

Emission volume of CO2 and other GHG

Stock code: 4960

Provided by: Chimei Materials Technology Corp.

Year: 2017

1. Effect or impact on enterprises of GHG emission:

(1) Enterprise's risk over climate change-related laws and regulations:

According to GHG Management Act and Regulations Governing Report of GHG Emission Volume from Stationary Pollution Sources at Public and Private Premises", the Company has not yet met the circumstance about yearly emission volume of GHG generated from fossil fuel's burning totaling 25,000 tons at the second group of public and private premises and, therefore, it is not necessary for the Company to submit such report. However, for customers' requirement, the Company has proceeded with the GHG inspection since 2010 and appointed a third notarization entity to verify the emission volume.

(2) Enterprise's substantial risk over climate changes:

1. Water resource supply and changes in quality
2. High temperature heat renders some impact.
3. Increase in such natural calamities as rising sea level, heavy rain, typhoon and flood.
4. Increase in frequency and strength of extreme climate accidents.
5. Indirect impact to industrial development through the impact to interested parties of the industry.

(3) Opportunities provided by climate changes to enterprises:

1. The utilization of resources in the process, to reduce water resource consumption and increase recycling rate.
2. Design new standard durable infrastructure and upgrade efficiency through new standard designed air conditioner or existing equipment.
3. Replace or upgrade the existing system, and establish the responsive plan against accidents and natural calamities.
4. Set the product life cycle and market development, build up brand awareness and product features, and increase balance between work and flexibility of life.

(4) GHG emission volume of enterprises (direct/indirect) (to specify the scope and time of inspection), and external certification, if any:

Inspection criteria: The GHG Inspection Guideline, GHG Inspection and Registration Management Principles, and CNS 14064-1 Greenhouse gases – Part

1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Scope of inspection:

CHIMEI Materials Technology Corp.: No. 13, Mushangang West Road, Shanhua District, Tainan City, owning and running 1 LCD polarizer plant. The inspection covers only one plant facility.

Term of inspection: January 1, 2016~December 31, 2016

Verified data: Adoption by the fourth announcement (A4R) of IPCC 2007, defining 52,378.278 tons of CO₂, includes:

-Direct GHG emission (Scope 1) volume: 18,617.0792 tons of CO₂.

-Direct GHG emission (Scope 2) volume: 33,761.1989 tons of CO₂.

(The GHG emission from outsourced power was calculated based on the power emission, 0.529 kg CO₂-e/degree, 2016 published by Bureau of Energy, Ministry of Economic Affairs on June 28, 2017.)

The information about external certification is stated as followed:

Statement No. 00103-2017-AG-TWN-TAF

Inspection organization: DNV GL Business Assurance Co., Ltd

Date of inspection: September 8, 2017~September 28, 2017

Inspection Statement Date: December 13, 2017

2. Enterprise's strategies, methods and objectives about GHG management:

(1) Enterprise's strategies to respond to climate changes or GHG management:

1. Internal: Establish the Company's adjustment strategies, quantify data or describe related risks and opportunities.
2. Interaction of industry and market: Disclose information properly, create helpful instruments and empirical analysis with the industry, provide technical support to customers and suppliers, or work with them to develop products and services which meet the purchasers' need.

(2) Objective of reduction in enterprise's GHG emission volume:

For the time being, the GHG emission generated by the Company has yet met the statutory limit and, therefore, the Company doesn't set the objective of reduction. Notwithstanding, its plant takes measures to save energy and water resources during routine operation, and applies variable-frequency models of high-power-consumption equipment to upgrade efficiency.

(3) Budget and plan for reduction in enterprise's GHG emission volume:

No definite budget and implementation plan is available.

(4) Carbon-reduction effect produced by the enterprise's product or service for customers or consumers: Yet received any customer's or consumer's feedback about carbon reduction.