SB 261 TCFD Format

Governance	
Describe the Board's oversight of climate-related risk and opportunities	The Nominating, Governance and Sustainability Committee of the CTS Board of Directors provides oversight of environmental, social, and governance policies and initiatives.
Describe Management's role in managing climate-related risks and opportunities	CTS utilizes an Enterprise Risk Management process that ensures climate and other sustainability risks are defined and necessary mitigation steps are addressed. CTS has a Sustainability Committee comprised of a cross-functional and diverse team of employees, that includes members representing Environmental, Health & Safety, Human Resources, Legal, Engineering, Internal Audit, and Supply Chain. The committee meets monthly to drive sustainability initiatives, including establishing goals and key performance indicators for each material topic and to monitor and measure progress. In addition, the committee provides frequent updates to the Nominating, Governance and Sustainability Committee and quarterly updates to the senior leadership team.

Strategy	
Describe the climate-related risks and opportunities the Company has identified over the short, medium and long term	The effects of climate change and the ongoing efforts to mitigate its impact, including through climate change-related legislation and regulation, could have a material adverse effect on our business, financial condition, and results of operations. The physical effects of climate change, including extreme weather and natural disasters may disrupt our operations and those of our customers and suppliers. In addition, changes to laws or regulations enacted to address the potential impacts of climate change could have a material adverse impact on our business, financial condition, and results of operations. For example, continuing political and social attention to the issue of climate change has resulted in both existing and pending international agreements and national, regional, or local legislation and regulatory measures to limit greenhouse gas emissions. Any future increased regulation concerning greenhouse gas emissions and other climate-change related laws and regulations, may require equipment modifications, operational changes, payment of increased or additional taxes, or the purchase of emission credits to reduce the emission of greenhouse gases from our operations, which may result in us incurring substantial capital expenditures and compliance, operating, maintenance and remediation costs. In addition, any such future regulatory changes could result in transition risks to our business, including but not limited to: • The nature and timing of any requirement to lower greenhouse gas emissions and adopt more energy-efficient energy use, which could result in changes or disruptions to the way we operate our business, • The risk of lower demand for our products related to customers who experience business declines or disruptions due to the impact of any requirement to lower greenhouse gas emissions, • Financial risks where compliance with such regulations requires unforeseen capital expenditures, • Legal risks associated with the implementation of any new technologies required to comply with such regulations, which could impede our ability to innovate new products, meet customer and market demand or compete on pricing and quality in the market, and/or • Reputational risks associated with our customers' and investors' perceptions of our business. We are not able to predict how any future definitive agreements, pacts and/or regulations, if

	and when they are adopted and required, and the commitments necessary to comply with such requirements, will affect our business, financial condition, and results of operations. The CTS climate risk assessment process indicates time horizons for Short Term is 0-2 years. The time horizon for Medium Term is up to 2 years, and the Long Term is greater than 5 years.
Describe the impact of climate-related risks and opportunities on business strategy, and financial planning	CTS understands the ever-evolving climate-related risks and opportunities impacts business strategy and financial planning. CTS has identified seven (7) overall climate-related risk including: • Business Disruption • Increase Cost (compliance, operations, and R&D) • Increased Capital Investments • Cyber Risks • Loss of Business • Loss of Competitiveness • Loss of Investors
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	CTS' strategy is fairly resilient in that it is designed around our Sustainability efforts. For example, CTS has been focused on electrification of automobiles by designing products for electric vehicles or manufacturing products that are agnostic to internal combustion engines or electric motors.
Strategy – Risk Type	Impact on CTS
Policy & Legal	CTS is subject to numerous regulations related to air, water, hazardous materials, safety, and health. Compliance is managed by the CTS Sustainability Committee, which uses a global network of subject matter experts to address regulations related to TSCA, REACH, RoHS, CMRT, etc. Additionally, the Director of Environment, Health and Safety manages compliance with applicable environmental regulations.
Technology	CTS recognizes that low carbon technology and equipment is a primary risk driver at our manufacturing locations. CTS is focused on adapting processes and utilizing technology to reduce impacts on the environment.
Market	CTS is prepared for a transition to a low-carbon economy. CTS develops products for the automotive industry, which has a significant carbon footprint. To counteract these risks, CTS develops products that are agnostic to internal combustion engines and prone to electrification.

Reputation	CTS understands that climate-related considerations are increasingly a focus for customers and investors. CTS monitors climate-related feedback from customers and investors to improve the Company's sustainability program. CTS also releases a biennial Sustainability Report.
Acute	Through the CTS Enterprise Risk Management process acute physical risks are identified. These risks include: • Hurricanes/tsunamis • tornados • torrential rains • floods • earthquakes • volcanic eruptions • wild fires • heat waves • cold waves • snowstorms
Chronic	Through the CTS Enterprise Risk Management process chronic physical risk are identified. These risks include: • rising temperatures • water stress • shifting agricultural zones • sea levels rising • change in wind patterns • ecosystem shift/biodiversity loss • melting glaciers • energy system stress • long term air quality degradation.

Risk Management	
Describe the organization's process for identifying and assessing climate-related risks	CTS utilizes a group comprised of a cross functional team of personnel to identify and assess climate related risks. This team includes personnel from Operations, EHS, Finance, Legal, and Engineering. The team meets annually to identify and assess climate-related risk. After the assessment is completed, the team will present the information to the Sustainability Committee.
Describe the organization's process for managing climate-related risks	Resiliency is a critical component for CTS to manage physical risk. Business continuity plans and periodic assessments of sites gives CTS the ability to reduce exposure to physical risk. Geography of the company also aids in physical risk management as facilities are scattered across the globe which limits a climate-related event to one region instead of the entire company. Insurance is also used to protect physical assets from climate-related events. CTS has implemented various processes to address transition risk. Solar panel system was installed at our Kaohsiung site in 2024 and facilities have undergone energy efficiency improvements. Green-house gas reduction projects were implemented to reduce emissions and future regulatory related risk.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	CTS utilizes an Enterprise Risk Management process to identify, monitor, and mitigate risks that could materially impact the company's ability to meet objectives. The Company's significant risks are evaluated with additional assessments based on changes to the company portfolio, global footprint, or business landscape.

Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CTS tracks the following metrics relevant to climate-related risks and opportunities: • Scope 1 GHG Emissions • Scope 2 GHG Emissions (location-based and market-based) • GHG Intensity (per million in revenue) • Energy Consumption (renewable & nonrenewable) • Water Withdrawn • Hazardous Waste Generation
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 1: 55,294 MTCO2e Scope 2: 28,895 MTCO2e (location based) Scope 2: 28,232 MTCO2e (market based) Currently CTS does not have the capabilities to calculate Scope 3 emissions
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CTS identified significant green-house gas emissions associated with certain processes within the company. These emissions represented about 70% of total (Scope 1 and 2) emissions for CTS. CTS set a target to reduce Scope 1 emissions by 20% in 2025 as these high emission processes are phased out. In 2024 CTS saw a 37% reduction in Scope 1 emissions equating to over 33,000 mt/co2e fewer emissions from the previous year. When comparing this information to the total green-house gas emissions for CTS, it represents a 29% reduction of total GHG emissions from the previous year.