



2025 HTC TCFD Report

2025

htc 2025 TCFD Report

Publication Date: August 04, 2026

Editorial Principle

Welcome to HTC’s 4th Climate-related Financial Disclosures (TCFD) report, which is intended to reflect the company’s risk management and strategic planning on climate change, and demonstrate how we are addressing these challenges through innovation and continuous improvement. In addition, we follow international best practices and guidelines to ensure that the content of the report not only meets TCFD international standards, but also meets the expectations and needs of stakeholders. It is hoped that this report will provide a trustworthy reference for all readers and promote in-depth understanding and dialogue on climate issues.

Report Basis

HTC refers to the framework of the “Task Force on Climate-Related Financial Disclosures (TCFD)” guidelines issued by the International Financial Stability Board (FSB), analyzes the transition and physical risks and opportunities that may be faced in the future, and actively In response to relevant impacts, four core elements are disclosed according to the framework of its TCFD: “Governance”, “Strategy”, “Risk Management”, “Indicators and Objectives”, establish a risk framework, and identify major risks and opportunities that may be caused to operations. And put forward its relevant coping strategies, and prepare this TCFD report based on this, to achieve the purpose of communicating with stakeholders.

Time Coverage of Disclosure

From 2022, HTC plans to publish the TCFD report regularly every year, and the period of assessment information used in this report is from January 1, 2025 to December 31, 2025. Some information may also be retrospectively included from 2024 or extended to 2026. This report has passed the external assessment of SGS-Taiwan and obtained the assessment statement of “TCFD Performance Assessment”.

HTC ESG Website



HTC continues to update the content of the ESG website to provide stakeholders with the most real-time ESG information, please click the link to enter the HTC ESG website :
<https://www.htc.com/us/esg/>

Contact Us

- If you have any questions about the 2025 HTC Climate-related Financial Disclosure Report, you are welcome to provide feedback to help us continue to improve.
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Report Scope and Boundary

Global Operation Locations



The scope of disclosure in this report encompasses HTC and its subsidiaries’ global operations. While HTC’s headquarters and factory are located in Taiwan, the company has effectively expanded its branding and now operates across most parts of the world, including Europe, the Americas, and Asia. This global presence is supported by operational headquarters that coordinate and integrate services, providing a network of professional services to customers. HTC has also established offices in major markets worldwide, such as the USA, Canada, the UK, Germany, France, India, Australia, China, Japan, Hong Kong, and the UAE.

However, due to physical risk considerations, inventory is primarily stored in factories, limiting this aspect to the operation base in Taiwan. For more detailed information, please refer the annual report of the respective year.

Taiwan Location	Address
HQ and Factory (TAO)	No. 1, Ln. 21, Xinghua Road, Taoyuan District, Taoyuan City
Taipei R&D HQ (TPE1)	No. 88, Section 3, Zhongxing Road, Xindian District, New Taipei City
Taipei Office 2 (TPE2)	1st Floor, No. 6-3, Baoqiang Road, Xindian District, New Taipei City
Taipei Office 3 (TPE3)	13th Floor, No. 207-5, Section 3, Beixin Road, Xindian District, New Taipei City



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Preface

According to the Global Risks Report released annually by the World Economic Forum (hereinafter referred to as WEF) since 2005, the global risk trend has changed from economic risks to environmental risks. Among them, extreme weather and failure of climate action have been identified as medium- and long-term focus; and since the Paris Agreement (Paris Agreement) set the global temperature rise to be controlled at 1.5°C, governments of various countries have successively announced net zero goals and actively formulated regulations to strengthen The strength of climate change response. How to cope with the impact of climate change has become a topic that the world needs to face together.

Recognizing the growing impact of climate change on business operations, HTC has undertaken comprehensive and in-depth sustainability planning since 2022. Over the past four years, we have witnessed dramatic changes in the global environment and industrial landscape. For HTC, this journey has been not just about complying with regulations, but also about reshaping and pursuing the core values of the company. Looking back to 2021, when we established our sustainability base year, HTC has transformed "sustainability" from an abstract concept into a fundamental part of our organizational operations. Over the years, we have penned HTC's sustainability chapter at the intersection of "technology" and "humanity."

(1) Science-Driven Climate Leadership: From Commitment to "EXCELLENT" Evidence

Climate change is one of the most challenging issues of our time, and HTC has chosen to respond in the most scientific and transparent way. In 2023, we submitted our commitment to the Science Based Targets initiative (SBTi), and by August 2024, HTC officially passed the SBTi target approval process, becoming the fifth technology hardware and equipment company in Taiwan to have its net-zero target approved. This is not just a certificate but a promise to the planet, a commitment to achieve net-zero emissions by 2050.

Moving into 2025, we have turned this promise into tangible competitiveness. This year, HTC officially launched an Internal Carbon Pricing (ICP) mechanism, incorporating Shadow Pricing. This means that the cost of carbon emissions is considered from the outset in every investment decision and product development. We proactively internalize climate risks to ensure our company has stronger resilience in a low-carbon economy.

This steadfast commitment to addressing climate change has received high recognition externally: HTC earned an "EXCELLENT" rating in the 1.5°C assessment of the "Temperature Rising Index for Pathways (TRIPs)" by CommonWealth Magazine and was recognized by the Taoyuan City Government as a "1.5°C Model Enterprise." This signifies that our carbon reduction path is not only scientifically sound but also holds industry demonstration value.



(2) Green Innovation and Circular Practice: Infusing Technology with Gentle Vitality

We have always believed that the best environmental technology should originate from product design. From 2022 to 2025, HTC has continuously advanced its practice of "circular economy." Our flagship product, VIVE XR Elite, features packaging made from 100% recyclable materials, with 99.99% composed of paper materials. Additionally, 99% of the packaging utilizes recycled materials. The HTC U24 pro, launched in 2024, received a high score of 8.5 in "French Repairability Index," demonstrating our long-term commitment to extending product life and reducing electronic waste. °

On the operational side, we enhance carbon management through digital transformation, adopting Microsoft Cloud for Sustainability solution for our Carbon Management Platform, becoming the first in Asia to use Microsoft Cloud for Sustainability solution for complete full scopes carbon data integration and dual ISO verification. This makes our carbon reduction actions no longer "estimates" but precise real-time monitoring.

Simultaneously, we actively invest in renewable energy. The 200kW solar facility activated at our Taipei R&D headquarters in May 2024 has significantly increased our energy self-sufficiency, systematically integrating green power into operations. These efforts led to HTC being selected for the first time as a constituent of the FTSE4Good TIP Taiwan ESG Index in 2025 and consistently being reselected in semi-annual evaluations. We have also been selected as a constituent of the FTSE4Good Index Series for four consecutive years, and achieving a "Prime" rating from the internationally renowned sustainable investment and responsible investment research institution ISS STOXX for the first time in 2025. This represents our ongoing efforts and initiatives in sustainable development, consistently recognized by domestic and international investment institutions.

(3) Technology for Kind and Cultural Inclusion: Making the VIVERSE a Warm Carrier for Society

HTC's vision, "VIVERSE," has always placed "humanity" at its core. We utilize XR and AI technologies to transcend time and space limitations, creating a lasting positive impact. In 2025, HTC participated in the inaugural "ESG for Culture Impact Awards" hosted by the TAICCA and received three awards, recognizing our continuous contributions to corporate social responsibility and the cultural sector through innovation and technology.



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(4) Excellent Governance and Integrity Transparency: Earning Long-Term Trust from Stakeholders

Sound governance is the cornerstone of sustainable operations. In 2025, HTC achieved sweeping recognition in the field of ESG governance: we received the highest honor, the "Corporate Sustainability Report Award - Platinum Award," from the Taiwan Corporate Sustainability Awards (TCSA) for three consecutive years, won the "Information Security Leadership Award" for the second time, and was selected as one of the "Taiwan's Top 100 Sustainable Companies Award" and the "Climate Leadership Award" for two consecutive years.

In terms of the supply chain, we have demonstrated outstanding leadership. Since 2024, HTC has consecutively topped the CDP Supplier Engagement Assessment (SEA) with the highest honor of A-level leader board for two years. We have led over 118 key suppliers in participating in carbon reduction and implemented a conflict-free mineral procurement policy, ensuring responsible operations throughout the entire value chain.

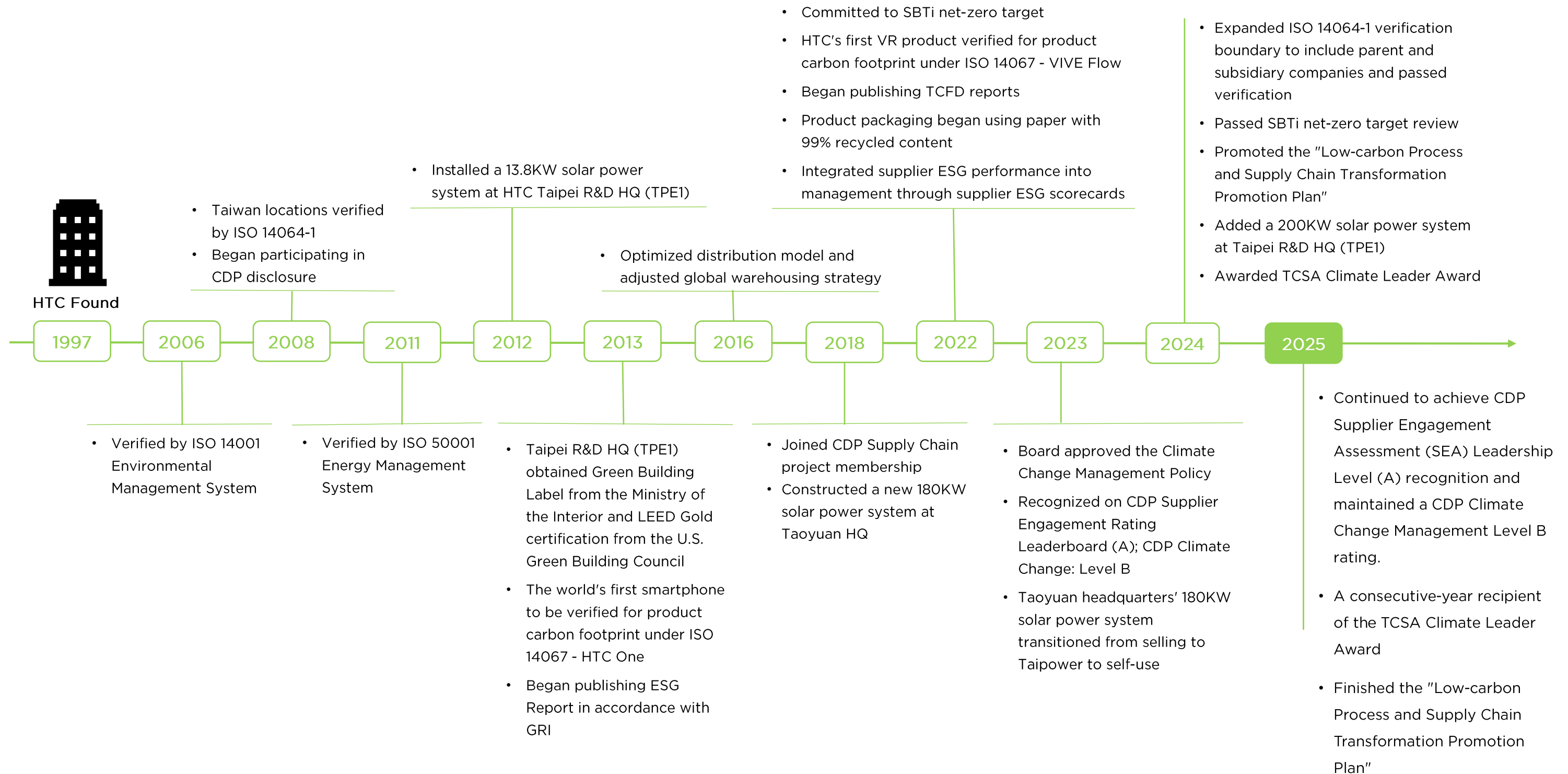
By leveraging innovative technologies that break through the barriers of space and distance, HTC continues to deliver high-quality hardware, software, platforms, and services for the education, arts, entertainment, and healthcare sectors. In an era increasingly shaped by climate change and evolving operational challenges, virtual reality has become not only a powerful enabler of efficiency but also a key driver of organizational resilience. Guided by science-based methodologies, HTC has established clear net-zero ambitions aligned with the Science Based Targets initiative (SBTi) pathway and embedded environmental considerations into core business decisions through a comprehensive carbon management platform.

Reflecting on the milestones of the past four years, I feel honored and responsible. Our planning and layout for sustainable development have laid a stable foundation over these years, and the results continue to be recognized by all parties. Sustainable development is a marathon with no finish line. Looking to the future, HTC will continue to uphold the core value of "Quietly Brilliant," combining technology with humanity to unleash the imagination. We commit to continuously weaving a better, fairer, and more resilient sustainable new world for the next generation under the vast starry sky of VIVERSE.



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Climate Change Adaptation Milestones



Overview of the HTC Net-Zero Transformation Plan

Commitment	HTC Group 2050 Net Zero Emissions Value Chain Collaboration to Respond to Carbon Reduction Goals Regular Disclosure of Carbon Reduction Performance			■ Carbon Management Policy ■ Low-carbon Operations ■ Low-carbon Products ■ Sustainable Transportation ■ Value chain engagement ■ Carbon offset
	Scope 1+2 ↓ 42% Scope 3 ↓ 25% (Based Year : 2021)		Scope 1+2 ↓ 90% Scope 3 ↓ 90% (Based Year : 2021)	
	2030 Mid-term Target		2050 Long-term Target	
Six Major Strategies				
Timeline	Short-Term (~2025)	Mid-Term (2025 ~2030)	Long-Term (2031 ~ 2050)	
All Scopes	■ Platformization of Carbon Data Management ■ Internal Carbon Pricing	■ Use of Carbon Emission Factor in the Value Chain		
Scope 1 Short to Mid-term: Linear Reduction of 4.2% Annually		■ Low-Carbon Refrigerants Use		
Scope 2 Short to Mid-term: Linear Reduction of 4.2% Annually	■ Energy saving project ■ Self-Generation of Renewable Energy ■ Green Buildings	■ Procurement of Renewable Energy and Certificates		
Scope 3 Short to Mid-term: Linear Reduction of 2.5% Annually	■ Supply Chain Collaboration ■ Low-Carbon Commuting ■ Transparency in Transportation Carbon Emissions ■ Low-Carbon Transport Vehicles ■ Product Carbon Footprint ■ Extended Product Lifespan	■ Use of Low-Carbon Goods ■ Promoting Emission Reductions in the Supply Chain ■ Collaboration with Tenants ■ Resource Reuse and Transformation ■ Improvement of Transportation Efficiency ■ Innovative Design ■ Product Circular Mechanism	■ Use of Low-Carbon Materials ■ Low-Carbon Business Models ■ Guiding Consumer Decisions and Behavior	
Offset			■ Carbon Credits Offset remaining emissions using carbon sinks and other methods to achieve net-zero targets	
Key Strategic Actions				

Note: The Net-Zero Roadmap is presented in the “Targets and Metrics” section

Key Achievements of the Year



2024 CDP –Climate Change : Management Level (B) for three consecutive years
2024 CDP –SER : Leaderboard (A) for two consecutive years



Received the Sustainability Performance Award — Climate Leadership Award for the second consecutive year



Climate Initiatives
In 2024, HTC's Near-Term and Net-Zero Science Based Target Approved by SBT



HTC received an “EXCELLENT” rating in the TRIPs (Temperature Rising Index for Pathways) evaluation, developed by Commonwealth Magazine and Tunghai University. In addition, Taoyuan City recognized HTC as a 1.5°C Model Enterprise

Ministry of Economic Affairs, Industrial Development Administration: Large-Enterprise-Led Low-Carbon Manufacturing Process and Supply Chain Transformation Program

Since November 2023, HTC has participated in the Ministry of Economic Affairs’ two-year low-carbon transformation program, integrating carbon reduction targets into daily operations through digital carbon management tools. The initiative has enhanced production efficiency through automation and AI, strengthened energy management, and supported suppliers in building decarbonization capabilities, driving low-carbon transformation across the value chain.

This program takes a comprehensive approach, covering carbon data management, smart manufacturing processes, in-house energy control and optimization, and supply chain decarbonization. By leveraging HTC’s leading role, the Company is driving the entire supply chain toward a smarter and low-carbon future. The program received total government subsidies of approximately NT\$18 million, and comprises the following four sub-projects:

Sub-project & Purpose	Related Section
Supply Chain Carbon Inventory / Footprint System Development To achieve quantitative and systematic carbon emissions management through digital tools	Carbon Management and Policy
Smart Manufacturing Decarbonization To improve production process efficiency, reduce error-related costs, and lower carbon emissions through smart technologies	Low-Carbon Product
Energy Management and Optimization To address energy consumption issues at major in-plant energy-consuming equipment, such as chilled water systems, which accounted for 47.9% of total electricity consumption, and improve energy use by more than 8%	Low-Carbon Operation
Supply Chain Engagement and Guidance To develop HTC’s net-zero transition roadmap and support suppliers in building carbon reduction awareness, goals, and management capabilities through value chain engagement	Supply Chain Engagement

Climate Governance

Climate Change Governance Framework

HTC has established a "Climate Change Management Policy" to promote the company's sustainable operations. HTC's climate change governance and management structure is the final decision-making and review work of the board of directors. It has an ESG committee responsible for the implementation of issues and resolutions related to climate change management, and the ESG office is responsible for the identification and assessment of climate change risks and opportunities. Chairwoman Cher Wang serves as the chairman of the ESG committee, and senior vice president Madeline Chen appointed as the Chief Sustainability Officer. The ESG Office was established as a full-time operating unit responsible for planning and guiding the company's "Sustainable Development (ESG)" related implementation operations, and also regularly reported the trend, impact and implementation performance of related issues to the ESG Committee. Responsibilities related to climate change are described as follows:

- Board of Directors :
 - (1) The board of directors is the highest decision-making unit of HTC's climate change risk management, responsible for reviewing HTC's overall climate change management policies and major resolutions, and supervising the effective operation of the climate change management mechanism
 - (2) Make final decisions on HTC's annual budget, business plans, and major capital expenditures related to climate change-related risks and opportunities.
- Audit Committee :
 - (1) Audit the risks and opportunities related to HTC's climate change, and include them in the annual budget, business plan, and major capital expenditure proposals °
- ESG Committee :
 - (1) Report the assessment results and work progress of climate risks and opportunities to the board of directors every year ;
 - (2) Responsible for the implementation of climate change management policies and major resolutions reviewed by the board of directors, and set up a ESG office as a full-time executive unit under it.

- ESG Office :
 - (1) Regularly track information related to the development trend of international climate change, and enhance the company's colleagues' awareness of global risk trends and climate change ;
 - (2) Responsible for identifying and assessing the risks and opportunities of climate change, and regularly coordinating climate change discussion meetings, convening the risk management team to identify the physical risks, transition risks and opportunities of climate change, and proposing corresponding improvement measures and regularly tracking the implementation status and goals, and continue to strengthen climate risk and opportunity management.
- TCFD Risk Management Group :
 - (1) Composed of designated members of the ESG Committee, responsible for identifying and assessing the risks and opportunities of climate change, identifying the physical risks, transition risks and opportunities of climate change, and proposing corresponding improvement countermeasures and regularly reporting the implementation status and goals.

Management Responsibility

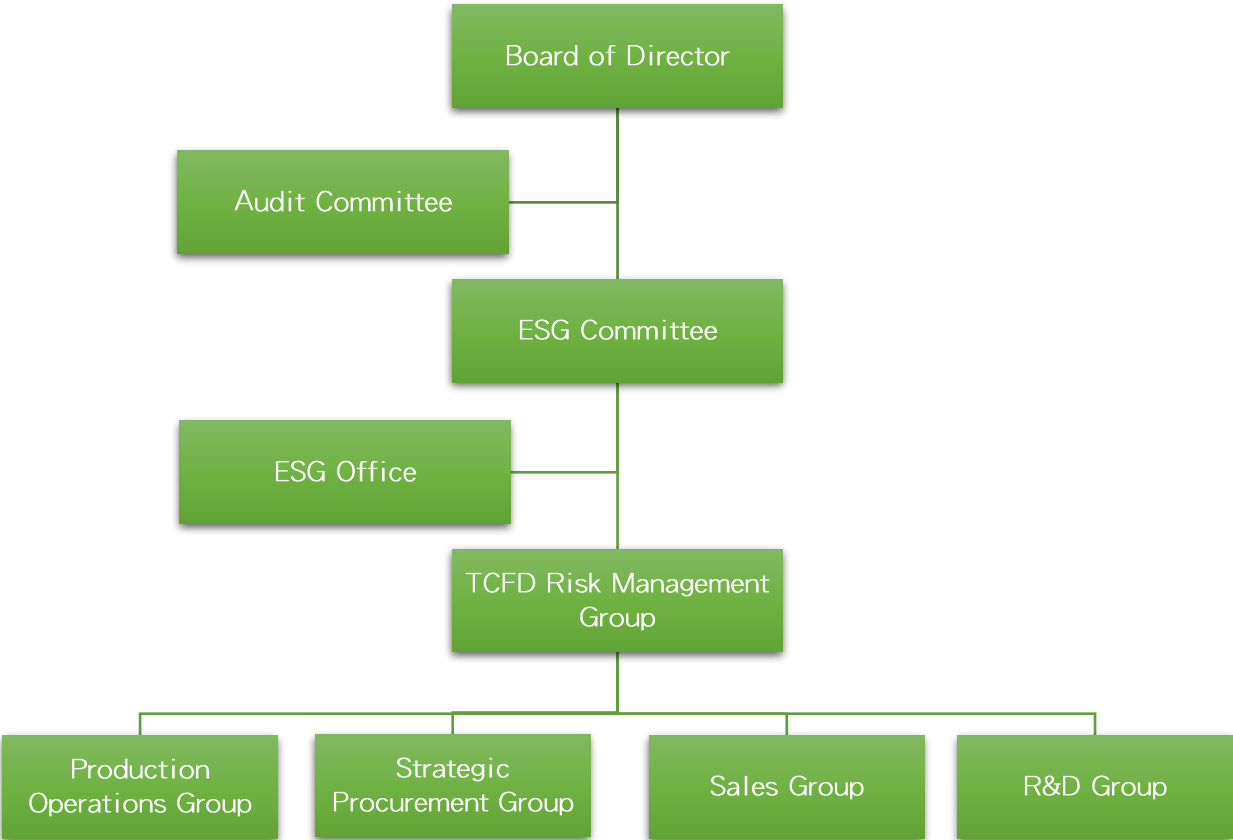
Led by the Chief sustainability officer, the ESG Committee is responsible for implementing climate change management policies and major resolutions deliberated by the Board of Directors, integrating resources and progress of climate actions in different departments, and comprehensively evaluating climate change risks alongside other corporate risks. Several work groups have been set up under the committee to respond to ESG topics across multiple areas and collect sustainable development topics from each department to continually promote corporate social responsibility with the aim of implementing corporate sustainable management with equal consideration across the economy, environment, and society.

With a clear organization and division of labor, relevant departments are involved in management actions through cross-departmental meetings, thereby driving the overall sustainable development and innovation of HTC, and ensuring that relevant policies and measures are incorporated into the company’s daily operations. The TCFD risk management team is established by designated members of the ESG Committee to participate in the project. The ESG Office is established under the Committee to continuously monitor and review the progress of various climate change-related measures. Regularly adjust the climate risk assessment and analysis results in the same industry, Annually, these actions are reported to the Audit Committee through the ESG Committee, and the Chief Sustainability Officer also regularly reports to the board of directors.

The Sustainability Office is responsible for the company’s overall “Greenhouse Gas Inventory and Verification Scheduling” and reports the execution progress to the board of directors quarterly to ensure continuous progress in the company’s climate change governance. Starting in 2024, the TCFD report will be issued annually in the third quarter after being submitted to the board of directors.

In response to new regulatory requirements, HTC launched the IFRS Sustainability Disclosure Standards Project in Q4 2025. The first phase of IFRS readiness assessment and planning has been completed, including the establishment of a dedicated IFRS Sustainability Disclosure Standards task force and the development of an implementation roadmap. HTC has also identified key gaps and potential impacts between existing sustainability disclosures and the IFRS Sustainability Disclosure Standards, with ongoing implementation efforts continuing throughout 2026.

Climate Change Risk Management Organizational Chart



Risk Management

Risk Management Process

In order to strengthen corporate governance, promote stable operation and sustainable development, HTC has formulated relevant "risk management policy" as the criteria for risk management according to various types of risks, and has set up a full-time unit to be responsible for the company's related risk management and risk measurement execution operations. To establish a sound risk management mechanism. The ESG Office is responsible for the company's climate change and ESG-related risk management and coordinating the TCFD risk management team to carry out risk measurement and execution operations. The risk management organizational structure takes the board of directors as the highest decision-making unit for risk management, and has an ESG committee under it, which is responsible for reviewing risk management policies and reviewing Management report on major risk issues.

When identifying risks, HTC conducts qualitative or quantitative management of various risks by analyzing its operating environment and covering various businesses and operating activities. After identifying the risks it may face, HTC will formulate appropriate measurement methods according to different risk types as the basis for risk management. Risk measurement refers to the use of various information to determine the possibility of occurrence or non-occurrence of risk events, and to study and judge the impact of the results on HTC. When conducting risk analysis, consider whether the current internal control can prevent risk events. Determine the risk level based on the risk analysis results, and provide the necessary information as the basis for risk assessment and risk response. After assessing and summarizing the risks, all responsible units formulate appropriate response measures to the risks they face and control the risks to an acceptable level. Each responsible unit monitors the risks of its business and proposes countermeasures, and provides the risk assessment form to the risk management team of the ESG committee, and the risk management team submits it to the ESG committee after compilation. The ESG committee measures and monitors the quality of overall risk management, and regularly submits risk assessment results and work progress to the board of directors.

HTC has established a "Climate Change Management Policy" and "Climate Change Risk Management Procedures." Based on the risk assessment mechanism recommended by the TCFD, the company has initiated a process to identify climate change risks and

opportunities, completed the identification of these risks and opportunities, and assessed their financial impact. This process leads to the development of response measures and the establishment of key performance indicators and targets.

HTC defines the short, medium, and long-term time intervals of climate-related risks and opportunities, setting "2022-2025" as the short-term, "2026-2030" as the medium-term, and "2031-2050" as the long-term and based on this Carry out climate risk and opportunity assessment, in principle, re-identify and assess climate risk opportunities every two years. The types of climate risks include transition risks and physical risks, which are further divided into policies and regulations, technology, market, reputation, and immediate and long-term. Opportunities are grouped into categories such as resource efficiency, energy sources, products and services, markets, and organizational resilience. Participating units identified the company's operational transition and physical risks (10 items in total) and potential opportunities (8 items in total) that may be caused by climate change factors through workshops, and assessed Risks and Opportunity probability and impact degree, draw risk and opportunity matrix, and formulate relevant response measures for the top three risks and opportunities with high probability of occurrence and high impact.

Evaluation Criteria

Assessment Orientation	Risk	Opportunity
Likelihood of Occurrence	Risk Past Experience	Opportunity Past Experience
	Future Risk Timing	Future Opportunity Timing
	Future Risk Likelihood	Future Opportunity Likelihood
Impact	Operational impact	Reputation impact
	Reputation impact	Current Opportunity Planning
	Personnel impact	Financial Impact Scale
	Advance warning	
	Financial Impact Scale	

Climate Change Risk and Opportunity Identification Process

No.	Process	Description
1	TCFD workshop	TCFD risk management team lists business-related climate change risks and opportunity factors by means of scenario simulation analysis and other methods and with reference to internal and external information
2	Collect identification results	The ESG Office is responsible for compiling the climate change risk and opportunity factors related to the business of each unit
3	TCFD Risk/Opportunity Matrix	Calculate the possibility and impact degree of TCFD risk/opportunity, and draw the TCFD risk/ opportunity matrix
4	Develop countermeasures	Authorities and responsible units write major climate risk and opportunity response strategies, and calculate the cost of strategy implementation
5	Calculating Financial Impact	Calculate the financial impact of risks/opportunities and response costs by the responsible units
6	Develop indicators and goals	The corresponding indicators and targets are recommended by the responsible units to evaluate the implementation of relevant response measures
7	Policy Implementation	The ESG office regularly (quarterly) tracks the implementation status, and the ESG committee regularly reports to the board of directors as a reference for performance tracking

¹ The "National Climate Change Science Report 2024: Phenomena, Impacts, and Adaptation" (referred to as the Science Report), jointly published by the National Science and Technology Council and the Ministry of Environment in accordance with the law

Scenario Analysis

HTC follows the TCFD guidelines and uses climate scenario analysis to effectively identify and assess the potential impact of climate-related risks on business performance, and formulate robust coping strategies based on the analysis results to strengthen HTC's resilience to climate change.

In order to make the scenario analysis more specific and comprehensive this year, the scope includes global operational sites:

- Taiwan: Physical risk scenarios utilize tools provided by the National Science and Technology Center for Disaster Reduction (NCDR) and the Taiwan Climate Change Projection and Information Platform (TCCiP). The analysis adopts the "National Climate Change Science Report 2024: Phenomena, Impacts, and Adaptation" (hereafter referred to as the Science Report)¹, which is based on the worst-case global warming scenario (SSP5-8.5) from the IPCC's Sixth Assessment Report.
- Global Warehouses and Overseas Offices: Physical risk scenarios are analyzed using data from the World Resources Institute (WRI).

Additionally, due to HTC's implementation of a local procurement policy, the proportion of local procurement for raw materials is 62%. The key suppliers' factories are primarily located in Taiwan and China, with others in the USA, the Philippines, Japan, South Korea, Malaysia, and Thailand. As the technology in the mobile phone and virtual reality industries evolves, the technology of raw material/component suppliers is also maturing, providing more alternative material options for designing new products. This helps reduce the risk of concentrated sourcing and is therefore not included in the scope of this scenario analysis.

The IPCC’s Global Climate Change Assessment Reports (AR, Assessment Report) use future projections of global climate change based on the physical foundations provided by the CMIP (Coupled Model Intercomparison Project). This project combines climate models developed by climate research centers worldwide to set possible future global warming scenarios and conduct long-term climate simulations. From AR4, which used specific greenhouse gas emission scenarios, to AR6, where more complex socio-economic development scenarios emphasizing mitigation and adaptation were added, the models have increased in resolution and number, and the starting year for projections has been updated. The aim is to enhance the realism of future scenario simulations and depict potential real-world situations.

Comparison of the characteristics of global model data used in various versions of the IPCC Assessment Reports (data source: Science Report).

Assessment Report	AR6	AR5	AR4
Data Set	CMIP6	CMIP5	CMIP3
Projection Start Year	2015	2006	2001
Common Warming Scenarios	SSPs	RCPs	SRES
Spatial Resolution	60km-125km	100km-250km	250km-350km
Number of Models	60	42	24

Risks and Opportunities	Physical Risk	Transition Risk Opportunity
Scenarios	IPCC Global Warming Scenarios in 6 th Scientific Assessment Report RCP 8.5 (or SSP5 8.5)	SBTi 1.5°C : Science-Based Target and Net-Zero Pathway NDC : Nationally Determined Expected Contribution of Taiwan
Contextual Content	Under the high emissions scenario (SSP5-8.5), climate change could lead to increased average temperatures, more extreme heat, and intensified rainfall and severe typhoons. These changes may disrupt HTC’s operations and value chain, increasing costs and necessitating strategic adjustments for resilience.	When the global warming is controlled within 1.5°C, the risks arising from the low-carbon transformation faced by enterprises HTC sets a net-zero path that meets the requirements of SBT, sets reduction targets, and refers to the carbon price of NDC and IEA to calculate the financial impact of carbon tax on enterprises
Financial Impact	In extreme cases, it may result in an operating loss of 3.2% of consolidated operating income, an inventory loss of less than 6.9%, and an increase of operating expenses of less than 0.2%.	HTC continues to promote low-carbon product design and expand diversified commercial applications. These initiatives are expected to generate positive impacts on consolidated operating revenue, with potential growth estimated at 15%–30%. However, associated operating costs and research and development expenditures are also anticipated to increase, with the estimated impact equivalent to approximately 10% of consolidated operating revenue.

* Under different scenarios, HTC uses climate risks and opportunities that may have financial impacts on corporate operations. For details, please refer to 3.3 Financial Quantification – Risk & Opportunity

Physical Risk

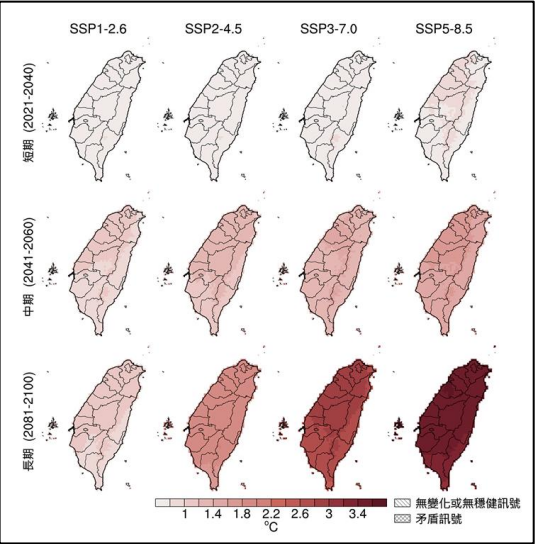
The scope of situational analysis includes global operational sites, with physical risk considerations for production, office locations, and warehouses, analyzed by regions in Taiwan and overseas. All offices and factories in Taiwan are located in the northern part of the country. According to the National Science and Technology Center for Disaster Reduction (NCDR) and the 3D Disaster Potential Map, none of HTC’s four major offices and one factory are located in flood-prone areas. However, areas within a 500-meter radius are in potential flood zones. The impact would primarily affect the transportation of goods, employee commuting, and regional power outages caused by disasters.

Types of Disaster Potential	Presence of potential hazards				Detailed Explanation
Flood Potential	TAO	TPE1	TPE2	TPE3	
350 mm Rainfall Potential Area in 6 Hours	●	●	●	●	Not directly located in a potential area, but within 500 meters of one.
400 mm Rainfall Potential Area in 12 Hours	●	●	●	●	
500 mm Rainfall Potential Area in 24 Hours	●	●	●	●	
650 mm Rainfall Potential Area in 24 Hours	●	●	●	●	
Dip Slopes	×	×	×	●	Low risk.
Soil Liquefaction Potential Area	×	●	●	●	

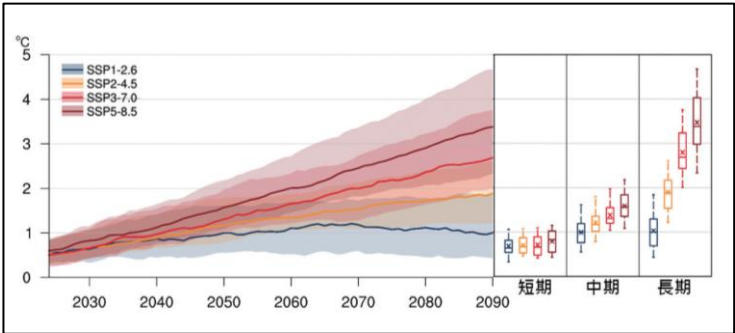
According to scientific reports, the worst-case global warming scenario in the IPCC Sixth Assessment Report (SSP5-8.5).

1. It is estimated that the temperature in various parts of Taiwan will continue to rise in the future.
- Under the worst scenario of global warming (SSP5-8.5), the average annual temperature may rise by more than 1.6°C and 3.4°C in the middle and end of the 21st century. The region expected to experience the most significant warming is primarily in the northwestern part of Taiwan.

(a) Spatial distribution of estimated annual mean temperature in Taiwan in the future



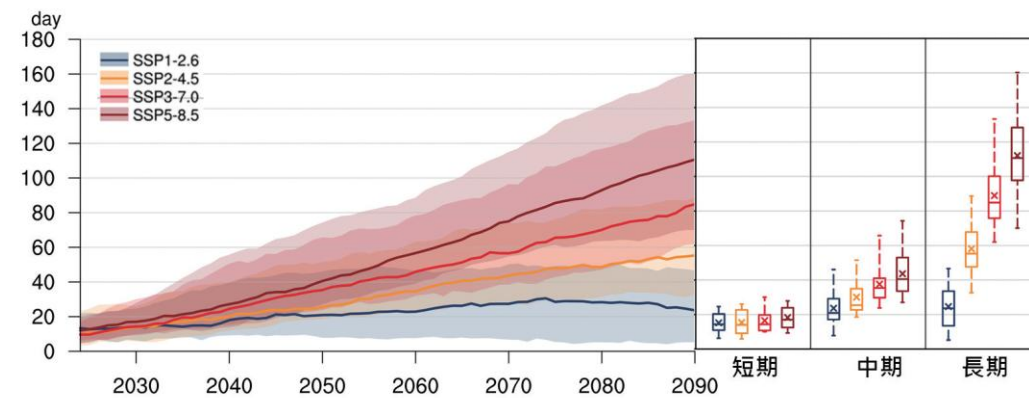
(b) Estimation of Taiwan’s annual average temperature in the future



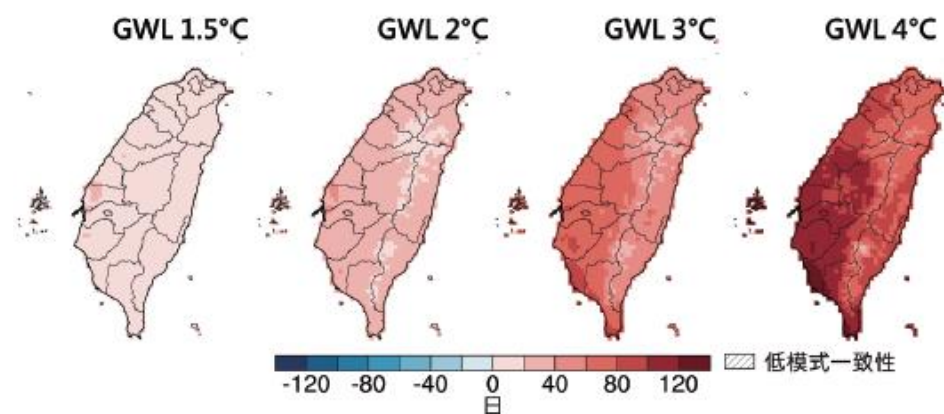
2. In future extreme high temperature events, the number of days with high temperature above 36°C will increase.

- In the worst-case scenario (SSP5-8.5), based on estimates from the HWDI², the number of extreme heat days is projected to increase by approximately 41 days by the mid-21st century and 87 days by the end of the century. Preliminary assessments indicate that all of Taiwan will face risks from extreme heat impacts, with urban areas and the central and southern regions being at higher risk.

(a) Estimated spatial distribution of Taiwan's high temperature days above 36°C in the future (based on the trend of HWDI changes)



(b) The number of days with high temperature above 36°C in Taiwan is estimated in the future (based on the trend of HWDI changes under GWL³)

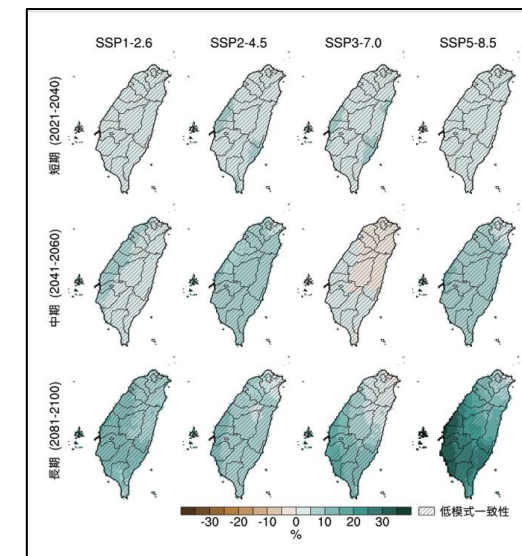


² HWDI: Heat Wave Duration Index

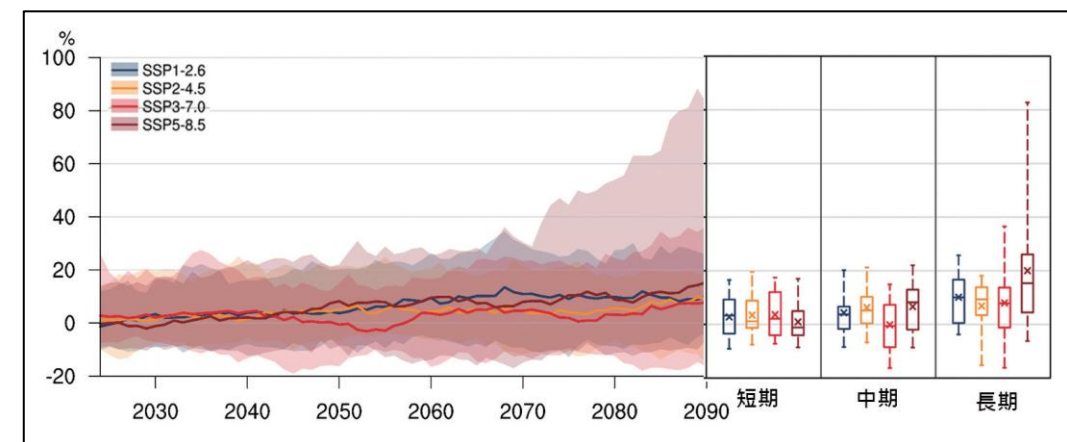
3. It is estimated that the total annual rainfall in Taiwan will increase in the future.

- In the worst-case scenario (SSP5-8.5), by the mid and end of the 21st century, the average annual total rainfall in Taiwan is projected to increase by approximately 5-10% and 15-30% respectively, with the southwestern region experiencing a larger increase in rainfall.

(a) Spatial distribution of Taiwan's annual total rainfall estimated in the future



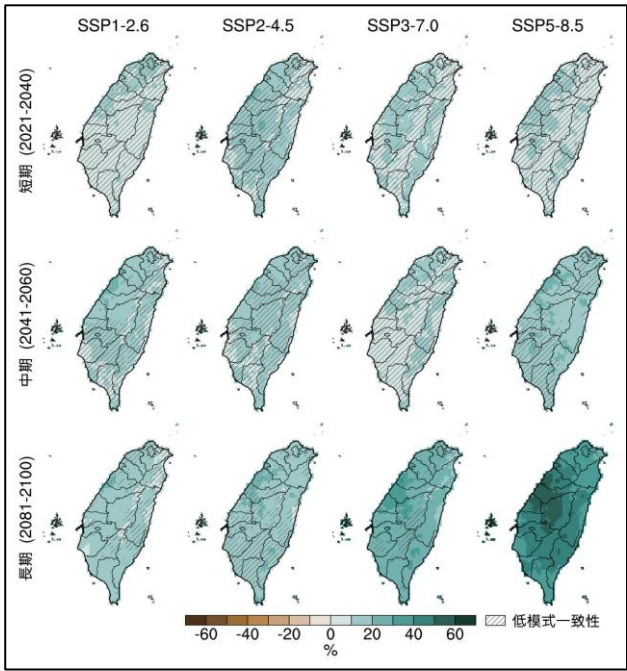
(b) The Future Estimation of Total Annual Rainfall in Taiwan



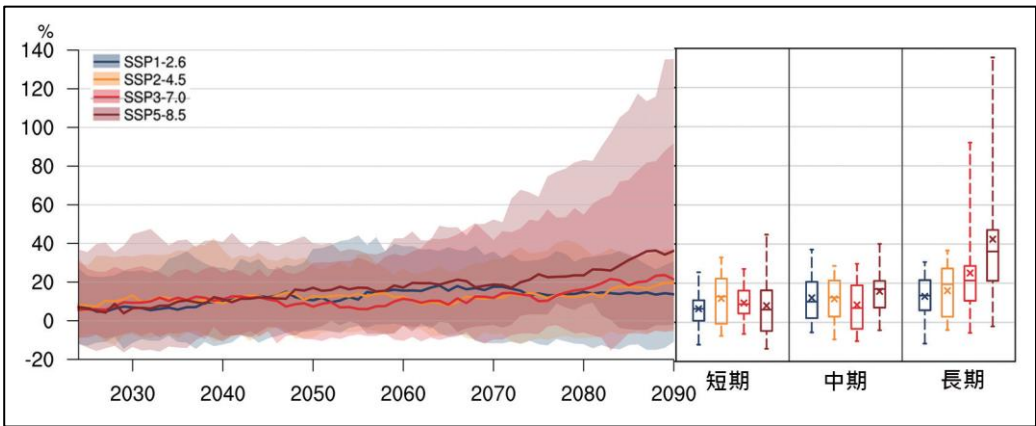
³ GWL: Global Warming Levels

4. The intensity of the annual maximum 1-day rainstorm in Taiwan tends to increase.
- In the worst-case scenario (SSP5-8.5), by the mid and end of the 21st century, the average annual maximum one-day heavy rainfall intensity is projected to increase by approximately 20% and 41.3%, respectively, with the most severe impact occurring in the central region.

(a) Spatial distribution of estimated annual maximum 1-day heavy rain intensity in Taiwan in the future

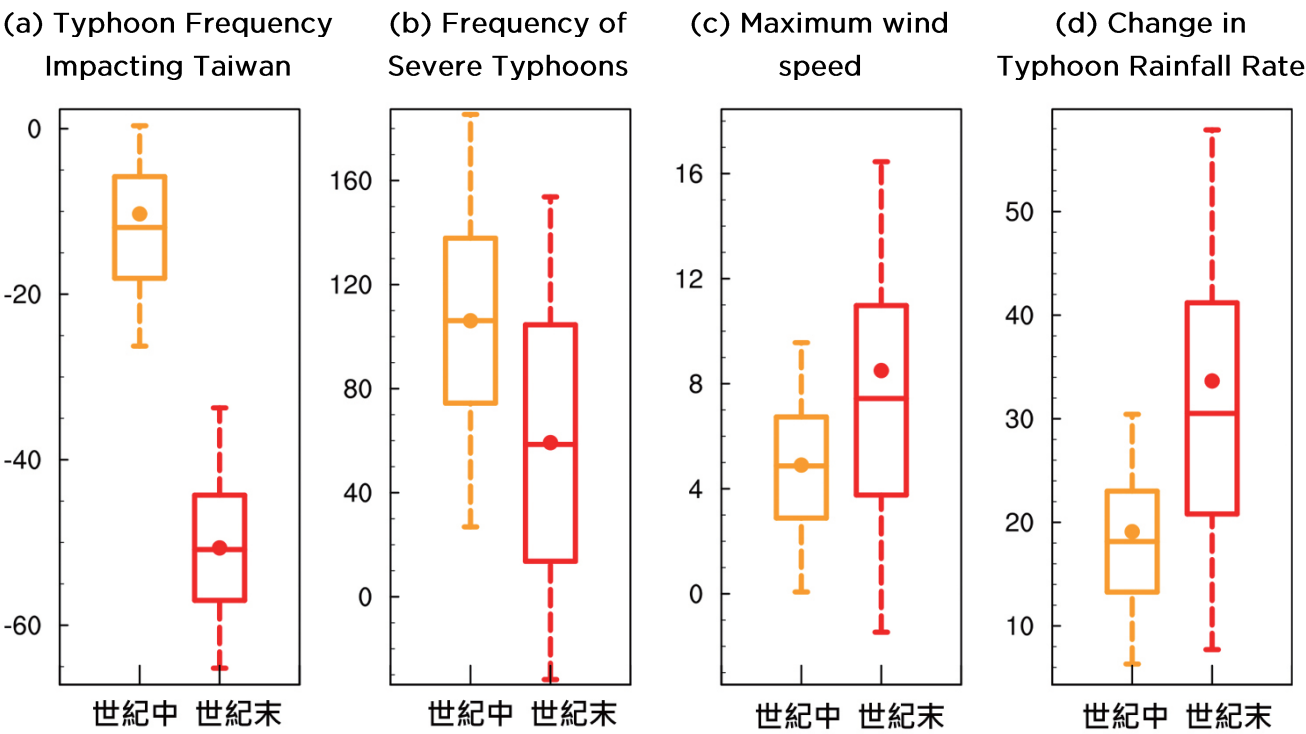


(b) Future Estimation of the Intensity of the annual maximum 1-day rainstorm in Taiwan



5. Affecting the number of typhoons in Taiwan and the change rate of typhoon rainfall.

- Under the worst-case scenario (RCP8.5), by the mid and end of the 21st century, the number of typhoons affecting Taiwan is expected to decrease by approximately 10% and 50%, respectively. However, the proportion of severe typhoons is projected to increase by about 105% and 60%. Additionally, the maximum wind speed of typhoons is anticipated to increase by 5% and 9%, while the rate of rainfall change is expected to rise by approximately 20% and 35%.

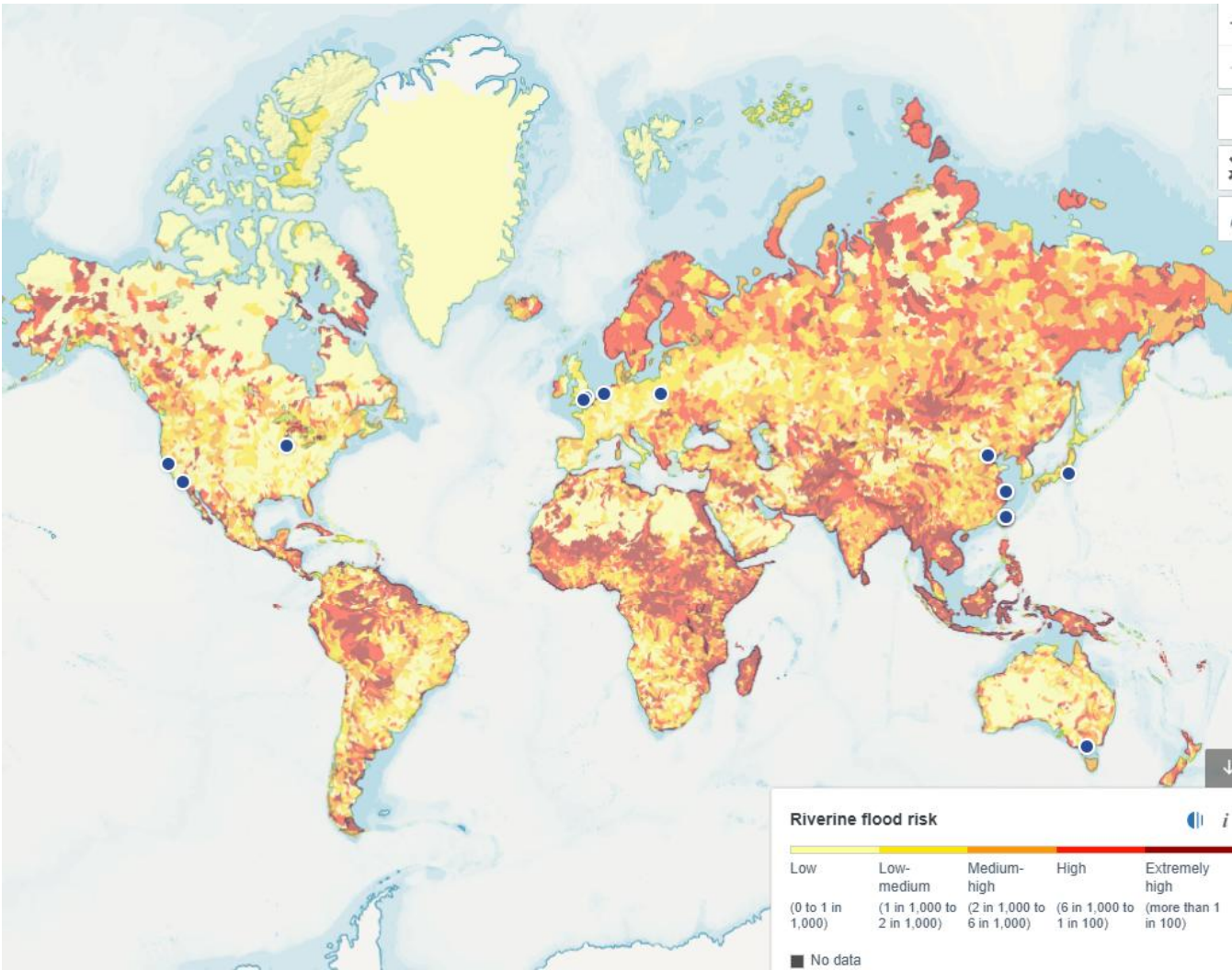


Global warehouse and overseas office locations use data analysis from the World Resources Institute (WRI)

HTC’s main warehouse locations, in addition to its headquarters in Taiwan, are deployed in China, the UK, the US, New Zealand, and Australia. The primary overseas office locations include China, the UK, the US, Japan, Poland, and Australia. Employees in these locations represent about 13.6% of the total workforce, and some regions have implemented remote work practices.

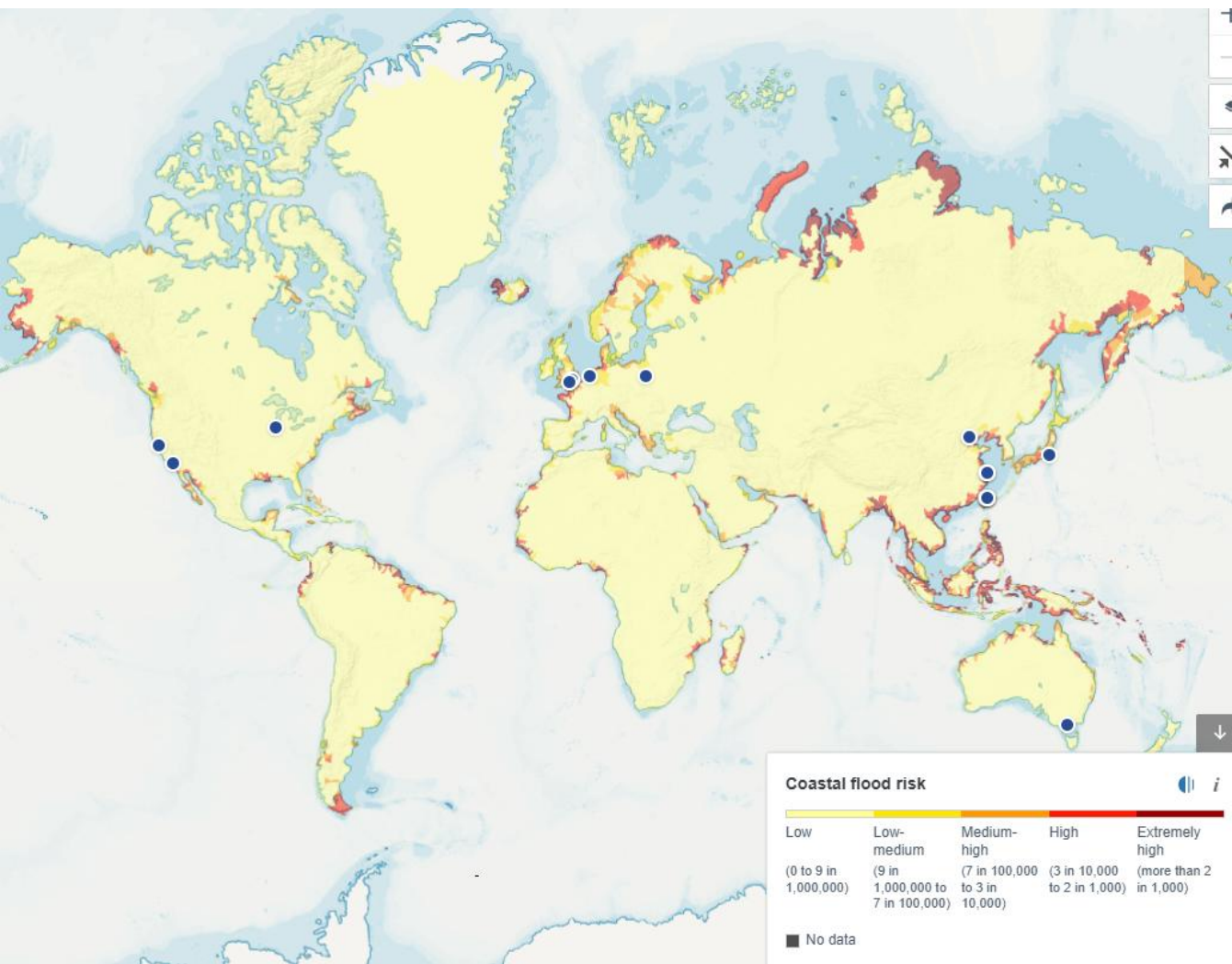
1. Baseline River Flood Risk

According to WRI baseline data, the river flood risk assessment identifies Shanghai, China, and California, USA, as high-risk areas; Beijing, China, is classified as a medium-high risk area.



2. Baseline Coastal Flood Risk

According to WRI baseline data, the coastal flood risk assessment identifies the UK, New Zealand, and Tokyo, Japan, as medium-high risk areas; no areas are classified as high-risk.



Transition Risk and Opportunity

We consider the risks and opportunities that businesses face during the low-carbon transition when global warming is controlled within 1.5°C. To maintain consistency with the science-based reduction targets assessment, we primarily use the 1.5°C/WB2C scenario as the assumption for our company's transition risks and opportunities. Based on the net-zero pathway set by HTC that meets SBT requirements and with reference to the carbon pricing from NDC and IEA, we calculate the financial impact of carbon taxes on businesses. This includes the following estimates for the years 2030 and 2050:

1. **Growth rate of key activities:** number of employees, number of shipments, and base area, and 2021 is used as a benchmark to calculate the annual estimates.
2. **HTC 's cost of purchasing green electricity:** including the estimation of green and gray power trends in various operating locations around the world.
3. **Potential external carbon costs:** At present, the carbon tariff policies of the US and the EU do not cover HTC's industries and product categories, and the threshold for the collection of carbon fees in Taiwan is still higher than HTC 's current situation; Therefore, assuming that HTC will be regulated from 2040, the estimated carbon price and regulated amount at that time are calculated as the carbon credit hypothetical scenario.



Strategy

Risks and Opportunity

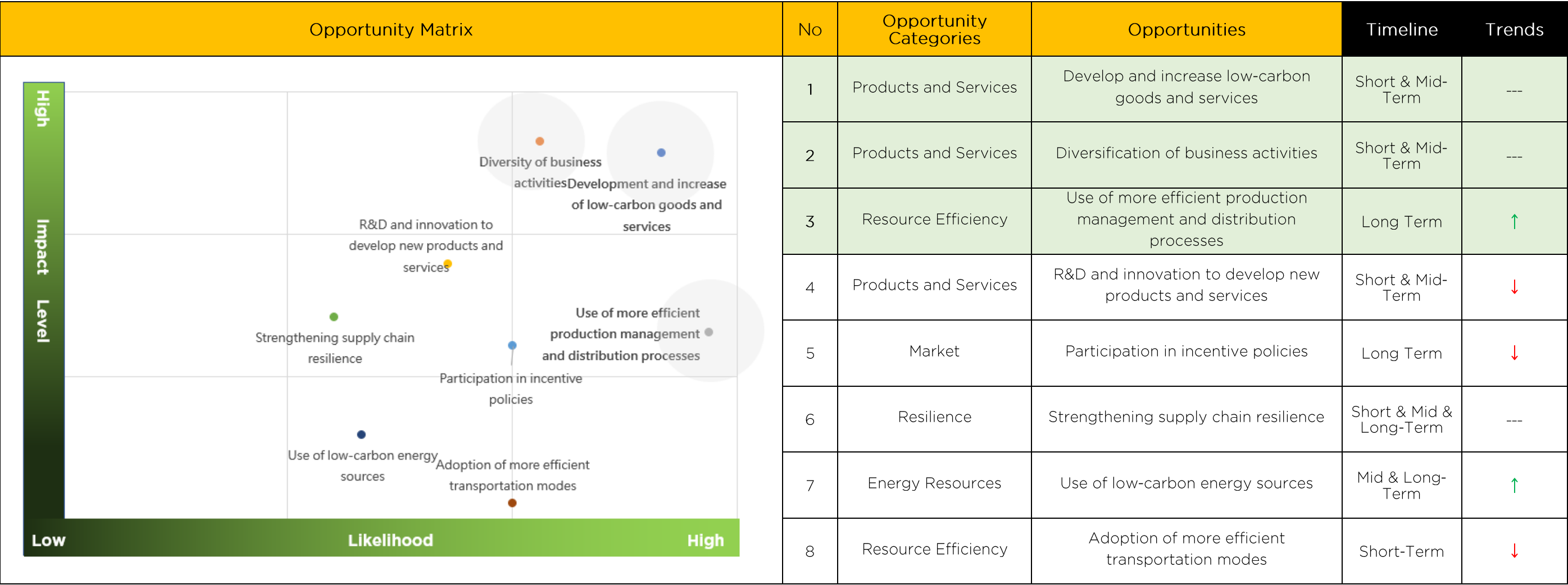
Adhering to HTC’s corporate vision and sustainable responsibilities, HTC includes the risks related to climate change into the scope of assessment and tracking, and continues to pay attention to climate risks that will impact HTC’s operations, including international regulations and extreme weather conditions, etc., and according to the climate change recommended by TCFD Climate change risk and opportunity assessment framework, climate change scenario setting and derived risks and opportunities, assess climate change risks and opportunities faced in the operation process, and further discuss relevant coping strategies and target targets for high-impact risks and opportunities, as a climate change specific management measures.

The specific identification process of risks and opportunities related to climate change is as follows:

A. Setting Climate Change Scenarios	B. Assess the impact of the operating environment	C. Identify climate risks and opportunities
Setting up two climate change scenarios : - SSP5-8.5 : Warming up to 6°C - SBTi 1.5°C, NDC : 1.5°C warming	Assess the impact and impact of climate change on the operating environment and stakeholders	Establish a risk and opportunity matrix to identify climate change risks and opportunities

Top 3 HTC high-risk factors and three high-opportunity factors were identified, and the climate change risk matrix and opportunity matrix are shown in the figure below:

Risk Matrix	No	Risk Categories	Risks	Timeline	Trends
	1	Physical Risk–Acute	Increased severity of extreme weather events such as typhoons and floods	Short-Term	---
	2	Physical Risk–Chronic	Changes in rainfall (water) patterns and extreme changes in climate patterns	Long-Term	---
	3	Physical Risk–Chronic	Increase of average temperatures	Short & Mid-Term	---
	4	Policies & Regulations	Revision of related laws and regulations	Long-Term	---
	5	Market	Customer behavioral changes	Mid & Long-Term	---
	6	Technology	Cost of low-carbon technological transformation	Mid & Long-Term	↑
	7	Policies & Regulations	Strengthening of emissions reporting obligations	Long-Term	↓
	8	Market	Rising costs of raw materials	Long-Term	---
	9	Policies & Regulations	Extra carbon emissions derived from waste	Long-Term	---
	10	Policies & Regulations	Increased pricing on greenhouse gas emissions	Short-Term	---



Coping Strategy

For each climate change risk and opportunity, HTC considers the impact of products or services, supply chain or value chain, climate adaptation or mitigation activities, new R&D or investment, and the type of business operation or the location of business operation facilities. Conduct impact assessment, and carry out climate "mitigation" and climate "adaptation" coping strategies for possible shocks.

__Risk Response Strategy

Risk 1: Physical Risk(Acute)- Increased severity of extreme weather events such as typhoons and floods

Impact Content		Coping Strategy		
Impact Category	Description	Strategy	Time	Evaluate benefits
Product or Service	• Damage to production base equipment, resulting in interruption of production lines and suspension of services. • Power outage of IT facilities such as the information room, resulting in the failure of the operating system, resulting in interruption of operations. • The cloud application software encountered a power outage, resulting in service interruption, affecting continuous update services and maintenance.	• Add automatic drainage system equipment and water level warning system. • Remote backup (or partial outsourcing) to support production and service.	2023-2025	• Reduce personal injury and loss of machinery and equipment
	• Deterioration of inventory products, resulting in increased costs and additional maintenance costs.	• Establish contingency plans for production and supply (off-site production and supply).	2023-2025	• Lower costs
	• Decreased work efficiency, employee accidents may increase; it may also affect the manpower deployment of the manufacturing department due to the shutdown, resulting in operational disruption and reduced work efficiency.	• Long-term readiness for equipment needs from working from home (WFH). • Add automated process equipment.	2023-2025	• Reduce labor costs
Supply Chain or Value Chain	• Due to the loss of equipment assets in the supply chain, the procurement time is prolonged and the products cannot be supplied on schedule.	• Carry out risk assessments for operations, warehousing sites, and suppliers located in areas with high flood risk or vulnerable to typhoons, and reduce the impact of disasters through insurance planning, decentralized procurement and other strategies. • Require suppliers to have safety stock. • Decentralized supply chain regions.	2025-2050	• Reduced loss costs • Improving supply chain resilience • Reduce the probability of supply chain disconnection
	• Due to the extended delivery time of products or materials, the delivery time is delayed, resulting in damage to corporate image and loss of trust.	• Monitor locations of suppliers, storage locations, and logistics routes that may be impacted for rapid response and preparation. • Instantly update the delivery status of raw materials and provide customers with the latest delivery progress.	2023-2025	• Reduce downtime costs due to material breaks • Increased trust

Impact Content		Coping Strategy		
Impact Category	Description	Strategy	Time	Evaluate benefits
Climate adaptation or mitigation activities	• Transportation carbon emissions are restricted, and logistics and transportation costs are rising.	• Find low-carbon transport pipelines and optimize delivery routes.	2023-2050	• Reduce carbon emissions
	• Increased overhead and production costs to maintain roads and equipment.	• Regularly strengthen and repair the anti-flooding facilities every year.	2022-2023	• Reduced risk of climate impacts
R&D or investment	• Reputational damage due to extended development schedules due to extreme weather requiring temporary or prolonged work from home, resulting in delayed publication schedules. • If the number of occurrences increases, it may be necessary to invest in additional equipment to support design and development activities for working from home, resulting in extended product development time.	• Provide necessary hardware for employees to work from home. • Develop a remote work management plan (policy and drills)	2023-2025	• Reduce impact on design development timelines and assess cost of additional equipment purchases
Type of business operation or Business operation facility location	• Changes in marketing plan due to delay in delivery due to rain.	• Flexible adjustments to new product promotion plans, or matching accessories discounts. • Plan for alternate materials to facilitate just-in-time refills on-line.	2023-2025	• Increase sales and competitiveness

Risk 2: Physical Risk (Chronic)- Changes in rainfall (water) patterns and extreme changes in climate patterns

Impact Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Product or Service	• Lack of water for people's livelihood caused shutdowns, affecting production capacity and delaying shipments.	• Deduce the business operation plan every year. Through the business operation plan, familiarize yourself with contingency measures such as heavy rainfall, shortage of parts and components caused by long-term non-rainfall, damage to transportation means, and limited manpower.	2023-2025	• Improve corporate resilience
Supply Chain or Value Chain	• The factory is short of water and electricity, which affects the daily operation of production and shipment, resulting in a decline in revenue.	• Introduce low-energy manufacturing procedures or technologies. • Contingency plans for suppliers' production and supply (off-site production suppliers), increasing alternative materials and decentralizing supply chain areas.	2023-2025	• Reduce energy dependence • Reduce dependence on a single resource
Climate adaptation or mitigation activities	• Stakeholders are asking companies to be increasingly committed to climate adaptation or mitigation activities.	• Plan and execute the company's net-zero emission reduction path and strategy.	2023-2050	• Improve reputation • Targeted reduction of carbon emissions
R&D or investment	• The risk of uncertainty in the supply chain has increased, resulting in delays in the company's new product development progress and increased production costs. • Unable to meet customer needs and expectations, affecting brand image and reputation.	• Select domestic material suppliers of the same quality and develop alternative materials.	2025-2050	• Reduce single resource dependency • Improved coping capacity
Type of business operation or Business operation facility location	• The extreme high temperature of the production base caused an increase in electricity consumption and increased production costs. • The temperature of the computer room and equipment is too high, and the probability of thermal hazards for personnel work is greatly increased.	• Incorporate work hazards caused by climate change into safety regulations and conduct hazard notification.	2023-2025	• Improved coping capacity

Risk 3: Physical Risk (Chronic)- Increase of average temperatures

Impact Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Product or Service	- Stakeholders are concerned about HTC’s net-zero initiatives for products and services. HTC needs to invest more resources in greenhouse gas emission management and reduction. - Decreased work efficiency and customer satisfaction: due to power shortages or outages caused by high temperatures, as well as manpower impacts from extreme temperatures, will directly affect raw material delivery times, production plans, and distribution services, causing changes in customer sales plans and a decline in consumer satisfaction.	- Integrate the net-zero pathway for climate change into the overall strategy and apply to join SBTi. - Establish contingency plans for production and supply (alternative production sites). - Increase automated process equipment and smart manufacturing to reduce carbon emissions.	2023-2050	- Lower costs - Reduce carbon emissions - Improve equipment performance
	Water shortages affecting daily life causing work stoppages, impacting production capacity and delaying shipments.	Annually simulate the corporate operation plan to become familiar with contingency measures for component shortages, damaged transportation tools, and manpower limitations caused by heavy rains or prolonged droughts.	2022-2025	Improve corporate resilience
Supply Chain or Value Chain	Rising costs: higher temperatures will impact the cost of raw materials, production, and distribution, such as increased electricity prices, leading to higher operating costs. Power restrictions could prevent data centers or production lines from operating, affecting company operations and downstream suppliers’ shipments, causing extended procurement and shipment times.	- Negotiate with suppliers to consolidate and promote unnecessary packaging, and select suppliers with carbon reduction plans. - Plan shipping routes and use packing space efficiently.	2025-2050	- Lower expenses - Reduce transportation and production carbon emissions - Control upstream carbon emissions
	- Customers demand net-zero commitments, and HTC needs to be more proactive in carbon reduction efforts; suppliers responding to the zero-carbon trend will see increased management fees and production costs, leading to higher product prices. - Influenced by international trends, such as the imposition of carbon tariffs..	- Greenhouse gas emission inventory. - Promote life cycle and low-carbon product concepts and introduce them into design concepts. - Conduct product carbon footprint assessments and energy-saving designs to reduce or avoid carbon border taxes. - Strengthen supply chain negotiations to align with HTC’s overall net-zero pathway goals.	2023-2025	- Reduce or avoid the likelihood of being charged a carbon border tax - Improving supply chain resilience

Impact Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Climate adaptation or mitigation activities	Implement internal energy use control to actively achieve greenhouse gas emission reduction targets.	- Establish a sustainable management platform. - Increase green building designs to mitigate the impact of high temperatures through building renovations. - Invest in solar power generation equipment and power storage systems to increase the use of green electricity. - Internal carbon pricing—concretize carbon costs/fees through internal carbon pricing and integrate carbon costs into daily operations.	2023-2025	Reduce carbon emissions
	International concern over the rise in average temperatures is increasing rapidly, gradually shifting from encouraging carbon reduction to mandating it through regulations. Failure to respond in a timely manner may result in unnecessary expenses.	- Continue to pay attention to government regulations, international and industrial trends, and establish corresponding internal response and adjustment mechanisms. - Plan and execute the company's net-zero emission reduction path and strategy.	2023-2050	- Lower costs - Improve corporate resilience
R&D or investment	Integrate low-carbon concepts into R&D design, requiring additional manpower and R&D expenses to find new suppliers, new materials, and new process flows to design low-carbon products.	Select low-carbon or recyclable materials during the development stage to increase the material recycling rate.	2025-2050	Reduce the product carbon footprint
	Invest in low-carbon energy and actively use more low-carbon energy.	Participate in the green energy industry and develop related value chains.	2023-2025	Lower carbon emission risks and associated costs
	Financial institutions will increase the risk of asset value impairment for companies, such as revenue reduction and asset revaluation caused by low-carbon transition and new product R&D due to climate change, and adjust investment credit limits.	- Implement low-carbon transition plans by establishing a carbon management platform and increasing low-carbon energy equipment. - Set up carbon reduction R&D projects to boost financial institutions' confidence in green and sustainable investments.	2025-2030	Improve reputation
Type of business operation or Business operation facility location	Stakeholders are concerned about net-zero commitments, leading to increased expenditures to meet stakeholder expectations. - Increased electricity usage at production sites, raising production costs. - Overheating in server rooms and equipment, significantly increasing the risk of heat hazards for personnel.	- Optimize energy management systems. - Incorporate climate change-induced work hazard factors into safety regulations and conduct hazard notifications.	2023-2025	- Reduce electricity consumption/ carbon emissions - Improve reputation
	Increase in employee commuting and business travel carbon emissions, leading to higher expenses.	Plan to incorporate ESG awareness into new employee training in Taiwan and encourage practical actions to reduce carbon emissions.	2025-2050	- Reduce carbon emissions - Improve reputation

__Opportunity Coping Strategy

Opp 1: Products and Services- Develop and increase low carbon goods and services

Opportunity Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Product or Service	• Develop low-carbon products, low-carbon recycled materials (PCR), and enhance hardware life-cycle. • Reduce the use of paper, printing and packaging, integrate sustainable design and product appearance into green design, and gain market recognition.	• Create an ecological chain of low-carbon products and services. • The product User manual is digitized using QR code.	2023-2025	• Reduce resource consumption and waste
	• Replacing outdated and energy-consuming equipment to achieve low-carbon production.	• Replacing old central air-conditioning equipment (heating, ventilation and air conditioning, HVAC).	2022-2025	• Effectively reduce energy consumption and lower electricity bills
Supply Chain or Value Chain	• Encourage upstream manufacturers to design green, increase the number of green design shipments, reduce carbon emissions, and help achieve the goal of net zero emissions. • Create a green energy supply chain to achieve net zero emissions. • Cooperate with the whole value chain to implement R&D and production of low-carbon products.	• Continuously strengthen the carbon reduction and energy saving of the manufacturing process with the supply chain. • Promote supplier sustainability projects and introduce 3R design (Reduce ' Reuse ' Recycle) .	2023-2025	• Achieve net zero goal • Reduce resource consumption and waste
		• Encourage suppliers to participate in renewable energy programs.	2025-2050	• Achieve net zero goal
Climate adaptation or mitigation activities	• Improve the efficiency of internal energy control, prolong the service life of products, establish a more stable system, and reduce costs in the long run.	• Adopt green buildings, use renewable energy, switch to energy-saving equipment, and introduce energy management systems.	2023-2030	• Improve energy efficiency and reduce production and operating costs
	• Actively achieve greenhouse gas emission reduction targets through a carbon management platform and the implementation of internal carbon pricing.	• Internal carbon pricing – concretize carbon costs/carbon fees through internal carbon pricing and integrate these costs into daily operations.	2023-2025	• Reduce carbon emissions
R&D or investment	• Respond to external requirements, integrate green design principles into products, reduce environmental impact to meet customers' requirements for green and low-carbon products, generate revenue and attract investment willingness. • Make technical investment in products and services from the perspective of life cycle, and add the concept of carbon emissions, develop low-energy products, and expand the low-carbon market; if a carbon tax is introduced in the future, it can reduce costs for the company.	• In the product research and development stage, that is to formulate ecological design guidelines, including material research and development and selection, product design, product development evaluation, process research and development design and packaging design, based on the principle of energy saving and carbon reduction.	2022-2050	• Increase the competitiveness of HTC products • Reduced carbon footprint

Type of business operation or Business operation facility location	- Respond to the requirements of stakeholders for low-carbon products, and promote the promotion of ESG by integrating a full range of products and low-carbon production design. - Discuss with customers to merge and promote the concept of sustainable and green consumption, and enhance customers' trust in HTC products.	Strengthen courses and training related to products and services, so that business executives can clearly understand the design and practical advantages of low-carbon products, and then promote them to local customers.	2025-2030	- Respond to demand for low-carbon products - Improve brand reputation
	- Electronic internal documents and forms to achieve carbon reduction goals. - Encourage employees to take public transportation and walking activities, and reduce high-carbon emission activities such as driving and riding motorcycles. - Hold large-scale conferences online through the platform to reduce carbon emissions generated by transportation.	- Implementation of Fully Paperless, Digitalized, and Optimized Internal Operations Processes. - Coordinating with the sports season to organize activities to encourage public transportation and walking.	2023-2025	Reduce carbon emissions
		Continuous innovation and optimization of VIVERSE-related applications, meeting/ co-development through online or virtual reality space.	2023-2025	Reduce energy consumption and environmental pollution caused by transportation

Opp 2: Products and Services- Diversification of business activities

Opportunity Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Product or Service	- Research and develop low-carbon products and expand the market with diversified sales and operation methods, and establish consumers' image of HTC brand as being friendly to the environment. - Continue to research and develop products that maintain remote business operations, such as virtual platforms, Mars CamTrack, etc., to effectively reduce energy and resource consumption, enhance market competitiveness, and expand business scope.	Products, equipment and traffic management tools related to business use, using products that focus on environmental protection and eco-friendliness and reduce greenhouse gas emissions.	2023-2030	Promoting symbiosis and co-prosperity in the development of the park
		Cooperate with government departments to build VIVERSE Educational Ecological Park, evaluate the product market and demand, and meet the changing needs of the market through continuous improvement.	2023-2025	Increase the competitiveness of HTC products
Supply Chain or Value Chain	- Suppliers participate in the development of low-carbon products and diversified services, which not only benefit low-carbon products, but also enhance market competitiveness and drive demand for related products. - Use a common platform solution for remote work, affecting all upstream and downstream manufacturers to use the same platform to communicate.	Continued development of Vive Sync products to enable remote working solutions.	2023-2025	Increase the competitiveness of HTC products
		Use zero-carbon cloud services.	2023-2025	Net-zero carbon footprint of cloud services
Climate adaptation or mitigation activities	Actively seek green transportation to reduce carbon emissions due to increased sales.	- Choose a carrier that actively invests in land, sea, air, and green energy transportation. - Adjust the proportion of sea and air transportation, reduce air transportation and increase sea transportation.	2022-2050	Reduce energy consumption and environmental pollution caused by transportation

Opportunity Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Climate adaptation or mitigation activities	- Actively seek green transportation to reduce carbon emissions due to increased sales. - Plan public welfare leave feedback system to encourage employees to participate in energy-saving and carbon-reduction activities. - Join external ESG and green public welfare foundation initiatives to meet the expectations of stakeholders.	- Choose a carrier that actively invests in land, sea, air, and green energy transportation. - Adjust the proportion of sea and air transportation, reduce air transportation and increase sea transportation.	2022-2050	Reduce energy consumption and environmental pollution caused by transportation
		Public welfare leave feedback system.	2022-2050	- Respond to demand for low-carbon products - Improve brand reputation
R&D or investment	- Diversify input products and consider whether the overall benefit meets the economic scale. - Develop a working model for business and manpower optimization. - Expansion of commercial applications of related products helps to enter new markets, increase revenue and obtain investment opportunities.	To expand market competitiveness through innovative product design and development.	2023-2030	Increase the competitiveness of HTC products
Type of business operation or Business operation facility location	- Diversified management methods, increase brand value, and stimulate consumer product recognition. - Strengthen the marketing of green products and overall solutions to increase revenue. - Cloud solutions to reduce the impact of regional disasters.	Enhance the promotion of green product design and promote MARS and VIVERSE products to increase market penetration.	2022~	Reflected in revenue

Opp 3: Resource Efficiency- Use of more efficient production management and distribution processes

Opportunity Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
Product or Service	- Establish an overall virtualization platform to improve computing load capacity - Shorten the time required for production, efficient production management and distribution process, reduce the cost of carbon emissions, and reduce the waste of ineffective resources	Import automation equipment and cloud platform to reduce manpower demand	2023-2025	- Improve production efficiency - Reduce resource consumption and waste
		Improve factory production process through 5G private network combined with AI automatic identification and screening	2025-2050	- Improve production efficiency - Reduce resource consumption and waste
Supply Chain or Value Chain	- Based on the supplier’s carbon reduction performance, as the basis for selecting upstream suppliers, and assisting the supply chain to achieve net zero carbon goals - Flexible allocation of material supply, reducing excess material inventory	- Procurement department explores the feasibility of sustainable design, and continuously strengthens carbon reduction and energy saving in the external and supply chain - Promote supplier sustainability projects and introduce component 3R design (Reduce, Reuse, Recycle) - Supply chain reduces delivery and material preparation time	2023-2025	- Reduce product carbon emissions - Reduce inventory rate and increase production efficiency
		- Adopt low-carbon transportation and green shipping to reduce carbon footprint - The carbon reduction transformation of manufacturers in the overall value chain, the creation of a green supply chain and the development of new technologies	2023-2025	- Promote greenhouse gas reduction - Select manufacturers with carbon reduction performance
Climate adaptation or activities	mitigation Through the internal energy control and management platform, monitor the implementation of relevant emission reduction activities and reduce greenhouse gas emissions	- Build a sustainable management platform - The structure of energy use is shifting towards low carbonization	2023-2025	- Energy saving control - Low carbon operation

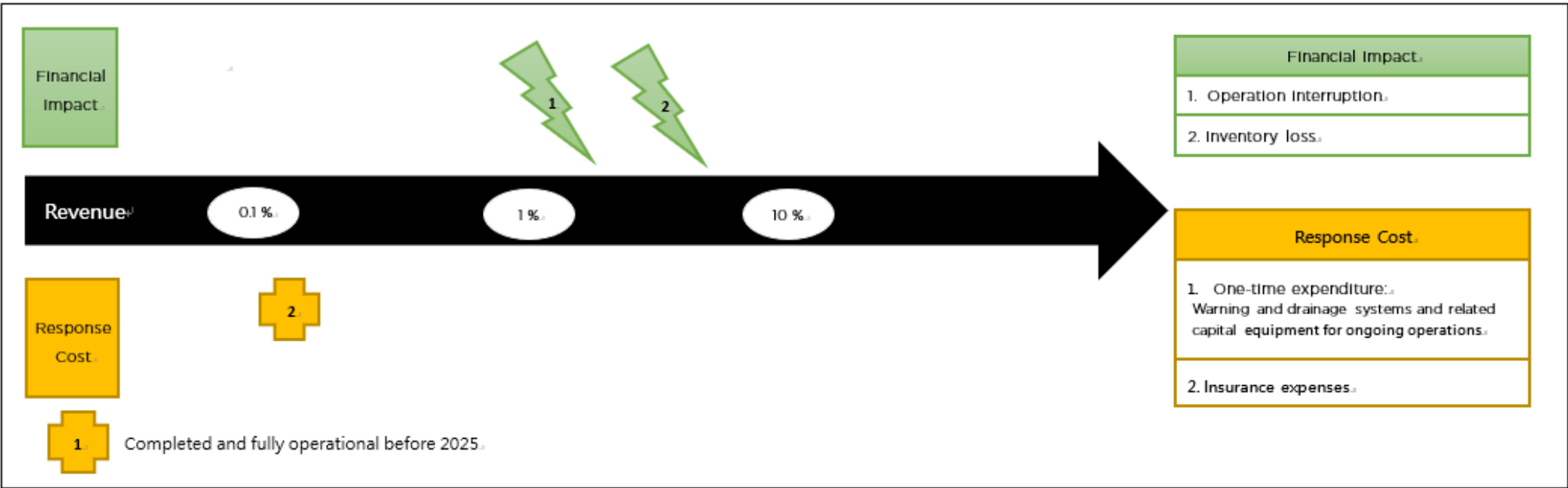
Opportunity Content		Coping Strategy		
Impact Category	Description	Impact Category	Time	Evaluate benefits
R&D or investment	Respond to domestic and foreign carbon emission disclosure and carbon reduction requirements, and adopt new technologies to improve production management efficiency	Build a carbon management platform to simulate the carbon emission status of low-carbon products	2023-2025	Energy saving control
	In the product design stage, products with simplified structure and fewer parts are used to improve production efficiency	- The direction of RD research and development, with factory automation production - Product design is simplified and the number of parts used is reduced	2025-2030	- Improve factory productivity - Reduce carbon emissions generated during the manufacturing phase
	Invest in low-carbon energy. Global operating bases increase the proportion of renewable energy by purchasing green power certificates and direct purchases of green power	Renewable energy import and purchase of renewable energy certificates	2023-2025	Reduce carbon emissions
Type of business operation or Business operation facility location	Stakeholders pay attention to product and service carbon emission information	- Promote the design and substantial benefits of products and services related to low-carbon products - Through the sustainable management platform, provide stakeholders with information concerned	2023-2050	- Respond to demand for low-carbon products - Improve brand reputation

Financial Quantification - Risk

Based on the identified risk/opportunity items, HTC estimates the financial changes that climate change may cause to HTC, and develops various risk response strategies, evaluates and estimates "management costs" and "management benefits", based on each risk/ The short-, medium- and long-term characteristics of opportunities, and the estimated impact of climate change risks/opportunities on HTC's finances.

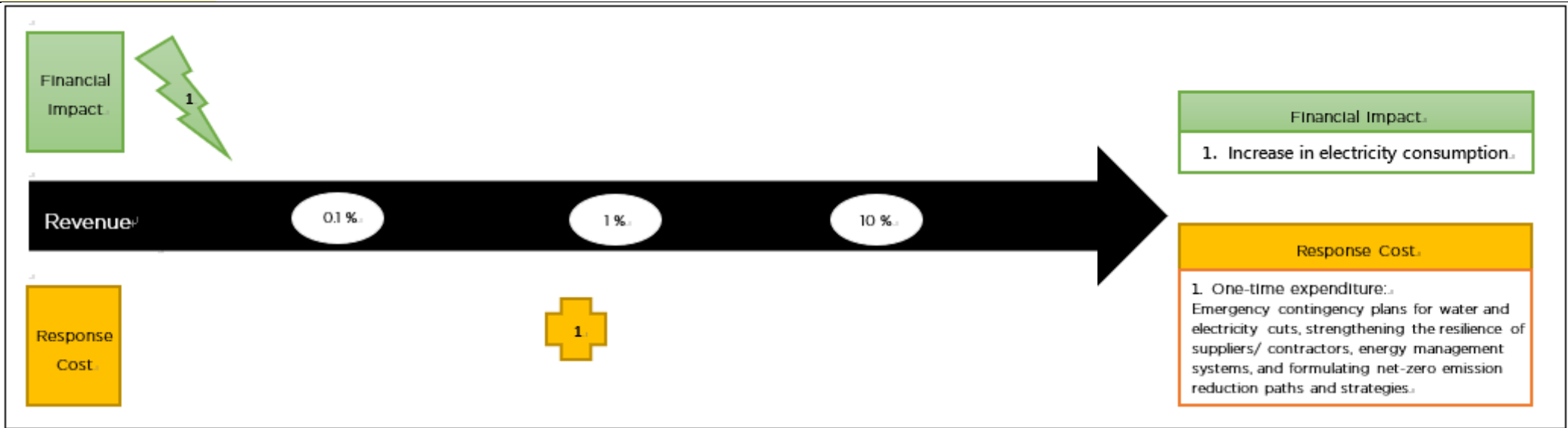
Risk 1: Physical Risk(Acute)- Increased severity of extreme weather events such as typhoons and floods

	Statement of Financial Impact	Calculation of Financial Impact (Annualized)
Financial Impact Analysis	In the short to medium term (3-8 years), extreme weather events such as typhoons and flooding may have a significant impact on business continuity and financial performance. The risk assessment primarily focuses on potential impacts to operating revenue and operating costs, including: Business Interruption (Revenue Reduction): Based on climate scenario assumptions, HTC estimates the potential frequency and duration of extreme weather events over the short to medium term. The estimated number of business interruption days is then multiplied by annual consolidated operating revenue to quantify the potential revenue loss attributable to extreme climate-related events.. 1. Inventory Loss (Asset Reduction): HTC evaluates the flood-risk exposure of major operating sites and warehouse locations and estimates the proportion of inventory located in high flood-risk areas. This assessment is combined with the projected frequency of extreme weather events to quantify potential inventory losses and asset impairment risks resulting from disasters such as flooding.	Since HTC has not had any interruption of operations due to extreme weather events in the past, the assessment of the relevant financial impact is based on the most serious situation. suffer: - Operating loss, approximately 3.2% of consolidated operating income. - Inventory loss, accounting for less than 6.9% of consolidated operating income.
Cost Analysis of Coping Strategies	Actions taken by HTC in response to the above risks, as well as the assessment of executable actions to mitigate or transfer related climate risks: In terms of "capital expenditure and capital allocation": (1) Increase early warning capabilities (increased costs and expenses): Capital expenditures for setting up early warning systems and disaster prevention systems. (1) Increased ability to continue operations (increased costs and expenses): capital expenditures and expenses for the purchase and use of emergency generators, and the cost of additional equipment for remote office colleagues. In terms of "operating costs and operating revenue": (2) Insurance costs (increased costs and fees): the cost of purchasing insurance related to natural disasters.	The financial impact of the associated response costs is: - To strengthen operational resilience in response to extreme climate events, HTC has invested in flood-level early warning systems, automatic drainage equipment, emergency communication systems, backup power generators, and additional data center redundancy resources. The acquisition and installation of these measures were completed prior to 2025. Accordingly, no significant capital expenditures or related operating expenses were incurred during the current reporting period, and the financial impact on the Company was limited. - Annual insurance premiums represent less than 0.3% of consolidated operating revenue. Accordingly, the associated costs have a limited and manageable impact on the Company's overall operating expenses and financial performance.



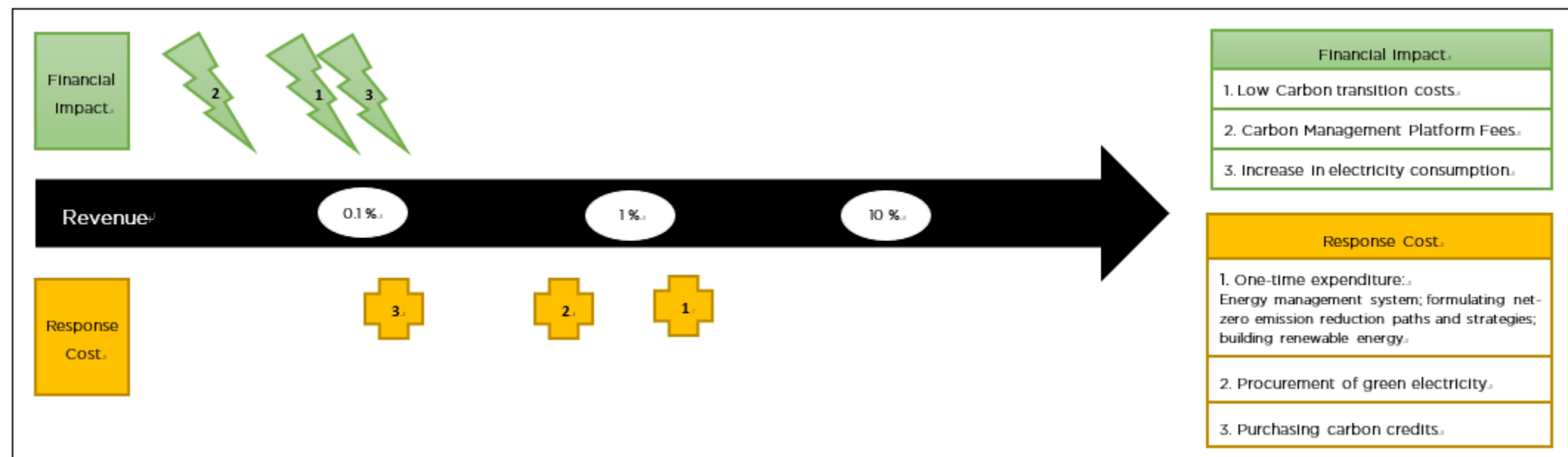
Risk 2: Physical Risk (Chronic)- Changes in rainfall (water) patterns and extreme changes in climate patterns

	Statement of Financial Impact	Calculation of Financial Impact (Annualized)
Financial Impact Analysis	Under the RCP 8.5 scenario, global temperatures are projected to rise by approximately 0.55°C by 2030 compared to 2024 levels. Higher temperatures are expected to increase electricity demand, while growing power supply constraints and operating costs may lead to higher electricity tariffs. These factors could increase operating costs and expenses. The primary financial impact is expected to be on operating costs and operating revenue. 1. Electricity consumption (increase costs and expenses): Rising temperatures are expected to increase electricity demand for cooling and air-conditioning. This assessment assumes an electricity consumption increase of approximately 3.3% (0.55°C × 6%). Based on actual electricity consumption in 2025, projected electricity tariff rates in 2030, and the estimated increase in electricity usage (3.3%), HTC estimates the potential increase in electricity-related costs attributable to climate change.	1. Through the continued implementation of energy conservation and carbon reduction measures, HTC has improved electricity-use efficiency and reduced overall power consumption. Even under scenarios of future electricity price increases, the resulting increase in electricity-related expenditures is expected to account for less than 0.1% of consolidated operating revenue. Based on industry benchmarks, an assessment of current electricity consumption patterns and potential electricity price increases through 2030 indicates that the associated additional costs would remain below 0.1% of consolidated operating revenue.
Cost Analysis of Coping Strategies	Actions taken by HTC in response to the above risks, as well as the assessment of executable actions to mitigate or transfer related climate risks: In terms of "operating costs and operating revenue": (1) Increased ability to continue operations (increased costs or expenses) (2) Increase supplier resilience (increased fees) (3) Build an energy management system to increase energy efficiency (cost or expense increase) (4) Implementation of climate adaptation strategies (increased cost or expense) In terms of "capital expenditure and capital allocation": (1) Design low-carbon products (increased costs and fees)	The financial impact of the associated response costs is: 1. One-time expenditures associated with the implementation of the aforementioned measures—including the establishment of water and power rationing contingency plans, enhancement of supplier and contractor resilience, deployment of energy management systems and energy-efficiency initiatives, and the development of net-zero reduction pathways and strategies—are estimated to account for less than 2% of consolidated operating revenue. 2. HTC's solar photovoltaic system was completed and commissioned in 2024. The related assets are recognized through annual depreciation expenses while effectively reducing reliance on purchased electricity. The system generates annual electricity cost savings of approximately NT\$1 million, resulting in an overall positive effect on operating costs and financial performance.



Risk 3: Physical Risk (Chronic)- Increase of average temperatures

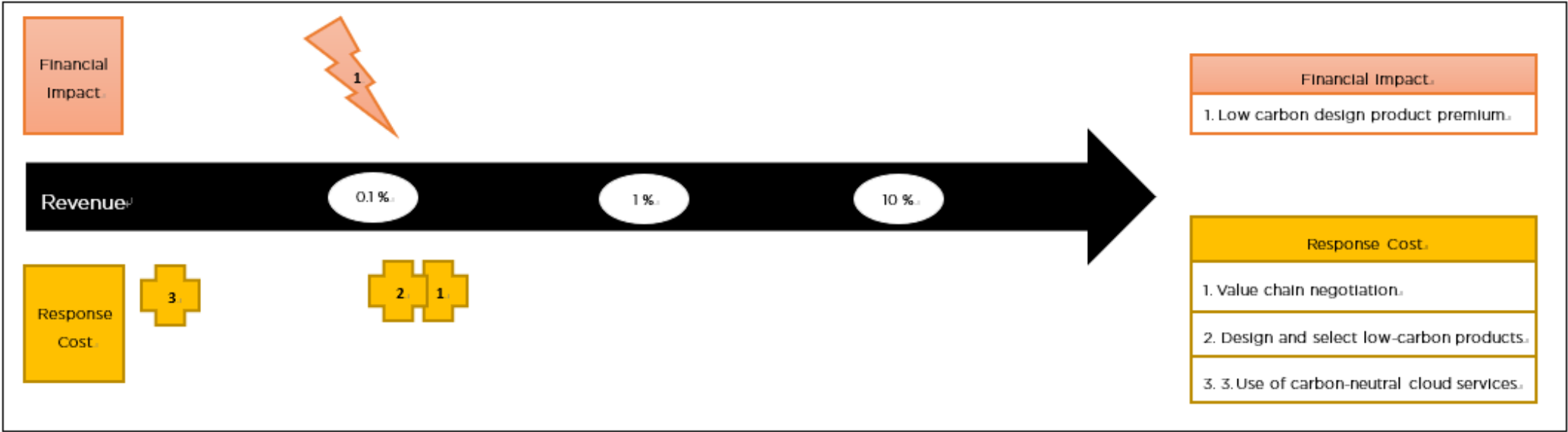
	Statement of Financial Impact	Calculation of Financial Impact (Annualized)
Financial Impact Analysis	Rising global temperatures lead to power issues and increased costs, as countries push for net-zero emissions and carbon disclosure. Companies need to manage carbon data, increasing management costs. The financial impact is mainly on "operating costs and operating income," with specific impacts including: 1. The cost of investing in the low-carbon transition (increased costs and fees) 2. Greenhouse gas emission disclosure and management (cost increase) 3. Electricity consumption (increase costs and expenses): 2025 electricity usage × Estimated electricity rate for 2030.	1. Incorporate low-carbon design concepts or choose low-carbon emission/recyclable materials. After evaluation, it is necessary to increase purchase costs, R&D costs, and other derivative expenses by 0.24%, and increase the current annual cost, accounting for about 0.1% of the consolidated operating income. This financial impact is also identified as the realization costs of opportunity 1 & 3, which is hereby explained. 2. Assess current electricity usage based on industry conditions and the potential increase in electricity prices by 2030, which may result in an expenditure increase of less than 0.1% of consolidated revenue. 3. The carbon management platform construction cost and annual maintenance cost account for less than 0.2% of the consolidated operating income. This financial impact is also recognized as the realization cost of opportunity 3, which is hereby explained.
Cost Analysis of Coping Strategies	Actions taken by HTC in response to the above risks, as well as the assessment of executable actions to mitigate or transfer related climate risks: In terms of "operating costs and operating revenue": 1. Build an energy management system to increase energy efficiency (cost or expense increase) 2. Implementation of climate adaptation strategies (increased cost or expense) 3. Procurement of green electricity (increased costs or fees) 4. Purchasing carbon credits (increased costs or fees) In terms of "capital expenditure and capital allocation": 1. Build renewable energy (increased cost or fee)	The financial impact of the associated response costs is: 1. Introduce an energy management system; formulate a net zero emissions path and strategy, and execute a net zero carbon reduction plan; build renewable energy and other one-time expenditures, accounting for about 1.6% of Consolidated Operating Revenue 2. The cost of purchasing green electricity every year accounts for about 0.7% of the Consolidated Operating Revenue without considering any adjustments and buffering impacts 3. Without considering any adjustments and impact mitigation, it is estimated based on the current year's greenhouse gas emissions that the annual cost of purchasing carbon rights accounts for about 0.2% of the Consolidated Operating Revenue 4. One-time expenditures associated with renewable energy deployment are assessed in accordance with the adaptation strategy cost analysis presented under Risk 2



Financial Quantification - Opportunity

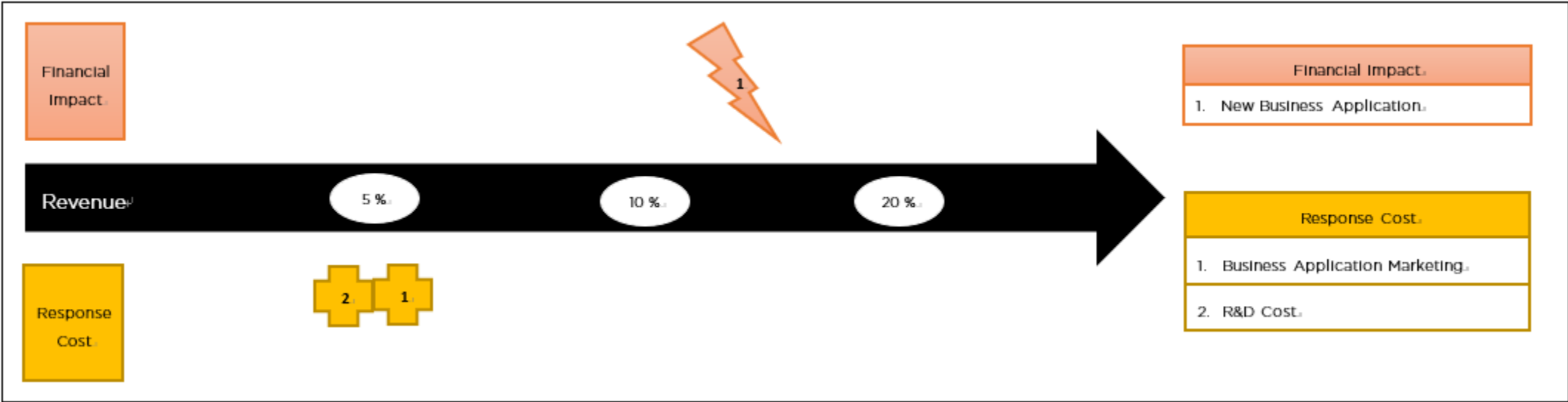
Opp 1: Products and Services- Develop and increase low-carbon goods and services

Statement of Financial Impact		Calculation of Financial Impact (Annualized)
Financial Impact Analysis	In response to decarbonization trends, HTC has incorporated low-carbon transformation into its long-term strategy and continues to invest in the development of low-carbon businesses, including VIVERSE, VIVE Arts, VIVE Originals, and G REIGNS. In the short to medium term, the promotion of low-carbon businesses and green products may lead to a modest increase in costs due to ongoing investments in research, development, and design. However, as market demand for low-carbon products and services continues to grow, these initiatives are expected to enhance product and service competitiveness, strengthen brand value, and drive revenue growth over the medium to long term. Overall, the impact on the Company's consolidated operations and financial performance is considered manageable and presents positive growth potential. The financial impact includes: 1. Low-carbon products increase product competitiveness (increased revenue)	1. The percentage of premium that can be charged to customers due to the introduction of low-carbon design is estimated to be about 1.07%. 2. Low-carbon design measures are implemented through existing R&D and design processes, with no significant incremental investment required. Accordingly, no material impact on the Company's financial position, operating performance, or cash flows is expected.
Cost Analysis of Coping Strategies	HTC has implemented measures and evaluated executable actions. In terms of "operating costs and operating revenue": 1. Value chain negotiation (increased costs and fees) 2. Design and select low-carbon products (increased costs and fees) 3. Use of carbon-neutral cloud services (increased operating costs and expenses).	The financial impact of the associated input costs is: 1. To promote the concept of sustainable and green consumption to customers and suppliers, accounting for about 0.14% of of consolidated operating income 2. Use low-carbon equipment to reduce carbon emissions in the manufacturing and operation process, and invest in one-time expenditures, accounting for about 0.13% of consolidated operating income 3. Expenditures related to the use of carbon-neutral cloud services represent approximately 0.03% of consolidated operating revenue.



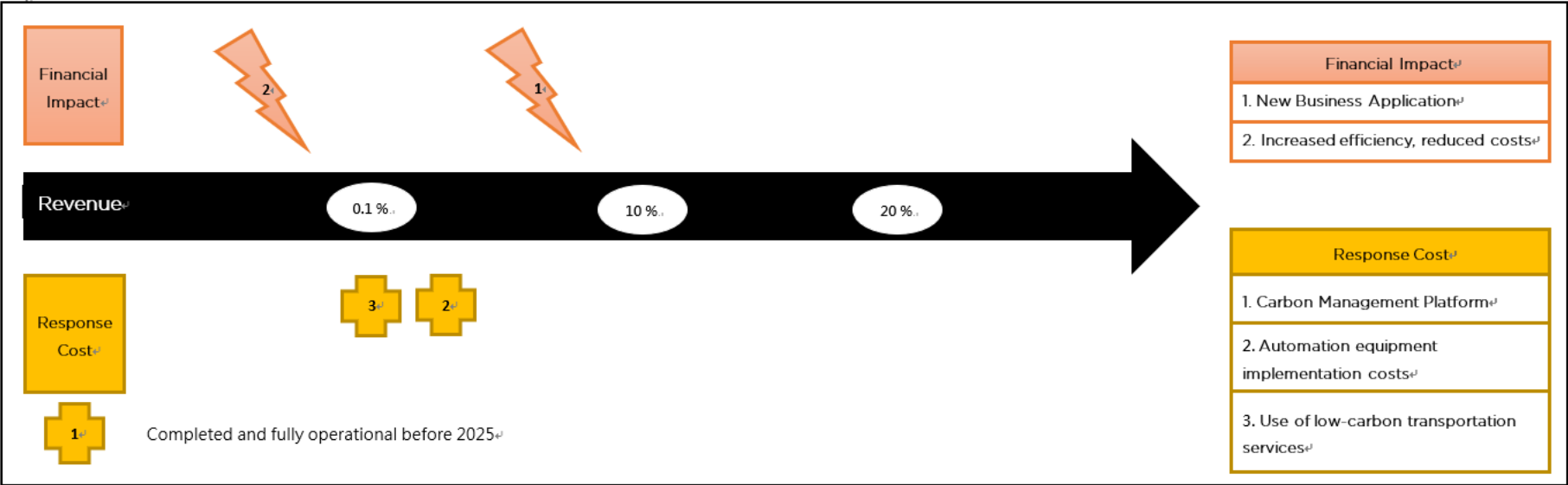
Opp 2: Products and Services- Diversification of business activities

	Statement of Financial Impact	Calculation of Financial Impact (Annualized)
Financial Impact Analysis	To avoid operational interruptions caused by extreme weather, the company continues to develop products such as virtual platforms, Mars CamTrack, and remote office to maintain remote business operations, enhance market competitiveness, and expand business scope. The development of low-carbon products and the expansion of related commercial applications are expected to diversify the Company's business portfolio and extend its market reach, creating potential opportunities for revenue growth and investment returns. The financial impact is mainly on "operating costs and operating income": Diversification of business applications and expansion of business scope (increased revenue)	The growth of new commercial applications can increase the consolidated operating income by 15%-30% after evaluation
Cost Analysis of Coping Strategies	HTC has implemented measures and evaluated executable actions in terms of "operating costs and operating income": - Empower consumers and expand applications (cost increase) - Invest in research and development to expand commercial applications (cost increase)	The financial impact of the associated input costs is: - Marketing expenses for promoting the commercial application of the subject product, assessed at 0%-10% of consolidated operating income - Optimizing the development of new business-related applications and increasing research and development expenses, which is estimated to be 0%-5% of consolidated operating income. This financial impact is also recognized as the realization cost of opportunity 3, which is hereby explained.



Opp 3: Resource Efficiency- Use of more efficient production management and distribution processes

Statement of Financial Impact		Calculation of Financial Impact (Annualized)
Financial Impact Analysis	In response to evolving carbon disclosure requirements and decarbonization policies worldwide, HTC has strengthened its carbon management through the implementation of a carbon management platform and the adoption of environmentally friendly transportation solutions. These initiatives help reduce energy consumption and operating costs while mitigating potential expenses associated with climate change impacts and emerging regulations, such as carbon taxes and carbon fees. The financial impact is mainly on "operating costs and operating revenue", including: - Improved operational efficiency and cost reduction (lower operating costs). - Reduced exposure to carbon taxes and carbon fees (lower costs and expenses).	- Automation-driven efficiency improvements are expected to reduce operating costs by approximately 0.4% of consolidated operating revenue annually. - Reduced GHG emissions from production and distribution activities are expected to lower future carbon tax and carbon fee exposure, resulting in annual operating expense savings of less than 0.1% of consolidated operating revenue.
Cost Analysis of Coping Strategies	The actions taken by HTC to realize the aforementioned opportunities and evaluate actionable steps, In terms of "operating costs and operating revenue": - Sustainability/ Carbon platform deployment and maintenance costs (higher operating costs and expenses). - Use of low-carbon transportation services (higher operating costs and expenses). In terms of "capital expenditure and capital allocation" - Automation equipment implementation costs	The financial impact of the related investment costs includes: - Automation equipment was implemented as part of prior-period capital investment projects, and no significant additional expenditures were incurred during the current reporting period. The resulting operational efficiency improvements have begun to be realized and contribute to reductions in operating costs. - The implementation and annual maintenance costs of the carbon management platform account for less than 0.2% of consolidated operating revenue. This adaptation cost has also been identified as a financial impact under Risk 3 and is disclosed accordingly. - Sustainable fuels are currently priced approximately two to three times higher than conventional fossil fuels. Internationally, sustainable fuels are generally adopted through a blending approach, with blending ratios of approximately 2% in 2025 and increasing to around 5% by 2030. Based on current operating scale and fuel consumption assumptions, the associated incremental costs are estimated to account for approximately 0.1% of consolidated operating revenue



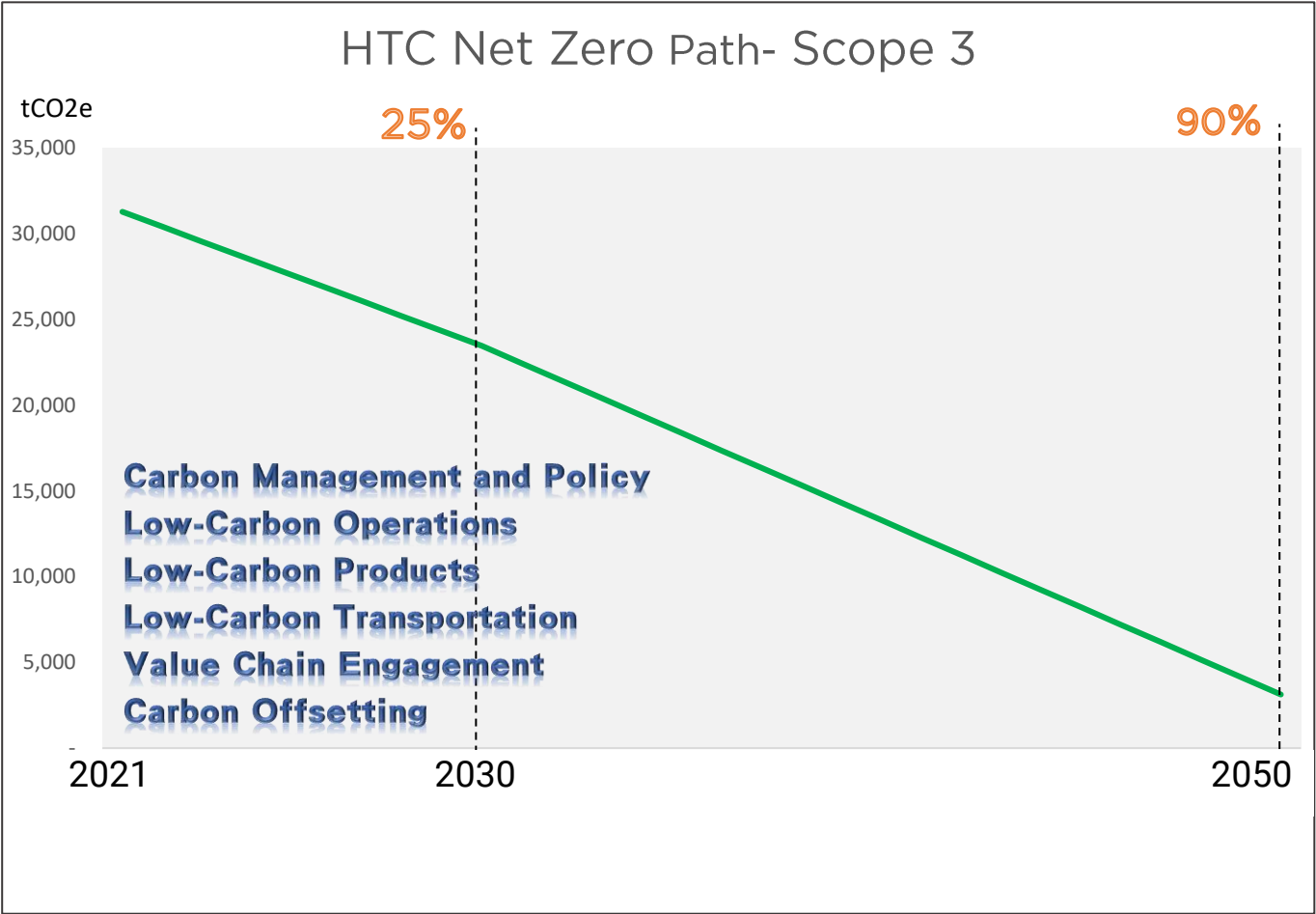
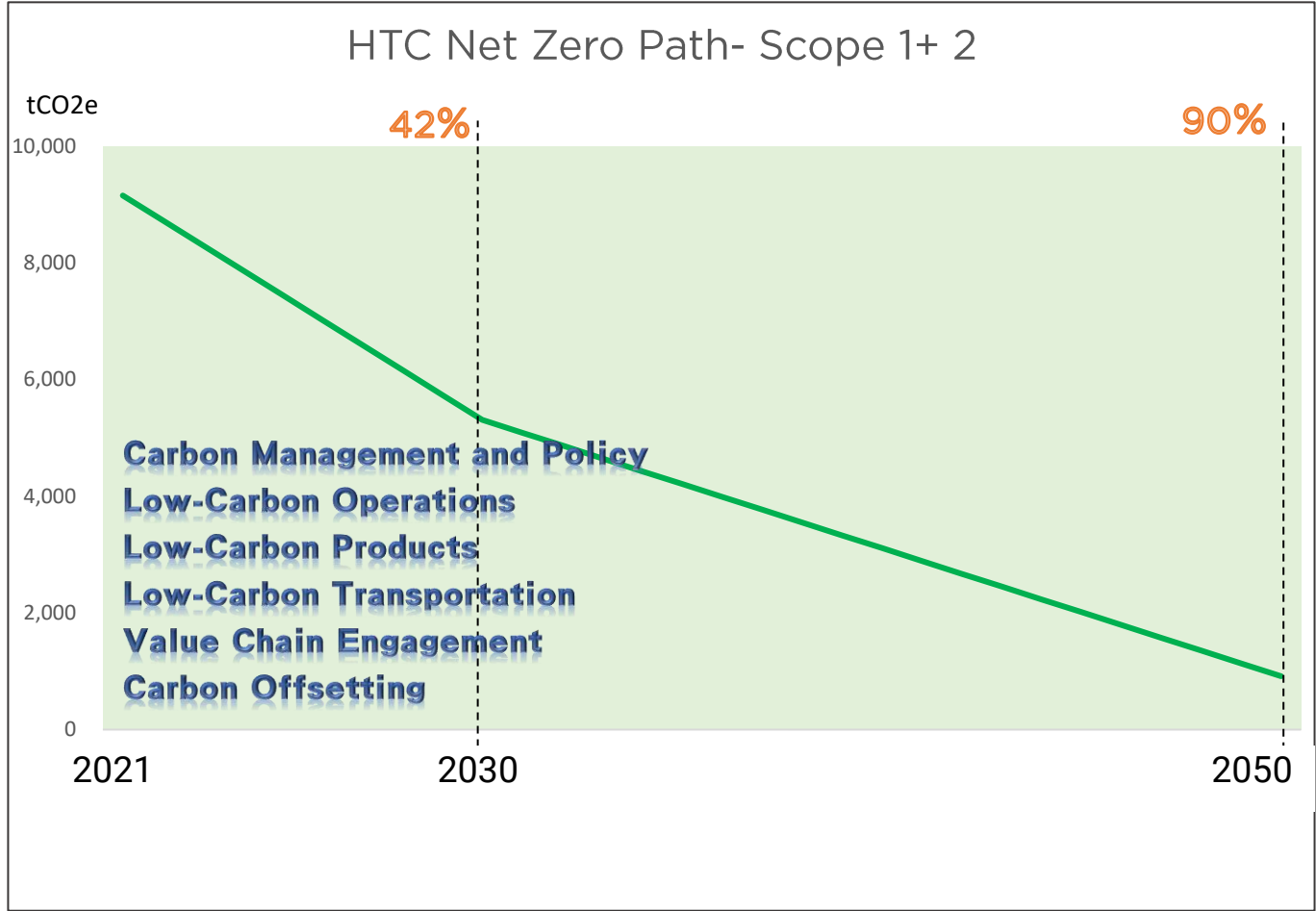
Metrics and Targets

Metric Goal Setting

HTC signed a commitment with the Science Based Targets initiative (SBTi) in 2022 and aims to pass the SBTi target review by August 2024. Based on the carbon reduction guidelines and methodologies published by SBTi, HTC will set its greenhouse gas reduction and net-zero carbon emission targets to fulfill its commitment to achieving net-zero emissions by 2050. By linking its core business with concrete quantified management, HTC has established a clear decarbonization pathway, including six major decarbonization strategies: “carbon management and policy,” “low-carbon operations,” “low-carbon products,” “low-carbon transportation,” and “value chain engagement,” with “carbon offsetting” as a final measure. In addition, the company submitted its SBTi target review in January 2024, moving towards the 2050 net zero goal through integrated efforts.

HTC SBTi Net Zero Target: (Based Year: 2021)

- Scope 1 and 2 reduction targets are 42% reduction compared with the base year in 2030, and 90% reduction compared with the base year in 2050
- Scope 3 reduction target is 25% reduction compared with the base year in 2030; and 90% reduction compared with the base year in 2050



Carbon Management and Policy

__Completely Policy and Risk Management

HTC plans to formulate global warehouse control plans and off-site office management methods through risk assessment of all operating bases, strengthen corporate resilience in the face of climate risk scenarios, and set up early warning mechanisms in high-risk bases to increase natural disaster risk coverage rate, in order to minimize the interruption of operations or the loss of plant and equipment caused by the weather.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Risk Assessment	The number of risk assessments of operating bases completed	
Risk Mitigation Plan	Develop global cargo warehousing locations	✓ 2025- 100% complete the risk assessment of high flooding of operating bases according to RCP8.5.
	Begin to develop basic emergency response / business continuity management plan	
	Formulate remote office management methods (policies, drills)	□ 2030- Number of risk mitigation plans (or asset value) for 100% of operating bases.
	Increase the water level warning system of Dongmen River and the installation of manpower support waterproof gates	
	Adding automatic drainage system equipment	✓ The number of days of operational interruption caused by weather is 0 days.
	Addition of an emergency notification system as a contingency mechanism	✓ The loss of plant and equipment caused by climate is 0.
	Products transfer	✓ 100% natural disaster insurance coverage.
Natural Disaster Insurance	Natural disaster insurance fixed assets and inventory coverage ratio (%)	

Carbon Management Mechanism

To effectively manage and monitor the company's overall carbon emissions in real-time, establishing a carbon management platform is a crucial infrastructure for HTC's carbon management efforts. Coupled with internal carbon pricing measures, this will internalize external costs by setting a carbon pricing mechanism and rates. These factors will be considered in operational decision-making to enhance the overall strength of operations and supply chain management, with the goal of achieving HTC's net-zero emissions target.

Item	Metrics	Targets(Goal achieved: ✓ Planning/In progress: □)
Carbon data management platform	Systematize the carbon inventory process and improve management quality	✓ 2023-
	Complete the end-to-end integration of carbon emission data source systems to enhance accuracy and simplify processes	✓ Establish a carbon data collection system and carbon index database. ✓ Connect internal data (domestic & overseas). ✓ Establish a carbon data tracking and application system, and establish a carbon data analysis methodology.
	Track and analyze carbon data to facilitate the review and iterative adjustment of carbon strategies	✓ 2024- Begin to produce carbon data analysis report every year.
Internal carbon pricing (ICP)	Establish a carbon pricing mechanism and rates to factor into operational decision-making	✓ 2023- Establish an internal carbon pricing task force ✓ 2024- Introduce carbon pricing methodologies and rate-setting mechanisms, along with performance evaluation and incentive systems
	Develop financial processes and management systems to internalize external costs	✓ 2025- Set carbon pricing rates and disclose them externally

Low-Carbon Operations

Energy-saving and Low-carbon Operation Management

For operational equipment and behaviors, HTC integrates the concepts of energy saving, power saving, and low-carbon into daily operations and management. Through green buildings, energy-saving solutions, and renewable energy purchases, it can effectively reduce carbon emissions and energy use generated by operating behaviors.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Green building	Improvement in energy and water efficiency (%)	□ 2050- Improve electricity and water efficiency by 30%
	Whether to carry out energy-saving scheme planning, replace energy-saving lamps or chilled water hosts	✓ 2023- Take inventory of lamps and ice water host models and produce a carbon reduction assessment report ✓ 2024- Manufacturers negotiate or seek cooperation with manufacturers
Energy saving project	Introduction of energy automation/digital management	✓ 2023- Formation of an energy saving working group ✓ 2023- Identify the processes that can be automated or digitized in offices and factories. ✓ 2024- Manufacturers negotiate or seek cooperation with manufacturers
	Set up an energy-saving/cloud-based computer room	✓ 2023- Formation of an energy saving working group. ✓ 2023- Identify computer room equipment that can be cloudified. ✓ 2024- Manufacturers negotiate or seek cooperation with manufacturers.
	Build/ Buy renewable energy	✓ 2023- Establish a renewable energy working group and produce an assessment report on self-generation of renewable energy. ✓ 2023- Search for and compile a list of renewable energy construction manufacturers. ✓ 2024- Continuously increase the installation/purchase of renewable energy starting

Low-Carbon Products

Extend Product Life Cycle

Whether it is the product itself or product parts, HTC uses the concept of recycling and shared use to design production components that are easy to disassemble and assemble, and is committed to reducing product waste. life cycle and reduce the use of raw materials.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Extend product life	Provide refurbished and reassembled products	✓ From 2023- Conduct annual reviews on material supply and demand, market prices and inventory starting. □ 2050- Increase the number of re-sell products by 30%.
	Reduce product material waste	✓ Continuously review material supply and demand, market price and inventory □ 2050- Increase the number of re-sell products by 30%.
Product Cycle Mechanism	Design products that are easy to disassemble and allow parts to be reused	✓ 2025- Count and track the purchase of commodity DIY repair parts. □ 2030- Increase purchases of DIY repair parts by 10%. □ 2050- Increase purchases of DIY repair parts by 30%.
	Use of recycled materials such as recycled plastic	
	Use environmentally friendly materials	
	Reduce packaging materials	
	Voluntary Take Back Policy	

Low Carbon Business Model

HTC has planned to carry out low-carbon innovative design, through low-carbon alternative materials and design options, to reduce the carbon footprint of products, and appeal to consumers to rent instead of buy, develop a new low-carbon business model, and expand new consumer groups. In addition, it cooperates with sustainable advocacy organizations to increase sustainability-related content in VIVERSE and increase users’ awareness of sustainability; through virtual reality features, users can experience the impact of climate change and motivate customers to act sustainably.

VIVERSE will provide a supply chain management platform to solve the difficulties in sustainable management of small and medium-sized enterprises, and assist enterprises and organizations to manage sustainable and low-carbon related issues, link products/services with sustainable indicators, and expand more diverse business models , and achieve low-carbon operation of the entire value chain.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Formulate and implement low-carbon product management strategies	Complete the carbon footprint inventory of each product line, and set the carbon footprint reduction KPI of the target product	✓ 2023- A series of products that can calculate the carbon footprint of products will be counted (self-counted), and a list of target products will be produced ✓ 2024- Produce the target product life cycle assessment report ✓ 2025- Complete ISO 14067 for the target product □ 2026- Complete the target setting report on product carbon footprint reduction
Smart manufacturing processes	Low-carbon manufacturing process and supply chain transformation promotion project (including smart manufacturing for carbon reduction)	✓ 2024- Evaluate resources and begin implementation. ✓ 2025- Complete according to plan.
Low Carbon Business Model	Encourage consumers to rent equipment instead of buying	✓ From 2024 - Continue to evaluate the feasibility of launching a rental subscription service
Low-Carbon Innovative Design	Carry out low-carbon innovative design, reduce product carbon footprint, and create new markets	✓ 2023- Formation of a low-carbon materials and design working group. ✓ 2024- Feasibility assessment of low-carbonization of materials used in the process. ✓ 2025- Low carbon material selection and design.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
New market/ Customer Development	Cooperate with sustainability advocacy organizations to increase sustainability-related content in VIVERSE and increase users' awareness of sustainability; and through virtual reality features, users can experience the impact of climate change and encourage sustainable actions	✓ From 2022- The number of VIVERSE subscription users grows by 10% every year
	To assist users and SMEs in sustainable growth, VIVERSE provides a platform to manage the supply chain, and provides specific sustainable suggestions to solve the difficulties in sustainable management of SMEs	
	Assist enterprises and organizations in managing sustainable and low-carbon issues	
	Link products/services with sustainable indicators such as SDGs	
	Build a virtual platform to enhance the strength of supply chain management	

Low-Carbon Transportation

__Operational Base

In 2023, HTC established a task force for the electrification of shuttle and transit vehicles, incorporating low-load vehicles into its low-carbon management operations strategy. The company plans to encourage employees to refer to the list of eco-friendly hotels provided by the Environmental Protection Administration of the Executive Yuan during business trips and to use public transportation more frequently for regular commuting, achieving low-carbon commuting for employees under the goal of low-carbon operations.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Low-carbon vehicle	Electrification of the shuttle bus	✓ 2023- Establish a working group on the electrification of shuttle vehicles and transit vehicles. ✓ 2024- Continue to evaluate cooperative connection vendors.
	Staying in an eco-friendly hotel during a business trip	✓ From 2023- Colleagues will stay in eco-friendly hotels when traveling on business. You can refer to the list of eco-friendly hotels issued by the Environmental Protection Agency(Taiwan).
Low-carbon commuting	Low Carbon Commuting/ Transportation	✓ From 2023- Encourage colleagues to take more public transportation when commuting. ✓ 2024- Shuttle services at operational sites will be further optimized through passenger count statistics to improve service frequency.

__Product Transportation

Since 2016, HTC’s global warehouse strategy has considered optimizing distribution models and shortening routes to international air/sea ports. In recent years, further optimization of the shipping system has been implemented through a carbon management platform. The company continues to choose low-carbon transportation options and combines multiple orders or products into single shipments to reduce the number of deliveries. This approach aims to lower carbon emissions, save transportation costs, and enhance distribution efficiency, creating a win-win situation for the company and its customers.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Enhancing Product Transportation Efficiency	Optimization of the shipping system (e.g., consolidating shipping orders) and packaging optimizatio	✓ 2023- Establishment of a transportation carbon emission data collection system. ✓ 2024- Completion of program and system function settings. ✓ Starting in 2024- Annual monitoring of the proportion of consolidated shipments and land, sea, and air transport ratios.

Supply chain Engagement

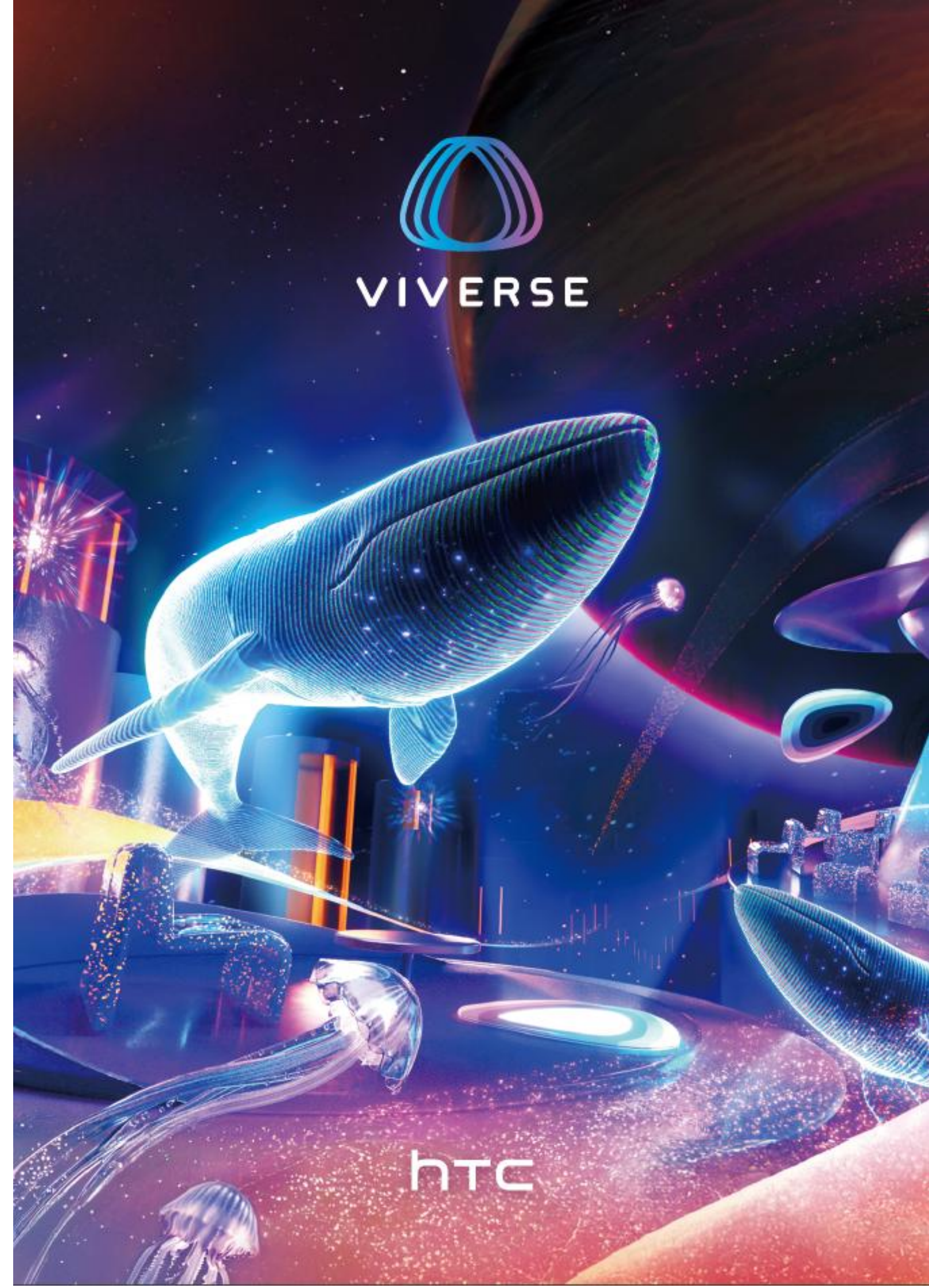
Supply Chain Management

The countermeasures related to climate change are not limited to HTC itself. HTC has extended the actions and policies of climate change to the entire value chain, including prioritizing the negotiation of sustainable management with key suppliers; , Water-saving measures and goals are included in procurement standards, etc. In addition to requiring suppliers to take relevant implementation actions, an assistance plan is also set up for suppliers in difficulties, and through counseling, we will work with suppliers to implement carbon reduction goals. At the same time, HTC also considers climate risk events such as heat exhaustion and snowstorms that suppliers’ employees may face, and requires identification and provision of safety maintenance for its employees’ occupational safety and health.

Item	Metrics	Targets (Goal achieved: ✓ Planning/In progress: □)
Supplier Sustainability Scoring Mechanism	Evaluate suppliers’ ESG-related actions and identify key suppliers	✓ Starting in 2022- Include ESG scores in the scorecards during Quarterly Business Review (QBR) meetings
Supply Chain Negotiation Object Identification	Identify key suppliers and concentrate resources on priority negotiating partners	✓ 2023- Establish key supplier standards ✓ 2024- Set standards for supplier classification
Set up a supply chain assistance program	Suppliers with higher power consumption/carbon emissions are required to implement data management and set trackable medium and long-term goals	✓ 2024- Types of Assistance Programs to be Assessed ✓ 2025- Establish a working group to implement the plan
	Assist/guide suppliers in identifying carbon reduction opportunities and transitioning to low-carbon practices (Low-Carbon Process and Supply Chain Transformation Promotion Plan)	✓ 2024- Eevaluate the types of assistance plans and start implementation ✓ 2025- complete the identification of carbon reduction opportunities and set carbon reduction targets
Incorporate suppliers’ carbon measures into procurement criteria	Require suppliers to conduct data audits and report the results on the CDP/HTC Supply Chain Carbon Management Platform	✓ Starting in 2023- Carbon data provided by suppliers will be progressively verified through internal and external audits
	Develop procurement policies and selection criteria - Incorporate suppliers’ energy-saving measures into procurement criteria	✓ 2024- Aggregate commodity carbon emission data ✓ 2025- Set a low-carbon commodity definition
Identification of security protection	Assess the occupational safety and health protection actions of suppliers’ employees	✓ Incorporate climate-related risk management questions into supplier self-assessment/ audit questionnaires

Carbon Offsetting

Carbon offsets serve as a last resort on the path to net-zero emissions and play an important role in addressing climate change. To effectively manage carbon emissions and achieve sustainable development goals, HTC is proactively establishing a carbon credits task force. This team will periodically assess the optimal timing for entering the carbon market to ensure that the company maximizes its benefits from carbon trading.



HTC Executive Overview _____

2025 SBTi Target Achievement Status: **Achieved!**

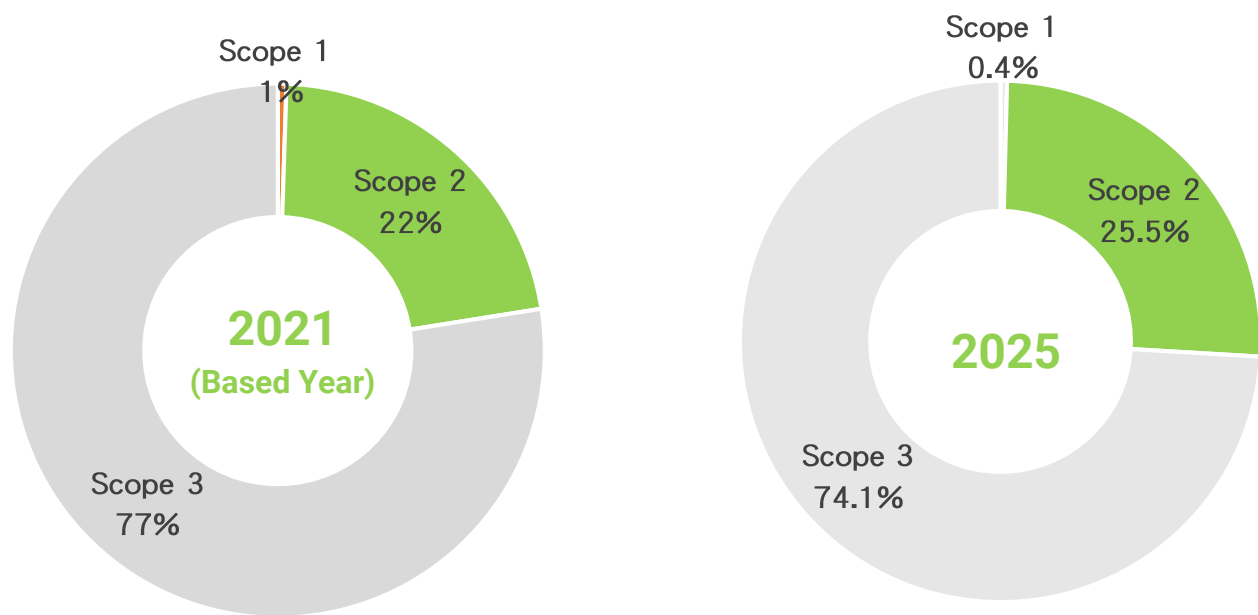
- ✓ Scope 1+2: **33.9%** reduction compared to the base year
- ✓ Scope 3: **45.2%** reduction compared to the base year

Overall Goal

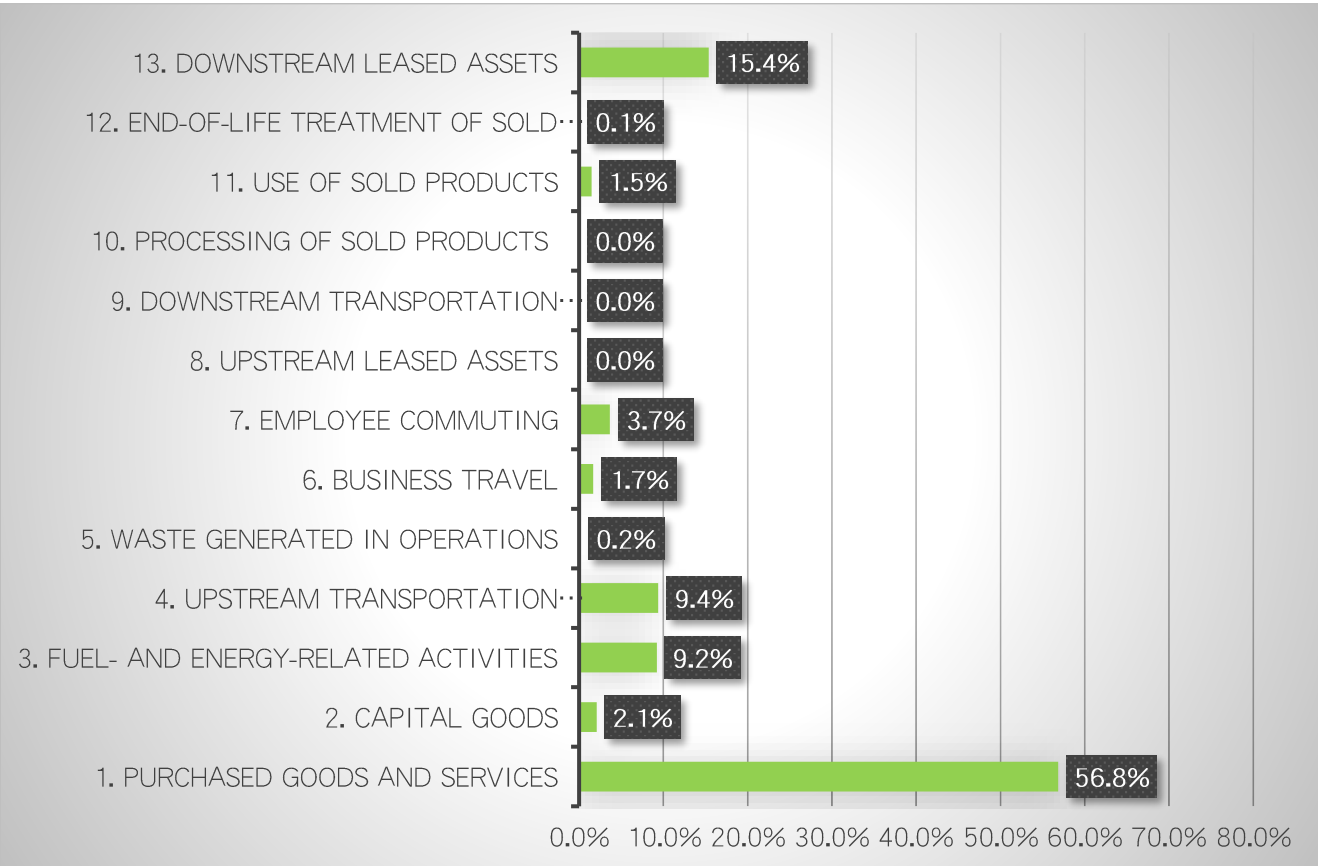
HTC’s annual greenhouse gas emission information is disclosed using two major frameworks: the ISO 14064-1:2018 verification information based on the operational control method and the GHG Protocol’s full scope inventory information. This includes a summary of the greenhouse gas emissions from the company and all its subsidiaries as reported in the consolidated financial statements.

In 2021 (based year), the total greenhouse gas emissions for HTC and its subsidiaries amounted to 40,182 tCO₂e, with the largest carbon footprint in Scope 3-1, which is purchasing products and services, accounting for about 56% of the total carbon emissions, followed by Scope 2 at 22%. By 2025, the total greenhouse gas emissions decreased to 23,033 tCO₂e, with Scope 3-1 (purchasing products and services) accounting for about 42.1 % of the total carbon emissions, followed by Scope 2 at 25.5%.

Overall Carbon Emission Distribution



2025 HTC Scope 3 Carbon Emission Distribution



Note: Regarding "8. Upstream Leased Assets," "10. Processing of Sold Products," "14. Franchises," and "15. Investments," these categories are not applicable due to the absence of related business activities.

HTC Group Global Greenhouse Gas Emissions in the Past Four Years

Based Year: 2021 (Unit: t-CO ₂ e)		2021	2023	2024	2025	Verified by
ISO14064-1	GHG Protocol	(Based Year)				ISO14064-1 (%)
Category 1	Scope 1	163.769	162.564	163.769	91.786	95.43% (87,596)
Category 2	Scope 2					
	Location-Based	7,850.136	7,197.857	7,850.136	5,881.522	100.84% (5,930.962)
	Market-Based					
Category 3-6	Scope 3 *	19,211.877	16,960.304	19,211.877	17,059.545	18.26% (3,114.573)
Total		40,181.597	27,225.782	24,320.725	23,032.853	39.65% (9,133.130)
Revenue(NTD\$ Million)		5,253	4,418	3,081	2,900	
Intensity(t-CO ₂ e/NTD\$Million)		1.72	1.81	2.39	2.06	
Change in amount compared to the previous year (t-CO ₂ e)		N/A	-7,328.673	-2,905.057	-1,542.017	
% change compared to the previous year		N/A	-21.2%	-10.7%	-6.3%	
Scope 1+2 vs Based Year		0%	-11.3%	-18.6%	-33.9%	
Scope 3 vs Based Year		0%	-38.3%	-45.5%	-45.2%	
% of Renewable Energy		0.09%	0.15%	2.57%	3.17%	
Note						
1. The scope of inventory covers the main global operating sites of HTC below (since some subsidiaries belong to BVI, they are not included in the scope): Taiwan, mainland China, Japan, the United States, the UK, and Poland.						
2. For the year 2025, Taiwan's electricity consumption will be calculated using the 2024 power emission factor announced by the Energy Bureau. Overseas locations will use the respective power emission factors of each country.						
3. Global Warming Potential (GWP): 2025 Data Adoption						
3.1 GHG Protocol: Calculated using the GHG Protocol based on the IPCC Sixth Assessment Report (AR6) from 2021.						
3.2 ISO 14064-1 Verification: Calculated using the AR6 GWP as per the greenhouse gas inventory and verification guidelines announced by the Ministry of Environment.						
4. Intensity = (Scope 1 + Scope 2)/ Revenue (NTD\$ Million)						
5. Verified by ISO14064-1 %: The scope verified under ISO14064-1 for the year 2025 is determined based on the results of the materiality analysis.						

* HTC conducts an inventory of projects in three parts of the scope. For detailed figures, please refer to the HTC ESG Report

Carbon Management and Policy

Completely Risk Management

To strengthen corporate governance, enhance stable operations, and promote sustainable development, HTC proposed and obtained board approval for the "Climate Change Management Policy" in May 2023. Additionally, HTC established a "Climate Change Risk Management Procedure" to serve as a basis for internal risk management operations. This procedure aims to effectively manage issues related to climate change risks and opportunities, mitigate associated threats, and achieve the goal of sustainable business operations.

As a basis for setting TCFD targets and metrics to proactively address the risks and challenges of climate change, the company regularly reviews and manages greenhouse gas emissions in Scope 1, Scope 2, and Scope 3. We follow the SBTi 1.5°C climate scenario to set net-zero emission targets and pathways, creating a more systematic and scientific approach to formulating corporate carbon reduction policies and promoting emission reductions. Additionally, we reference SBTi carbon reduction recommendations, practices from industry peers, and benchmark companies both domestically and internationally. Considering HTC's annual carbon inventory results and current practices, we develop a net-zero emissions strategy blueprint and initiate a series of action recommendations for departmental reference. Target meetings are convened to track and review the differences between actual greenhouse gas emission intensities and targets, and to formulate necessary measures.

Carbon Management Platform

As a leading brand in the virtual reality industry, HTC VIVE continues to invest in innovative cloud-based sustainability solutions. In 2023, HTC launched its proprietary Carbon Management Platform, integrating carbon-related software and hardware to enable real-time, digitalized, and automated emissions management. The platform streamlines greenhouse gas inventories (ISO 14064-1) and product carbon footprint assessments (ISO 14067), while supporting target-setting and progress tracking for HTC's decarbonization roadmap. Through this data-driven approach, HTC is strengthening carbon management capabilities and advancing its commitment to achieving net-zero emissions by 2050.

HTC became the first company in Asia to complete greenhouse gas inventories and product carbon footprint verifications using Microsoft's sustainable cloud platform. This achievement led to HTC collaborating with Microsoft to publish a corporate success story on sustainable cloud solutions ([Microsoft website link: HTC Customer Success Story](#)), setting a benchmark for carbon management for other companies.

Through its Carbon Management Platform, HTC completed the inventory and verification of greenhouse gas emissions across the parent company and consolidated subsidiaries in 2024, several years ahead of regulatory requirements, demonstrating its proactive approach to sustainability and net-zero transformation.

Internal Carbon Pricing (ICP)

In 2025, HTC formally implemented an Internal Carbon Pricing (ICP) mechanism based on a shadow pricing approach, integrating carbon costs into strategic, operational, and investment decision-making. The carbon price incorporates both internal decarbonization costs—such as renewable energy adoption, carbon credit procurement, and emissions reduction initiatives—and external risks, including evolving carbon tax policies and regulatory developments.

To ensure ongoing relevance and effectiveness, HTC has established an annual review and adjustment process to reflect changing market conditions, climate-related risks, and reduction costs. This forward-looking mechanism strengthens HTC's ability to manage climate risks, support its SBTi commitments, and enhance long-term sustainability competitiveness while advancing its net-zero transition.

Low-Carbon Operations

Comprehensive Paperless Organization and Operation, Digitalization and Optimization

In 2023, HTC's Chief Sustainability Officer launched a company-wide vision to create fully paperless, digitalized, and optimized internal operations. To achieve this goal, the Company comprehensively reviewed and redesigned internal workflows, streamlining processes and accelerating digital transformation. These initiatives not only improved operational efficiency, work quality, environmental performance, and cost-effectiveness, but also fostered a culture of innovation and continuous improvement across the organization. More than a paper reduction initiative, this transformation marked a significant step toward enhancing HTC's long-term competitiveness and sustainable growth.

Through the ESG Committee, we have comprehensively reviewed all company workflows. With the active participation and cooperation of all employees:

2023- Successfully reduced paper usage by nearly 80% in 2023 compared to 2022, achieving the first phase of our paperless initiative.

2024- Expanded digitalization across manufacturing operations by optimizing workflows and digitizing high-frequency documents, reducing paper usage by 34.6% while enhancing management efficiency.

2025- Further enhanced digital workflows and electronic approval processes, improving operational efficiency by approximately 10%, reducing manual processing errors, and cutting paper consumption by an additional 175 kg.

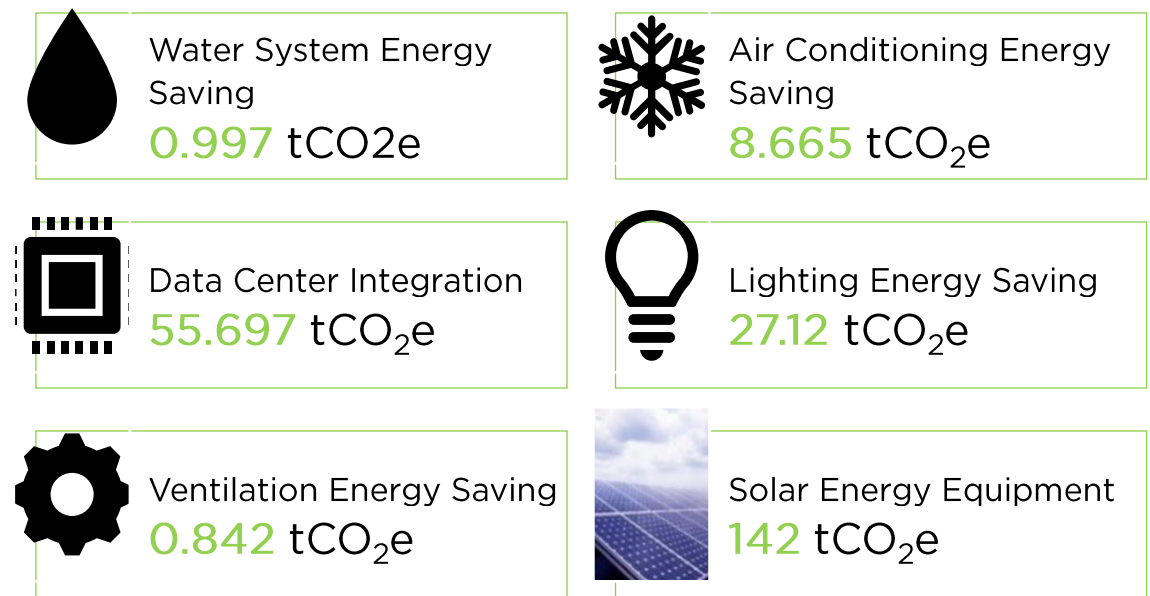
Energy-saving and Low-carbon Operation Management

Our company has been implementing ISO 14064-1 for greenhouse gas accounting since 2008 and ISO 50001 energy management system since 2011. These initiatives help monitor emission hotspots within the enterprise and establish energy-saving strategies and actions to address international greenhouse gas and global warming issues.

In 2025, HTC continued to reduce operational emissions through renewable energy deployment and energy performance improvement initiatives. The Company implemented 22 energy-saving projects, including upgrades to building lighting and air-conditioning systems, with a total investment of NT\$1.73 million in energy-efficient equipment. These efforts resulted in electricity savings of approximately 495,000 kWh, carbon reductions of 234 tCO₂e, and cost savings of NT\$2.26 million, demonstrating HTC’s ongoing commitment to operational decarbonization and energy efficiency.

Additionally, HTC continues to use green energy:

- ✓ The solar power generation at the Taoyuan headquarters and factory, as well as the Taipei office, produced a total of 299,000 kWh for self-consumption, achieving a carbon reduction performance of 142 tCO₂e and earning 287 T-RECs⁴ in 2025.
- ✓ Installation of dedicated charging stations for electric vehicles and provision of bicycle parking spaces, with a total of 12 new electric vehicle charging piles installed within the building.



For more information, please refer to the chapter of HTC’s ESG Report - Climate Change Management.

⁴ T-RECs (Taiwan Renewable Energy Certificates) are generated from HTC’s self-owned solar power systems and are disclosed for reporting purposes only. For more information, please refer to the Appendix.

Low-Carbon Products

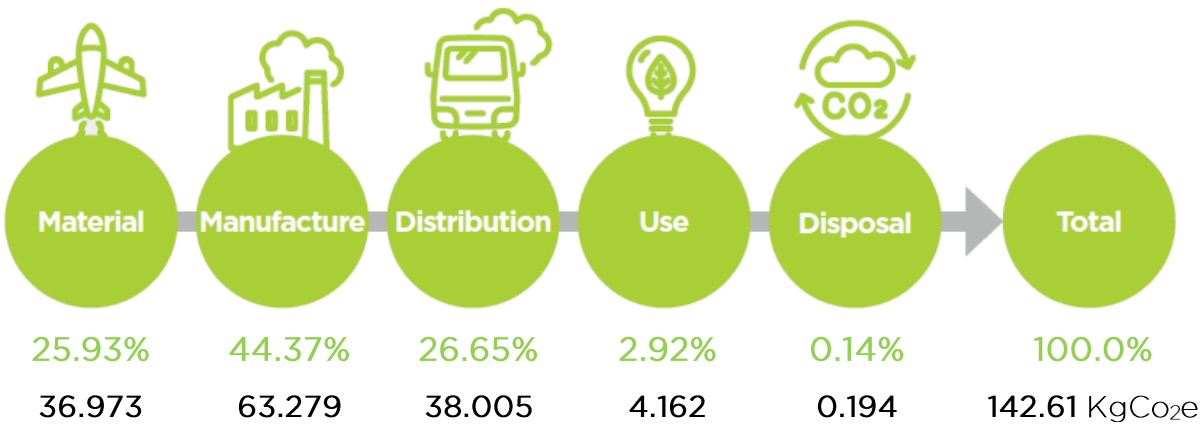
Product Carbon Footprint



In 2025, HTC conducted a comprehensive cradle-to-grave carbon footprint assessment for its flagship product, VIVE Focus Vision, and obtained ISO 14067:2018 verification, with a product carbon footprint of 142.61 kgCO₂e.

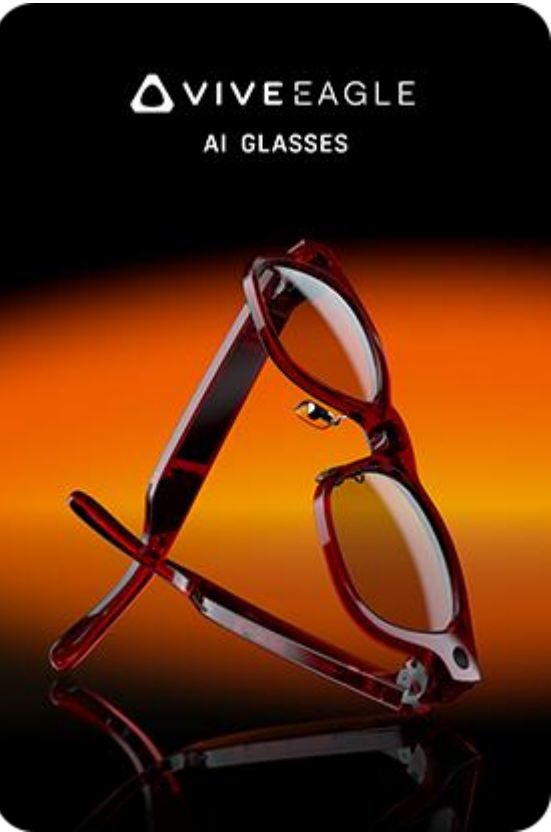
The results identified manufacturing electricity consumption as the primary emissions hotspot, supporting HTC’s ongoing efforts to improve energy efficiency and embed sustainability throughout the product lifecycle.

HTC VIVE XR ELITE Product Carbon Footprint



Extend Product Life Cycle

The HTC design team will consider the use of green materials that are easy to recycle and reuse in the early stage of product design, and the selection of materials is in line with international regulations and customer requirements. In addition to minimizing the carbon emissions of the product, it will also avoid the use of raw materials. The process causes environmental damage and affects the surrounding areas, and actively plans to extend the service life and life cycle of products, avoid using any toxic materials, commit to reducing product energy consumption, increase the proportion of recyclable materials, and reduce the environmental impact of the manufacturing process.



✓ **Sustainable Materials Application**
HTC VIVE’s latest wearable device, VIVE Eagle, utilizes TR90 as its frame material. TR90 offers excellent flexibility and shape recovery, allowing the frame to quickly return to its original form after bending or compression, reducing the risk of permanent deformation. The material also provides outstanding impact resistance and durability, making it less prone to cracking than conventional plastic frames and extending product lifespan. In addition, TR90 is metal-free and low in skin irritation, making it particularly suitable for users with metal allergies or sensitive skin. Through thoughtful material selection, HTC aims to enhance product durability, user comfort, and sustainability throughout the product lifecycle..

Enhancement of Energy Efficiency

HTC is committed to developing energy-efficient, low-carbon products, with energy performance incorporated as a key consideration in product design. The VIVE Eagle demonstrates outstanding energy efficiency and was validated by SGS in accordance with U.S. DOE⁵ 10 CFR Part 430 and California CEC⁶ Title 20 testing requirements. With an annual energy consumption of only 0.979 kWh, the device performs well below regulatory limits.

Through optimized charging and power management, VIVE Eagle minimizes energy consumption during both active and standby use, with a total 24-hour energy consumption of only 5.15 Wh and a maintenance-mode power draw of just 0.16 W after charging is complete. This low-power design not only meets stringent energy-efficiency requirements in key markets, but also supports HTC’s commitment to sustainable product innovation and reduced environmental impact.

Recyclable Product Design

HTC is committed to recyclable product design by prioritizing high-recyclability plastic materials, ensuring that products can re-enter the recycling system at the end of their lifecycle, thereby reducing environmental impact. All products, including VR devices and phones, significantly exceed the EU WEEE Directive standard of 55% recyclability. In 2025, VIVE Eagle achieved a recyclability rate of 76.6%, as verified by a third party, exceeding the EU WEEE Directive requirement by 21.6% and demonstrating HTC’s commitment to circular product design.

These initiatives highlight HTC’s commitment to environmental responsibility and respond to the growing consumer demand for sustainable products. HTC believes that through such design and innovation, the industry can move toward a more environmentally friendly and sustainable future.



AI Glassess- VIVE Eagle

Weight (g) 52.65

Recycling Rate **76.6%**

EU WEEE Standards **55%**

Regulatory Standards **↑ 21.6%**

For more information, please refer to the chapter of HTC’s ESG Report - Sustainable Design.

⁵ DoE: the U.S. Department of Energy

⁶ CEC: the California Energy Commission

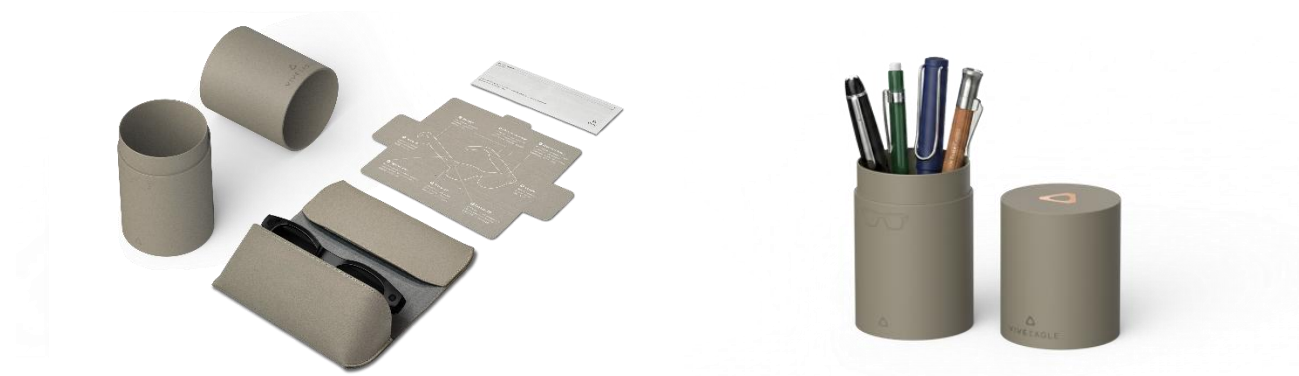
Low Carbon Innovative Design

Based on the concept of green product design, HTC continues to increase the material recycling rate of its virtual reality products and uses sustainable packaging that is more environmentally friendly. HTC prioritizes eco-friendliness and sustainability in its packaging reduction designs, ensuring the safety and aesthetic appeal of product packaging while striving to minimize environmental impact.

Since 2022, HTC has been using paper made with 99% recycled content for packaging, maintaining its refined appearance. In 2023, this initiative was fully implemented in the VIVE XR Elite series, with all packaging materials made from 100% recyclable materials, 99.99% of which are derived from plant fibers. For sustainable packaging design, the battery bases in the VIVE XR series and the paper packaging for VIVE accessories have a recycled content ratio of up to 99%.

In 2024, HTC further enhanced its sustainable packaging solutions by adopting packaging materials made of 99% recycled content and plant-based fibers for the VIVE XR Elite series. The Company also introduced eco-friendly kraft paper packaging with high durability and recyclability, demonstrating its commitment to responsible material selection and the advancement of a circular economy.

In 2025, HTC advanced its sustainable packaging strategy with VIVE Eagle smart glasses, applying Design for Sustainability principles through streamlined packaging structures, reduced material usage, and reusable design concepts. These efforts minimized environmental impact while maintaining product protection, user experience, and brand quality.



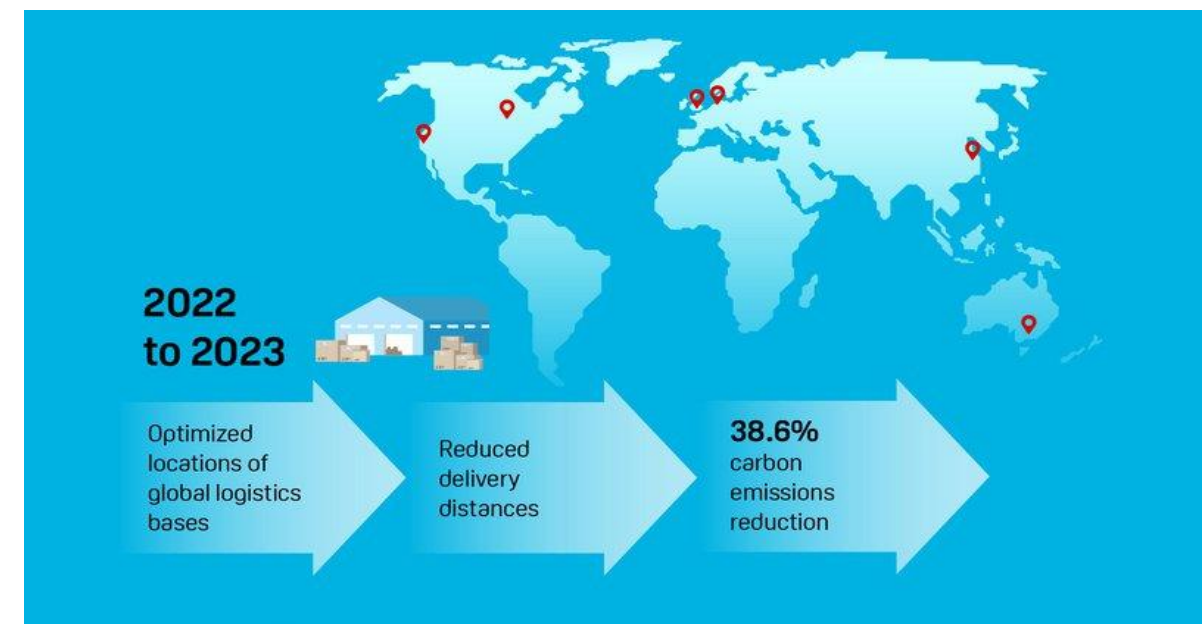
For more information, please refer to the chapter of HTC's ESG Report - Sustainable Product.

Low-Carbon Transportation

HTC continues to advance its low-carbon transportation and logistics strategy by optimizing its global warehouse network and increasing the use of ocean and rail transportation. Through a comprehensive review of customer distribution and transportation routes, the Company strategically streamlined logistics operations and warehouse locations, resulting in a reduction of approximately 38.6% in transportation-related carbon emissions during product distribution.

Internal analysis further indicates that replacing air freight with ocean freight can reduce carbon emissions by more than 95%. In addition, HTC optimized shipments to the eastern United States by transporting goods by sea to West Coast ports and then using rail instead of long-haul trucking for inland delivery, reducing carbon emissions by an average of 91.3% per pallet.

As a result of these efforts, the share of ocean freight in the total shipping weight of VIVE Focus Vision increased by 13.63% in 2025 compared with 2024. These initiatives not only improved logistics efficiency and reduced greenhouse gas emissions, but also strengthened HTC's commitment to building a more sustainable and resilient supply chain.



For more information, please refer to the chapter of HTC's ESG Report - Sustainable Product.

Supply Chain Engagement

To truly reduce environmental harm in a meaningful way, companies must connect with their entire supply chain and take collective action to assess and reduce supply chain climate risks. HTC's net-zero commitment represents not only HTC's determination to promote zero-carbon transformation, but also an oath to work with the supply chain to take positive actions towards low-carbon transformations. We are committed to reducing value chain carbon emissions by 25% in 2030 compared with the base year (2021) through initiatives, establishment of supplier climate capabilities, and supply chain greenhouse gas management strategies.

Climate Resilience Building

HTC enhances the supply chain's ability to tackle sustainable development challenges through various supply chain projects and training programs. We continuously invite suppliers to participate in ESG communication meetings and CDP project briefings, offering training on social and environmental responsibility management to help suppliers stay abreast of the latest trends and foster two-way communication between suppliers, HTC management, and industry experts. During annual supplier communication meetings, we share the latest international corporate sustainability trends, strategies for climate change mitigation and adaptation, and HTC's goals for ESG management within the supply chain.

In 2025, HTC continued to leverage its Supply Chain Carbon Management System to effectively collect and manage supply chain carbon emissions data, while actively participating in the CDP Supply Chain Program to strengthen climate management capabilities across its value chain.

In addition, HTC participated in the two-year "Large Enterprises Leading Small Enterprises in Low-Carbon and Smart Upgrades." initiative organized by the Industrial Development Administration, Ministry of Economic Affairs, from 2024 to 2025. Together with its supply chain partners, HTC promoted low-carbon transformation and smart upgrading through three supplier training programs, including carbon management training and product life cycle workshops. The program supported 57 suppliers in enhancing their carbon inventory and management capabilities and assisted 23 suppliers in implementing carbon management tools, strengthening their carbon data management and decarbonization decision-making foundations.

Furthermore, through its supplier engagement and coaching program, HTC provided in-depth guidance to 10 key suppliers, successfully transferring carbon management digital tools, professional expertise, and customized decarbonization strategies to core supply chain partners. By putting the "big helping small" approach into practice through systematic coaching and practical implementation, HTC helped suppliers establish decarbonization action plans and collectively achieve emissions reductions of 103.12 metric tons of CO₂e.



In early 2025, HTC was named to CDP's Supplier Engagement Leaderboard for the second consecutive year, achieving the highest Supplier Engagement Rating (Grade A). Among more than 24,800 companies worldwide participating in the assessment, only 1,394+ companies received this distinction.

To make truly meaningful reductions in environmental impact, businesses must drive action throughout the entire supply chain. We are proud to have earned a place on CDP's Supplier Engagement Leaderboard for two consecutive years, reflecting our ongoing efforts to measure, manage, and reduce climate-related risks across our supply chain.



▲Industrial Development Bureau - Large Enterprises Leading Small Enterprises in Low-Carbon and Smart Upgrades Project: Supply Chain Negotiation - Product Carbon Footprint Workshop

Supply Chain GHG Management

HTC has been participating in CDP since 2008, reporting regularly on carbon risks and the planning, systems, and outcomes of carbon management. Starting in 2023, HTC has also joined as a member of the CDP Supply Chain Program, inviting suppliers to disclose their carbon emissions to gain a clear understanding of their carbon management efforts.

In 2025, the response rate for key suppliers to the CDP reached 98%. Over 90% of suppliers have reported on Scope 1 and Scope 2 emissions, 88% have incorporated climate issues into board-level oversight, 73% have set carbon reduction targets, and 65% have reported on their consumption of renewable energy. We will continue to communicate with Tier 1 suppliers to gradually expand our influence and work with upstream suppliers to enhance carbon management capabilities across the supply chain.

Supplier Performance Achievement

Supplier Achievement Rate	2024 HTC Supply Chain	2025 HTC Supply Chain	2025 Global average of CDP suppliers
Overall response rate	97%	98%	67%
Inclusion of climate issues in board-level oversight	70%	88%	
Emission Reduction Target	63%	73%	
Emission Reduction Initiatives	64%	85%	
Scope 1 Emission Reporting	81%	93%	
Scope 2 Emission Reporting	75%	91%	
Reporting on Renewable Energy Consumption	83%	65%	

For more information, please refer to the chapter of HTC’s ESG Report - Sustainable Supply Chain.

Prospects

Over HTC’s 29-year journey, the Company has successfully executed two major strategic transformations, each opening new market frontiers and creating new opportunities for growth. In an industry characterized by rapid change, we continuously strengthen our engineering and design capabilities and actively embrace emerging opportunities. In doing so, we have not only redefined how we empower creators, but also deepened the ways in which people connect and engage with one another.

HTC continued to make significant progress in climate strategy, value chain responsibility, and ESG transparency. In 2025, the Company maintained recognition from leading ESG organizations, including CDP SEA Leadership (A), EcoVadis, the Taiwan Sustainability Index series, TCSA, ISS STOXX Prime, and TRIPs 1.5°C Excellent ratings. HTC also strengthened its environmental governance through TCFD-aligned disclosures, third-party verified greenhouse gas inventories and product carbon footprint assessments, and the implementation of an Internal Carbon Pricing mechanism. These achievements reflect HTC’s integrated sustainability strategy and ongoing commitment to its long-term net-zero ambitions.

Looking back on these milestones over the past four years, we are encouraged by the solid foundation we have established through careful sustainability planning and strategic execution. The results of these efforts continue to gain recognition from stakeholders across industries and communities. Sustainability is a marathon without a finish line. Looking ahead, HTC will continue to uphold its core values of Humility and Wisdom, combining technology and humanity to unlock imagination and create meaningful innovation. We are committed to leveraging the vast possibilities of VIVERSE to help build a more sustainable, equitable, and resilient world for future generations.

Finally, we recognize that achieving net-zero emissions and sustainable development is an ongoing journey that requires long-term commitment, innovative thinking, and disciplined execution. HTC will continue striving to balance environmental stewardship, social responsibility, and business growth, contributing to global sustainable development and fulfilling our responsibility and mission as a global corporate citizen.

Appendix

Appendix

TCFD Disclosure Index

Core Elements	Recommended Disclosures	Chapters	Page
Governance	Board's oversight of climate-related risks and opportunities	Climate Change Governance Framework	17
	Management's role in assessing and managing climate-related risks and opportunities	Management Responsibility	19
Strategy	The climate-related risks and opportunities the organization has identified over the short, medium, and long term	Risk and Opportunity	37
	The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Coping Strategy	41
		Financial Quantification -Risk	59
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Risk Management	The Company scenario analysis (including a 2°C or lower scenario)	Scenario Analysis	24
	The organization's processes for identifying and assessing climate-related risks	Climate Change Risk and Opportunity Identification Process	23
	The organization's processes for managing climate-related risks	Risk Management Process	21
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Risk Management Process	21
Metrics and Targets	The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics and Targets	73
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Appendix

HTC Renewable Energy Certificate (REC) Declaration

HTC’s renewable electricity certificates are issued upon approval by the competent authorities in Taiwan. In 2025, HTC obtained 287 Taiwan Renewable Energy Certificates (T-RECs), which are disclosed for reporting purposes only.

2025 Taiwan Renewable Energy Certificate (T-REC) Summary

Region	Certificate	Generation Facility	Certificate Number	Total Certified
	Issuance Year			Electricity (kWh)
Taiwan	2025	HTC_TAO_180KW Solar PV	24SP0152-B025000001-89	69,000
		HTC_TPE1_197.925kW Solar PV	24SP1428-B025000001-217	217,773
			24SP1428-B125000218	





Appendix

HTC's Reports and Policies on Climate Change

- HTC ESG Report
- HTC ESG Policy
- Climate Change Management Policy
- HTC Environment Protection, Occupational Safety, Health, and Energy Policy

Reference Materials

IPCC Sixth Assessment Report

National Science and Technology Center for Disaster Reduction (NCDR) / Disaster Information Network

Taiwan 2024 National Climate Change Science Report

Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)

Assessment Statement



TCFD Performance Assessment Statement

The process and procedures of HTC CORPORATION

No 1, 21 Lane, Xinghua Road, Taoyuan District, Taoyuan City 330, Taiwan

have been assessed from 09 April 2026 to 28 April 2026 and demonstrated the implementation status against the

Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (29 June 2017)

The organization has incorporated climate-related governance organization
The actual and potential impacts of climate-related risks and opportunities has been considered
and identified over the relevant short-, medium-, and long-term time horizons
The resilience of the organization's strategy was taking into consideration with different climate-related
scenarios including SBTi 1.5°C, NDC and RCP8.5 (or SSP5 8.5) scenarios
The methodology of organization's climate-related risk management process has been adequately
implemented as well as integrated into organization's overall risk management.
The scope1, 2 and 3 greenhouses gas emissions inventory has been conducted and verified annually.
Metrics and targets have been used by the organization to manage climate-related risks and
opportunities and performance, while the SBTi 1.5°C target remains under review.

For the following activities

Governance, Strategy, Risk Management, Metrics and Targets

And cover the following operational locations:

Headquarter of HTC CORPORATION.

HTC meets SGS TCFD performance assessment at management level of "Pioneer"

Authorised by

Stephen Pao
Business Assurance Director
Issue Date: 08 June 2026
Valid Date: 07 June 2027

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NATURE AND SCOPE OF THE ASSESSMENT

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by HTC CORPORATION. (hereinafter referred to as HTC) to conduct an independent performance assessment of the Task Force on Climate-related Financial Disclosures. (hereinafter referred to as TCFD).

The information in the HTC's TCFD disclosure framework and its presentation are the responsibility of the management of HTC. SGS has not been involved in the preparation of any of the material included in HTC's TCFD disclosure framework.

Our responsibility is to express an opinion on the report content within the scope of performance assessment with the intention to inform all HTC's stakeholders.

The SGS protocols are based upon the Fundamental Principles for Effective Disclosure contained within the TCFD and SGS Management System Manual and Global System procedures.

The performance assessment comprised a combination of pre-assessment research, interviews with relevant employees, superintendents, ESG committee members and the senior management in HTC's Headquarter; documentation and record review and validation with external bodies and/or stakeholders where relevant.

SCOPE OF PERFORMANCE ASSESSMENT AND DISCLOSURE CRITERIA

The scope of the performance assessment included evaluation of quality, reliability of TCFD disclosure and performance information as detailed below and evaluation of adherence to the four core elements for the management process as well as seven principle for effective disclosures for the information to be disclosed.

PERFORMANCE ASSESSMENT METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, documentation and record review and validation with external bodies and/or stakeholders where relevant.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assessment team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, SRA, EMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the TCFD performance assessment service provisions.

ASSESSMENT OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the management process and information demonstrated by HTC within the TCFD performance assessment evaluated is reasonable, reliable and provides a sufficient and balanced representation of HTC climate related risks and opportunities management activities and meets SGS TCFD performance assessment at management level of "Pioneer".

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