

## **Chicony Power Technology Co., Ltd.**

### **Climate Change and Natural Environment Risk Management Policy**

Climate change and environmental shifts have become critical issues that global businesses can no longer ignore. To enhance its risk management capabilities within the supply chain and operational management, as well as to ensure that its climate and environmental governance aligns with international sustainability trends, Chicony Power (hereinafter referred to as "the Company") has established this policy. This policy is implemented in accordance with the Company's Risk Management Policy and Procedures to ensure a structured approach to risk identification, assessment, monitoring, and adaptation. By integrating these mechanisms, the Company aims to enhance corporate resilience, maintain operational stability, and uphold environmental sustainability principles.

This policy is formulated with reference to the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). It is also aligned with domestic and international environmental governance regulations and industry guidelines to ensure its applicability and forward-looking approach.

#### **Scope of Application**

This policy applies to the Company and its subsidiaries in which it holds more than 50% ownership and operational control worldwide. It covers all upstream suppliers and business partners.

#### **Management Guidelines**

The Company recognizes the potential direct and indirect risks posed by climate change and environmental shifts. Through a scientific management approach, it implements risk identification, assessment, and response strategies. By adopting a systematic risk management mechanism, the Company aims to mitigate the impact of climate and environmental changes on its operations while ensuring that relevant strategies align with sustainability goals. The risk categories defined under this policy include:

- **Physical Risks:** These include extreme weather events (e.g., typhoons, floods, droughts) and long-term climate change effects (e.g., rising temperatures, sea level rise), which may impact business operations, asset management, and supply chain stability.
- **Transition Risks:** These encompass policy and regulatory adjustments, market demand shifts, technological innovation pressures, and reputational risks associated with transitioning toward low-carbon and environmentally sustainable development, potentially affecting the Company's financial performance and market competitiveness.

#### **Climate Governance Structure**

The company's climate governance framework is led by the Board of Directors, which serves as the highest governing body responsible for overseeing decision-making on climate change related issues. The Corporate Sustainability Development Committee acts as the primary management body, overseeing climate governance strategies. It has established the Corporate Sustainability Task Force, which further convenes the Climate Change Task Force to facilitate cross-departmental collaboration and systematically manage climate change risks and response measures.

The Corporate Sustainability Task Force annually evaluates implementation outcomes

and reports its performance and adjustment recommendations to the Corporate Sustainability Development Committee, ensuring the continued effective operation of the climate governance mechanism.

### **Risk Management and Adaptation Strategies**

- **Risk Identification and Monitoring:** The Company conducts regular assessments of climate and environmental risks based on international guidelines and industry standards. By leveraging scientific models and data analysis, it performs scenario simulations to predict potential impacts, thereby enhancing corporate resilience.
- **Risk Mitigation and Adaptation:** The Company promotes low-carbon transition by improving energy efficiency and adopting renewable energy sources. It strengthens resource management by optimizing water use, waste management, and raw material utilization. Additionally, it enhances supply chain resilience by requiring suppliers to comply with international environmental standards to ensure sustainability.
- **Emergency Response and Business Continuity:** The Company has established a climate disaster response plan to ensure swift reactions in the event of risks, minimizing business disruptions. Regular emergency drills are conducted to enhance the organization's preparedness.
- **Information Disclosure and Transparency:** In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, the Company publicly discloses its climate risk management information. It regularly publishes sustainability reports that include performance metrics and undergoes third-party verification to ensure transparency and effectiveness.

### **Continuous Monitoring and Review**

- The Company will periodically review its climate and environmental risk management policies to ensure alignment with the latest international regulations, industry trends, and technological advancements.
- A comprehensive policy review will be conducted annually, with necessary adjustments to management strategies based on business conditions and risk assessment outcomes.
- In the event of significant climate or environmental risks that may critically impact business operations, the Company will immediately activate its response plan and report to the Board.

### **Conclusion**

The Company is committed to continuously enhancing its climate change and environmental risk management efforts. Through risk identification, mitigation and adaptation strategies, emergency response mechanisms, and transparent information disclosure, the Company aims to ensure operational stability while minimizing environmental impact.

This policy will be reviewed and updated in a timely manner to maintain its effectiveness and foresight in response to evolving international regulations, industry trends, and technological developments. The Company will work closely with supply chain partners and stakeholders to promote environmental sustainability, uphold responsible corporate practices, and ensure long-term competitiveness and sustainable development goals.

**President :**

