

In accordance with the "Code of Conduct for Sustainable Development," our company actively promotes sustainable environmental policies and conducts risk and opportunity assessments regarding climate change. Based on the assessment results, we formulate carbon reduction strategies to reduce energy consumption, lower carbon emissions, and move towards a low-carbon economy for sustainable development, thereby achieving our corporate sustainability goals. Our company, referencing the "Climate-Related Financial Disclosures" (TCFD) framework, discloses potential future risks and corresponding strategies.

<p><b>Governance unit</b></p>	<p>The Board of Directors is the highest decision-making body for risk management in the company. It is responsible for approving risk management policies and major risk management systems, and for overseeing the implementation of risk management measures to ensure the effectiveness of risk control.</p> <p>The General Manager's Office is the leading unit for risk management, with the Management Office also responsible for promoting sustainable development. This includes greenhouse gas inventory, the establishment of independent renewable energy sources, and the implementation of various energy-saving, water-saving, and waste-reduction measures. Each unit is responsible for optimizing processes and improving equipment, and the Management Office also regularly reviews climate change-related issues, plans response strategies and programs, continuously strengthens risk protection, reviews implementation effectiveness, and reports to the Board of Directors when necessary.</p>														
<p><b>Risk category</b></p>	<p><b>The major short-, medium-, and long-term climate risk issues for 2025 are as follows:</b></p> <table border="1" data-bbox="336 1178 1497 1953"> <thead> <tr> <th colspan="2" data-bbox="336 1178 1497 1227">Transition risk</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 1227 515 1420">Policies and Regulations</td> <td data-bbox="515 1227 1497 1420"> <ul style="list-style-type: none"> <li>Short-term risks: government carbon tax/carbon fee, rising electricity prices, and rising raw material costs.</li> <li>Medium-term risk: Carbon tax imposed abroad</li> <li>Long-term risk: Strengthening emissions reporting obligations</li> </ul> </td> </tr> <tr> <td data-bbox="336 1420 515 1518">Technology risk</td> <td data-bbox="515 1420 1497 1518">Medium-term risk: Energy transition</td> </tr> <tr> <td data-bbox="336 1518 515 1617">Reputation risk</td> <td data-bbox="515 1518 1497 1617">Short-term risk: Low-carbon technology transition</td> </tr> <tr> <th colspan="2" data-bbox="336 1617 1497 1666">Physical risk</th> </tr> <tr> <td data-bbox="336 1666 515 1715">Immediacy</td> <td data-bbox="515 1666 1497 1715">The severity and frequency of extreme weather events are increasing.</td> </tr> <tr> <td data-bbox="336 1715 515 1953">Long term</td> <td data-bbox="515 1715 1497 1953"> <ul style="list-style-type: none"> <li>Potential losses due to disruptions in domestic and international supply chains caused by natural disasters or extreme weather events, resulting in operational interruptionsL</li> <li>Rising temperatures leading to increased water and electricity consumption</li> </ul> </td> </tr> </tbody> </table>	Transition risk		Policies and Regulations	<ul style="list-style-type: none"> <li>Short-term risks: government carbon tax/carbon fee, rising electricity prices, and rising raw material costs.</li> <li>Medium-term risk: Carbon tax imposed abroad</li> <li>Long-term risk: Strengthening emissions reporting obligations</li> </ul>	Technology risk	Medium-term risk: Energy transition	Reputation risk	Short-term risk: Low-carbon technology transition	Physical risk		Immediacy	The severity and frequency of extreme weather events are increasing.	Long term	<ul style="list-style-type: none"> <li>Potential losses due to disruptions in domestic and international supply chains caused by natural disasters or extreme weather events, resulting in operational interruptionsL</li> <li>Rising temperatures leading to increased water and electricity consumption</li> </ul>
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<p><b>Opportunity categories</b></p>	<p>Resource usage efficiency</p> <ul style="list-style-type: none"> <li>Improve energy efficiency (short-term)</li> <li>Develop or expand low-carbon products and services (short-term)</li> <li>Innovate and develop or expand low-carbon products and services for customers to</li> </ul>														

	increase revenue (medium to long term)					
Strategy and financial impact	Short-, medium-, and long-term response measures:					
	<b>Risk response strategies</b>					
	Short term	(1) Evaluate and implement the company's internal carbon pricing mechanism, establish a solar photovoltaic system, and continuously optimize energy management. (2) Sign annual procurement contracts, plan ahead for raw material delivery dates, and implement procurement policies to stabilize prices. (3) Replace outdated air compressor equipment and introduce high-energy-efficiency models. (4) Conduct voluntary greenhouse gas inventory checks according to the GHG protocol.				
	Medium term	(1) Continuously identify regulatory changes and assess the implementation of internal carbon pricing mechanisms, and strive for relevant energy-saving subsidies and guidance. (2) Actively invest in the use and development of renewable energy.				
	Long	(1) Develop low-carbon products and services, and make good use of public sector incentive programs. (2) Review the audit results annually and formulate corresponding strategies.				
	<b>Opportunity response strategy</b>					
	Short term	Add energy-efficient machines and equipment to improve energy efficiency. (Example: Replace old equipment with new equipment).				
	Medium and long term	Innovate and develop or expand low-carbon products and services for customers to increase revenue (e.g., expand green energy products and services).				
	<b>Financial impact</b>					
			operating costs	operating expenses	capital expenditure	operating income
	Risk	Government levies carbon tax/carbon fee	▲		▲	
		Electricity bills rise	▲	▲		
Rising raw material costs		▲	▲			
Carbon taxes are levied in foreign countries		▲		▲		
Strengthen emissions reporting obligations		▲				
Low-carbon technology transformation				▲		
The severity and frequency of extreme weather events are				▲		

		increasing				
	Chance	Improve energy efficiency	▼	▼		
		Develop or expand low-carbon products and services			▲	▲
		Innovate and develop or expand low-carbon products and services for customers to increase revenue	▼			▲
▲ Rise / ▼ Decline						
<b>Rsk management</b>	<p>Given the significant nature of climate risks, management assigns the management office to assess these risks, formulate response strategies and measures, and implement these measures in daily operations after management confirmation, integrating them into the risk management process.</p> <ol style="list-style-type: none"> <li>1. Risk management is regularly assessed in conjunction with environmental regulations.</li> <li>2. Relevant regulations and technologies are identified, and their impact on the company's overall risk is considered.</li> </ol>					
<b>Metrics and Goals</b>	<ul style="list-style-type: none"> <li>● In response to the challenges and opportunities presented by the "climate emergency," Pou Yi Technology is committed to leading its clients towards a low-carbon, green economic transformation to mitigate the impact of climate change. To implement and promote sustainable development, Pou Yi actively promotes related initiatives, formulates green management strategies and goals, and launches numerous projects to implement green management and performance evaluation. Through external verification, we continuously review and improve performance results to ensure that we fulfill our responsibility to protect the Earth's environment while achieving low-carbon goals.</li> <li>● Our company's long-term goal is to achieve net-zero emissions by 2050. This goal is led by the General Manager's Office, with the Management Department responsible for driving various sustainability improvement initiatives. These initiatives include conducting greenhouse gas inventory checks, establishing self-sustaining renewable energy facilities, and promoting energy conservation, water conservation, and waste reduction. Each department is dedicated to implementing process improvements and equipment upgrades, comprehensively advancing the company's efforts and goals in sustainability.</li> <li>● Since most of our customers and raw material suppliers are located overseas, the upstream and downstream transportation distances in Category 3 are mainly by sea and air. Therefore, our company is implementing various carbon emission reduction measures in Categories 1, 2, and 4 to save electricity resources, develop renewable energy, and reduce direct greenhouse gas emissions and waste.</li> </ul>					
<b>Carbon Pricing Basics</b>	Our company's emissions sources are not subject to government registration and inspection, and our annual greenhouse gas emissions do not reach 25,000 metric tons of CO <sub>2</sub> e.					

	Therefore, we are not among the first batch of companies subject to carbon fees.
<b>Greenhouse Gas Inventory Program</b>	<p>2024 → Completed ISO 14064 voluntary greenhouse gas inventory (scope: Taiwan) and verified by a third party.</p> <p>2025 → Conducted GHG protocol greenhouse gas verification and projected a 2% reduction in carbon emissions.</p> <p>2030 → Reduced carbon emissions by 50%.</p> <p>2050 → Net zero emissions.</p>
<b>External guarantee or assurance</b>	Third-party verification of the first greenhouse gas inventory was completed in June 2026.