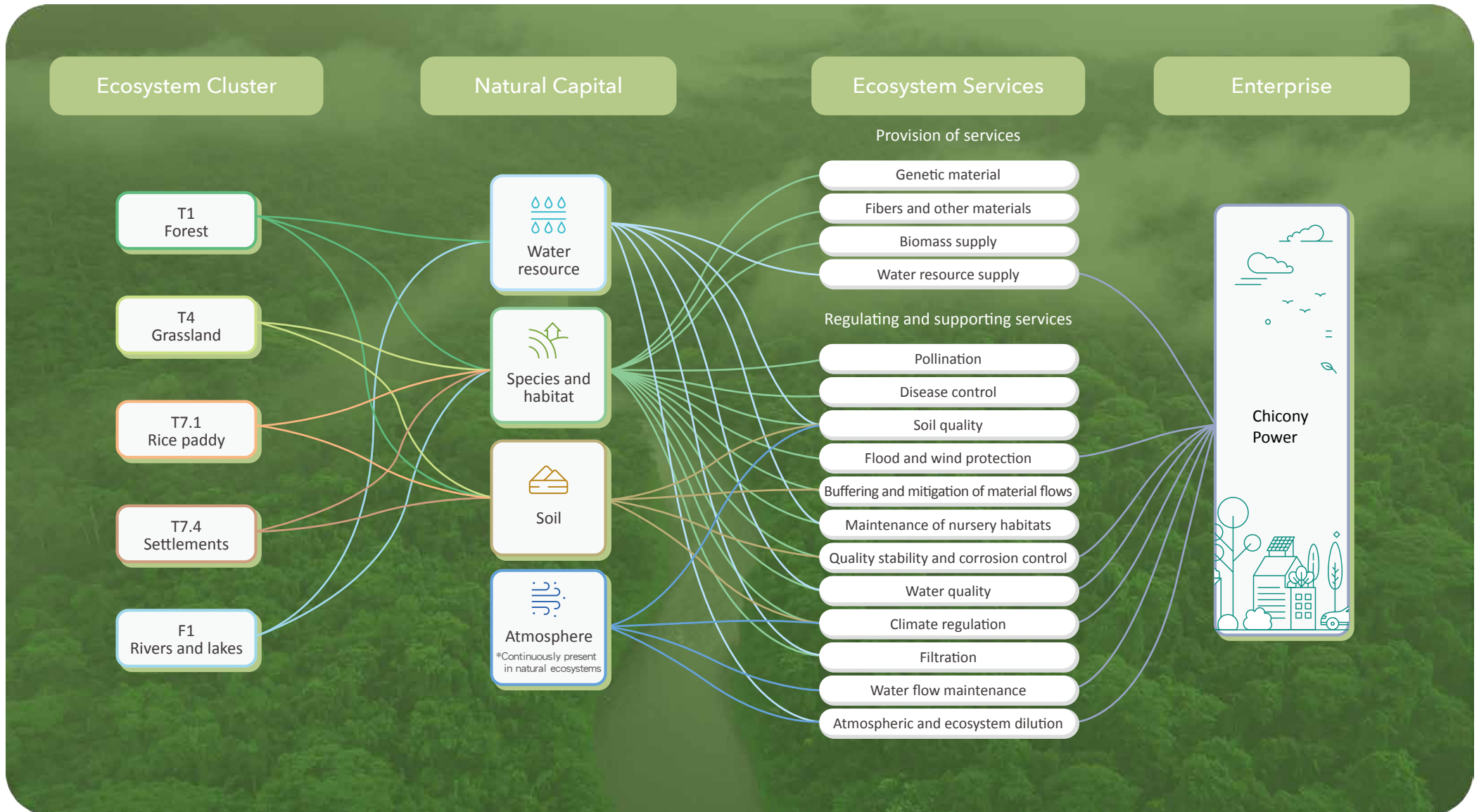
Based on the biome analysis results, most of Chicony Power's operational sites are located within the T7.1 rice paddy biome. The ecosystem services provided by this biome, as well as its local ecological functions, are highly relevant to the Company's operational activities. If impact drivers generated by operations exert pressure on these ecosystem services, they may further weaken regional ecological functions and give rise to associated nature-related risks.

Through biome-level analysis, Chicony Power is able to systematically understand the dependencies on ecosystem services surrounding its operational sites and the potential sources of impact. This provides a foundational basis for identifying nature-related risks and opportunities, establishing the interaction between operational activities and natural capital, and formulating corresponding management and response strategies. In addition, comparative analysis across different biomes further enhances the overall understanding of the relationship between operational activities and the natural environment.

▲ Distribution of Own Operational Sites and Corresponding Biomes



▲ Interactions Between Environmental Assets and Chicony Power



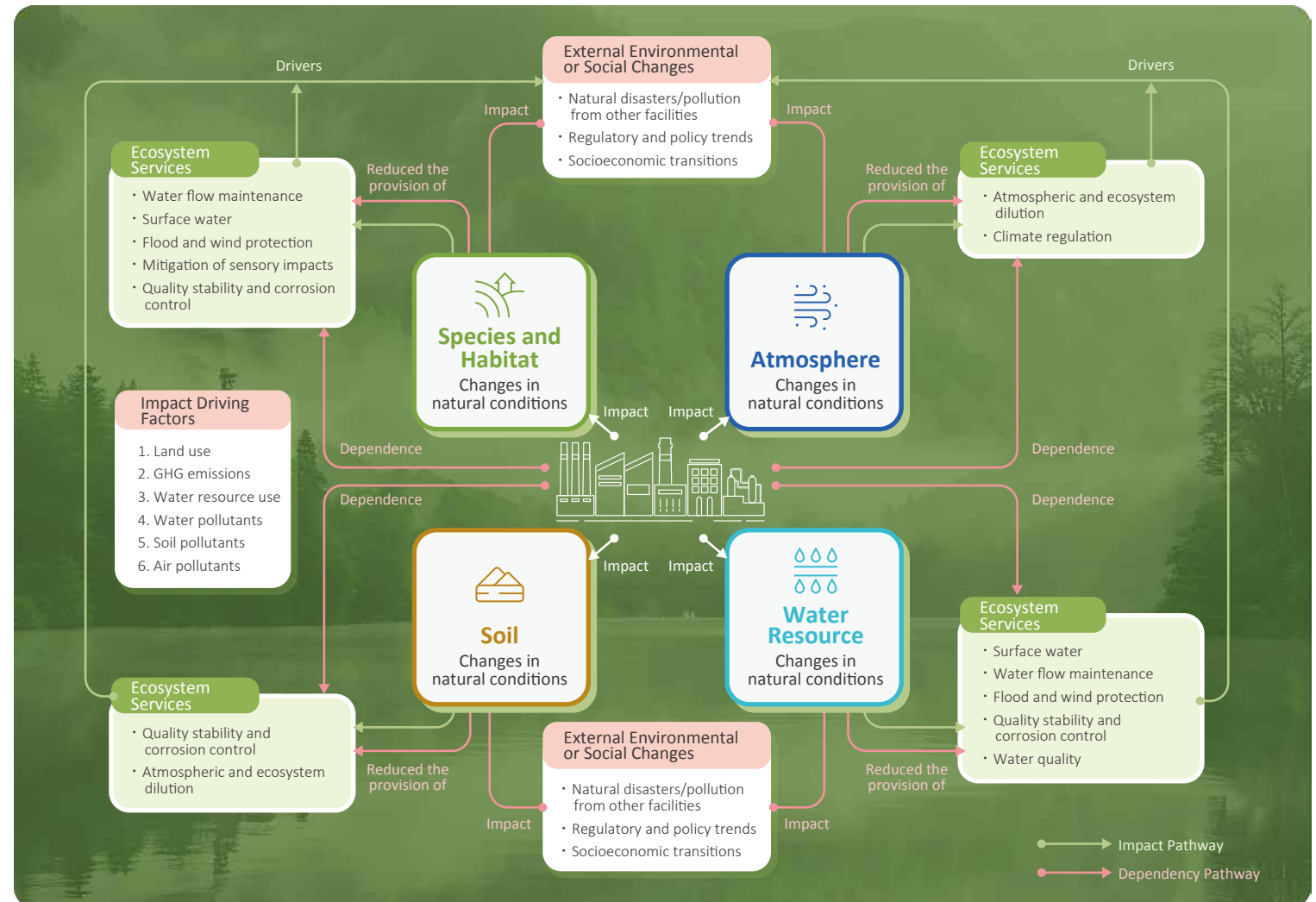
3.4 Significant Climate and Nature-Related Risks and Opportunities

3.4.1 Dependency Impact Path Analysis

Based on the results of the aforementioned Locate analysis, Chicony Power further integrates priority locations with surrounding natural environmental conditions to examine the interactions between operational activities and natural capital. In order to systematically identify nature-related risks and opportunities, the Company references the "Natural Capital Protocol" and the TNFD recommended framework, and analyzes the mechanisms of impact from two perspectives: natural capital dependency pathways and impact pathways.

During the analysis, the Company focuses on the dependencies of operational activities on key forms of natural capital, including water resources, land, biodiversity, and the atmosphere. At the same time, it assesses the direct and indirect impacts that operational activities and external environmental changes may generate. If not properly managed, such impacts may weaken ecosystem functions and consequently affect the stable provision of ecosystem services. Given that changes in the condition of natural capital may feed back into business operations, Chicony Power further identifies ecosystem services and impact drivers that are highly relevant to its operational activities. These serve as an important foundation for subsequent nature-related risk and opportunity assessment, as well as the Assess phase of the TNFD framework.

▲ Dependency and Impact Pathways Between Operational Activities and Natural Capital



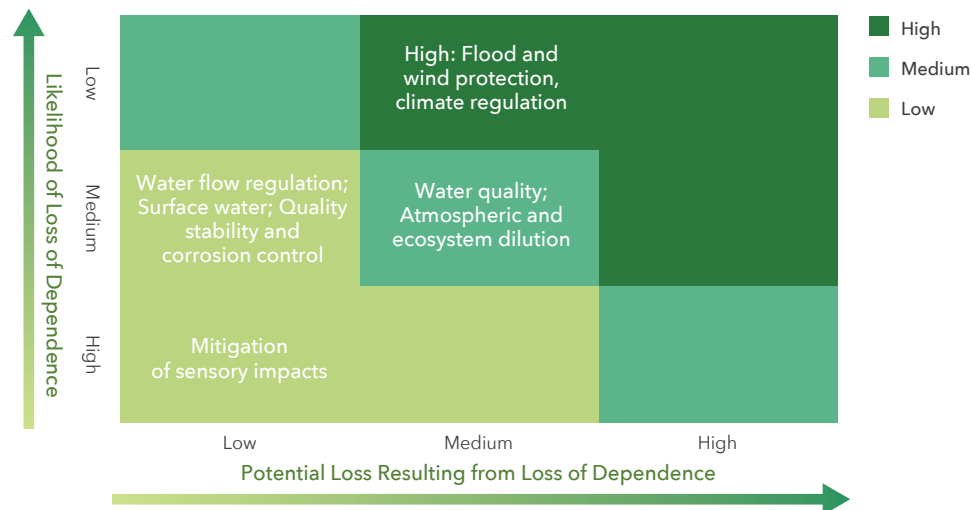
3.4.2 Assessment of Materiality of Dependencies and Impacts

Following the completion of the natural capital dependency and impact pathway analysis, Chicony Power further conducts an assessment of the materiality of ecosystem services in accordance with the TNFD "LEAP Guidance" framework. This assessment also incorporates potential financial risks and opportunities arising from changes in the "quantity" and/or "quality" of ecosystem services, serving as the basis for overall nature-related risk identification.

The primary objective of this assessment is to identify the extent to which disruptions or degradation of ecosystem services may affect operational activities, with particular focus on critical ecosystem services that could lead to operational disruptions, increased costs, or regulatory compliance risks. The evaluation is conducted based on two dimensions: (1) the likelihood of loss or degradation of ecosystem services, and (2) the potential magnitude of impact on business operations, thereby determining the materiality of each ecosystem service dependency.

Overall results indicate that Chicony Power has a relatively high level of dependency on certain regulating ecosystem services, primarily including flood and wind protection, climate regulation, water quality regulation, and atmospheric and ecosystem buffering functions. If these ecosystem services are weakened due to external environmental changes or human activities, they may affect operational stability and cost structure. As such, they are identified as key focus areas in subsequent nature-related risk analysis.

▲ Matrix of Material Dependencies in Own Operations



▲ Description of Material Dependency Factors

Ecosystem Services	Likelihood of Process Disruption Due to Ecosystem Service Disturbance	Potential Consequences of Ecosystem Service Loss on Operations (Financial Impact)
Flood and Wind Protection	Environmental development around operational sites may lead to vegetation loss or degradation, reducing soil water retention capacity. During storm events, exposed land may increase the risk of soil erosion, potentially affecting plant operations.	For Chicony Power's sites, surrounding ecosystems (e.g., grassland or forested areas) may lose this ecosystem service if overdeveloped, which could adversely impact production operations.
Atmospheric and Ecosystem Dilution	Air and water pollutant emissions from operational sites may reduce the absorption capacity of vegetation and affect water sources. Deterioration in air or water quality could further impact operations.	Although emissions from Chicony Power's sites are relatively limited and most domestic wastewater is treated through local wastewater systems, the loss of local ecosystem services could still impact production and may also lead to regulatory compliance risks.
Surface Water	Operational sites require industrial water annually, primarily for domestic use and cooling tower operations. In the event of a drought, the facility's operations could have been affected.	Given that water consumption for production is relatively low and water recycling measures are implemented across sites, the impact on production is assessed to be limited.

In accordance with the TNFD framework, once an organization has identified its dependencies on and impacts upon natural capital, it is necessary to further assess how these translate into risks and opportunities that are material to the business. Based on the results of the aforementioned dependency and impact analysis, Chicony Power has therefore conducted an evaluation of nature-related risks and opportunities.

From a risk perspective, the Company focuses on the potential consequences arising when natural capital or ecosystem services upon which operations depend are disrupted, or when operational activities exert pressure on ecosystems. These may include operational disruptions, supply chain instability, changes in cost structures, and regulatory compliance risks. From an opportunity perspective, by proactively identifying and responding to nature-related issues, the Company can enhance its long-term competitiveness and create new growth drivers through technological innovation, improved resource efficiency, and the development of sustainable products and solutions.

3.4.3 Case Study: Analysis of Changes in Species and Habitat Quality

In accordance with the TNFD definition of “impact,” changes in the quality or quantity of natural conditions may affect the ability of natural capital to continuously provide social and economic functions. Based on this, Chicony Power references TNFD recommendations and applies the InVEST habitat quality model to analyze changes in natural conditions at the locations of its operational sites, and to assess their relevance to operational activities as part of its nature-related impact analysis.

The habitat quality model uses habitat quality and habitat rarity as proxy indicators for biodiversity, integrating spatial data such as land use and land cover, habitat threat factors, and species sensitivity. By comparing model outputs across different time periods, it is possible to identify trends in habitat quality changes around priority locations, providing an important basis for assessing changes in natural conditions.

This case study compares land use and land cover changes between 2017 and 2022 to analyze temporal changes in habitat quality around operational sites. The results indicate that habitat quality has declined in certain areas, while remaining stable or slightly improving in others, reflecting differences in environmental changes across locations.

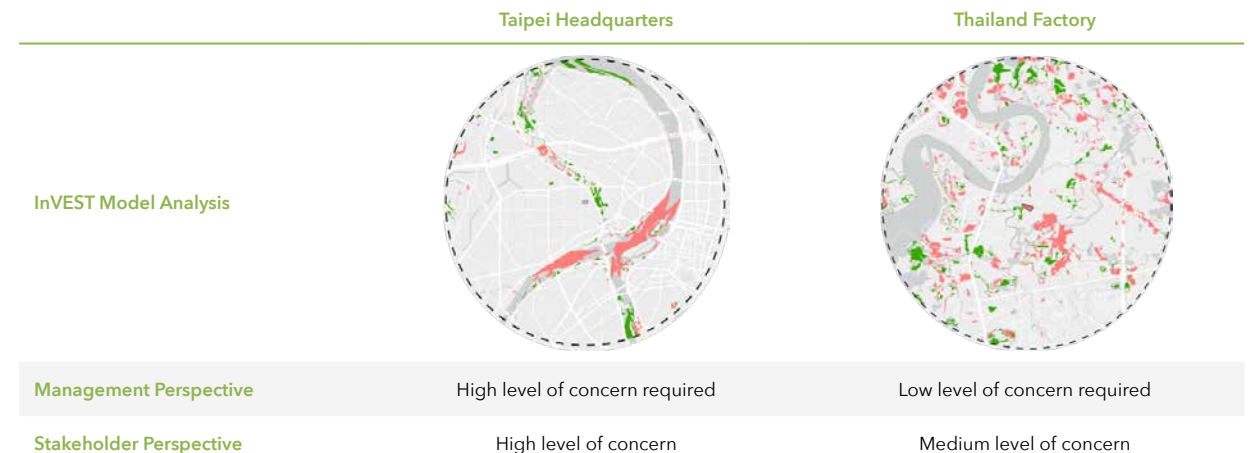
Based on the model analysis, the Company further incorporates stakeholder perspectives to comprehensively evaluate the interactions between operational sites and their surrounding environments. Taking the Taipei Headquarters as an example, although habitat quality in the surrounding area has slightly declined and is located near areas of concern for species listed on the IUCN Red List, the overall assessment indicates that the direct impact on species of concern is relatively limited. Nevertheless, ongoing monitoring of surrounding environmental changes remains necessary.

In comparison, the Thailand plant shows relatively minor changes in surrounding habitat quality and is not in close proximity to highly sensitive species habitats, indicating a comparatively limited level of impact. Based on the combined results of model analysis and stakeholder evaluation, the Taipei Headquarters is classified as a high-priority case site, while the Thailand plant is categorized as a medium-priority area.

▲ Analysis of Changes in Habitat Quality



▲ Model Results × Stakeholder Perspectives





Metrics and Targets

Risk Management

Strategy

Governance

04

Climate- and Nature-related Impact and Risk Management

Locate

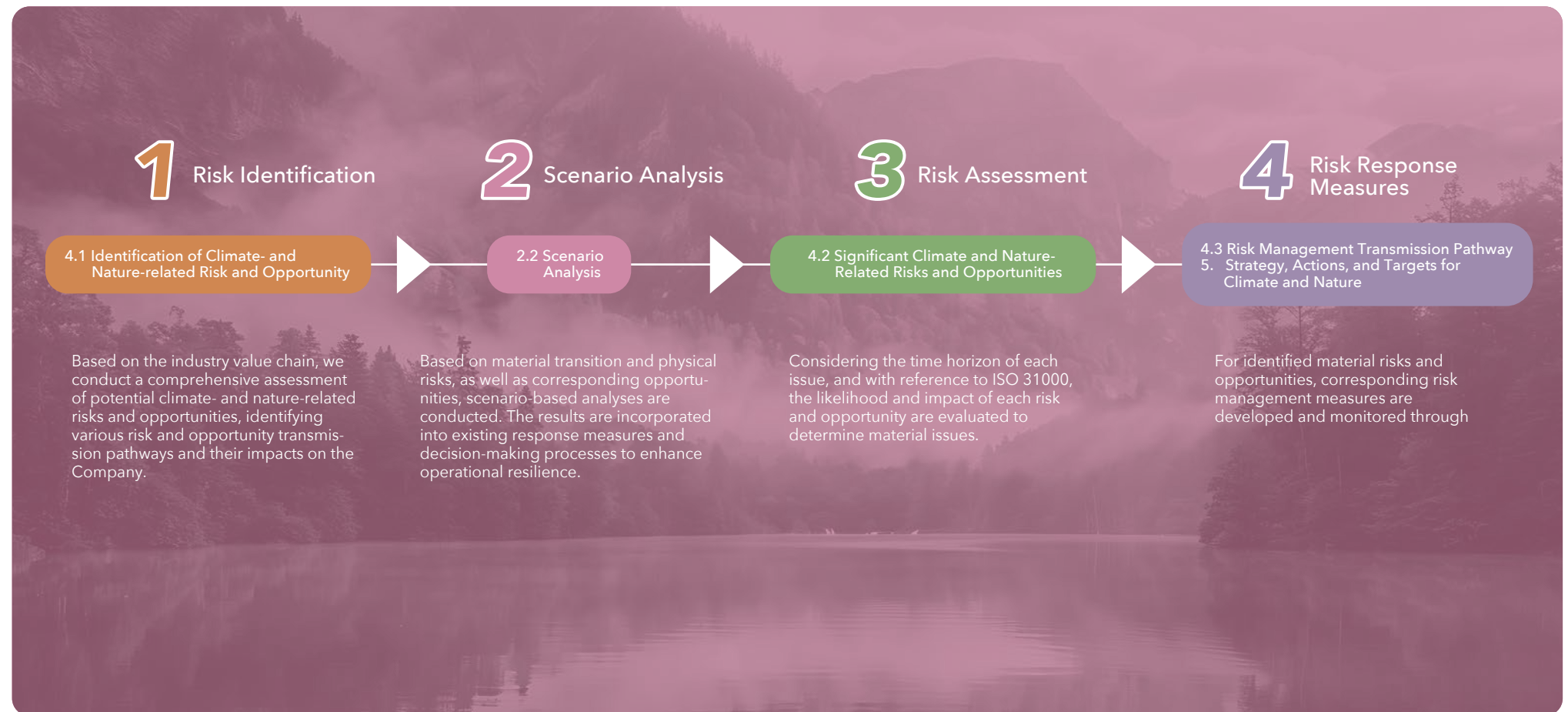
Evaluate

Assess

Prepare

Chicony Power integrates the frameworks of climate-related financial disclosures and nature-related financial disclosures to establish a unified risk management process for climate- and nature-related issues. This enables a systematic approach to addressing potential risks and opportunities arising from climate change and nature-related factors throughout operations. The Administration Department regularly convenes business units to conduct comprehensive reviews and analyses of relevant risks and opportunities through a cross-functional mechanism, and integrates the results into the Company's existing risk management system. Assessment outcomes are consolidated and reported to the Corporate Sustainable Development Committee and the Board of Directors for review, serving as a key basis for subsequent risk response planning and operational strategy adjustments. This approach strengthens the Company's overall resilience in responding to climate- and nature-related impacts. The relevant assessment processes and key elements are summarized as follows.

▲ Climate- and Nature-related Risk Management Process



4.1 Identification of Climate- and Nature-related Risk and Opportunity

Chicony Power conducts in-depth analysis of potential transition risks, physical risks, and related opportunities arising from climate change and natural capital loss, based on scientific reports published by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). This enables a comprehensive understanding of potential impacts on future operations and strategic planning.

Building on the results of dependency and impact assessments, we identify areas with high levels of dependency and impact, and apply scenario analysis in conjunction with integrated modeling to support the identification of climate- and nature-related risks and opportunities. The outcomes are consolidated into a climate and nature analysis matrix. In 2024, the Company expanded the scope of climate risk and opportunity assessments to cover the entire value chain for the first time. A preliminary list of risk and opportunity topics was developed based on industry characteristics, enhancing transparency for stakeholders regarding the potential impacts of climate-related risks and opportunities on the Company's business model.

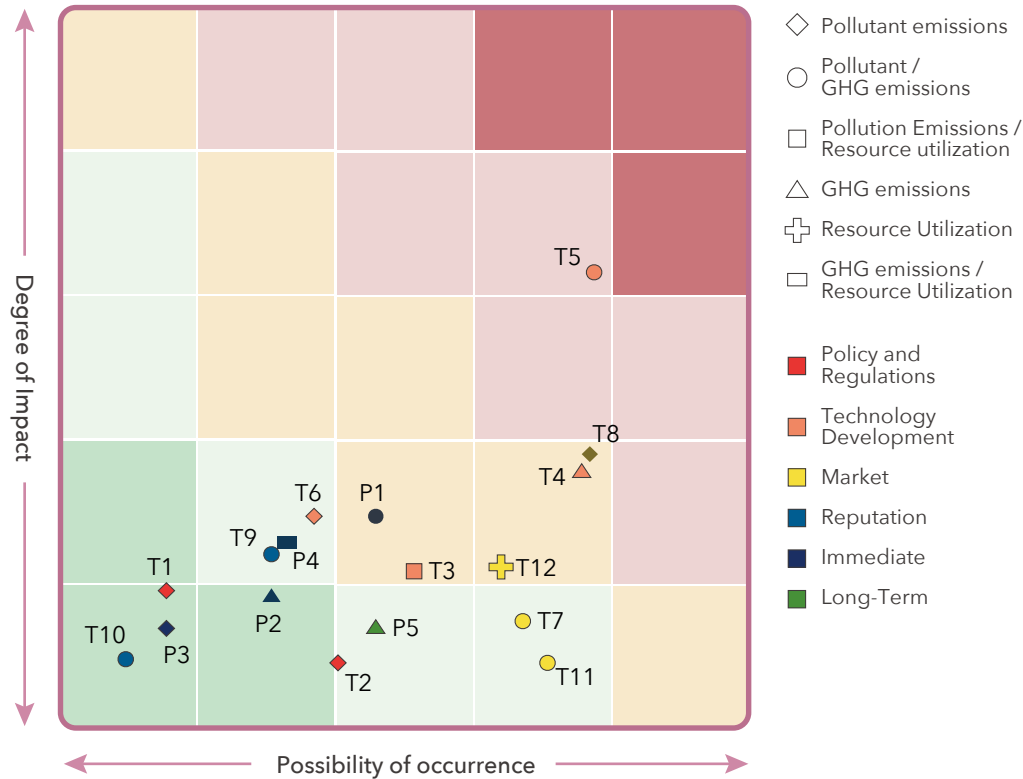
Category	Value Chain of Relevance				Impact on Chicony Power
	Energy supply	Upstream supply chain	Operations of Chicony Power (Manufacturing)	Downstream customers	
Transitional Risk	Policy and regulations		V	V	Continuously monitor relevant climate regulations and environmental policies at various global production and operation bases, while also considering the stricter standards required by downstream customers and end consumers (such as energy efficiency). This includes regulations such as the European Commission's Ecodesign Directive, as well as carbon pricing and environmental regulations from various local governments.
	Technology development		V		Chicony Power is a manufacturer of electronic components. In response to climate change, the Company has initiated investments in low-carbon technology development. This is achieved through more efficient production methods, such as process automation and intelligence, to reduce the impacts of climate change. The brand client is committed to reducing Scope 3 emissions, and the product design needs to be adjusted to enhance recyclability.
	Market	V	V	V	In response to the requirements of brand clients, it is necessary to strengthen the waste conversion process. In response to the demands and expectations of stakeholders, it is necessary to increase the use of recycled materials and renewable energy to achieve the goals of energy conservation and carbon reduction. The price uncertainty of upstream raw materials will be influenced by fluctuations in policies and market trends.
	Reputation		V		Chicony Power actively participates in international initiatives (SBTi, RE100, TNFD Forum, etc.) and communicates the results of its risk response efforts to various stakeholders.
Physical Risk	Acute risks	V	V	V	If the production and operation sites and suppliers are affected by immediate climate events, there may be a halt in production or a disruption in the supply chain. If important water source locations in various production and operation sites are affected by other stakeholders, it may be necessary to install additional equipment.
	Chronic risks		V		Changes in precipitation patterns or the increasing occurrence of extreme high temperatures may have potential impacts on water and energy usage in production and operation sites.
Opportunity	Resource efficiency		V		Through enhancement of the efficiency of resource and energy utilization to achieve an operational model that balances cost-effectiveness with environmental sustainability.
	Market	V	V		Actively respond to climate and nature-related policies, obtain specific subsidies, and enhance the Company's competitiveness during the transition process.
	Products and services	V	V	V	The reduction in the cost of green technology enhances green competitiveness. Chicony Power provides high-efficiency products and services, creating revenue opportunities in the green market. Through restoration and Re-condition and Re-make, we aim to expand the additional value of substandard and obsolete products. Earth observation is a significant application of low Earth orbit satellites, playing a crucial role in disaster management and environmental protection. In the future, the increase in the number of Earth observation satellites presents an opportunity for Chicony Power to benefit from the expansion of the satellite terminal product market.
	Ecological System Protection, Restoration, and Regeneration		V		The global awareness of biodiversity conservation is increasing. Chicony Power's investment in the production of eco-friendly products (such as recycled plastics and low-light pollution LEDs) will help reduce interference with the natural environment and expand emerging markets.

4.2 Significant Climate and Nature-Related Risks and Opportunities

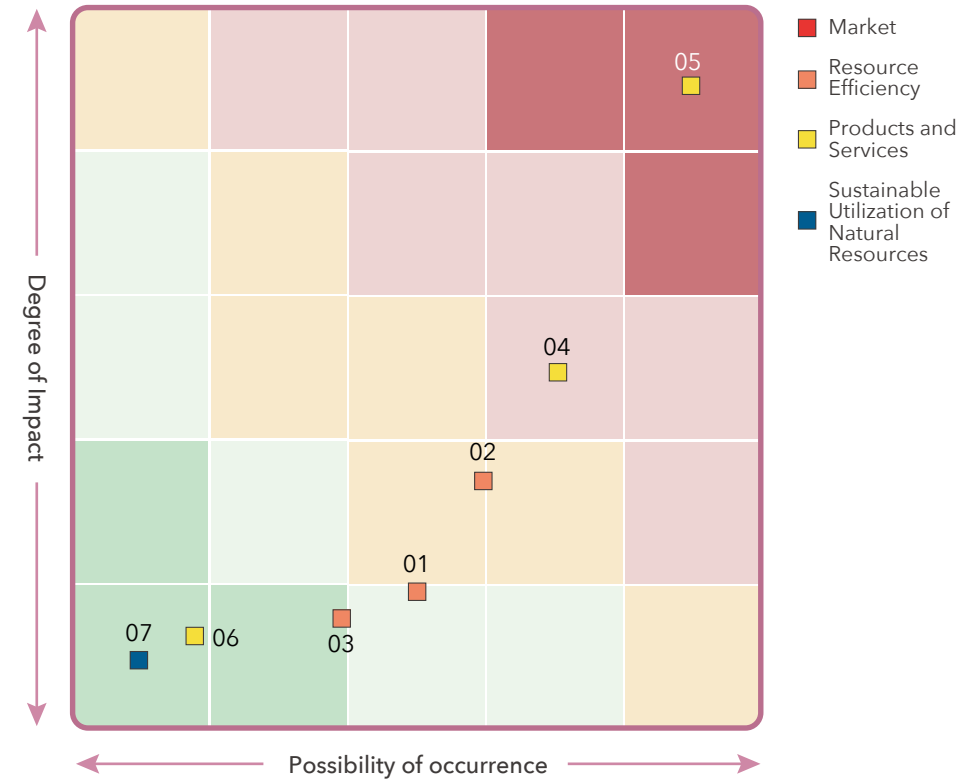
To effectively manage the climate- and nature-related risks and opportunities that Chicony Power may face in its operations, the Company follows its "Climate Change and Natural Environment Risk Management Policy" and applies a risk scoring methodology based on the product of "likelihood of occurrence × magnitude of impact." In the current year, a total of three material risks and three material opportunities exceeding the materiality threshold have been identified. These topics will be further analyzed in "Section 4.3 Risk Management Pathways and Monitoring & Early Warning" and

"Section 5.1 Financial Impacts and Strategic Resilience," where their potential impacts on the Company's value chain over specific time horizons will be assessed. This includes financial quantification through data analysis and scenario-based modeling. The results of these assessments will be regularly reported to senior management and the Board of Directors to ensure a systematic and forward-looking approach to the Company's sustainable transformation strategy.

▲ Climate and Natural Risk Matrix



▲ Climate and Natural Opportunity Matrix



01 Vision and Governance for Climate and Nature

02 Climate- and Nature-related Scope and Scenarios

03 Identification of Nature-related Issues Across the Value Chain

04 Climate- and Nature-related Impact and Risk Management

05 Strategy / Metrics and Targets / Assess / Prepare for Climate and Nature

06 Appendix

4.1 Identification of Climate- and Nature-related Risk and Opportunity 4.2 Significant Climate and Nature-Related Risks and Opportunities 4.3 Risk Management Transmission Pathway

Climate and Nature-Related Risks		Impact Driving Factors	Incident Set for Scenario Analysis		Impact on Chicony Power's Operations		Value Chain	Impact Time Frame	Financial Impact Factors
	T5 - Stricter Regulations on Energy Efficiency and Sustainable Product Design	GHG emissions Pollutant emissions	Ahead of the game: - Product standards are becoming consistent - Each region will implement stricter regulatory policies	Due to the impact of energy efficiency-related regulations, customers may adjust product specifications in response to changes in these regulations. If the Company fails to promptly provide the corresponding products, it will face the risk of losing market demand and declining competitiveness.		- Manufacturing Stage - Downstream Customers	Short-term to Medium-term	Decrease in Operating Revenue	
	T8 - Fluctuations in the Costs of Renewable Energy and Recycled Materials	GHG emissions Pollutant emissions	Ahead of the game: - The standardization of products is increasingly consistent, while the scarcity of specific resources is rising, leading to price fluctuations. - Each region will implement stricter regulatory policies	In response to customer demands for sustainable materials and renewable energy, Chicony Power will be affected by price fluctuations if it expands the use of recycled materials; additionally, increasing the procurement of renewable energy certificates will lead to higher electricity expenses.		- Upstream Value Chain - Manufacturing Stage	Short-term to Medium-term	Increase in Operating Costs	
	T4 - Automation and intelligentization	GHG emissions	Ahead of the game : The reduction in the cost of green technology has made green products competitive.	To reduce carbon emissions and enhance the efficiency of energy resource utilization, Chicony Power's various manufacturing sites are promoting process automation and intelligentization, which requires investment in equipment procurement costs and increases short-term capital expenditure pressure.		Manufacturing Stage	Short-term	- Increase in R&D Expenses - Increase in Equipment Expenditure Costs	
Climate and Nature-Related Opportunities		Incident Set for Scenario Analysis		Positive Impact on Chicony Power's Operations		Value Chain	Impact Time Frame	Financial Impact Factors	
	O5 - Development and Optimization of Solutions for Natural and Climate Change Adaptation	Ahead of the game: - Strengthening nature-related resilience infrastructure in various regions - Implementation of Green Building Policy		- In response to the risks posed by climate change and the decline of natural capital, satellites will become a key tool for enhancing environmental monitoring and disaster management. This will drive the demand for terminal equipment and receiving facilities, thereby expanding the market size for Chicony Power's power supply units. - Countries are accelerating the promotion of building energy efficiency improvements and near-zero carbon building policies. Chicony Power's development of smart building system solutions will expand its market share in related sectors.		- Manufacturing Stage - Downstream Customers	Short-term	Increase in Operating Revenue	
	O4 - Achieving Product Advantages by Complying with Energy Efficiency Regulations in Advance	Ahead of the game : Each region will implement stricter regulatory policies		Chicony Power's early compliance with customer requirements for switch-mode power supplies may provide a potential advantage in securing customer orders or increasing bargaining power.		- Manufacturing Stage - Downstream Customers	Short-term	Increase in Operating Revenue	
	O2 - Enhancing Resource and Energy Efficiency	Ahead of the game : Market demand is shifting toward energy-efficient and low-carbon product manufacturing		Chicony Power continues to promote automation and smart transformation across its production sites, while improving the efficiency of energy and resource utilization in manufacturing facilities. These initiatives not only effectively reduce greenhouse gas emissions but also lower operating costs		Manufacturing Stage	Medium-term	Decrease in operating costs	

4.3 Risk Management Transmission Pathway

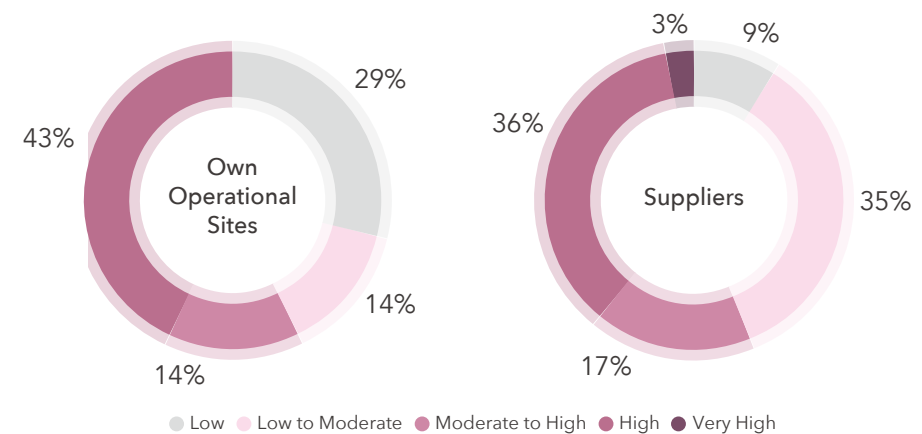
Chicony Power positions financial impact analysis of climate- and nature-related issues as a key tool for linking sustainability risk management with corporate strategic decision-making. Through a systematic assessment of the potential impacts of material climate- and nature-related risks and opportunities on operational and financial performance, the company was able to incorporate changes in the external environment into governance and resource allocation considerations, thereby enhancing the forward-looking orientation and consistency of its decision-making.

The results of these analyses are incorporated into the regular review agenda of the Corporate Sustainable Development Committee and the Board of Directors. They serve as a basis for identifying material risks and opportunities, assessing the reasonableness of strategic assumptions, and adjusting medium- to long-term operational directions. Management also leverages the outcomes of financial impact analyses to understand how different risks and opportunities affect various stages of the value chain, thereby supporting the clarification of strategic priorities and key areas of investment.

In addition, financial impact analysis facilitates a shared understanding of climate and nature-related issues across departments. The results are fed back to operational and management units, forming the basis for setting risk monitoring priorities and establishing early warning mechanisms. This approach ensures that climate- and nature-related issues are not confined to risk identification alone, but are substantively integrated into the Company's governance framework and strategic planning processes, supporting Chicony Power in maintaining long-term operational resilience and sustainable growth amid uncertainty.

4.3.1 Physical Risk Scenario Analysis

Under the “Sand in the Gears” integrated scenario, Chicony Power evaluates physical risks driven by climate change-related impact factors. The Company first applies the WRI Aqueduct tool to conduct a high-level assessment, analyzing the potential exposure of each site to climate hazards such as flooding risks. The results indicate that the Taipei Headquarters, Suzhou Factory, and Thailand Factory exhibit relatively higher levels of inherent risk. From a supply chain perspective, approximately 40% of the top 50 suppliers are located in areas with high to very high water stress.



Note: The Company's operational sites include the Taipei Headquarters and all manufacturing locations, namely the Headquarters, Suzhou Factory, Dongguan Factory, Chongqing Factory, and Thailand Factory.

We also recognize that the grid resolution used by the WRI Aqueduct tool is relatively coarse and may not fully reflect local conditions. To enhance analytical accuracy, the Company further utilizes a climate database developed by Weathernews to conduct more granular risk assessments.

Regarding flood risk, the Thailand Factory is located near the estuary of the Bang Pakong River, while the Suzhou Factory is situated in the Yangtze River Delta region. In addition to assessing riverine flood risks, storm surge risks are also evaluated. By applying flood scenario data with different return periods provided by Weathernews, the Company is able to estimate expected flood depths at high-risk sites under various scenarios. Based on these estimates, impairment analyses are conducted on revenue, fixed assets, and current assets to evaluate potential financial impacts.

The results of this analysis indicate that the Taipei Headquarters has a very low flood exposure under extreme scenarios involving river flooding and storm surges. While the Suzhou Factory may experience minor flooding under certain scenarios, potential impacts are expected to arise only after 2050 due to the combined effects of sea-level rise and storm surges, with an overall low impact on operations. For the Thailand Factory, extreme scenarios suggest potential financial impacts as early as 2030, such as revenue losses due to disruptions in surrounding transportation caused by flooding. However, considering that the facility is newly constructed and has incorporated flood mitigation measures—such as elevated foundations and improved drainage systems—into its design, the overall risk to actual operations is assessed to remain limited.

▲ Riverine Flooding

Flood Depth Assessment under the SSP5-8.5 Scenario- Results of 50-year Return Period

Factory	Reporting Year	Short-term (2030)	Medium to Long-term (After 2050)
Taipei Headquarters		Very low flood exposure	
Thailand Factory	0.188	0.283	0.337-0.373
Suzhou Factory	0.013	0.016	0.02~0.035

▲ Storm Surge Flooding

Flood Depth Assessment under the SSP5-8.5 Scenario- Results of 50-year Return Period

Factory	Reporting Year	Short-term (2030)	Medium to Long-term (After 2050)
Taipei Headquarters		Very low flood exposure	
Thailand Factory	Very low flood exposure		0-1.340
Suzhou Factory	Very low flood exposure		0-0.970

4.3.2 Transition Risk Scenario Analysis

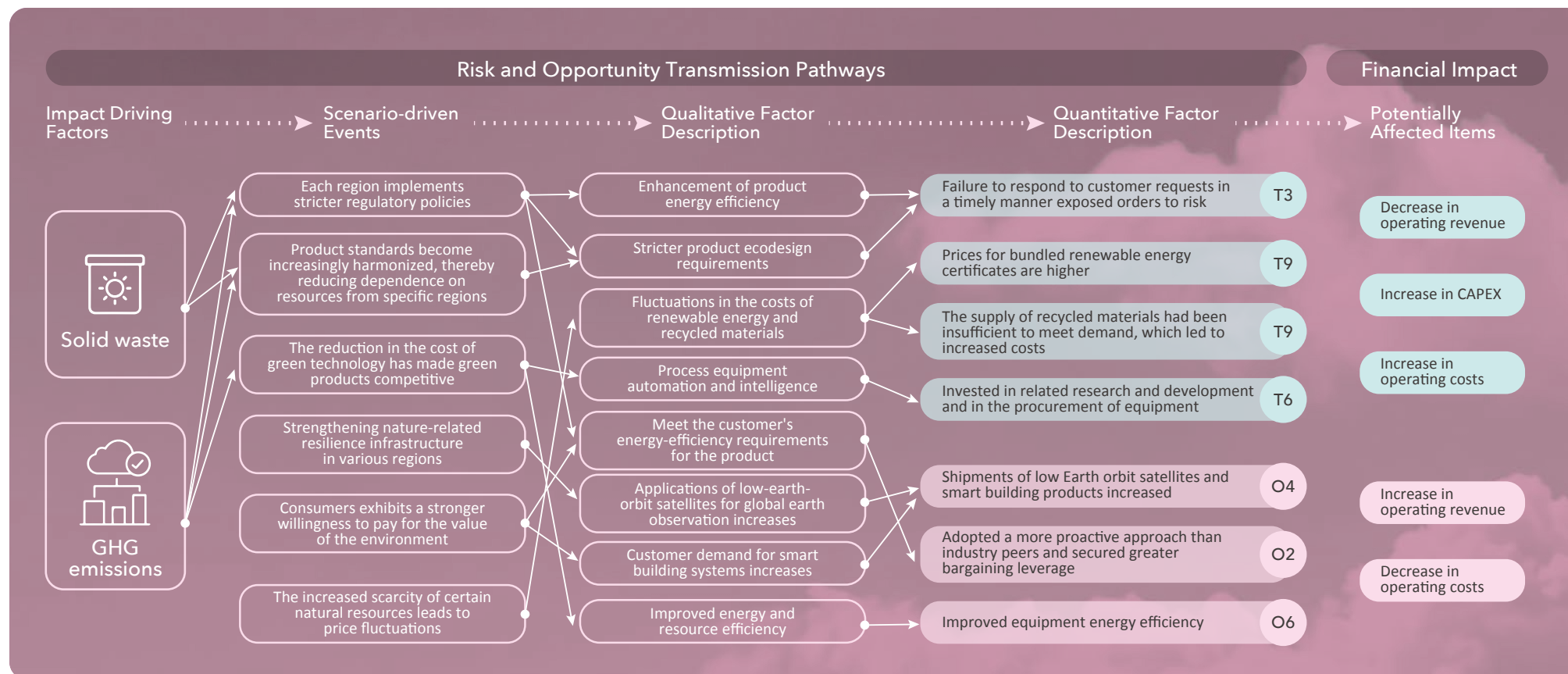
In alignment with the recommendations of TCFD and TNFD, Chicony Power has identified three major climate- and nature-related transition risks: "Annual cash outflows from investments in automation projects"; "Annual revenue exposure of products subject to the EU's energy efficiency requirements"; "Additional annual procurement costs for renewable energy under RE100, as well as increased costs associated with the use of renewable materials." These risks primarily reflect capital expenditure pressures during the transition process, the impact of increasingly stringent regulations on revenue from existing products, and rising operating costs associated with low-carbon transformation.

At the same time, the Company has identified three key climate- and nature-related opportunities: "Annual product revenue from early compliance with energy efficiency standards"; "Annual cost reductions in labor, water, and electricity consumption"; "Annual product revenue from the development of smart building and low Earth orbit (LEO) satellite applications." These opportunities mainly arise from enhanced product competitiveness driving revenue growth, improved process efficiency reducing operating costs, and expansion into emerging low-carbon application markets.

As transition risks and opportunities reflect the broader global shift toward net zero and nature-positive outcomes, the Company adopts the "Ahead of the Game" scenario to analyze potential risk transmission pathways. This includes identifying impact drivers, scenario-driven events, and qualitative and quantitative factors, which are then translated into potential financial impacts. Based on this analysis, a quantitative methodology is developed to assess the specific financial implications of each identified risk and opportunity for Chicony Power.



▲ Schematic of Climate- and Nature-related Risk and Opportunity Transmission Pathways



• Climate- and Nature-related Transition Risks – Affected Financial Items

- (1) Failure to timely respond to customer requirements for energy efficiency and sustainable design may lead to order loss, resulting in a decline in revenue.
- (2) Investment in automation and smart transformation projects increases capital expenditures.
- (3) Procurement of renewable energy certificates and use of recycled materials, which generally involve higher unit costs, may lead to an increase in operating costs when adopted at scale.

• Climate- and Nature-related Opportunities – Affected Financial Items

- (1) Increased shipments of low-carbon applications (e.g., LEO satellite and smart building), as well as early compliance with energy efficiency standards that enhance market competitiveness, contribute to growth in revenue.
- (2) Improvements in equipment energy efficiency and optimization of resource use effectively reduce expenditures on labor, water, and electricity, thereby lowering operating costs.



Metrics and Targets

Risk Management

Strategy

Governance

05

Strategy / Metrics and Targets / Assess / Prepare for Climate and Nature

Locate

Evaluate

Assess

Prepare



5.1 Financial Impacts and Strategic Resilience (Assess / Strategy)

Based on the three material risks and three material opportunities identified in "Section 4.2 Material Climate- and Nature-related Risks and Opportunities," Chicony Power conducts financial quantification analysis under the "Ahead of the Game" scenario outlined in "Section 4.3.2 Transition Risk Scenario Analysis." This analysis evaluates the potential impacts of each identified risk and opportunity on the Company and serves as a foundation for continuous improvement and future strategic planning.

Please note that all quantitative financial data, projected impacts, and anticipated benefits disclosed in this chapter are forward-looking estimates and projections based on the Company's current information and specific scenario assumptions. Actual results may differ materially from expectations due to changes in market conditions, regulatory developments, or technological advancements. The results of this analysis are intended to serve as a basis for the Company's ongoing improvement efforts and strategic resilience; the Company undertakes no obligation to publicly update or revise these statements.

▲ Summary of Financial Quantification Impacts of Material Climate- and Nature-related Risks and Opportunities

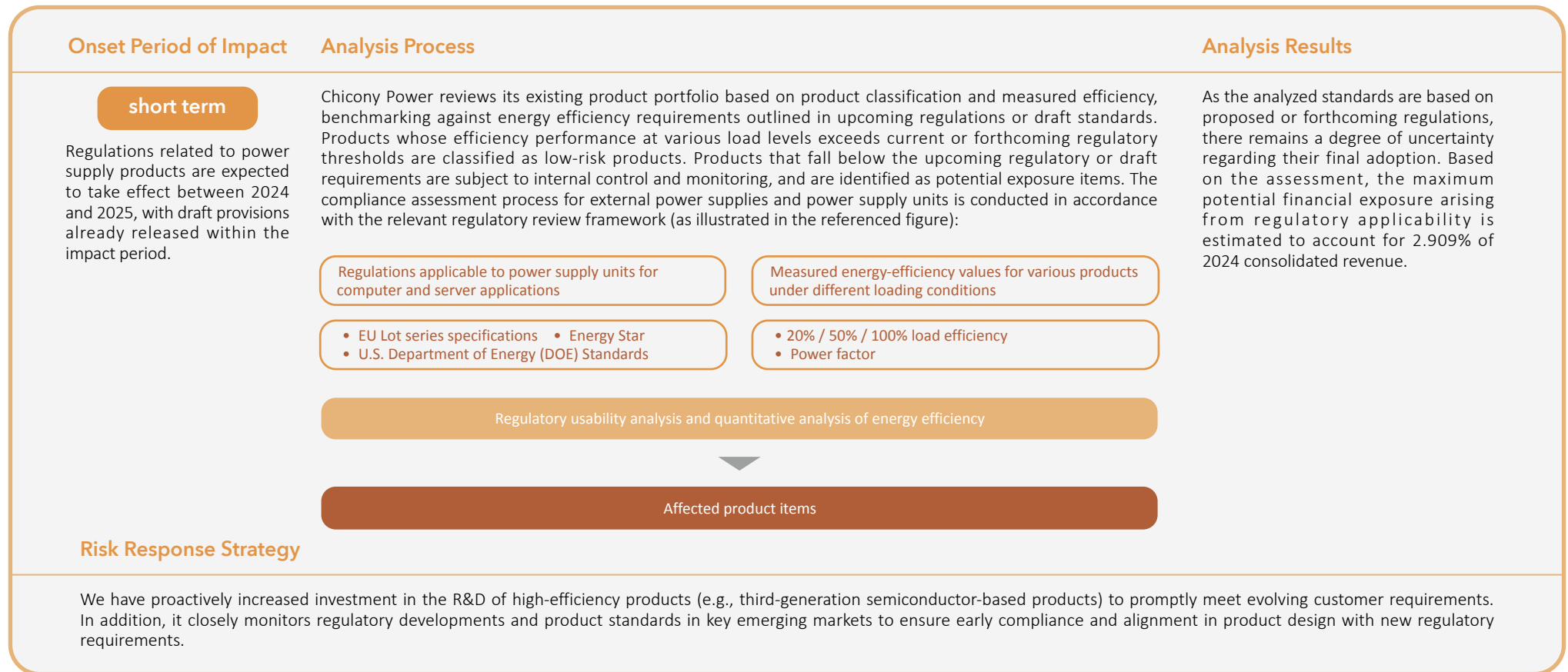
Risk and Opportunity Items	Range of Impact on Consolidated Revenue	Direction of Financial Impact	Risk	Opportunity	Range of Impact on Consolidated Revenue	Direction of Financial Impact
T5 - Stricter regulations on energy efficiency and sustainable product design	2.909%	↓ Decrease in operating revenue		O5 - Development and optimization of solutions for natural and climate change adaptation	9.897%	↑ Increase in operating revenue
T4 - Automation and intelligentization	0.156%	↑ Increase in CAPEX ↑ Increase in depreciation expense (affecting COGS)		O4 - Achieving product advantages by complying with energy efficiency regulations in advance	8.999%	↑ Increase in operating revenue
T8 - Volatility in recycled material costs	0.181% - 0.489%	↑ Increase in cost of goods sold (COGS)		O2 - Enhancing resource and energy efficiency	0.289%	↓ Decrease in operating expenses
T8 - Volatility in renewable energy costs	0.001 - 0.03%	↑ Increase in cost of goods sold (COGS)				

Note:

- The financial impacts presented in this table are estimated based on the Company's consolidated revenue for 2024.
- The figures shown represent projected impacts or benefits under the selected "Ahead of the Game" scenario and do not reflect historical actual results.
- CAPEX: Capital Expenditures; COGS: Cost of Goods Sold; OPEX: Operating Expenses.

5.1.1 Financial Quantification and Strategy for Risk

▲ T5-Stricter Regulations on Energy Efficiency and Sustainable Product Design



▲ T4 - Automation and Intelligentization

Onset Period of Impact	Analysis Process	Analysis Results
short term Impacts have already begun in the reporting year and are expected to materialize in the short term (2025–2026), with continued effects in subsequent years. Risk Response Strategy We continue to refine its evaluation framework to ensure maximum returns from investments in automation equipment. In addition, the introduction of automated and intelligent equipment increased energy consumption across the company's plant sites; therefore, the company promoted the implementation of the ISO 50001 Energy Management System at each plant to help build a systematic energy management framework, improve energy consumption efficiency, enhance management transparency and internal communication mechanisms, and thereby continuously improve energy performance and fulfill the energy saving and carbon reduction target.	To enhance product yield, production line efficiency, and energy efficiency, Chicony Power has actively introduced and upgraded automation equipment in recent years, with significant capital expenditures expected in the near term. In light of continued growth in the global automation market, the Company has compiled both actual and planned investment amounts for automation and smart transformation projects across its plants for the short-term period (2025–2026), and conducted a financial impact assessment based on these figures.	During the short-term period (2025–2026), annual capital expenditures for automation equipment are projected to result in cash outflows equivalent to approximately 0.156% of 2024 consolidated revenue.

▲ T8 - Fluctuations in the Costs of Renewable Energy and Recycled Materials

Onset Period of Impact	Analysis Process	Analysis Results
short term-medium term Impacts have already begun in the reporting year and are expected to occur in the short term (2025–2026), with continued effects extending into the medium term (2027–2030). Risk Response Strategy To address growing market demand for recycled materials, we continue to monitor customer specifications and market trends, while actively expanding sourcing channels through its procurement function to ensure supply stability. At the same time, the R&D function evaluates the feasibility of incorporating recycled materials into various components, including quality and performance considerations. For recycled materials that are cost-effective and technologically mature, we will prioritize deployment and gradually increase their adoption in products.	- In the reporting year, renewable energy planning has fully aligned with customer requirements. In addition to tracking RE100 progress across all sites, electricity consumption at the Taipei Headquarters will also be expanded. The analytical approach includes: - Baseline scenario cost expenditure equaled the additional green electricity costs that were calculated as necessary to accommodate customer demand "Ahead of the Game" scenario cost equaled additional green electricity costs required to achieve RE100 targets - Recycled materials have already been introduced into products during the reporting year. Based on customer-declared recycled content requirements or specific component-level demands, additional procurement costs of recycled materials are calculated across different time horizons.	- Increase in renewable energy costs: To achieve the 2030 RE100 target, the Company will procure additional renewable energy certificates (RECs) and enter into power purchase agreements (PPAs) beyond the baseline scenario, in line with its renewable electricity roadmap. Compared to the baseline scenario, additional operating costs in the short term (2025–2026) are estimated to account for 0.001%–0.030% of 2024 consolidated revenue. - Increase in recycled material costs: Based on aggregated data across business units, recycled materials used include PCR plastics, recycled aluminum, recycled copper, and recycled steel. Product weight analysis indicates that recycled steel has the highest demand, while recycled copper incurs relatively higher costs. The financial impact of recycled material adoption is estimated to account for 0.181%–0.489% of 2024 consolidated revenue.

5.1.2 Financial Quantification and Strategy for Opportunities

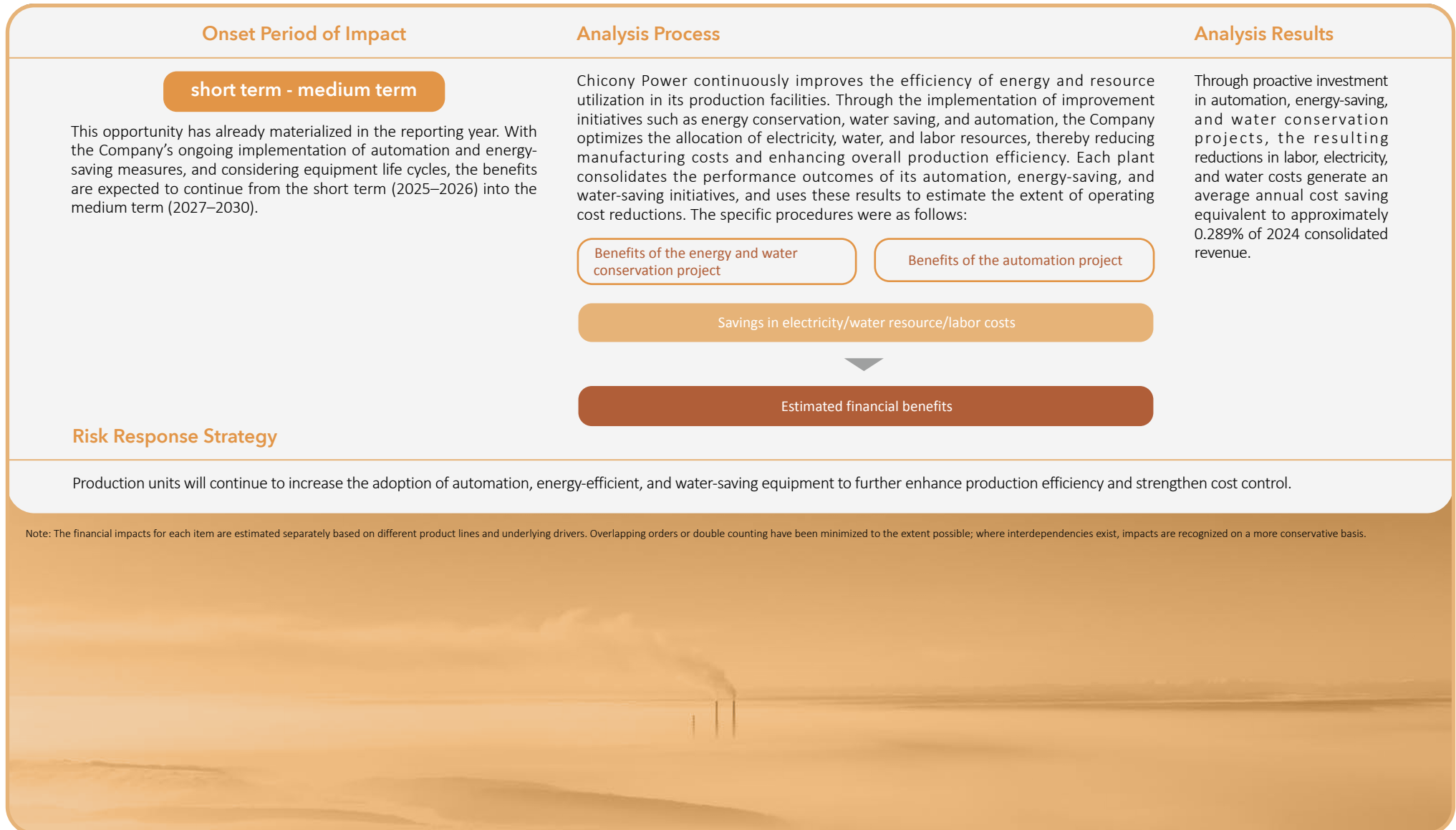
▲ O5 - Development and Optimization of Solutions for Natural and Climate Change Adaptation

Onset Period of Impact	Analysis Process	Analysis Results
short term This opportunity has already materialized in the reporting year and is expected to continue in the short term (2025–2026). Risk Response Strategy In response to increasing market opportunities, the Company will continue to invest in the R&D of smart building-related products, aligning with global net-zero building trends. It will also actively recruit talent, strengthen internal capability development, and promote cross-disciplinary integration to support the long-term growth of its smart building business. In addition, the Company is actively expanding the development of power supply products for LEO satellite applications to capture emerging market opportunities, strengthen its technological positioning, and enhance its competitive advantage.	In response to the potential impact of the expansion of the LEO satellite market, Chicony Power conducts internal expert discussions and gathers industry intelligence to assess future technology trends and potential equipment requirements. Based on these insights, the Company estimates short-term (2025–2026) revenue growth opportunities. The smart building systems business conducted an assessment of the expected financial impact, based on the market opportunities and project progress the Company had identified, to serve as the basis for the short-term (2025–2026) financial impact.	In the short term (2025–2026), driven by demand growth from the LEO satellite market, this segment is expected to contribute approximately 5% of 2024 consolidated revenue annually. In the short term (2025–2026), based on the existing project pipeline and expected implementation progress of smart building system solutions, this segment is also expected to contribute approximately 5% of 2024 consolidated revenue annually.

▲ O4 - Achieving Product Advantages by Complying with Energy Efficiency Regulations in Advance

Onset Period of Impact	Analysis Process	Analysis Results
short term This opportunity is expected to materialize in the short term (2025–2026). In line with ongoing regulatory updates, demand for high-efficiency power supply products is expected to continue growing. Risk Response Strategy We will continue to invest in the development of high-efficiency products and closely monitor the evolution of energy efficiency regulations in major global markets. This enables proactive planning of product design and core technologies to meet—or exceed—regulatory requirements before they come into force. In addition, we had proactively introduced third-generation semiconductor (GaN) technology, resulting in significant enhancements in product power density and miniaturization and facilitating compliance with Lot 7 and other energy-efficiency regulations. In addition, the Company is actively expanding the development of power supply products for LEO satellite applications to capture emerging market opportunities, strengthen its technological positioning, and enhance its competitive advantage.	To evaluate the potential financial benefits of early compliance with energy efficiency regulations, the Company considers product technology positioning, the extent of efficiency improvements, and evolving customer demand for high-efficiency products. Based on these factors, it assesses the likelihood of securing new projects or additional orders for products that exceed current regulatory requirements.	In the short term (2025–2026), early compliance with energy efficiency regulations and superior product performance compared to peers are expected to drive new orders and increase customer procurement willingness. This is projected to generate an average annual revenue increase of approximately 9% its 2024 consolidated revenue.

▲ O2 - Enhancing Resource and Energy Efficiency



5.2 Advancing toward the Net Zero Target and Nature-Positive Transformation (Strategy/Prepare)

5.2.1 Stakeholder Co-Prosperity

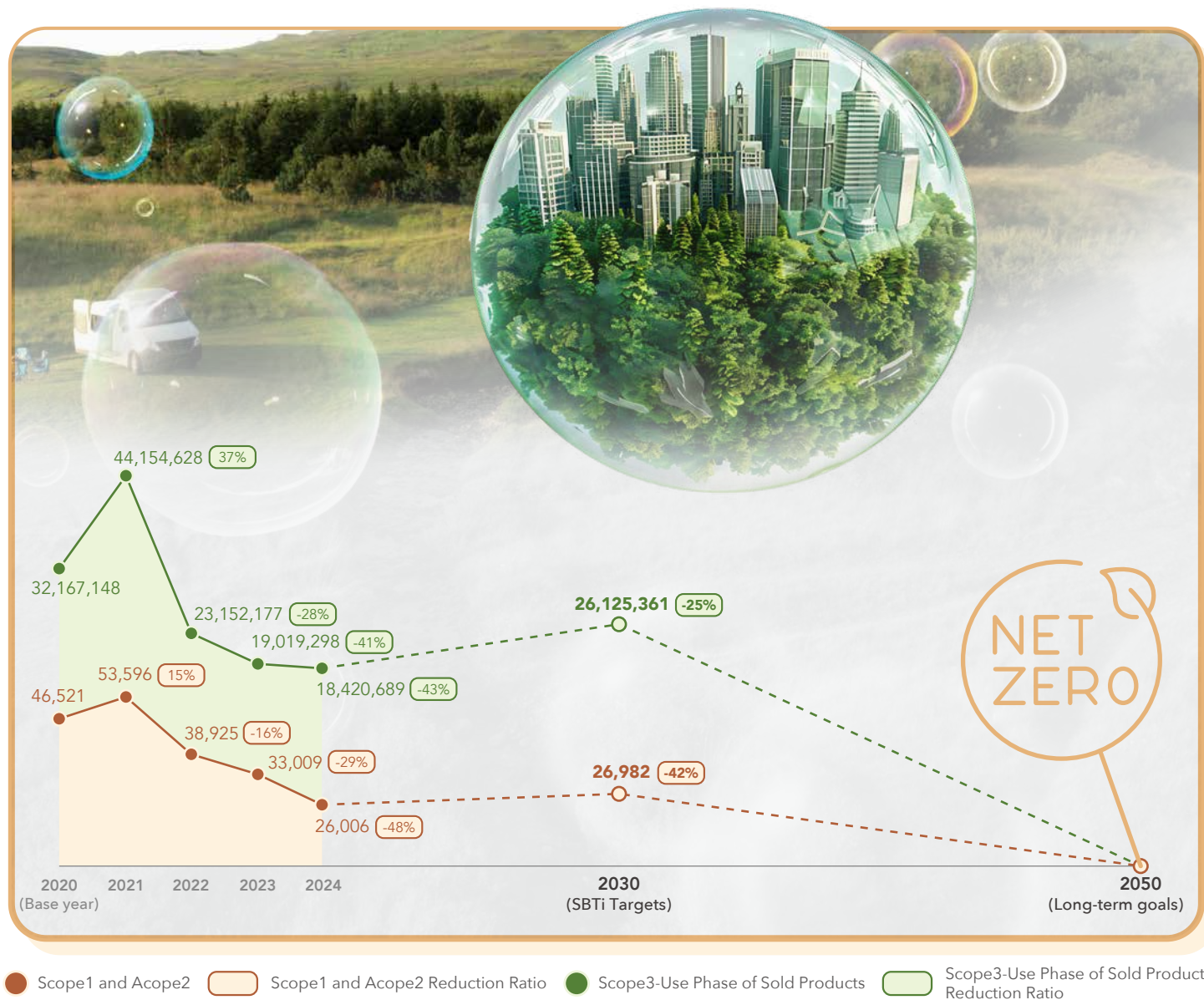
Chicony Power regards stakeholders as key partners in advancing sustainable development and implementing climate and nature governance. Through continuous dialogue and collaboration, the Company establishes transparent, two-way, and long-term communication mechanisms to jointly create shared value.

Stakeholder Group	Key Concerns	Engagement Channels	Company Response & Actions
 Investors / Shareholders	- Sustainability governance, business integrity and compliance - Risk management, operational performance - Customer relationships	- Shareholders' meetings, Board of Directors meetings, financial reports - Sustainability reports, investor briefings, English sustainability reports	- Hold annual shareholders' meetings and investor briefings, facilitating multi-channel investor engagement - Publicly disclose annual sustainability reports in both Chinese and English to ensure transparent and clear information disclosure Actively respond to investor concerns and enhance communication efficiency
 Suppliers	- Economic performance and supply chain management - Responsible procurement - Supply chain due diligence and sustainable supply chain - Human rights and labor relations - Occupational health and safety	- Quarterly QBR meetings, annual audits - Supplier training and engagement - ESG assessments	- Implement supply chain due diligence investigations - Conduct ESG education and training for suppliers Strengthen energy and resource management capabilities
 Employees	- Labor relations - Occupational health and safety - Human rights protection - Talent development - Diversity and inclusion	- Labor-management meetings, employee welfare committees - Employee forums, internal training - Family-related activities	- Provide diverse workplace education and training programs - Promote health and safety management and diversity initiatives Offer family-friendly measures and ESG-related courses to enhance employee participation and awareness
 Government & Regulators	- Regulatory compliance, business integrity - Risk management	- Policy briefings, regulatory meetings - Seminars and industry associations	- Actively align with regulatory ESG policies and guidance - Selected as a constituent of the Taiwan High Salary 100 Index (2024) Participate in regulatory training and guidance programs to demonstrate compliance performance
 Customers	- Green and innovative products - Supply chain responsibility - Carbon footprint and energy management - Human rights and labor relations	- QBR/QTR technical meetings - RBA audits - ESG/SER workshops - Customer audits and requirement discussions	- Collaborate with customers on low-carbon product design and energy-efficient applications - Participate in RBA audits and energy management system promotion Meet customer decarbonization requirements and enhance product competitiveness and sustainability

5.2.2 Net-Zero Pathway

Since 2022, Chicony Power has implemented the Science Based Targets (SBTi) project and successfully passed the SBTi review. In alignment with the 1.5°C scenario outlined in the Paris Agreement, the Company has established science-based carbon reduction targets, with 2030 designated as the milestone year mandated by SBTi. The Company estimates its GHG reduction responsibilities accordingly, clearly establishing dual reduction targets for absolute emissions and emission intensity for Scope 1 and Scope 2. Additionally, Emissions during the Use Phase of Sold Products in Scope 3 have been incorporated into key performance indicators (KPIs), demonstrating a proactive approach to carbon management across the entire value chain.

In 2023, Chicony Power committed to achieving net-zero emissions by 2050, further aligning with global net-zero pathways. The Company will continue to optimize its carbon reduction strategies and action plans, guided by scientific methods to facilitate its transition to a low-carbon economy, while enhancing its resilience and responsibility in addressing climate change.



GHG Emissions

▲ Category 1 and Category 2 Greenhouse Gas Emissions

Unit: tCO₂e

Category	2021	2022	2023	2024
Category 1 Direct GHG emissions	2,715.26	2,937.73	2,607.86	2,241.86
Category 2 Indirect Greenhouse Gas Emissions from Purchased Electricity (Location-Based)	50,880.35	37,698.19	33,662.84	34,383.35
Category 2 Indirect Greenhouse Gas Emissions from Purchased Electricity (Market-Based)	50,880.35	35,987.75	15,980.87	21,764.31
Category 1 + Category 2 (Location-Based)	53,595.61	40,635.93	36,270.70	36,625.21
Category 1 + Category 2 (Market-Based)	53,595.61	38,925.49	18,588.73	24,006.18
Category 1 + Category 2 Emission Intensity (Market-Based)	1.33	0.95	1.00	0.65

Note:

1. The statistical method used was the operational control approach, and GWP values were taken from the IPCC AR6 report (2023).
2. Electricity coefficient are sourced from officially published grid emission coefficient for each location, while other relevant coefficients are obtained from local operators, government sources, and IPCC datasets.
3. Data boundary: All production and operational sites are included. The data disclosure coverage, calculated based on consolidated revenue, is 100%, and the verification coverage is also 100%.
4. Emission intensity = Total emissions ÷ Consolidated revenue, unit: tCO₂e / NT\$ million.



▲ Category 3 - Category 6 Other Indirect Greenhouse Gas Emissions

Unit: tCO₂e

Category	2021	2022	2023	2024
Category 3 Indirect greenhouse gas emissions from upstream transportation	259,174.08	18,242.66	15,526.82	27,270.22
3-1 Upstream raw material transportation and distribution (4)	253,336.26	13,237.81	7,693.77	23,752.70
3-2 Business travel (6)	112.40	114.43	286.90	417.86
3-3 Employee commuting (7)	722.45	697.46	674.10	1,398.54
3-4 Downstream transportation and distribution (9)	5,002.97	4,192.96	6,880.76	1,701.12
Category 4 Indirect greenhouse gas emissions from products used by the organization	993,389.71	421,379.43	1,041,994.45	892,388.02
4-1 Procurement of goods and services (1)	982,775.34	416,975.71	1,035,784.10	883,387.41
4-2 Capital goods (2)	438.00	190.43	284.66	379.06
4-3 Fuel and energy-related activities (3)	4,167.15	3,236.19	4,706.84	7,386.39
4-4 Waste generated in operations (5)	6,009.22	37.15	241.89	178.13
4-5 Upstream leased assets (8)	0.00	939.95	977.07	1,057.02
Category 5 Indirect greenhouse gas emissions from the use of products associated with the organization	44,168,847.04	23,164,138.43	19,027,673.36	18,421,426.56
5-1 Processing of sold products (10)	-	-	-	-
5-2 Use of sold products (11)	44,154,628.33	23,152,176.84	19,019,297.53	18,420,689.20
5-3 End-of-life treatment of sold products (12)	14,218.71	11,924.33	7,715.88	169.66
5-4 Downstream leased assets (13)	259,174.08	37.25	659.94	567.69
Category 6 Other indirect emissions	-	-	-	-
Total Scope 3 Emissions	45,421,410.84	23,603,760.52	20,085,203.34	19,341,084.79
Scope 3 Emission Intensity	1125.30	574.77	553.13	520.25

Note:

- The Company conducts an inventory and calculation of greenhouse gas emissions, uniformly adopting the Global Warming Potential (GWP) values published in the IPCC AR6 Report (AR6, 2023) as the basis for calculations. This approach ensures the scientific validity and timeliness of emissions conversion, enhancing the accuracy and comparability of disclosed data.
- The Company operation bases that do not use biomass fuel, resulting in zero carbon dioxide emissions from biomass combustion, quantified as 0 tCO₂e.
- The numbers in parentheses following the category names in the table correspond to the category standard numbers defined in the Greenhouse Gas Protocol (GHG Protocol) for Scope 3.
- GHG inventories for subsidiaries within the Company's consolidated financial statements have undergone third-party verification by SGS in accordance with ISO 14064-3. Reasonable assurance has been obtained for Scope 1 and Scope 2 emissions, while limited assurance has been obtained for Scope 3. The verification statement will be disclosed on the Company's website: <https://www.chiconypower.com/zh-tw/ESG/Esg>
- Emission intensity = Total emissions ÷ Consolidated revenue, unit: tCO₂e / NT\$ million.

Internal Carbon Pricing

In 2024, Chicony Power established a clear internal carbon pricing mechanism to internalize the cost of Scope 1 and Scope 2 greenhouse gas emissions. Charges are differentiated based on each site's actual emissions and annual decarbonization targets, encouraging all business units to incorporate carbon costs into investment evaluations and operational decision-making. The initial internal carbon price is set at NT\$1,200 per metric ton of CO₂e. This price will be periodically reviewed and adjusted in alignment with external carbon pricing trends, internal abatement costs, and the effectiveness of implementation. Funds generated from the internal carbon fee are managed through a virtual fund mechanism and allocated under a "ring-fenced" principle. These funds serve as an internal resource allocation tool to support the Company's low-carbon transition, with priority given to initiatives such as energy-saving improvements, enhancement of energy efficiency, and the development of low-carbon technologies and innovative solutions. This approach aims to accelerate the implementation of decarbonization measures and strengthen overall operational resilience.

Internal Carbon Pricing Mechanism Design

- **Scope and Applicability:** In the initial phase, the mechanism is piloted at major manufacturing sites, covering Scope 1 and Scope 2 greenhouse gas emissions. Based on implementation outcomes, it will be progressively evaluated for expansion to other operational sites.
- **Charging and Incentive Mechanism:** Carbon fees were calculated for each plant based on its annual carbon reduction target and its actual emissions. Emissions below the target were billed at the basic rate; emissions exceeding the target were billed at a higher rate to reinforce incentives for carbon reduction and to clarify allocation of responsibility.
- **Fund Management and Utilization Principles:** The carbon fee fund operates under a "site-specific use" principle, allowing each plant to apply for the use of funds within its accumulated contribution. Eligible uses include energy-saving equipment upgrades, energy efficiency improvement programs, and the adoption of low-carbon and innovative technologies. All applications are reviewed and managed within the Company's existing environmental and climate governance framework.

Scope of Application of the Internal Carbon Fee

1. Development of Renewable Energy and Low-Carbon Technologies

Support the adoption of renewable energy, low-carbon manufacturing processes, and related technology R&D to accelerate the transformation of the energy mix across operational sites.

2. Energy Efficiency and Energy Management

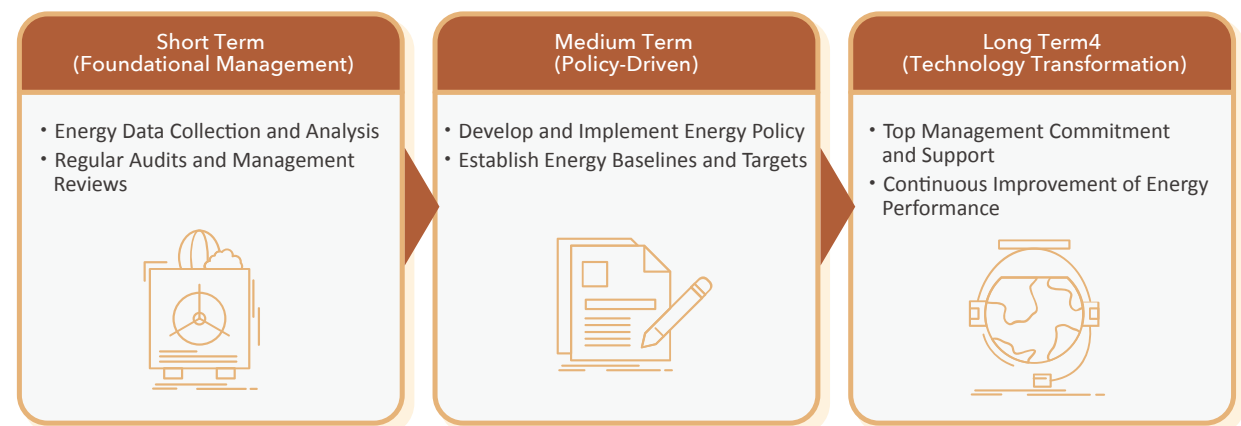
Invest in high-efficiency equipment upgrades, process optimization, and energy management initiatives to reduce energy consumption per unit of output and lower carbon intensity.

3. Low-Carbon Innovation and Pilot Projects

Encourage business units to propose innovative ideas with decarbonization potential. Through the internal carbon fee mechanism, pilot projects are supported to promote bottom-up carbon-reduction actions.

Promotion of Renewable Energy

Chicony Power continues to advance its low-carbon transition by adopting a systematic energy management approach as its core strategy. Through renewable energy procurement, energy-saving initiatives, and the implementation of energy management systems, the Company progressively reduces its reliance on fossil fuels while enhancing operational resilience. The Company's energy management system has obtained ISO 50001 certification, covering data collection, baseline setting, policy implementation, and performance review, thereby forming a comprehensive management cycle. To ensure effective execution of the energy transition, the Company has structured its "Six Key Energy Management Actions" into short-, medium-, and long-term strategies, establishing a phased implementation roadmap:



RE100

As part of its renewable energy initiatives and deployment strategy, Chicony Power has committed to achieving 100% renewable energy usage across its Taiwan operations by 2030, in alignment with its RE100 commitment and to mitigate climate transition risks. In 2023, the Company, in coordination with the group, formally joined RE100 and gradually adopted a diversified green power strategy, including:

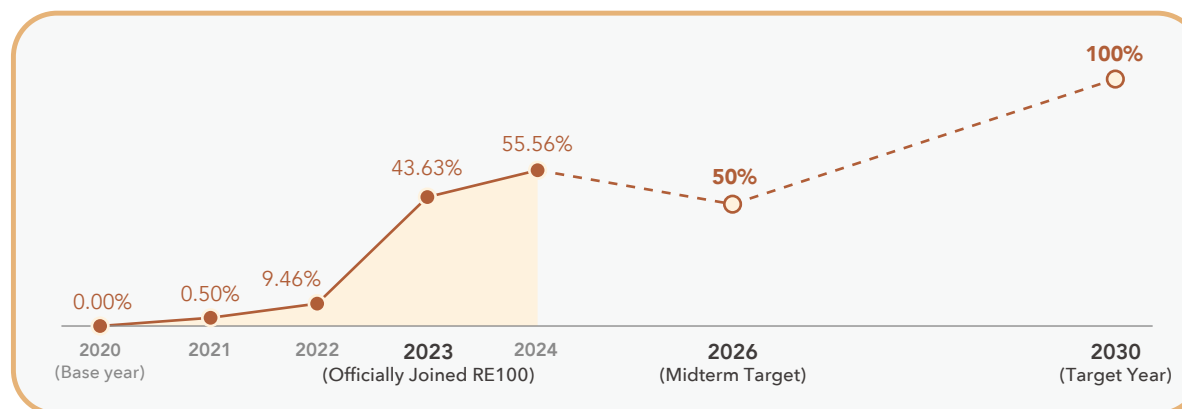
- **Power Purchase Agreement (PPA):** Securing a stable supply of renewable energy through green power trading platforms and compliant power purchase agreements with certified providers.
- **Self-built Solar Power Generation Facilities:** Installing rooftop solar photovoltaic systems at operational sites. In 2024, self-generated renewable electricity reached 7,555 MWh, marking three consecutive years of growth.
- **Renewable Energy Certificates (RECs):** Procuring RECs from the market to bridge gaps in renewable energy supply and enhance flexibility in achieving renewable energy targets.

In 2024, the Company's total electricity consumption was 82,015 MWh, of which 45,567 MWh came from renewable energy, accounting for 55.56%. This marks the first time that more than half of the Company's electricity consumption has been sourced from renewable energy. Compared with the 2020 base year, the proportion of renewable energy usage has significantly increased, demonstrating strong execution capability and a clear commitment to advancing the RE100 initiative.

Sources of Renewable Energy	Usage (MWh)	Percentage of Total Electricity Consumption
Purchased and Transferred Green Electricity	25,047	30.54%
Self-Generated Solar Panels	7,555	9.21%
Renewable Energy Certificates (RECs)	12,965	15.81%

Chicony Power has also established a roadmap to achieve 100% renewable energy usage by 2030, with an interim target of 50% by 2026. Through this phased transition, the Company aims to progressively reduce its reliance on fossil fuels within its energy structure while strengthening overall climate resilience.

▲ Chicony Group's Renewable Electricity Consumption Pathway



Energy Efficiency Improvement Measures

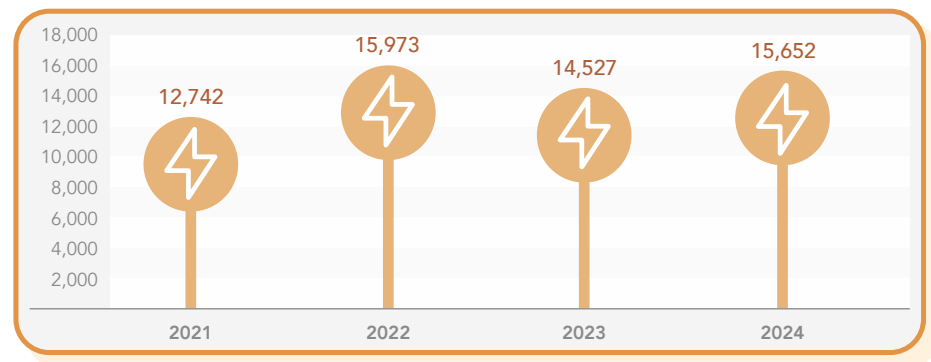
Chicony Power continues to implement energy-saving initiatives to reduce energy consumption and carbon emissions across its operations, ensuring that improvements in energy efficiency are aligned with carbon reduction outcomes. In 2024, the Company executed multiple energy efficiency projects covering process optimization, equipment upgrades, and intelligent monitoring systems, achieving total electricity savings of 5,890 MWh (approximately 21,204 GJ) and a corresponding carbon reduction of approximately 3,160 tCO₂e.

The primary measures included:

- **Process Optimization:** Optimization of exhaust systems through timer-based controls, installation of temperature control devices in cooling tower systems, and insulation upgrades for oven equipment to reduce energy loss.
- **Equipment Replacement:** Implemented high-efficiency, energy-saving LED lighting and upgraded aging water-cooling equipment and associated control systems.
- **Smart Monitoring:** Implemented an energy consumption monitoring system to accurately track energy consumption.

From 2021 to 2024, the Company has achieved cumulative electricity savings of over 59,000 MWh, equivalent to a carbon reduction of approximately 31,000 tCO₂e. These outcomes not only reduce energy costs but also strengthen the Company's resilience against energy price volatility and tightening carbon regulations.

▲ Electricity Savings Results (MWh) from 2021 to 2024



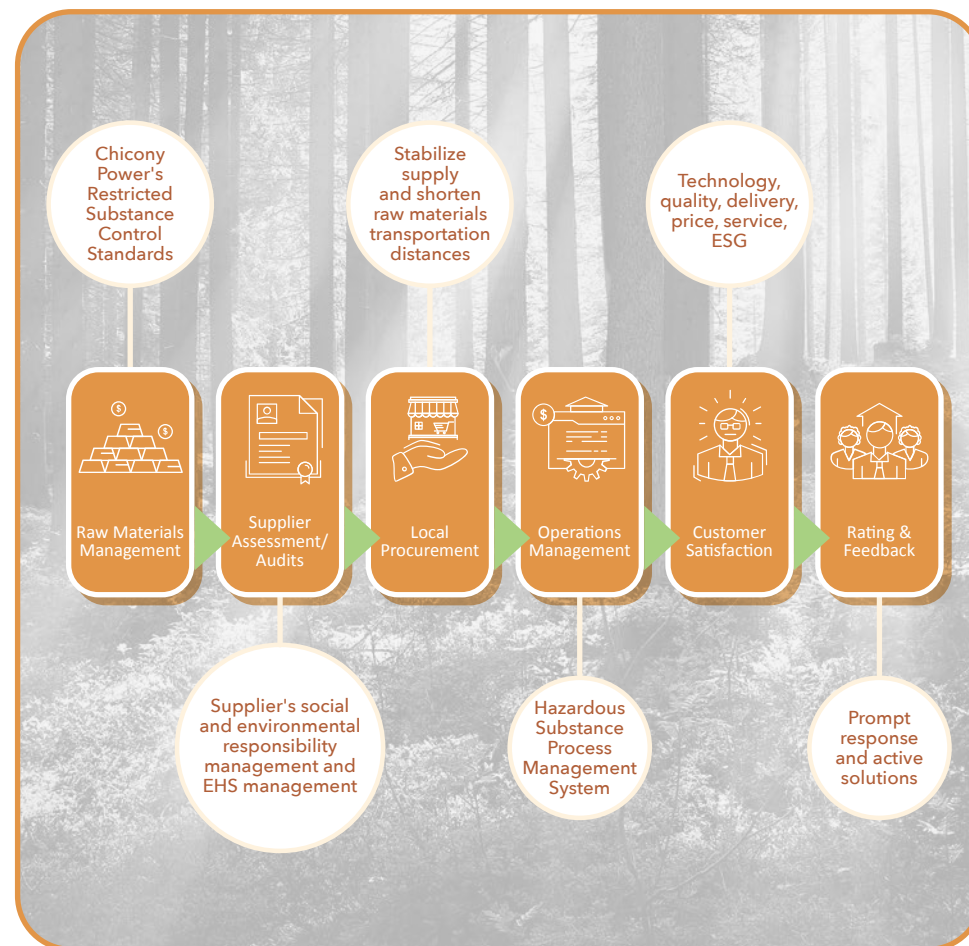
5.2.3 Building a Resilient and Sustainable Value Chain

Operational resilience is derived from coordination across the entire value chain. Accordingly, Chicony Power integrates six key processes—raw material sourcing, supplier management, local procurement, operational management, customer satisfaction, and feedback-driven improvement—into its sustainable value chain governance framework. The Company follows its "Restricted Substance Control Standards" as the guiding principle. Through supplier environmental and social responsibility assessments, localized procurement to reduce transportation risks, implementation of hazardous substance management systems in operations, and active response to customer feedback, the Company is progressively building a low-carbon, compliant, and resilient value chain ecosystem. This framework reflects three core strategic directions:

- **Upstream Control:** Reduce environmental impact from raw material use and ensure stable and compliant sourcing of materials.
- **Midstream Strengthening:** Implement green manufacturing and intelligent management systems to enhance process efficiency and reduce carbon-related risks.
- **Downstream Co-creation:** Continuously improve products and services through customer satisfaction and feedback mechanisms, while co-developing nature-positive outcomes with value chain partners.

Through this value chain management process, Chicony Power not only reduced climate- and nature-related risks, but also, through three-way collaboration among supplier, manufacturing, and customer, achieved the target of realizing sustainable resilience alongside global competitiveness.

▲ Sustainable Value Chain Management Process



5.2.4 Research and Development of Green Products

Chicony Power continues to deepen low-carbon and green product design by integrating climate and nature-related risk management into product development decisions. This ensures reduced energy consumption and resource use across the full product lifecycle, while enhancing circularity efficiency.

• High-Efficiency Power Supply R&D

The Company has developed third-generation semiconductor materials (e.g., Gallium Nitride, GaN) for application in high-efficiency power supply design. This innovation has enabled the launch of compact laptop adapters with a size reduction of up to one-third, featuring high power density and low standby power consumption. Smart charging functionality is also incorporated to reduce raw material usage while improving energy conversion efficiency. This technology has been adopted by leading international brands and, since 2023, has been widely applied in next-generation mid- to high-end laptop products, with further expansion into other consumer electronics product lines.

• Low-Carbon Lighting and LED Innovation

The Company actively advances LED lighting R&D. Through modular design and high-efficiency optical technologies, energy consumption has been reduced by up to 80%, while enhancing brightness and product lifespan. In 2024, the Company completed multiple LED lighting applications, including automotive lighting, display backlighting, and architectural lighting. These solutions fully demonstrate low energy consumption and long lifespan characteristics, reducing reliance on raw materials and energy resources.

• Smart Integration and IWA Platform

Chicony Power has developed the IWA Smart Integration Platform, integrating ESG and energy management through data visualization, environmental monitoring, and AI analytics tools. This platform enables customers to track carbon emissions and optimize energy usage. Beyond enhancing product competitiveness, the platform also supports customers in addressing increasingly stringent climate and nature-related regulations, facilitating low-carbon transformation across the value chain.

• Green Patents and Intellectual Property Protection

To ensure that innovation outcomes contribute to sustainable value, the Company has established a comprehensive intellectual property management system to secure green technology certifications and protections. From 2019 to 2024, the Company has accumulated 515 green patents, covering areas such as energy efficiency, smart buildings, and LED applications, demonstrating strong innovation capabilities. In 2024, the Company was further recognized by Clarivate as one of the Top 100 Global Innovators in Renewable Energy and Power, highlighting its leadership in green technology innovation and nature-related risk response.

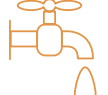
5.2.5 Implementation of the Circular Economy

Chicony Power regards the circular economy as a key strategy for reducing dependence on natural resources and mitigating climate and environmental risks. This approach is incorporated into the “Risk and Opportunity Management” framework under TNFD. Through material innovation, process optimization, and resource recycling, the Company is progressively building a resilient and sustainable value chain.

Action Area	Specific Measures	Outcomes
 Materials Selection	Use of recycled materials such as PCR and OBP in keyboards, fans, and casings	Recycled material usage increased to 45.5%
 Process Optimization	Implementation of Energy Recovery Systems (ERS)	Recovery of electricity and reduction of energy waste
 Byproducts as Resources	Improvement of FPC processes to reduce chemical waste liquids Introduction of waste heat recovery and condensate reuse in plants	50% metal recovery rate Annual water recycling of 4,216 m ³ Natural gas savings of 200,000 m ³
 Reuse	Collaboration with partners to promote reuse of packaging materials and pallets	Reuse rate increasing year by year
 Treat and Reclaim	Resource recovery and recycling of lead-free solder dross and other materials	Reduction in virgin material consumption

5.3 Tracking Subsequent Indicators of Climate- and Nature-related Impacts (Metrics and Targets)

To continuously respond to and mitigate climate- and nature-related impacts, Chicony Power has established relevant metrics and targets to serve as a basis for future project planning and implementation.

No.	Impact Driving Factors		Metric	Corresponding GBF Target(s)	Corresponding Data
-		Climate change	GHG emissions	Target 8	4.2.2 Net-Zero Pathway
C1.0		Land use	Total operational footprint	Targets 1, 2, 5, 11	Total area of all Operation sites: 300,196 m ²
C1.1			Scope of land, freshwater, and marine ecosystem use change		No land, freshwater, or marine ecosystem changes occurred this year
C2.1		Water pollutants	Wastewater discharge	Target 7, 11	Please refer to Section 4.4.2 Water Resources Statistics in the Company's 2024 Sustainability Report
C2.2			Waste generation and treatment		Please refer to Section 4.5.1 Waste Statistics in the Company's 2024 Sustainability Report
C3.1		Water consumption	Withdrawal and consumption in water-scarce areas	Target 11	Please refer to Section 4.4.1 Water Risk Identification in the Company's 2024 Sustainability Report



Metrics and Targets

Risk Management

Strategy

Governance

06

Appendix



6.1 TCFD Index

Dimension	Disclosure	Chapters	Page
Governance	Describe the board's oversight of climate-related risks and opportunities	1.2	6
	Describe management's role in assessing and managing climate-related risks and opportunities	1.2	6
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	4.1	26
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	5.1	33
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2.2 4.3	10 29
Risk & Impact management	Describe the organization's processes for identifying and assessing climate-related risks	4	24
	Describe the organization's processes for managing climate-related risks	4	24
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4	24
Metrics & Tagets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	5.3	46
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5.2	39
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	5.3	46

6.1 TNFD Index

Dimension	Disclosure	Chapters	Page
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	1.2	6
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.2	6
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	3.4 5.2	21 38
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term	4.1	26
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	5.1 5.2	33 38
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios	5.1 5.2	33 38
	Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	3.1 3.2	14 16
Risk & Impact management	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations	3.4 4.1	21 26
	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	3.4 4	21 24
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	3.4 4	21 24
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes	4 5.3	24 46
Metrics & Targets	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	5.3	46
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	5.3	46
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	5.3	46

6.3 GRI Content Index

Topic	Disclosure	Chapters	Page
Management Disclosures	101-1 Policies to halt and reverse biodiversity loss	1.1	6
	101-2 Management of biodiversity impacts	5.2 5.3	38 46
	101-3 Access and benefit-sharing	Not Applicable	
	101-4 Identification of biodiversity impacts	3 4	13 24
	101-5 Locations with biodiversity impacts	3	13
Disclosures	101-6 Direct drivers of biodiversity loss	3	13
	101-7 Changes to the state of Biodiversity	3	13
	101-8 Ecosystem services	3	13

6.4 Related Reports or Policies

- | | |
|---|--|
| [1] 2024 Chicony Power Technology Sustainability Report | [4] Environment, Safety and Health Policy |
| [2] CSR Commitment | [5] Biodiversity and No Deforestation Policy |
| [3] Climate Change and Natural Environment Risk Management Policy | [6] Human Rights Policy |





Disclaimer

This report is intended solely for informational disclosure and does not constitute an offer, solicitation, or investment advice for any securities. Readers should not make investment or trading decisions based solely on this report. Some content contains forward-looking statements and management estimates, which may be adjusted due to changes in policies, regulations, scientific scenarios, or market conditions. For related methodologies and limitations, please refer to Section 5.1 "Financial Impacts and Strategic Resilience."



2024 Chicony Power Technology TCFD&TNFD Report

Task Force on Climate-related & Nature-related
Financial Disclosures Report