

2022 TCFD Report

Task Force on Climate-related Financial Disclosures Report

PLANET Technology Corporation

Table of Contents

1. Introduction	5
2. Governance in Response to Climate Changes	7
(1) Board oversight of climate-related risks and opportunities	7
(2) Responsibilities of the management in the assessment and management of climate-related risks and opportunities	9
(3) Responsibilities of the executive level in the assessment and management of climate-related risks and opportunities	9
3. Strategies in Response to Climate Changes	10
(1) Identification of short, medium and long term climate-related risks and opportunities	10
(2) Assessment on impact of climate-related risks and opportunities on company business, strategy and financial planning	11
(3) Assessment on Financial Impact	14
(4) Strategic resilience, considering different climate-related scenarios (including the scenario with a temperature of 2°C or more severe conditions)	15
4. Planet's Four Core Strategies Against Climate Risks	17
5. Risk and Opportunity Management in Response to Climate Changes	18
(1) Process for identifying and assessing climate-related risks and opportunities	18
(2) Process for managing climate-related risks and opportunities	20
(3) How the processes of climate-related risks identification, assessment and management are integrated with the overall risk management mechanism.....	20
6. Indicators and Goals Set in Response to Climate Changes	21
(1) Indicators used in assessing climate-related risks and opportunities.....	21
(2) Greenhouse gas emissions and related risks	21
(3) Goals and achievements.....	22
7. Future Outlook	25
Annex 1: Report Management	26
Annex 2: Index of TCFD Reports	26

List of Table

Table 1. Summary of TCFD Framework.....	5
Table 2. Assessment on Financial Impact from Climate-related Opportunities	12
Table 3. Assessment on Financial Impact from Climate-related Risks.....	13
Table 4. Assessment on Financial Impact from Climate Changes.....	14
Table 5. Assessment Results of Increased Potential of Weather Extremes	16
Table 6. Climate Risks, Risk Conduction Pathway, and Risks Faced by the Electronic Product Manufacturing Industry.....	18
Table 7. Climate Risk Indicators	21
Table 8. Categories of Greenhouse Gas Sources	22
Table 9. Greenhouse Gas Emissions and Intensity in 2022	22
Table 10. Goals and Achievements	23
Table 11. Planet's Core Strategies, Specific Actions, Indicators and Objectives Against Climate Risks.....	24

List of Figure

Fig 1. Climate Governance System.....	8
Fig 2. Organizational Chart of Planet.....	8
Fig 3. Organizational Chart for Sustainability Promotion	10
Fig 4. Analysis on Risks and Opportunities from Climate Changes	11
Fig 5. Impact of Climate-related Risks and Corresponding Time Frame	11
Fig 6. Climate Scenarios	15
Fig 7. Transitional Risk and Physical Risk in Scenarios of SSP1-1.9 and SSP5-8.5	16
Fig 8. Average Rate of Change of Annual Maximum Number of Consecutive Days Without Rainfall in New Taipei City.....	17
Fig 9. Future Changes of Four Typhoon Indicators in the Scenario of RCP8.5	17
Fig 10. Planet's Four Core Strategies Against Climate Risks	17
Fig 11. Climate-related Risks and Opportunities and Financial Impacts (2019, TCFD Recommendations of the Task Force on Climate-related Financial Disclosures).....	19
Fig 12. Identification and Assessment Processes for Climate-related Risks and Opportunities.....	19
Fig 13. Climate-related Risk and Opportunity Management Process	20

1. Introduction

The goal of Net Zero by 2050 has become a global common goal, and how to control the rising temperature of the Earth within 1.5°C shall be the direction that every citizen on the Earth aims at. Planet responds to the promotion of Net Zero by 2050 and faces possible risks and challenges positively in the process of low-carbon transition. In June 2017, the Task Force on Climate Related Financial Disclosures (TCFD), established by Financial Stability Board (FSB), completed the Recommendations of the Task Force on Climate-related Financial Disclosures, which sets clear disclosure principles for how to face the risks and opportunities brought about by climate changes, and provides a comprehensive set of guidelines for enterprises and investors, as well as the assessment framework of financial impact.

Based on the recommendations of TCFD, PLANET Technology Corporation (Planet) discloses the risks and opportunities brought about by climate changes, demonstrates the Company's responsibilities and strategies, and allocates capital in a more reasonable and effective way to achieve Net Zero.

Table 1. Summary of TCFD Framework

Governance	Strategy	Risk Management	Indicators and Goals
a) Board oversight of climate-related risks and opportunities	a) Short, medium and long-term climate-related risks and opportunities identified by the organization	a) Process for identifying and assessing climate-related risks within the organization	a) Indicators used by the organization to assess climate-related risks and opportunities based on its strategy and risk management process
Regular report to the Board of Directors on the company affairs related to climate changes, review and decisions making on risk management strategies	<ul style="list-style-type: none"> ➤ Risks • Short term: Carbon fees and tariffs and related regulations • Medium term: Uncertainty of low-carbon transition, change of customers' criteria for supplier selection, supply chain interruption, severity of extreme weather events, increase of insurance expenses on natural disaster and temperature rise • Long term: Net Zero, impact on company reputation ➤ Opportunities • Short term: Improvement of energy efficiency of customers' products and energy use efficiency, participation in renewable energy plans and carbon trading markets, and development of low-carbon 	<ul style="list-style-type: none"> • Establish a climate risk/opportunity assessment and information process • Regular review of the management strategy and progress by the Sustainable Development Committee/Risk Management Committee 	<ul style="list-style-type: none"> • Establish a goal of Net Zero by 2050 • Establish short, medium and long-term goals based on the overall goal mentioned above -Short term: 30% reduction in emissions by 2025 -Medium term: 50% reduction in emissions by 2030 -Long term: 60% reduction in emissions by 2040

Governance	Strategy	Risk Management	Indicators and Goals
	products or services <ul style="list-style-type: none"> • Medium term: Promotion of low-carbon and green production • Long term: Enhancement of company reputation, brand awareness and business sustainability 		
b) The responsibilities of management in evaluating and managing climate related risks and opportunities	b) The impact of climate-related risks and opportunities on the business, strategy and finance of the organization	b) Processes for managing climate-related risks management of the organization	b) Disclosure of greenhouse gas emissions and related risks in categories 1, 2, and 3
<ul style="list-style-type: none"> • The Sustainability Office shall consolidate international and domestic development trends in a rolling manner, and review risks and opportunities for company operations • The Sustainability Promotion Group shall be responsible for the formulation and implementation of actions for climate change related issues 	Assessing the impact of climate-related risks and opportunities on financial planning in the following areas <ul style="list-style-type: none"> • Operating costs and revenue • Capital expenditure and allocation • Acquisition of capital 	<ul style="list-style-type: none"> • Establishment of internal operating procedures and risk impact assessment benchmarks • Annual implementation of ISO14001/ISO14064-1 third-party verification and GHG MRV operations 	Emissions in 2022 (Unit: MT of CO ₂ e) -Category 1: 24.39MT -Category 2: 342.89MT -Category 3: 136.28MT
	c) Organizational strategic resilience, considering different climate-related scenarios (including the scenario with a temperature of 2°C or more severe conditions)	c) How the identification, assessment and management process of climate-related risks is integrated with the overall risk management mechanism of the organization	c) Goals used by the organization in managing climate related risks and opportunities and achievement of goals
	Scenarios has been set based on the following scenarios disclosed in IPCC AR6 report <ul style="list-style-type: none"> • SSP1-1.9 • SSP5-8.5 	<ul style="list-style-type: none"> • The Environmental Sustainability Team shall consolidate domestic and international environmental and energy regulations and issues, and identify relevant risks and opportunities • The Sustainability Leader shall convene a meeting for the Sustainability Promotion Group every half a year to 	Establishment of climate-related performance indicators and quantitative objectives, regular tracking and review, and disclosure of the sustainability report <ul style="list-style-type: none"> • Adaptation work: Implementation of corporate governance 3.0 and international carbon control work; continuous improvement

Governance	Strategy	Risk Management	Indicators and Goals
		review the implementation progress and goal achievement results <ul style="list-style-type: none"> The Risk Management Committee shall review the risk management policies, procedures and framework on a regular basis Inclusion of ISO14001 into environmental/energy/carbon management issues 	of company resilience against climate changes <ul style="list-style-type: none"> Mitigation work: Establishment of short, medium and long term carbon reduction goals and actions, including Zero Net by 2050, and regular review of performance by the Sustainable Development Committee

2. Governance in Response to Climate Changes

(1) Board oversight of climate-related risks and opportunities

Corporate governance plays the most important role in Planet's commitment to taking actions in response to climate changes. In terms of governance, the main focus is on the oversight of climate-related risks and opportunities by the Board of Directors and senior executives. Planet has recognized the importance that stakeholders attach importance to the Company's governance on climate changes, and the Company shall pay attention to the impact of climate changes on business operations. Board members shall consider climate-related risks and opportunities, develop sustainable action strategies, annual budgets, business goals and climate mitigation goals, and monitor important capital expenditures.

In terms of governance, the main responsible persons are board members and senior executives, who focus on the establishment of goals for the organization and overseeing the achievement of established goals. Members of the Board of Directors supervise climate-related risks and opportunities, and first declare the Company's commitment to achieving the goal of Net Zero. The Board of Directors is directly responsible for overseeing climate-related risks and opportunities. For the purpose of guarantee of the sustainability of the Company, Planet's Board of Directors has established the Audit Committee, Remuneration Committee and other functional committees. The original Corporate Social Responsibility Committee under the Board of Directors, which was under preparation, was set up as a functional committee of the Board of Directors and renamed as the Sustainable Development Committee in 2020.

In terms of promotion of management strategies on climate changes and sustainability, the Board of Directors reviews, supervises and guides the implementation of sustainability strategies, important action plans, annual budgets and business plans and goals (including climate-related risk actions) based on the Risk Management Policies and Procedures (which also covers the identification and management of climate-related risks). For example, the Board of Directors has decided to implement the Greenhouse Gas Examination and Verification Schedule, with the goal of completing greenhouse gas examination and verification by 2023 and reporting the implementation results to the Board of Directors on a quarterly basis to enable the Board of Directors to understand the emissions of greenhouse gas, and participate in CDP carbon

disclosure project to disclose climate change related information, energy conservation and carbon reduction strategies, green product plan, medium- and long-term visions, and related matters.

Planet has completed the climate governance report based on the TCFD framework, and submitted it to the Sustainability Promotion Team for review of the operation and report, then to the Company's management for review, and to the Board of Directors for risk management strategy supervision and decision-making review.

- The Sustainable Development Committee holds at least two meetings each year to review important sustainability policies, action plans and capital expenditures (including climate-related issues), supervises the implementation of sustainable business, and assists the Board of Directors to continue the promotion of sustainability policies and improvement of corporate governance, which are incorporated into the Company's business activities and development direction.
- The Risk Management Committee holds at least two meetings each year to review the risk management policies, procedures and structures, regularly reviews their applicability and implementation efficiency, verifies the risk appetite (risk tolerance), guides resource allocation to ensure that the risk management mechanism can fully deal with the risks faced by the Company and be integrated into the daily operation process, and executes risk management decisions made by the Board of Directors.



Fig 1. Climate Governance System

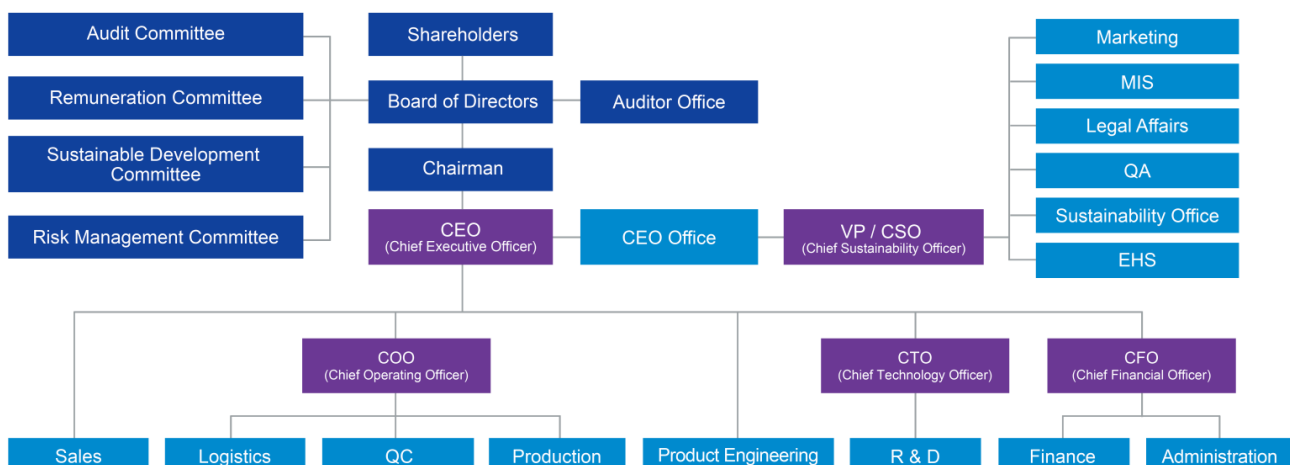


Fig 2. Organizational Chart of Planet

(2) Responsibilities of the management in the assessment and management of climate-related risks and opportunities

For the purpose of sustainability, the Company makes and implements strategies on sustainability and climate changes based on the eight sustainability orientations of "sustainable governance", "green R&D", "sustainable supply chain", "environmental sustainability", "information security", "business marketing", "sustainable human resources" and "social integration". The Sustainability Office, on a cross-sector mode, collects international and domestic development trends in a rolling manner, and analyzes issues that may be affected by climate changes to guide the Environmental Sustainability Team to the planning, implementation and integration of climate risk management, and conducts climate governance inspection, assessment and management according to the following management processes:

- a) The Sustainability Leader is responsible for formulating Planet's climate strategy, coordinating sustainability and climate change related affairs, ensuring the coordination and integration of Planet's environmental and social activities, coordinating, communicating and integrating the management activities of sustainability and climate change issues across departments, and supervising the implementation. The Sustainability Leader and Sustainability Promotion Team report to the Sustainable Development Committee and the Board of Directors on the implementation of promotion of sustainability semi-annually, and report to the Board of Directors on the implementation results of the *Greenhouse Gas Examination and Verification Schedule* quarterly.
- b) The Sustainability Promotion Team reviews the risks and opportunities, management strategies and implementation performance of the Company's overall operation (including the supply chain) management semi-annually, and reports to the Board of Directors.
- c) The Sustainability Office collects international and domestic development trends in a rolling manner, identifies potential risks and opportunities, develops response strategies and goals, and reviews and improves execution performance.
- d) The Environmental Sustainability Team reports carbon risk/opportunity management information and performance to the Sustainability Leader every six months, establishes climate risk analysis methodology, conducts analysis on climate change scenarios, monitors and assesses compliance with laws and regulations related to climate changes, and conducts climate-related financial disclosures.

(3) Responsibilities of the executive level in the assessment and management of climate-related risks and opportunities

Each operational and financial department shall implement action plans based on the overall operational goals of the Company in response to climate changes, and evaluate the internal and external risks and opportunities of the Company.

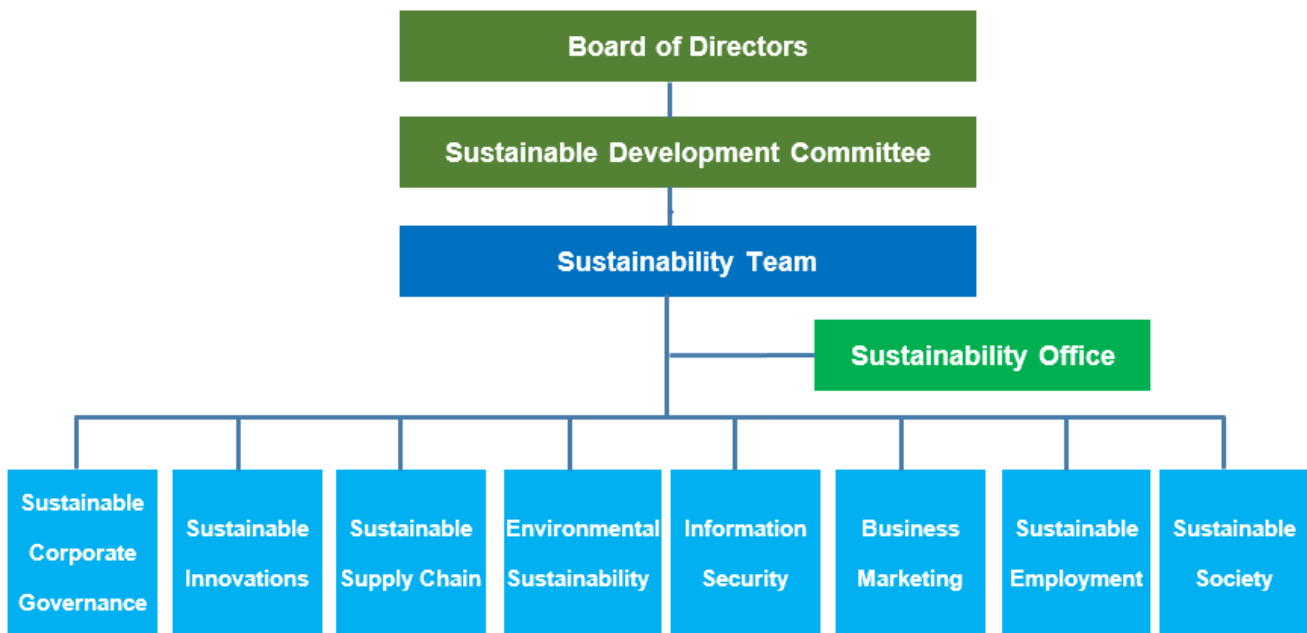


Fig 3. Organizational Chart for Sustainability Promotion

3. Strategies in Response to Climate Changes

(1) Identification of short, medium and long term climate-related risks and opportunities

Supported by the senior executives and based on the TCFD framework, Planet identifies and assesses cross-organizational climate change related risks and actions, as well as potential crises and opportunities, considers internal and external environmental changes on issues such as policies, regulations, markets, technology, reputation and physical risks, identifies transitional risks, physical risks and opportunities brought to Planet's value chain by climate changes, and proposes actions to reduce the operational and financial impacts caused by climate changes and enhance organizational resilience against climate changes.

Planet collects climate-related risks and opportunities in the electronic product manufacturing and network communication industries, assesses climate change related laws and international trends, consolidates risks and opportunities, and assesses the probability and impact strength of each risk and opportunity. In terms of probability of occurrence, 80% is considered to be highly likely, 30%~79% is considered to be likely, and 10%~29% is considered to be unlikely. In terms of impact strength (financial amount impacted), over 100 million is considered to be high, between 50 million and 100 million (excluding) is considered to be medium, and between 10 million and 50 million (excluding) is considered to be low. Planet has drawn a risk and opportunity matrix chart, as shown in Fig 4, and a chart of impact of climate-related risks and corresponding time frame, as shown in Fig 5, taking into consideration short, medium and long term time intervals that may impact the assessment on time.

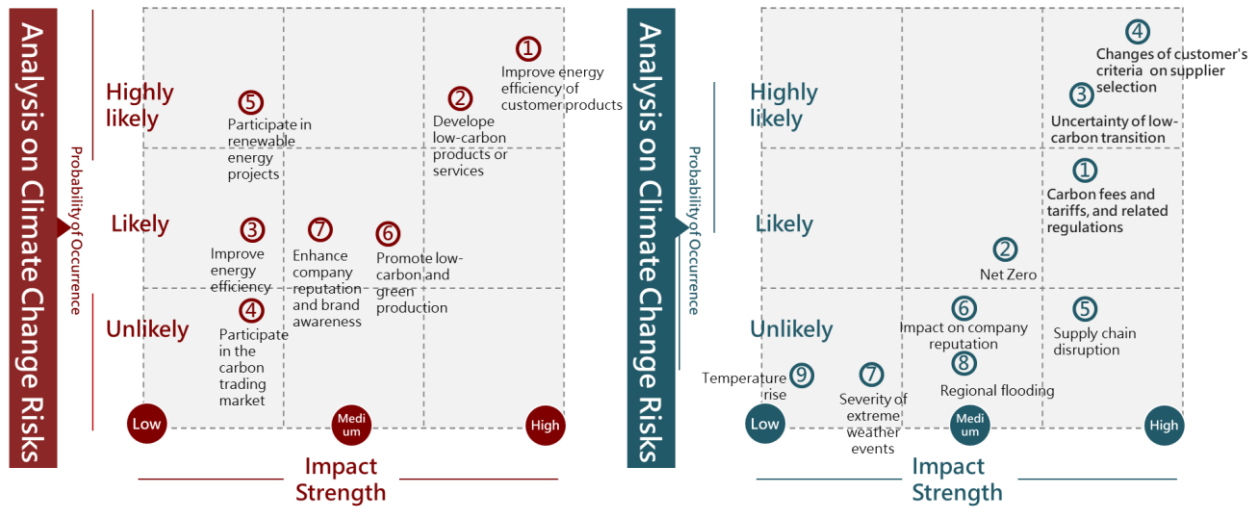


Fig 4. Analysis on Risks and Opportunities from Climate Changes

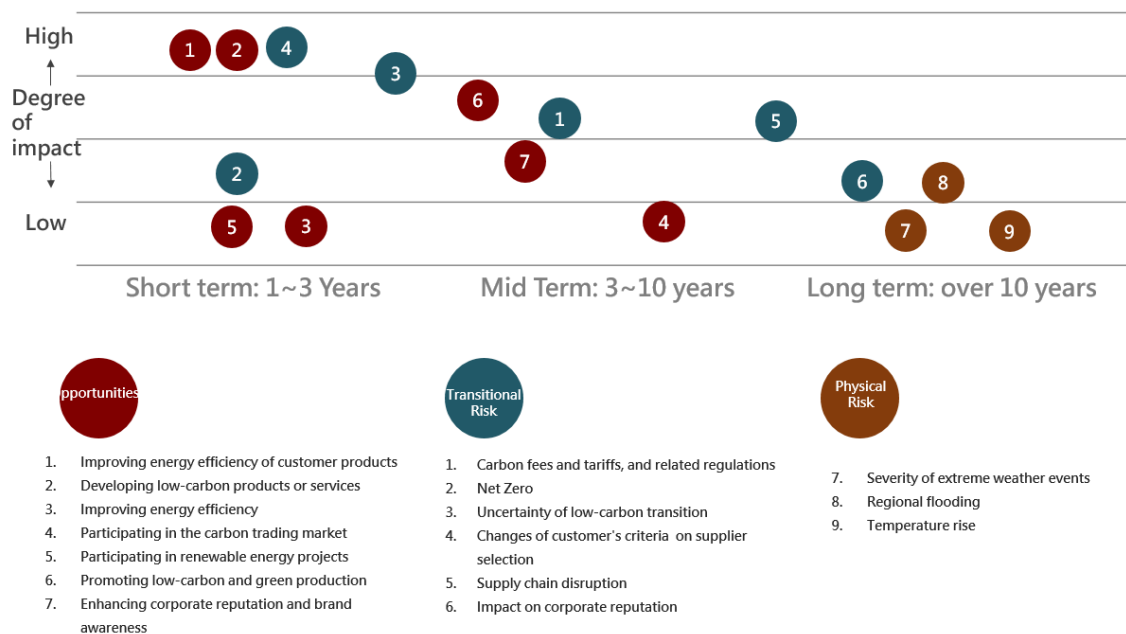


Fig 5. Impact of Climate-related Risks and Corresponding Time Frame

(2) Assessment on impact of climate-related risks and opportunities on company business, strategy and financial planning

Planet holds the principle of green energy product development, and continuously invests resources in R&D to develop energy-saving products, including the world's first renewable energy network equipment and solutions, PoE switches of all kinds, EEE energy-saving chips and other low-carbon products and services. To reduce water and electricity costs, energy-saving equipment is used, and energy-saving and carbon reduction projects are promoted by using LED lighting, energy-saving operation of air conditioning, regional induction lighting and electronic processes. Furthermore, Planet increases the inventory of key products and components and ensures logistics access against shortage of raw materials to avoid disruption of the supply chain due to climate disaster caused by climate changes.

Planet promotes low-carbon and green production, leads suppliers to reach sustainability, and formulates supply chain codes of conduct and responsible mineral sourcing policies. To ensure compliance of suppliers with Planet's requirements, the Company requires suppliers to sign a declaration on compliance with the supply chain code of conduct, and established a green material platform to promote green supply chain management.

Planet designs products for suitability based on the social, economic and technological background of customers to ensure that the Company's products are in line with environmental protection and energy conservation, so as to minimize the impact on the environment from raw materials to the output of finished products. Planet conducts ESG sustainability audit and provides guidance to major partners regularly to ensure perfect operation of the responsible supply chain. Planet uses energy-saving chips and switching power supplies that meet the Energy Star specification and safety certification for the full line of products, which are produced in a lead-free process, and packaged with minimized lightweight and recyclable packaging materials to meet WEEE specifications.

To reduce the impact of greenhouse gas regulations requiring companies to pay carbon fees, the Company has achieved the goal by using renewable energy, improving energy efficiency and evaluating carbon trading.

Planet assesses the above risks, and proposes climate-related risks and opportunities with potential financial impacts and response strategies, which are shown in Tables 2 and 3.

Table 2. Assessment on Financial Impact from Climate-related Opportunities

Type of Opportunity	Opportunities	Opportunity Sorting	Potential Financial Impact	Actions
Products and Services	① Improving energy efficiency of customer products	1	Meeting customer demand for energy-saving products and increasing revenue	Continuously investing resources in R&D to develop energy-saving products
	② Developing low-carbon products or services	2	Meeting the needs from climate changes with new solutions to increase revenue	Mastering key technologies and innovating equipment R&D
Resource Efficiency	③ Improving energy efficiency	6	Reducing water and electricity costs	Using energy-saving equipment, implementing energy-saving and carbon reduction projects
Energy Source	④ Participating in the carbon trading market	7	Purchasing carbon rights earlier to accumulate internal carbon assets of the Company	Long term planning for purchasing carbon credit
	⑤ Participating in renewable energy projects	5	Using smart meters to reduce electricity costs	Setting positive carbon reduction goals and carrying out negotiation on green electricity
Resilience	⑥ Promoting low-carbon and green production	3	Reducing operating costs	Establishing green material platform and promoting green supply chain management

Type of Opportunity	Opportunities	Opportunity Sorting	Potential Financial Impact	Actions
Market	⑦ Enhancing corporate reputation and brand awareness	4	Improving fundraising availability and reducing capital costs, meeting stakeholder expectations, and increasing market sales	Actively following and responding to climate-related issues, strengthening business sustainability, and increasing customer recognition

Table 3. Assessment on Financial Impact from Climate-related Risks

Type of Risk	Risks	Risk Sorting	Potential Financial Impact	Actions		
				Method	Description	
Transitional Risk	Policy and Regulation	① Carbon fees and tariffs, and related regulations	3	Increased operating costs	Control	Setting proactive carbon reduction goals to zero greenhouse gas emissions from operations
		② Net Zero	5	Increased cost of purchasing renewable energy and carbon credit	Mitigation	Drawing a Planet Net Zero pathway, developing Net Zero strategies, and implementing relevant actions
	Technology	③ Uncertainty of low-carbon transition	2	Cost of transitioning product technology to low-carbon technology	Control	Holding the principle of green energy product development and controlling costs within a reasonable range to ensure revenue and profitability
	Market	④ Change of customers' criteria for supplier selection	1	Decreased demand for goods and services due to market changes	Control	<ul style="list-style-type: none"> Mastering customer and market demand and expanding market penetration Mastering key technologies to accelerate net communication Equipment innovation, research and development
		⑤ Supply chain disruption	4	Increased cost of raw materials due to supply chain disruption	Control	<ul style="list-style-type: none"> Increasing inventory of key products and components Ensuring logistics access Strengthening sustainable supply chain
	Reputation	⑥ Impact on corporate reputation	6	Failure to meet the expectations of stakeholders, resulting in damage to company reputation	Control	Holding the principle of green energy product development and enhancing the green image of the Company with transparent disclosures

Type of Risk	Risks	Risk Sorting	Potential Financial Impact	Actions		
				Method	Description	
Physical Risk	Immediate risk	⑦ Severity of extreme weather events	8	Affected production, resulting in financial losses and decreased revenue	Control	Developing a Sustainability Plan, and establishing emergency response procedures
	Long-term risk	⑧ Regional flooding	7	Increased operating expenses	Transfer	Assessing the risk of flooding in warehouse area, developing and implementing risk mitigation actions
		⑨ Temperature rise	9	Increased electricity consumption and costs and carbon emissions	Mitigation	Implementing innovative carbon reduction plans, with greenhouse gas reduction actions led by senior executives

(3) Assessment on Financial Impact

- a) Transitional risk is mainly from the change of customers' criteria for supplier selection and market changes, which will lead to a decrease in the demand for goods and services, and finally a decrease in revenue. Besides, the interruption of supply chain will result in the rise of raw material costs. In addition, there will be decarbonization costs incurred by the achievement of Net Zero by 2050, such as the expenses for energy-saving and carbon reduction equipment and projects, green electricity costs or fees paid for renewable energy certificates and expenses for purchasing carbon credit, as well as the estimated costs incurred by the implementation of carbon tariffs, which is under the planning of Taiwan government, and the cost of transitioning from product technology to low-carbon technology.
- b) Physical risk is mainly from the increase in electricity costs due to future temperature rise, and the investment in actions in response to extreme weather events.
- c) Opportunities include saving water and electricity costs by improving energy efficiency, increasing revenue from developing low-carbon products and services such as renewable energy products, POE energy-saving patents and EEE energy-saving chips, and enhancing company reputation and brand awareness to increase market sales and revenue.

Table 4. Assessment on Financial Impact from Climate Changes

Risk/Opportunity Issues	Revenue	Cost/Expense	Assets
Carbon offset and trading costs		+	
Use of renewable energy		+	
Renewable energy certificate		+	+
Development of low-carbon products or services	+	+	+
Supply chain disruption	-	+	+
Actions in response to extreme weather events	-	+	-
Use of energy-saving equipment		+	
Improvement of company reputation and brand awareness	+		

※+ indicates increase, - indicates decrease

(4) Strategic resilience, considering different climate-related scenarios (including the scenario with a temperature of 2°C or more severe conditions)

Planet assesses the impact of different greenhouse gas emission control on the Company's operation and supply chain based on the criteria recommended by TCFD and the worst-case scenario for transitional and physical risks, and incorporates the assessment results into the consideration of strategic resilience. Planet also assesses the maximum impact of transitional and physical risks separately referring to the emission scenarios of SSP1-1.9 and SSP5-8.5 described in the Scientific Assessment Report of UN Intergovernmental Panel on Climate Change (IPCC), and includes the potential increase in carbon emissions from future company operation growth and ongoing carbon reduction actions (including carbon offsets) in the assessment to analyze the financial impact from climate risks.

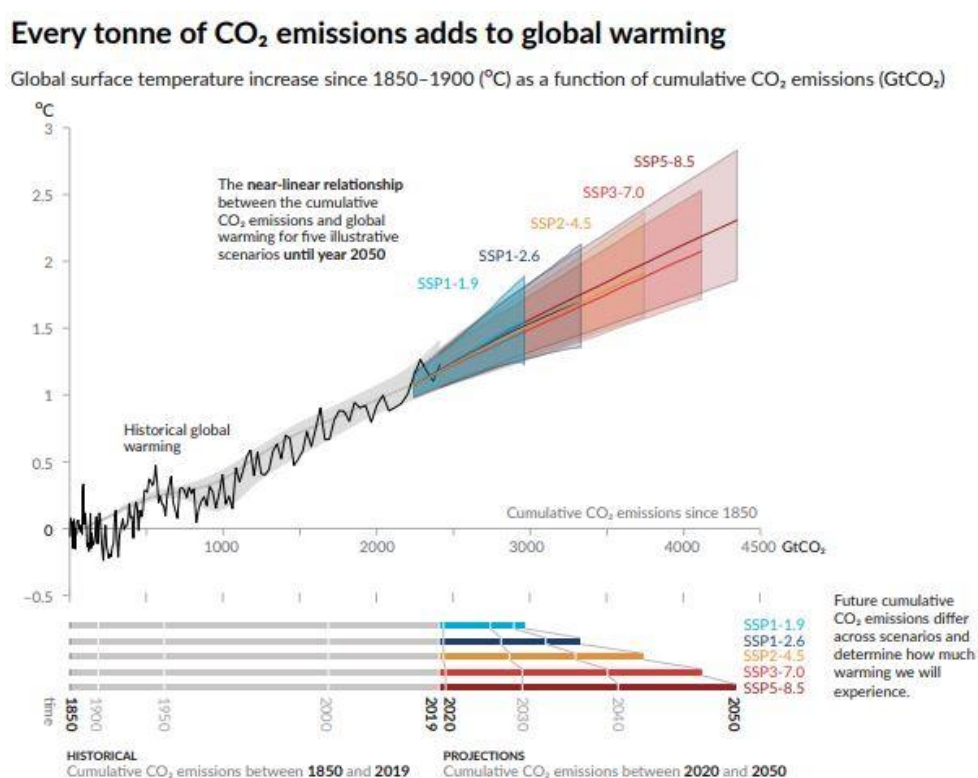


Fig 6. Climate Scenarios

Image source: IPCC

The Sixth Assessment Report (AR6) adopts a more detailed Shared Socio-economic Pathways (SSP) to incorporate qualitative socio-economic conditions, such as basic elements and driving factors of population, human development, economy, lifestyle, policies and institutions, technology, environment and natural resources, into an integrated assessment model to generate the five scenarios of SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP2-7.0 and SSP5-8.5, which range from negative to extremely high carbon emissions.

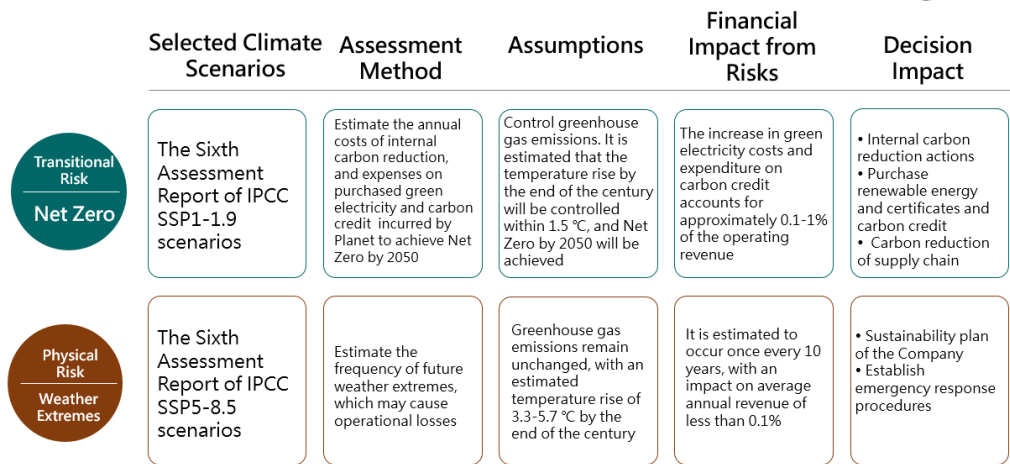


Fig 7. Transitional Risk and Physical Risk in Scenarios of SSP1-1.9 and SSP5-8.5

In terms of transitional risks, Planet considers the reduction target pathways for each stage of Net Zero commitment, adopts innovative carbon reduction actions, and uses renewable energy and carbon credit offsets to reach Net Zero. With the increasingly strict requirements for carbon reduction commitments and the potential shortage of renewable energy and carbon credit, the transition cost in relation to Net Zero commitment will increase year by year. To achieve Net Zero, financial expenses will account for approximately 0.1-1% of the revenue of the current year.

In terms of physical risks, Taiwan has experienced heavy droughts under the influence of climate changes, while severe typhoons have caused severe floods. Planet refers to the key indicators of Taiwan's climate change provided by Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to understand the risks of extreme weather events. The annual maximum number of consecutive days without rainfall in New Taipei City show an increasing trend, with the worst-case scenario (SSP5-8.5) showing an average increase of approximately 3.11% and 3.14% in the mid to late 21st century. Under the worst-case scenario (RCP8.5), the proportion of strong typhoons in Taiwan will increase by approximately 100% and 50% in the mid and late 21st century. Faced with the intensification of extreme weather events in the future, Planet has developed a Business Sustainability Plan and established emergency response procedures to minimize the impact of extreme weather and avoid losses caused by business interruptions.

Table 5. Assessment Results of Increased Potential of Weather Extremes

Planet/Processing Plant	County/City	Max Number of Consecutive Days Without Rainfall			Increase of Strong Typhoon	
		Near Future	Mid Century	End of the Century	Mid Century	End of the Century
Planet	New Taipei City	3.11	3.14	12.7	100	50
Processing Plant 1	New Taipei City	3.11	3.14	12.7	100	50
Processing Plant 2	New Taipei City	3.11	3.14	12.7	100	50
Processing Plant 2	New Taipei City	3.11	3.14	12.7	100	50

Rate of change: %

※Near future: 2016-2035, mid century: 2046-2065, end of the century: 2081-2000

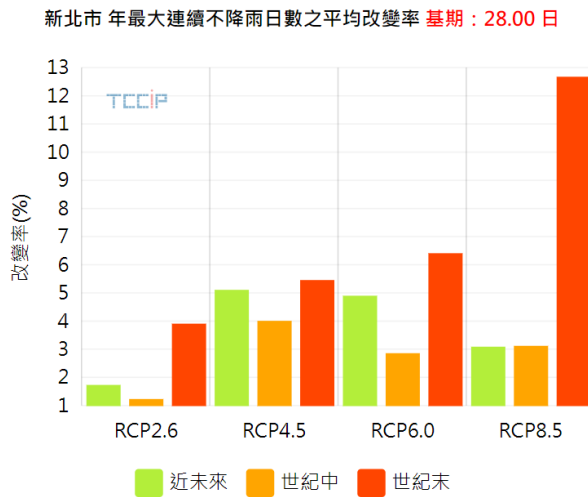


Fig 8. Average Rate of Change of Annual Maximum Number of Consecutive Days Without Rainfall in New Taipei City

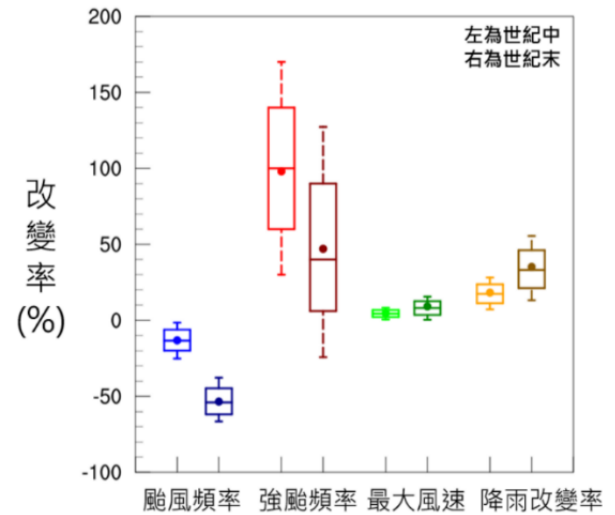


Fig 9. Future Changes of Four Typhoon Indicators in the Scenario of RCP8.5

Image source: TCCIP

Image source: TCCIP

4. Planet's Four Core Strategies Against Climate Risks

Based on the results of risk and opportunity identification, and considerations on the goals set for Net Zero by 2050, domestic and international carbon reduction trends and related requirements, Planet has developed carbon reduction strategies and action plans, and continues to improve TCFD operating procedures to respond to climate change risks.

- (1) Greenhouse gas management: Calculate greenhouse gas emissions and plan carbon reduction pathways.
- (2) Green products: Hold the principle of developing green energy products and continue to develop low-carbon and energy-saving products.
- (3) Carbon reduction management: Purchase renewable energy and implement internal/external carbon reduction actions.
- (4) Carbon management mechanism: Participate in CDP carbon disclosure project, join SBTi (Science-based Target Initiative), and promote internal carbon pricing.

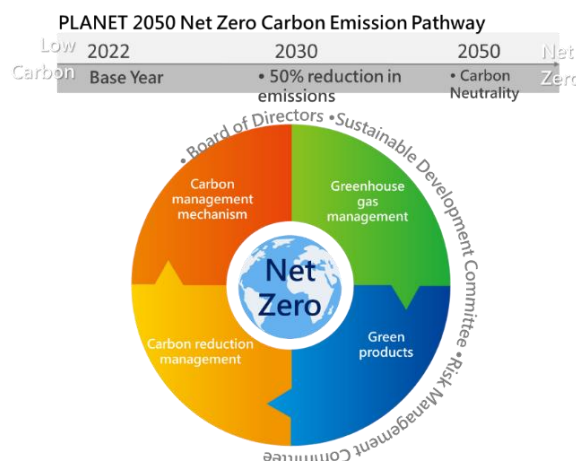


Fig 10. Planet's Four Core Strategies Against Climate Risks

5. Risk and Opportunity Management in Response to Climate Changes

(1) Process for identifying and assessing climate-related risks and opportunities

Based on the interviews and discussions conducted by the Sustainability Promotion Team, TCFD Recommendations of the Task Force on Climate-related Financial Disclosures (as shown in Fig 11), climate scenario setting, international carbon reduction pathways (such as the *European Green Deal* and the *Green Growth Strategy* of Japan), analysis on internal and external issues (such as carbon fees and tariffs related policies: CBAM (*Carbon Border Adjustment Mechanism*), Taiwan's carbon tariffs in 2024, climate-related initiatives: RE100, CDP (Carbon Disclosure Project) and SBTi, etc.), Planet identifies climate-related risks and opportunities, conducts financial quantitative analysis, and reviews the existing actions and plans to fully identify the potential transitional risks, physical risks, and opportunities. Refer to the relationship between climate risks and Planet risks shown in Table 7.

Table 6. Climate Risks, Risk Conduction Pathway, and Risks Faced by the Electronic Product

Manufacturing Industry		
Climate Risk Category	Risk Conduction Pathway	Planet Risk
<p><u>Transitional Risk</u></p> <ul style="list-style-type: none"> • Carbon fees and tariffs, and related laws (policies and regulations) • Net Zero • Uncertainty of low-carbon transition (technology) • Change of customers' criteria for supplier selection (market) • Supply chain disruption (market) • Impact on corporate reputation (reputation) <p><u>Physical Risk</u></p> <ul style="list-style-type: none"> • Severity of extreme weather events (immediate) • Increase in natural disaster insurance premiums (long-term) • Temperature rise (long-term) 	<p>⇒</p> <ul style="list-style-type: none"> • Collection of carbon tax and fees • Energy price fluctuations • Compliance with products with environmental requirements • Low carbon technology transition • Pressure of sustainability assessment • Decrease in asset value • Failure to meet the expectations of stakeholders, resulting in damage to the Company's reputation • Interruption of raw material production and supply, resulting in an increase in purchase prices <p>⇒</p>	<p><u>Business Risk</u></p> <ul style="list-style-type: none"> • Increase in operating costs • Decrease in market sales • Increase in R&D costs • Asset retirement losses <p><u>Strategic Risk</u></p> <ul style="list-style-type: none"> • Supply chain stability <p><u>Funding Risk</u></p> <ul style="list-style-type: none"> • Reduced investor willingness to invest and increased cost of funds <p><u>Regulatory Compliance Risks</u></p> <ul style="list-style-type: none"> • Renewable energy regulations



Fig 11. Climate-related Risks and Opportunities and Financial Impacts (2019, TCFD Recommendations of the Task Force on Climate-related Financial Disclosures)

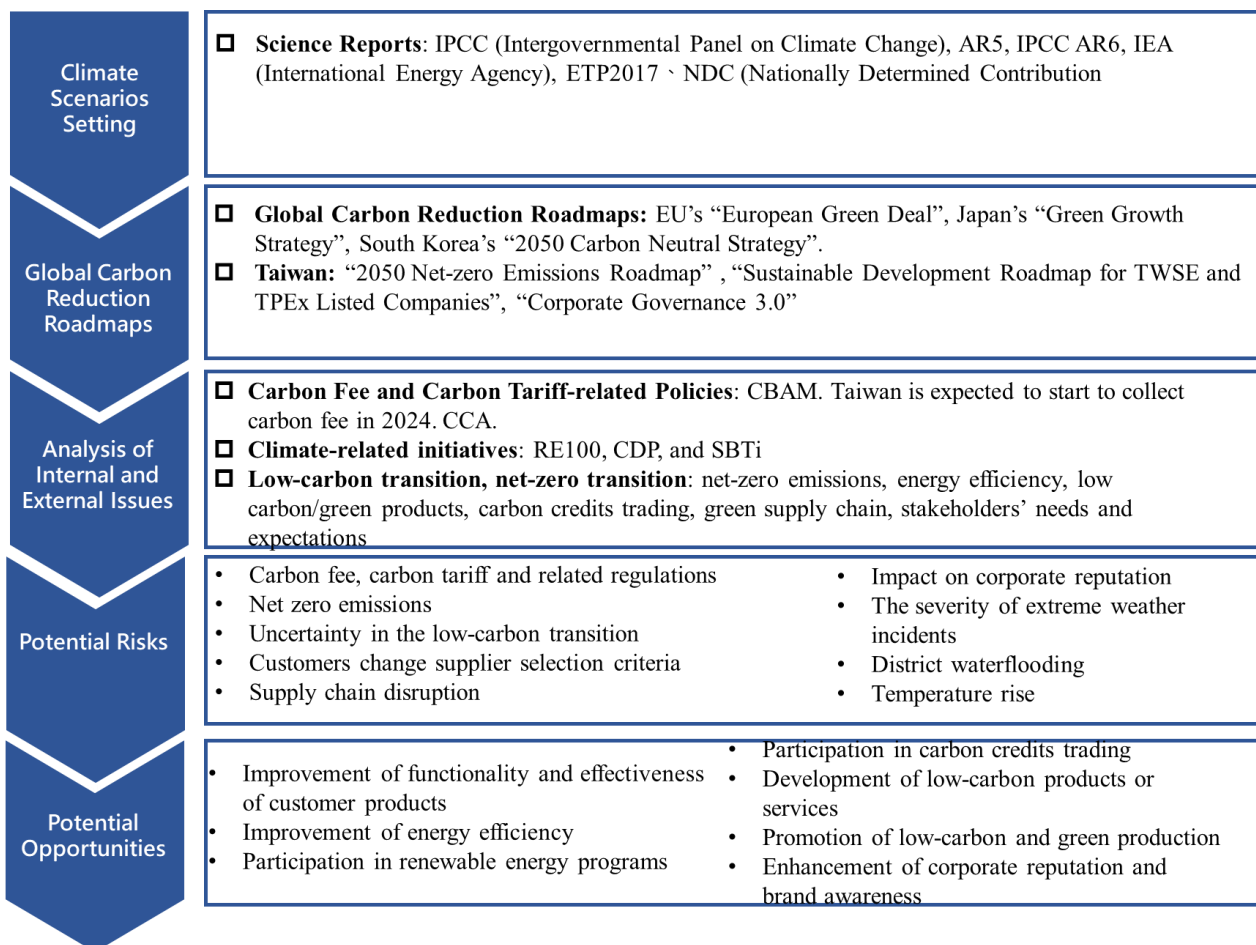


Fig 12. Identification and Assessment Processes for Climate-related Risks and Opportunities

(2) Process for managing climate-related risks and opportunities

Based on the impact of climate change on the overall operation of the Company, TCFD guidance, a list of risks and opportunities provided by the Sustainability Promotion Team, the definition of each risk and opportunity and its relevance to the Company's business discussed by the Sustainability Promotion Team, and the degree of concern of stakeholders and potential business impact on each issue, Planet assesses the "incidence rate" and "impact strength" of risk events, ranks potential risk events after considering the incidence rate and impact strength comprehensively, and identifies short, medium and long term risks and opportunities. Planet conducts scenario analysis with reference to international scientific reports, quantify the financial impact of climate changes on the Company, and formulates risk management strategies as the core of actions against climate changes.

In addition to the risk assessment process mentioned above, Planet requires all departments to comply with current regulations and continuously track the development of potential new regulations in the future. Any risk that may cause the Company's violation of any rules shall be included in the risk assessment process. For example, the current further requirements of other countries for recycling labels on product packaging boxes will result in the use of environmentally friendly and recyclable raw materials for product packaging, and the printing of recycling labels meeting standards, which may increase related costs.

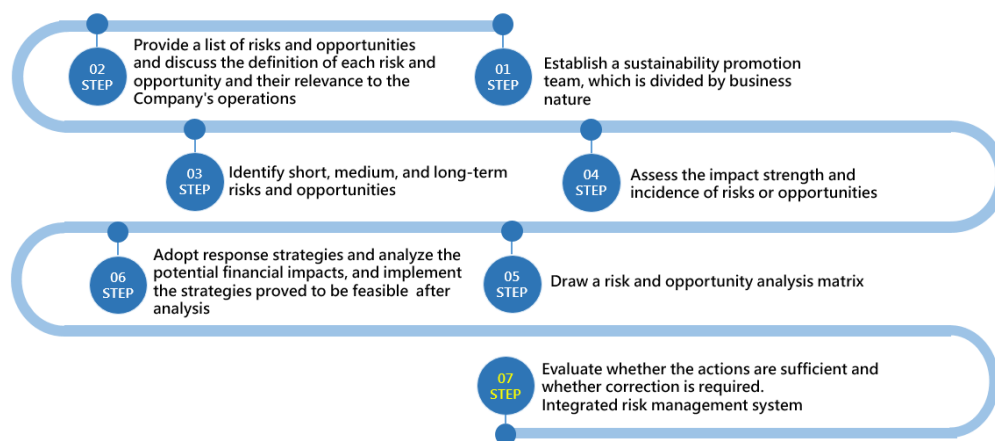


Fig 13. Climate-related Risk and Opportunity Management Process

(3) How the processes of climate-related risks identification, assessment and management are integrated with the overall risk management mechanism

Planet collects domestic and international climate related laws, regulations and information from time to time through the Sustainability Office and Environmental Sustainability Team. The Sustainability Promotion Team identifies relevant risks and opportunities, and holds two meetings every year to report to the Sustainable Development Committee and the Board of Directors the management information and implementation performance in respect of climate-related risks and opportunities. Planet integrates the climate-related risk management process into the functional committee under the Board of Directors - Risk Management

Committee, and formulates risk management policies and procedures to ensure that the risk management mechanism will fully cope with the risks faced by the Company, and be integrated into the daily operation process, so as to extend the depth of risk opportunity detection and management, strengthen the response to climate changes and improve low-carbon competitiveness.

6. Indicators and Goals Set in Response to Climate Changes

(1) Indicators used in assessing climate-related risks and opportunities

Planet has quoted GRI302 and GRI305 indicators to establish performance tracking indicators, and introduced disclosure indicators of sustainable accounting standards, which mainly include electricity performance and energy consumption. Since Planet has no production water consumption and business wastes (more than 99% of wastes are recycled), water resources and waste management are not indicators used to assess climate-related risks and opportunities. The indicators set for 2021 and 2022 are shown in Table 7, and the specific performance has been disclosed in the annual sustainability report.

Planet has started to plan climate change related KPI, which will be incorporated into the remuneration policy. Under the framework of sustainable development goals (SDGs), each Sustainability Promotion Team will set indicators related to climate change goals and assess the integration with the internal remuneration system.

In 2022, Planet carried out the promotion of Internal Carbon Pricing (ICP), drew the attentions of all departments with the goals of TCFD, internal education, training and meetings, and pushed all departments to participate in the promotion, collect detailed information on ICP design, institutional change mechanisms, and set appropriate carbon prices to plan the best ICP practice.

Table 7. Climate Risk Indicators

Risk Indicators	2021	2022	YoY Comparison
Fuel usage (million joules)	91,012	87,103	4%↓
Electricity usage (million joules)	2,511,517	2,425,167	3.4%↓
Energy intensity (million joules/revenue of 1,000)	1.823	1.460	19%↓

(2) Greenhouse gas emissions and related risks

To comprehensively manage the carbon risks faced by the Company, Planet introduced the ISO14064-1:2018 greenhouse gas examination and management mechanism in 2022, which was verified by a third party, and promoted and implemented by the Environmental Sustainability Team under the Sustainability Promotion Team. The greenhouse gas emissions of Planet in 2022 are shown in Table 9. According to the greenhouse gas examination results, Planet's main source of greenhouse gas is the purchased Category 2 electricity, which accounts for more than 68% of the total greenhouse gas emissions. Therefore, the main actions to reduce greenhouse gas emissions are improvement of energy efficiency and use of renewable energy. Specific performance has been disclosed in the 2022 greenhouse gas examination report.

The source categories and emissions of greenhouse gas are detailed in Tables 8 and 9.

Table 8. Categories of Greenhouse Gas Sources

Category	Source Category	Activities/Equipment
Category 1 Direct emission	Mobile combustion of transportation vehicles	Gasoline used in official vehicles
	Fugitive emissions	<ul style="list-style-type: none"> ■ Leakage of refrigerant used in air conditioners/ refrigerators/water dispensers/official vehicles ■ Emission from carbon dioxide fire extinguishers ■ Emission from septic tank
Category 2 Indirect energy emission	Greenhouse gas emissions generated by purchased electricity, heat, steam or other fossil fuel derived energy	Electricity purchased from power companies
Category 3&4 Other indirect emission	Emissions generated from non-owned or controllable emissions, such as indirect emissions from operational wastes, business travel, upstream and downstream transportation, etc.	<ul style="list-style-type: none"> ■ Upstream transportation (supplier) ■ Downstream transportation (customer) ■ Business transportation ■ Losses from power transmission and distribution

Table 9. Greenhouse Gas Emissions and Intensity in 2022

Category	2022
Category 1 Direct emission	24.39
Category 2 Indirect energy emission	342.89
Category 3&4 Other indirect emission	136.28
Category 1 + Category 2	367.28
Greenhouse gas emission intensity (MT of CO ₂ e/revenue of 1million)	0.21

※ Explanation of greenhouse gas emission intensity calculation: Category 1+Category 2 greenhouse gas emissions/revenue of 1million

(3) Goals and achievements

Planet sets short-, medium- and long-term mitigation and adaptation goals to demonstrate the management performance of climate changes, drive low-carbon economic transformation, and reduce the impact of physical disasters. Planet aims to control temperature rise below 1.5°C, set carbon reduction percentages for each stage, as well as challenging and ambitious short-, medium- and long-term goals from the perspective of climate change mitigation and adaptation.

Table 10. Goals and Achievements

Category	Goals	Achievements				
		in 2022 (Base year)	Short term: 2025	Mid term: 2030	Long term: 2040	2050
Climate change mitigation	Reducing greenhouse gas emissions (Category 1+Category 2)	367.28MT CO ₂ e	30% reduction compared to the base year	50% reduction compared to the base year	60% reduction compared to the base year	
	Reducing the greenhouse gas emissions intensity	0.21	10% reduction compared to the base year	20% reduction compared to the base year	Rolling adjustment based on operating	
	Increasing the proportion of renewable energy usage	4.5%	Use 30%	Use 50%	Use 60%	
Adaptation to climate change	TCFD management and disclosure	Passed pre-qualification	<ul style="list-style-type: none"> • Maturity Level 4 in 2023 • Maturity Level 5 in 2024 	Strengthen decision-making mechanisms and integrate climate related financial	Continuously deepening climate risk and opportunity management	<ul style="list-style-type: none"> • Net Zero • RE100
	Internal carbon pricing	ICP initiative and training	Implementation of internal carbon pricing	Optimize internal carbon pricing management mechanism	Continuous optimization	
	Greenhouse gas management	Launch of ISO14064-1v verification	<ul style="list-style-type: none"> • Certified by ISO14064-1 • Certified by ISO14067 	Establish a supplier carbon management mechanism and platform	Continuously deepening greenhouse gas management operations	
	Carbon trading	Internal and external assessments	Establish a carbon account	Reserve carbon assets	Investing in the carbon trading market	

※ Reducing greenhouse gas emissions (Category 1+Category 2) through actions such as improving energy efficiency, using renewable energy and purchasing renewable energy vouchers.

Planet reports on the four aspects of governance, strategy, risk management, indicators and goals based on TCFD recommendations. The Board of Directors supervises climate-related risks and opportunities, exposes the risks and opportunities from climate changes, establishes climate risk/opportunity assessment processes and information processes, formulates strategies and actions, sets indicators for climate-related

risks and opportunities according to the strategies and risk management processes to demonstrate the Company's due responsibilities and strategies, and allocate capital in a more reasonable and effective way. Planet's climate risk management and actions are shown in Table 11.

Table 11. Planet's Core Strategies, Specific Actions, Indicators and Objectives Against Climate Risks

Core Strategy	Actions	Climate Risks	Indicators and Goals
Greenhouse gas management	<ul style="list-style-type: none"> Establish ISO14064-1 greenhouse gas examination and pass verification Establish ISO14067 product carbon footprint and pass verification 	<ul style="list-style-type: none"> ① Carbon fees and tariffs, and related regulations ② Net zero 	<ul style="list-style-type: none"> Greenhouse gas management
Green products	<ul style="list-style-type: none"> Hold the principle of green energy product development Renewable energy equipment and products 	<ul style="list-style-type: none"> ② Net zero ③ Uncertainty of low-carbon transition ④ Change of customer's criteria on supplier selection 	<ul style="list-style-type: none"> Reduce greenhouse gas emissions Reduce the intensity of greenhouse gas emissions
Carbon reduction management	<ul style="list-style-type: none"> Build a green supply chain management platform Implement reduction activities according to ISO14064-2 standards Promote internal/external carbon reduction actions Use renewable energy Purchase renewable energy certificates Implement carbon offset projects 	<ul style="list-style-type: none"> ① Carbon fees and tariffs, and related regulations ② Net zero 	<ul style="list-style-type: none"> Reduce greenhouse gas emissions Reduce the intensity of greenhouse gas emissions Increase the proportion of renewable energy usage
Carbon management mechanism	<ul style="list-style-type: none"> Participate in Carbon Disclosure Project (CDP) Join Science-based Targets initiative (SBTi) Implement internal carbon pricing (ICP) Participate in domestic/international climate-related information disclosure platforms Join carbon trading platforms Join RE100 Initiative 	<ul style="list-style-type: none"> ① Carbon fees and tariffs, and related regulations ② Net zero ⑤ Supply chain disruption ⑥ Impact on company reputation 	<ul style="list-style-type: none"> TCFD management and disclosure Internal carbon pricing Carbon trading

7. Future Outlook

This report is Planet's first TCFD report, and Planet is adopting a phased approach to practicing TCFD to gradually integrate TCFD into operational strategies and investment decisions. Planet disclosed ESG and climate change management achievements, and published Planet's governance, strategy, risk management and indicator implementation in respect of climate changes to stakeholders. Planet expects to expand company influence with its core functions, bring more significant value to the society and stakeholders, and continue to take positive actions to closely link digital innovation, Net Zero and other global trends to achieve sustainability and create a better future.

Annex 1: Report Management

- This report covers the period from January 1, 2022 to December 31, 2022
- Production frequency of this report: annually.
- Report contacts

Responsible Dept.	Environmental Safety and Health Office
Person to contact	Chen Han-Yuan
Tel	(02)2219-9518 ext.113
E-mail	benc@planet.com.tw
Official website	https://www.planet.com.tw

Annex 2: Index of TCFD Reports

Orientation	TCFD Suggested Disclosing Items	Page
Governance	Board oversight of climate-related risks and opportunities	P6-8
	Responsibilities of the management in assessing and managing climate-related risks and opportunities	P6-8
Strategy	Short-, medium- and long-term climate-related risks and opportunities identified by the organization	P9
	The impact of climate-related risks and opportunities on the organization's business, strategy and finances	P10-12
	Organizational strategic resilience, considering different climate-related scenarios (including the scenario with a temperature of 2°C or more severe conditions)	P12-14
Risk Management	Processes for identifying and assessing climate-related risks within the organization	P9, P15-17
	Processes of the organization for managing climate-related risks	P15-17
	How the processes of identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management mechanism	P7-8, P17
Indicators and Goals	Indicators used by the organization to assess climate-related risks and opportunities based on its strategy and risk management processes	P17-18
	Disclosures of greenhouse gas emissions of categories 1, 2, and 3 and related risks	P18
	The goals used by organizations in managing climate-related risks and opportunities and achievement of goals	P19-20