



先進光電科技股份有限公司
Ability opto-Electronics Technology co.,Ltd

2023 SUSTAINABILITY REPORT



Sustainable Vision



We see The Future



Table of contents

Regarding report	4	01 Strategic Situation-Business Performance and Stakeholders	11
Statement from top management	5	1.1 Sustainable development policy and governance structure	12
Company Overview	6	1.2Stakeholder Communication	15
		1.3 Major identification and management policies	17
		1.4 Identification of major issues and evaluation mechanism	21
02 Steady and clear-corporate governance and resilient operations	31	03 Green Mirror-Environmentally Sustainable Business Strategy	61
2.1 Corporate Governance	32	3.1 Climate change Strategie	62
2.2 Integrity management	36	3.2 Greenhouse gases and emissions	66
2.3 Regulatory governance and internal audit system	38	3.3 Energy usage	68
2.4 Risk management	41	3.4 Water resources management	69
2.5 Climate change management	45	3.5 Waste management	70
2.6 Supply chain management	56		



Table of contents

04 Digital Optoelectronics-Smart Operation and Creating	71	06 Action Sustainability - Social Benefits and Response Initiatives	86
4.1 Optoelectronic safety	72	6.1 Social mobility	87
4.2 Information security and customer privacy	74	6.2 Social Risk and benefit	88
4.3 Customer maintenance quality and satisfaction	76	6.3 Community Discussion	89
05 Talent Vision-Diversity and Happiness Structure	78	Appendix	
5.1 Employee care and welfare	79	GRI Standard Appendix	
5.2 Talent maintenance and policies	82	SASB theme	
5.3 Talent recruitment and cultivation	85	MSCI Topics	
		Taiwan Stock Exchange Optoelectronics Industry Disclosure Indicators	
		Taiwan Stock Exchange listed counter climate info	
		Code of Practice for Sustainable Development of OTC Listings	
		Summary table	



Regarding this report: Scope and Establishment

Ability opto-Electronics Technology Co., Ltd. (hereinafter referred to as AOET) has issued the Sustainability Report (ESG Report) for the first time since 2024. Investors and stakeholders, as well as all partners who care about Advanced Optoelectronics, please refer to the currently updated website sustainability report to find the information you need.

This report covers the actions and achievements of AOET Taiwan from January 1, 2023 to December 31, 2023, and the local areas and operating bases mentioned in the report IS AOET Taiwan, according with the Economy, Environmental, Society reports by OTC:Article 3 of the Operating Measures stipulates that OTC companies should refer to the Global Sustainability Reporting Institute (GRI) every year.

The General Standards, Industry Standards and Material Themes Criteria issued by the Global Reporting Initiative (Global Reporting Initiative) prepare the sustainability report of the Per Year, disclose the company's identified major economic, environmental and social themes and impacts, disclosure projects and reporting requirements, and strengthen the disclosure of sustainability indicators and climate-related information in accordance with laws and regulations.

Next release: Scheduled for June 2025.

Category	Scope of disclosure
Environmental information	AOET Keya Factory
Financial Information	AOET
Social information	AOET Keya Factory

About External Verification:
This report adheres to the GRI Reporting Standards, TCFD Climate Finance-related Disclosures and SASB. It also follows the sustainability indicators of the optoelectronic industry on the Taiwan Stock Exchange, the climate-related information of the Taiwan Stock Exchange's listing on the OTC, and the Code of Practice for the Sustainable Development of Listing on the OTC. We do not yet need external verification, but we will advance it ourselves.

Establishment

.GSSB-The GRI Standards . GRI General Standards, 2021 Edition

.ISSB(SASB) .IFRS S1,S2

IFRS Sustainable Standards

.FSB(TCFD) .TCFD Climate Finance-related

Task Force on Climate-Related Financial Disclosures

Financial Disclosures

. Taiwan Stock Exchange .Sustainable Index-Opto electronic industry

. Taiwan Stock Exchange .OTC climate-related information

. Taiwan Stock Exchange .Listed to Sustainable of OTC

. FSC of Taiwan .Sustainable Development

Reference

.WBCSD .Sustainable development of the enterprise
(World Business Council For Sustainable Development)

.MSCI .MSCI ESG Research LLC

.United Nations(SDGS) .Sustainable Develop Goals

.CTI .On Site Water Circulation

.Europe Union 25.11.2011 .Waste

.IEA International Energy Agency .Renewable amd industry

. Environment Department .Release Water Standard

Contact

If you have any questions or suggestions about this report, please feel free to contact us.
Ability opto-Electronics Technology Co., Ltd. / General Manager 's Office
Phone: 04-25659888 Extension 8310 /Mr.Victor / Email Contact : victor@aoet.com.tw
Address: No. 14, Keyuan 1st Road, Xitun District, Taichung City



Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Statement from top management President Speech

Review on the economic impact of war, inflation and the epidemic in the past three years, many laws of inertia in commodity and information R&D have changed. Whether it is an OTC, or micro enterprise, business behavior is to promote social prosperity. ESG commerciality comes from the authenticity of CSR, the sustainability practice of enthusiasm and corporate temperature. Planning targets in the face of climate risks need to be corrected, as well as changes to supply chains or consumer terminals. UN SDGS Goals: Leave no one behind. Reflecting not only the positive response of human beings due to climate measures, but also the Earth's temperature showed that July 2023 was the hottest year in human history, and at the same time, economic volatility and climate finance ushered in reality, and different from previous scenarios and simulations or foreshadowing crises.

The road and vision of sustainability was long, and although the purpose of enterprises in the face of net zero remains unchanged, it is unexpected in the face of rapid increase in heating. Since its establishment, the Group has incorporated waste and water operations into its business philosophy to optimize and reduce environmental impact and environmental risks from rising temperatures, and actually contribute to the earth.

The CBAM and CCA have arrived, and the issuance of IFRS, EFRAG and various standard sub-laws has also entered the line. The Group will continue to operate the industry in a sustainable manner, face the necessary and necessary green environment, conduct practical audits, and set Time flow goals, expected value chain integrated. There may be many deficiencies on the road to net zero, but the Group will uphold the business philosophy of maximizing green integrity to face the present and strive for improvement.

AOET According to standardization of sustainability and related sustainability reports in accordance with the Global Sustainability Standard Board (GSSB), and the action plan of the "Sustainable Development Roadmap of Listed Companies" (2023) issued by the Financial Supervisory Commission of China in 2023 to disclose greenhouse gas inventory and assurance information in advance.

It also promotes the five aspects of corporate sustainable development and corporate governance construction. In addition, with reference to TCFD climate-related financial disclosures and SDGs targets, it will be presented to AOET partners and stakeholders, and the relevant 2023 corporate plans and operational areas will be disclosed and disclosed to all advanced and partners.

We hopes that all walks of life will jointly lead and drive our supply chain together to reduce greenhouse gas emissions and move towards a circular economy in the face of climate change, reduce the boiling tempature of the earth and climate change, Improve business economy sustainable value.

President: Victor Kao
1th, MAY, 2024

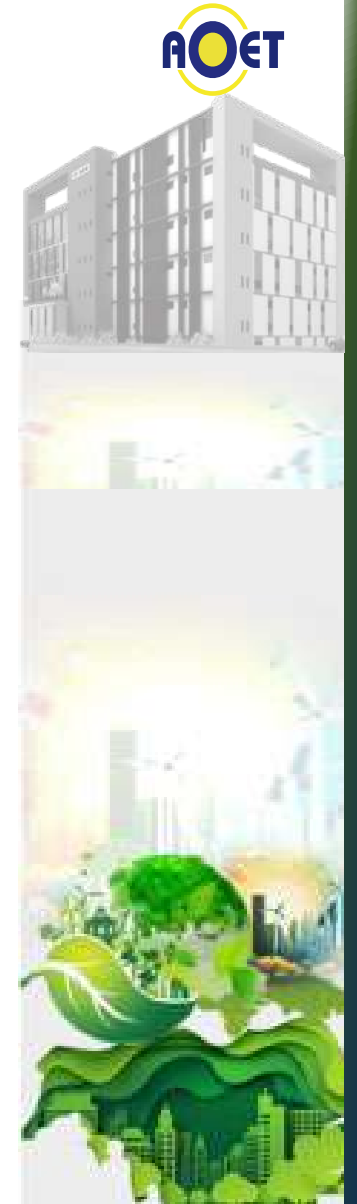




Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.**
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Company Overview

1.Regarding with AOET

AOET was established on November 19th 1986,and is headquartered in Taichung, Taiwan.
Mr.Victor Kao, the President of the board, led the employees to move forward.
Number of employees in 2022 (including Taiwan, China, and Vietnam): about 2,500.

AOET main design products: design and manufacturing of notebook computers, tablet computers, optical multi-touch screens, mobile phones, digital cameras, digital cameras, automotive and other lens products.The company is specializing in optical lens R&D, manufacturing and technical services. So far, we have digital cameras, mobile phone cameras, laptops, tablets, PC-cameras, monitors, and automotive lenses. R&D, design and manufacturing of various optical lens products. Headquartered in the Central Taiwan Science Park, the Group has set up subsidiaries in Vietnam , Zhenjiang and New Taipei, one of the few optical lens factories in the industry with the ability to supply complete optical components for glass and plastic.

With the development of applications, the scope of the optical lens industry continues to expand. In the past, optical lenses were mainly used in spectacle lenses, DVDs, camera lenses, office machines (photocopying/faxing/image scanning), projectors, video cameras and other products, but with the development of technology, they have been further expanded to somatosensory game consoles, intelligent mobile devices, computer applications, security monitoring and other products, and now they are also extended to machine vision, automotive imaging, VR/AR, medical applications, biometrics, etc. Competence centers and practice organizations are used as the evaluation operating model. Adapt to the organization and make any necessary modifications. Agile-oriented, time-sensitive hybrid in project content, ability focus construction is different from the traditional level.

The practice organization is most suitable for facing different regions and rapidly changing market strategies, emphasizing PDCA practice.

Amount of registered capital	NT\$1.42 billion
Stock code	3362
Number of employees	2500
Industry	Optoelectronic industry

2. Operational and organizational philosophy

The Group's operation practical principles:

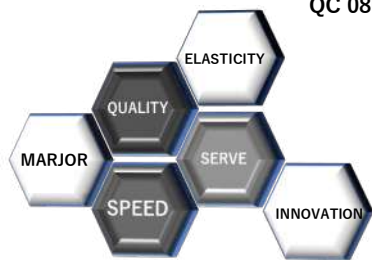
- .Continue to improve R&D technology and design capabilities, and develop diversified and diversified products according to market demand products in pursuit of long-term business development.
- .In line with the market development trend, develop more new customers, and carry out strategic cooperation with them economies of scale and rapid access to the market.
- .Focus on the development and application of new technologies for optical components, and expand the application field of optical products.The spirit of innovation is deeply rooted in the company's culture.
- .Positive and benign technical experience inheritance, cultivate Taiwan's optical competitiveness.
- .Based on the principle of practicing sustainable management-responsible purchasing
- .Adhering to the concept of sustainable management, integrating the resource combination strategy of Taiwan, Vietnam and Zhenjiang In the future, the overall scale of operation will continue to expand with the development plan.
- .With a comprehensive financial plan and a stable financial structure, we can fully support the scale of future operations.

Group Philosophy:

Competency-centric, focusing on ethical standards, adherence to the Code of Business Conduct and compliance with labor practice indicators and human rights, strengthening supply chain management and tax strategies, and emphasizing six modular practice principles in the Group's philosophy.

3. Relevant Certifications

Certifications	System
ISO 14001	Environment System
ISO 90001	Quality System
QC 080000	Toxic Chemicals



Company Overview

4. Operational Arrangement



Analysis of major commodity markets

Unit: Thousand NTS Dollars
Amount: thousand Dollars
The disclosure content is mainly based on the publication of the annual report

Annual/Regional	112 Years Amount	112 Years Weight	111 Years Amount	111 Years Weight	110 Years Amount	110 Years Weight
Domestic	377,776	9.45%	337,176	9.21%	347,407	9.52%
Exported to Asia	3,508,079	87.79%	3,262,155	89.07%	3,246,936	88.95%
Export others	109,988	2.76%	62,948	1.72%	56,091	1.53%
Amount	3,995,843	100%	3,662,279	100%	3650434	100%

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.**
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.



Company Overview

5. Sustainability Tax Compliance



Table of contents

Regarding report.

Statement from top management.

Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

In addition to the relevant risk framework and responsible decision-making ,AOET refers to the Equator Principles as a measure of investment capital injection and balance, and also evaluates the financial impact of sustainable finance and climate risk crises. The reporting period is from January 1, 2023 to December 31, 2023, with reference to the Code of Ethical Conduct for OTC Listing to prevent conflicts of interest and avoid opportunities for personal gain, and to set a separate duty of confidentiality in the supply chain and procurement standards.

We will fulfill our corporate responsibilities for fair trade and appropriately protect the company's assets, comply with laws and regulations, strengthen compliance with the Securities and Exchange Act and other laws and regulations, comply with the principles of ethical conduct, and establish a separate complaint system and disciplinary system. Income tax expense includes current and deferred income tax, except for income tax related to other comprehensive gains or losses or items directly included in equity, which are included in other comprehensive gains or losses or directly included in equity, and income tax is recognized in profit or loss. The current income tax is calculated based on the tax rate of the country in which the operation and the taxable income is generated are enacted or substantially enacted at the balance sheet date.

The management regularly assesses the status of income tax returns in accordance with applicable income tax laws and regulations and, where applicable, assesses income tax liabilities based on the expected tax payments to tax authorities.

For the income tax on undistributed earnings that are levied in accordance with the Income Tax Act, the income tax expense on undistributed earnings shall be recognized for the distribution of actual earnings only in the year following the year in which the earnings are generated after the shareholders' meeting approves the earnings distribution proposal.

Tax based

Income tax is recognized using the balance sheet method based on the temporary differences between the tax basis of assets and liabilities and their carrying amounts on individual balance sheets. Deferred tax liabilities arising from the original recognition of goodwill are not recognized, and deferred tax liabilities arising from the original recognition of assets or liabilities in a transaction (excluding in a business combination) that do not affect accounting profits or taxable income (taxable losses) at the time of the transaction.

Deferred income tax is subject to the tax rate (and tax law) that is enacted or substantially legislated at the balance sheet date and is expected to apply at the time of realization of the relevant deferred tax assets or the liquidation of the deferred tax liability.

Production Quantity Value Table Unit (Thousand Pieces)
The content of the table is mainly published in the annual report

Annual	2023			2022		
	Capacity	Yield	Output	Capacity	Yield	Output
The value of the main production commodities	(Thousand of pieces)	(Thousand of pieces)	(Thousand dollars)	(Thousand of pieces)	(Thousand of pieces)	(Thousand dollars)
Optical products	176,808	122,583	2,408,162	158,808	134,848	2,677,989
Electronic component products	7,500	4,320	857,873	7,500	4,486	855,063
Amount	184,308	126,903	3,266,035	166,308	139,334	3,533,052





Company Overview

6. Financial governance of Sustainable operations

Financially

AOET consolidated revenue for 2023 was NT\$3.995 billion, rising 9.08% than 2022. The net value per share in 2022 is 20.56 yuan. Net profit per share in 2023 will be 22.79 yuan. Although the operation in 2022 was affected by the war and the expected benefit of the market, the Company's strategy was guided by the principle of adjusting the market and technology space, and the technical specifications and quantity were forward-looking.

The financial reports are prepared at historical cost accordance with the Financial Reporting Standards for Securities Issuers, the International Financial Reporting Standards and the International Accounting Standards Interpretation Announcements recognized and issued by the IFRS as follows:

- .Measured at fair value, measured at fair value through other comprehensive gains or losses Financial assets.
- .Recognized on the basis of the net amount of the assets of the pension fund, less the present value of the obligation to determine benefits Defined benefit liabilities.
- .Preparation of IFRSs-compliant financial reports requires the use of significant accounting valuations In the process of applying the Group's accounting policies, management is also required. The use of such judgment involves a high degree of judgment or complexity of the project and consolidated assets, Significant assumptions and estimates of the report .

AOET has Chinese and English website, provides relevant information of the company, has a special person responsible for the collection of information, and implements the spokesperson system, and announces and declares the annual financial report within the time limit specified in Article 36 of the Securities and Exchange Law, (within three months), the first, second and third quarter financial reports (within 45 days) and the operation of each month (before the 10th of each month), the board of directors of Advanced Light held 5 meetings of the board of directors in the 110th year of the Republic of China, in line with the provisions of the board of directors meeting at least once a quarter. Important proposals are announced on the Public Information Observatory in accordance with the law, and at the same time announced on the Company's website, so as to ensure that the information is open and transparent.

Comprehensive profit and loss to financial ratio in (millions)

Project/Annual	2021	2022	2023
Operating income	3650	3662	3995
Operating Cost	3061	2750	2946
Operating expenses	546	601	569
Profit before tax (loss)	3	504	506
Income tax expense	13	90	107
Net profit attributable to the parent company	-9	424	401
Basic earnings per share	0.03	3.05	2.83
(Completely diluted)			

The disclosure information is mainly based on annual reports

Dividend policy and implementation status

AOET CHART:

Article 27: In addition to paying income tax in accordance with the law, the net profit of the company after the annual final accounts shall first make up for the losses of previous years, and then withdraw 10% of its balance into the statutory surplus reserve and withdraw or reverse the special surplus reserve according to actual needs, and then allocate 5% to 12% of the employee dividend on its balance. The remuneration of directors and supervisors shall not be higher than 3%.

After deducting the previous balance, the board of directors shall prepare a distribution proposal for the balance and the surplus of previous years, and submit it to the shareholders' meeting for a resolution to distribute it. The object of dividend distribution to employees in the preceding paragraph may include employees of subordinate companies who meet certain conditions such as rank and performance, and the board of directors shall be authorized to handle the conditions of such distribution.

In addition to the provisions of the Company Law and the Articles of Association of the Company, the distribution of the Group's earnings will depend on the Company's capital planning, operating results, financial status and the Company's future development. However, in principle, a steady and balanced dividend policy is adopted, and the annual cash dividend shall not be less than 10% of the amount shareholder .

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.



Company Overview

7. Online Conferenc and response of Sustainability



Table of contents

Regarding report.

Statement from top management.

Company Overview.

1 Strategic Situation-Business Performance and Stakeholders.

2 Steady and clear-corporate governance and resilient operations.

3 Green Mirror-Environmentally Sustainable Business Strategy.

4 Digital Optoelectronics-smart Operation and Creating.

5 Talent Vision-Diversity and Happiness Structure.

6 Sustainability-Social Benefits and Response Initiatives.

Appendix.

Participate in the initiative	Description
WBCSD-CTI	Circular Transition Indicators(CTI) VISION 2050
GRI	Public Comment
IEA	2050 Net Zero
SASB	IFRS S1 and S2
TCFD	Task Force on Climate related Financial Disclosures
CSRD	Europe Sustainability Reporting Standards
ESRS	
BCSD	Circular economy Biodiversity Workshop
Taichung City Government's ESG net-zero carbon emissions	Green electricity and assistance in net-zero carbon reduction
Zero-carbon universities GHG emission training	Corporate carbon reduction and net zero Emission of Supplier Chain

Note: The above does not include the Stock Exchange and the Financial Supervisory Commission, the OTC Exchange or the Ministry of Economic Affairs, and other institutions.
Regarding the time of concern of the competent authority: at any time.

8. Aoet Responsive SDGs

• 13	• carbon emissions, vulnerability to climate change
• 12	• Principles of Responsible Investment and Sourcing
• 5	• Employee treatment and well-being
• 12,13	• Corporate Governance Management Policy
• 8,9	• Business & Ownership Regulatory Compliance
• 5	• Human Resource Management and Labor Health and Safety
• 6	• Drinking and water intake information
• 16,6	• Product Privacy, Security, and Vision
• 14	• International Sustainability Initiatives and Connections
• 7,11,12	• Environmental Opportunities and Exploitable Opportunities



Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

1.1 Sustainable Development Policy and Governance Structure:

Annual:
2023-2025



- Greenhouse Gas Policy and Governance Structure:
- Reduce Scope 1 and 2 emissions by 8.4%.
- Reduce the emission of 5% and self-check in advance
- Water Policy & Governance Structure:
- 50% of the operating water in the factory area is recycled
- Reduce water withdrawal by 5%.
- Recycling & Waste Policy & Governance Framework:
- Reduce waste by 5%.
- Increase the number of recycled packaging materials by 5%.
- Electricity and renewable energy supply policy and governance structure:
- 10% Renewable energy
- Environmental Footprint Reduction Policy and Governance Structure:
- Product life cycle assessment and driving supply chain emissions

Annual:
2026-2030



- Greenhouse Gas Policy and Governance Structure:
- Reduce Scope 1 and 2 emissions by 20%.
- Reduce Scope 3 emissions by 15%.
- Deploy green power energy official vehicles
- Water Policy & Governance Structure:
- 80% of the operating water in the plant is recycled
- Reduce water withdrawal by 10%.
- Condensate rainwater and recycling rate: 50%
- Recycling & Waste Policy & Governance Framework:
- Reduce waste by 15%.
- 15% increase in recycled packaging materials
- Electricity and renewable energy supply policy and governance structure:
- 21% Renewable Energy
- Environmental Footprint Reduction Policy and Governance Structure:
- Product Life Cycle Assessment and Requirements Drive Supply Chain Emissions
- Review and reduce the carbon footprint

Annual:
2031-2050



- Greenhouse Gas Policy and Governance Structure:
- Reduce Scope 1 and 2 emissions by 50%.
- Reduce Scope 3 emissions by 50%.
- Use Renewable Energy official vehicles
- Commercial adoption of renewable aviation fuel
- Water Policy & Governance Structure:
- Water recycling up to 85%
- Reduce water withdrawal by 35%.
- Condensate rainwater and recycling rate: 85%
- Recycling, Recycling & Waste Policy & Governance Framework:
- Reduce waste by 45%.
- 45% increase in recycled packaging materials
- Electricity and renewable energy supply policy and governance structure:
- 100% Renewable Energy
- Environmental Footprint Reduction Policy and Governance Structure:
- Product life cycle assessment and driving supply chain emissions
- Carbon neutral

Note: At present, Taiwan Power is Taipower's power supply gray power, if the country adjusts the power supply source on a rolling basis in the future, the group will adjust it synchronously
If Taiwan has sufficient electricity by 2030, AOET expected to reach a neutral settlement by 2030 as early as possible



Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Governance
Environmental
Social
Environmental
Governance
Social
Environmental
Governance

1.1 Sustainable Development Policy and Governance Structure:

Annual 2023-2025



- Partnering with local governments to promote successful job matchmaking
- 50% of friendly material donations in cooperation with social welfare organizations
- 70% compliance rate for disadvantaged donations
- No 3TG conflict minerals
- 40% achievement Welfare Committee's smallholder farmer plan
- Improve women's workplace kindly and employment opportunities by 40%
- Set up a mother-and-baby room and help women return to work in the workplace
- 50% of blood donation activities by social organizations
- Factory-medical health check-up services and prevention programs
- 40% achievement rate of different cooperation in volunteer

Annual 2026-2030



- Cooperate with the local government to promote employment success by 50%
- 80% of the friendly material donations in cooperation with social welfare organizations
- Provide disadvantaged donations, with a 100% compliance rate
- 50% achievement rate of public welfare and activities in the collaborative community
- No 3TG conflict minerals
- 80% of the Welfare Committee's smallholder farmer plan has been achieved
- Improve women's workplace kindly and employment opportunities by 80%
- Set up a mother-and-baby room and provide childcare allowance subsidy
- 100% achievement rate of blood donation activities by social organizations
- OECD for social development and support for community collaboration
- 80% of the factory medical health check-up service and prevention plan
- 80% achievement of different cooperation in volunteers

Annual 2031-2050



- Partnering with the local government to promote 100% employment success
- In cooperation with social welfare organizations, the achievement rate of friendly material donations is 100%
- 100% of disadvantaged donations
- 100% achievement rate of public welfare and activities in the collaborative community
- No 3TG conflict minerals
- 95% achievement rate of the Welfare Committee's smallholder farmer plan
- 100% improvement of women's workplace kindly and employment opportunities.
- Set up a mother-and-baby room and provide childcare allowance subsidy
- 100% achievement rate of blood donation activities by social organizations
- Provide appropriate family care leave
- OECD for social development and support for community collaboration
- 100% achievement rate of factory medical health check-up service and prevention plan
- 100% achievement of different cooperation in volunteers
- Initiating and promoting community arts activities

1.1 Sustainable Development Policy and Governance Structure:

Annual
2023-2025



- Regularly announce the operation of the board of directors and the results of research and development
- 60% coverage rate of information security risk and system repair
- Irregular announcements and amendments to internal management documents
- Achieve 50% of internal sustainability education and training according to business needs
- Follow the photoelectric sustainability index of the Stock Exchange
- No violation of corporate governance regulations
- No risk of information security
- Comply with the standard governance and business governance of listed companies
- Establishment and implementation of a sustainable internal audit system
- Regular remuneration and gender equality meetings
- Conduct supplier sustainability assessments
- Meet the proportion of listed directors with female surnames

Annual
2026-2030



- Regularly announce the operation of the board of directors and the results of research and development
- 80% coverage rate of information security risk and system repair
- Irregular announcements and amendments to internal management documents
- Formulated an internal sustainability education plan with a 100% achievement rate
- In accordance with the photoelectric sustainability indicators of the Stock Exchange and international initiatives
- No violation of corporate governance regulations
- No risk of information security, regular verification system and comprehensive VDI .
- Comply with the standard governance and business governance of listed companies
- Increase the number of laws and regulations and internal audit systems
- 100% Salary & Gender Equality Achievement Rate
- Supplier sustainability assessment up to 80%
- Comply with the gender norms for listed and OTC directors

Annual
2031-2050



- Regularly announce the operation of the board of directors and the results of research and development
- 100% coverage of information security risks and system repairs
- Irregular announcements and amendments to internal management documents
- Formulated an internal sustainability education and training plan, with a 100% achievement rate
- According to the photoelectric sustainability indicators of the Stock Exchange and international evaluation
- No violation of corporate governance regulations
- No risk of information security , and the data risk structure is completed .
- Comply with the standard governance of listed companies .
- Increase the completion rate of laws and regulations and internal audit systems by 100%
- 100% Salary & Gender Equality Achievement Rate
- 100% Provider Sustainability Assessment
- Comply with the gender norms for listed and OTC directors
- Director succession planning
- The establishment of the employee stock subscription system was completed

Regarding report.
Statement from top management.
Company Overview.

1 Strategic Situation-Business Performance and Stakeholders.

2 Steady and clear-corporate governance and resilient operations.

3 Green Mirror-Environmentally Sustainable Business Strategy.

4 Digital Optoelectronics-smart Operation and Creating.

5 Talent Vision-Diversity and Happiness Structure.

6 Sustainability-Social Benefits and Response Initiatives.

Appendix.

1.2 Stakeholder Communication

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1 Strategic Situation-Business Performance and Stakeholders.

2 Steady and clear-corporate governance and resilient operations.

3 Green Mirror-Environmentally Sustainable Business Strategy.

4 Digital Optoelectronics-smart Operation and Creating.

5 Talent Vision-Diversity and Happiness Structure.

6 Sustainability-Social Benefits and Response Initiatives.

Appendix.

GRI Standard theme

SASB theme

Msci theme

Taiwan Stock Exchange Optoelectronics Industry Disclosure Indicators.

Taiwan Stock Exchange listed counter climate information. Summary table.

Governance
Environmental
Social
Governance
Environmental
Social
Governance
Environmental
Social

Importance to AOET

Customer recognition and support is an important key to the sustainable growth of AOET

Communicate and respond

- .International initiatives and Sustainability platforms (Time to Time)
- .Customer Service contact (Time to Time)
- .Customer satisfaction (Once a quarter)
- .Sustainability Report (Annual Feedback)
- .Company website (Time to Time)

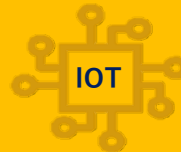
Focus on the topic

- .Customer service quality and company management
- .Information Security and Customer Privacy
- .Environmental Sustainability & Management
- .International initiatives and measures

Client Sustainability

Respond to the Chapter

- 02 Stable and clear - corporate governance and resilient operations
- 03 Green Learning-Environmental Sustainability Business Strategy
- 04 Digital Optoelectronics - a win-win situation for smart operation and supply and innovation
- 06 Action Sustainability - Social Benefits and Response Initiative



Importance to AOET

Supplier support is an important key to AOET sustainable growth

Communicate and respond

- .Company Annual Report (Time to Time)
- .Company Procurement Window (Time to Time)
- .Corporate Affairs Promotion Window (Time to Time)
- .Sustainability Report (Annual Feedback)
- .Company website (Time to Time)

Focus on the topic

- .Company development and management
- .Supplier management
- .Digitization and maintenance of goods

Vendor Sustainability

Respond to the chapter

- 01 Strategic Landscape - Business Performance and Stakeholders
- 02 Stable and clear - corporate governance and resilient operations
- 04 Digital Optoelectronics - a win-win situation for smart operation and supply and innovation



1.2 Stakeholder Communication

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

Employees are the key to the competitiveness and operation of the AOET

Communicate and respond

- .Labor-Management Council and Workers' Welfare Committee (2 times each annual)
- .Company anonymous mailbox (Time to Time)
- .Intranet website (Time to Time)
- .Sustainability Report (Annual)
- .Welfare Committee (Time to Time)

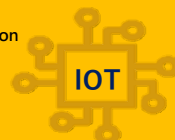
Focus on the topic

- .Employee safety, health and welfare
- .Employee privacy and diversity
- .Corporate Strategy and Governance

Employee

Respond to Chapter

- 04 Digital Optoelectronics - Smart operation and create a win-win situation
- 05 Talent Vision - Diversity and Happiness Structure



Importance to AOET

Compliance and self-discipline in accordance with the laws and regulations of the competent authority

Communicate and respond

- .Information Observatory (Time to Time)
- .Stock Exchange Website (Time to Time)
- .Corporate Governance Evaluation (Annual)
- .Sustainability Report (Annual Feedback)
- .Company website (Time to Time)

Focus on the topic

- .Risk management and labor human rights
- .Information Security & Supply Chain Privacy
- .Promote planning and sustainability issues

Authorities and Investors

Respond to the chapter

- 01 Strategic Landscape - Business Performance and Stakeholders
- 02 Stable and clear - corporate governance and resilient operations
- 03 Green Mirror - Business Strategy of Environmental Sustainability
- 05 Talent Vision - Diversity and Happiness Structure



1.3 Identification of major issues and management policies

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Topic:

Greenhouse gas emissions, vulnerability to

Cimate change.

SDGs:13.2/13.3/13.A

GRI:305

IFRS:S1,S2

TCFD:RISK A,B,C

MSCI:ENVIRONMENTAL

Chapter:

03

Green Mirror - Environmental Sustainability Business Strategy

Topic:

Principles of Responsible Investment and Sourcing.

SDGs:12.2/12.6/12.8

GRI:2/200

SASB:TC-ES 440A.1/TC-ES.000.A

TCFD:N/A

MSCI:SOCIAL /GOVERNANCE

Chapter:

02

Stable and clear - corporate governance and resilient operations

Topic:

Employee treatment and well-being.

SDGs:5.4/5.5/5.c

GRI:404/405

IFRS:

TCFD:N/A

MSCI:SOCIAL/GOVERNANCE

Chapter:

05

Talent Perspective: Diversity and Happiness Structure

Topic:

Corporate Governance Management Policy.

SDGs:12.2/13.2/15.6

GRI:2/3/200

IFRS:TR-MT-510A/TR-MT-510A.2

TCFD:GOVERNANCE

MSCI:SOCIAL/GOVERNANCE

Chapter:

01

Strategic Landscape - Business Performance and Stakeholders

02

Stable and clear - corporate governance and resilient operations

Topic:

Regulatory Compliance for Business and Ownership.

SDGs:8.3/8.8/9.4

GRI:200

IFRS:TR-MT-000.B/TR-MT-000.D

TCFD:N/A

MSCI:SOCIAL/GOVERNANCE

Chapter:

01

Strategic Landscape - Business Performance and Stakeholders

02

Stable and clear - corporate governance and resilient operations

1.3 Identification of major issues and management policies

Topic:
Human Resource Management 、 Labor Health,Safety

SDGs:5.4/5.5/5.C
GRI:401/403/404
SASB:TC-ES 320A.2/TC-ES 000.C
TCFD:N/A
MSCI:SOCIAL/GOVERNANCE

Chapter:
05
Talent Perspective: Diversity and Happiness Structure

Topic:
Drinking water and water withdrawal.

SDGs:6.1/6.3/6.4/6.6
GRI:303
SASB:TC-ES 140A.1
TCFD:N/A
MSCI:ENVIRONMENTAL/GOVERNANCE

Chapter:
03
Green Mirror - Business Strategy of Environmental Sustainability

Topic:
Product Privacy and Vision.

SDGs:16.5/6.6
GRI:418
SASB:N/A
TCFD:N/A
MSCI:ENVIRONMENTAL/SOCIAL

Chapter:
04
Digital Optoelectronics - Smart operation and create a win-win situation

Topic:
Responding to international sustainability initiatives and connections.

SDGs:14.1/14.2/14.A/14.B
GRI:2/103
SASB:N/A
TCFD:N/A
MSCI:ENVIRONMENTAL/SOCIAL/GOVERNANCE

Chapter:
06
Action Sustainability - Social Benefits and Response Initiative

Topic:
Environmental Opportunities and Opportunities.

SDGs:7.1/7.2/7.A/11.6/12.5
GRI:300
SASB:TC-ES 410A.1
TCFD:N/A
MSCI:ENVIRONMENTAL/SOCIAL/GOVERNANCE

Chapters :
03
Green Mirror - Business Strategy of Environmental Sustainability

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

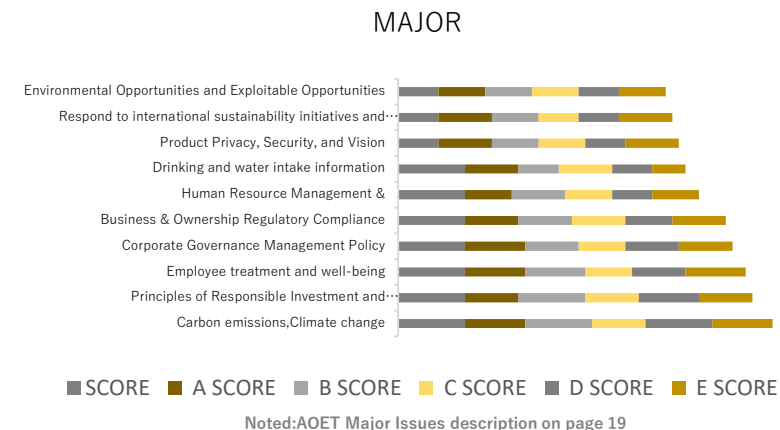
Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

1.3 Identification of major issues and management policies

AOET identifies the material ESG concerns and GRI reporting principles, assesses the impact and significance of sustainability issues in terms of economy, environment and human rights, and seeks fairness by weighting, which is aggregated into material sustainability topics and also discloses the information basis for this report, and the collection of sustainability issues refers to international and norms and standards GRI, SASB, TCFD.

Enterprises should adjust their business models and operations to adapt to a sustainable economy and formulate a transition plan, in general, to protect and restore biodiversity and ecosystems, and ensure that by 2050, the ecology is restored to a good ecological state and resilient, and is adequately protected and contributed:



Topics	SDGs	GRI	IFRS	TCFD	MSCI	CHAPTER
Carbon emissions,Climate change	13	305	S1/S2	V	ENVIRONMENTAL	2//3
Principles of Responsible Investment and Sourcing(Business Relations)	12	2/200	TC-ES 440A.1/000.A		SOCIAL/GOVERNANCE	2//4
Employee treatment and well-being	5	404/405			SOCIAL/GOVERNANCE	1//5
Corporate Governance Management Policy	12,13,15	2/3/200	TR-MT-510A/TR-MT-510.A	V	SOCIAL/GOVERNANCE	1//2//5
Business & Ownership Regulatory Compliance	8,9	200	TR-MT-000.B/TR-MT-000.D		SOCIAL/GOVERNANCE	1//2
Human Resource Management &	5	401 / 403 /404	TC-ES 320A.2/000.C		SOCIAL/GOVERNANCE	2//5
Drinking and water intake information	6	303	TC-ES 140A.1		ENVIRONMENTAL/GOVERNANCE	1//3
Product Privacy, Security, and Vision	6,16	418			ENVIRONMENTAL/SOCIAL	1//2//4
Respond to international sustainability initiatives and connections	14	2//103			ENVIRONMENTAL/SOCIAL/GOVERNANCE	1//2//3
Environmental Opportunities and Exploitable Opportunities	7,11,12	300	TC-ES-410A.1		ENVIRONMENTAL/SOCIAL/GOVERNANCE	2//3//6

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Governance

Environmental

Social

Governance

Governance

Environmental

Social

1.4 Identification of major issues and management policies

Importance to AOET

- .Reduce the trend towards global warming and practice reducing the warming trend .
- .Revise the management measures at any time .

GRI Topics

GRI 305

IFRS Topics

IFRS S1,S2

TCFD Topics

TCFD RISK MANAGEMENT A,B,C

MSCI Topics

Environmental

Management

General Manager Office

Assess

- .Reducing greenhouse gas emissions
- .Scientifically quantify the categories and identify the sources that can reduce emissions

Management

- .GHC Emission Report
- .Initiatives of GRI,IFRS,TCFD
- .Reduce Carbon Emission

Management of 2023

- .GHC Carbon Emission(Per Year)
- .Emission Identification (Per Year))
- .Saving Energy and Power loading
- .General Manager office Supervise

Carbon Emission,Climate Change



Chapter

03 Green Mirror - Business Strategy for Environmental Sustainability

.2023 Carbon Emission reduce 6.5% between 2022
.2023 Waste reduce 5% between 2022



1.4 Identification of major issues and management policies

Importance to AOET

- .Value chain and Direct partner business relationships
- .Revise the management measures at any time

GRI Topics

GRI 2/200

SASB Topics

TC-ES 440A.1,TC-ES 000.A

TCFD Topics

TCFD STRAGET A,B,C

MSCI Topics

SOCIAL/GOVERNANCE

Management

General Manager Office

Access

- .Educational training on personal data and competition law
- .Supplier sustainability selection system

Management

- .Audits and legal review of independent processes
- .No Anti trust
- .No 3TG procurement

Management of 2023

- .Legal dept review and the board of Directors
- .Procurement Integrity Meeting (Per Year)
- .Sound governance through risk assessment(Per year)
- .Suppliers visit and supervise from time to time (Time to Time)
- .Enhancement of the supervisory function through the General Manager's Office (Time to Time))

Sustainability Value Chain

Principles of Responsible Investment and Sourcing(Business Relations)



Chapter

- 01 Strategic Situation-Business Performance and Stakeholders.
- 02 Stable and clear - corporate governance and resilient operations

.Add sustainable supply chain assessment SAQ in 2023
.No 3TG procurement in 2023

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

1.4 Identification of major issues and management polices

Importance to AOET
.Talent is an important cornerstone of the organization
.And revise the management measures at any time

GRI Topics
GRI 401/403

SASB Topics
N/A

TCFD Topics
N/A

MSCI Topics
SOCIAL/GOVERNANCE

Management
General Manager Offie

Benefit



Access
.Regularly survey the well-being of the job market among peers
.Transparent internal promotion channels,employee mailboxes

Management
.Provide cost concept and fairness
.From time to time, we will give back to employees with welfare committee benefits
.Worker counseling is integrated into the conversation
.Separate processes are reviewed by HR and legal affairs

Management of 2023
.Woman-friendly workplace and communication with diverse perspectives (at any time)
.Human Rights Education and Gender Advocacy (once a quarter)
.Employee mailbox (at any time)
.Encourage external and internal training (as needed)
.Enhancement of supervisory functions through the General Manager's Office (at any time)

Chapter
05 Talent Perspective: Diversity and Happiness Structure

In 2023, the number of rebates will increase by 35%
.7% increase in the number of appraisees in 2023

1.4 Identification of major issues and management polices

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

.A good system is the foundation for the stable operation of the enterprise and sustainable operation
.And revise the management measures at any time

GRI Topics GRI 2/3/200

SASB Topics TR-MT-510A/TR-MT-510A.2

TCFD Topics GOVERNANCE

MSCI Topics SOCIAL/GOVERNANCE

Management General Manager Office

Access

.Accountability, organization, strategic guidance and effective supervision
.The major identification management mechanism was used as the baseline

Management

.Incorporate risk management processes as an important line of defense
.Collaborate with the Board of Directors
.Strengthen the Group's ethical standards and audits
.Strengthen control discernment and corporate ethics

Management of 2023

.Info Corporate Sustainability Concept and Business Policy (Per Year)
.Sampling assessment at each stage (once a quarter)
.Hold a regular risk and personal data advocacy (Per year)
.Enhancement of the supervisory function through the General Manager's Office (Per year)

Direction



Chapter

01 Strategic Landscape - Business Performance and Stakeholders
02 Stable and clear - corporate governance and resilient operations

.The number of internal audit sampling will increase by 40% in 2023 compared with 2022.
Turnover will increase by 9% in 2023 compared with 2022

1.4 Identification of major issues and management polices

Importance to AOET

- .Robust corporate strategy and sustained profit and cycleand
- .Management measures Time to Time

GRI Topics

GRI 200

SASB Topics

TR-MT-000.B/TR-MT-000.D

TCFD Topics

N/A

MSCI Topics

SOCIAL/GOVERNANCE

Management

General Manager Office



Risk Manager

Access

- .Tax Transparency and Compliance with Related RegulationsBusiness Compliance Basics
- . Audit and legal affairs strengthen supervision function

Management

- .Incorporate risk management processes as an assessment
- .Collaborate with the Board of Directors
- .Strengthen the Group's ethical standards and audits
- .Strengthen the economic thinking of commercial circulation

Management of 2023

- .Listing Sustainability Measures as a ReportStructuring and Governance (Per Year)
- .Conduct a sample assessment of operations (once a quarter)
- .Master the development mechanism and contingency mechanism of domestic and foreign markets (Time to Time)
- .Superintendent of the General Manager's Office (Per Year)

Chapter

- 01 Strategic Landscape - Business Performance and Stakeholders
- 02 Steady and clear-corporate governance and resilient operations.

There were no violations of laws and regulations and corporate governance evaluation standards in 2023 and 2022.
.There will be no violation of the tax system in 2023 and 2022.

1.4 Identification of major issues and management polices

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

Occupational safety and safety management is the key to continuous operation,revise the management measures anytime.

GRI Topics

GRI401-411

SASB Topics

TR-TM-320A.1/TR-TM-140A.1

TCFD Topics

N/A

MSCI Topics

SOCIAL/GOVERNANCE

Management

General Manager Office



Employee

Access

- .Comply with relevant laws and regulations
- .Regularly consult with doctors in the field and set up factory nurses

Management

- .Occupational safety drills to strengthen employees' workplace safety
- .Reduce major accident casualties
- Improve the efficiency and quality of employee management
- .Promote various contingency measures and advocacy to ensure operations

Management of 2023

- .Provide employees with comprehensive health check-up measures (Per year)
- .Provide employee workplace certification and cooperation (Time to Time)
- .Meals and meal benefits are the same in your home country as in other countries (Time to Time)
- .Enhancement of supervisory functions through the General Manager's Office (Time to Time)

Chapter

05 Talent Perspective: Diversity and Happiness Structure

.The occupational accident rate in 2023 will decrease compared with 2022
.No violations of human rights or employment of underage children in 2023

1.4 Identification of major issues and management polices

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

.Achieve socially equitable and environmentally sustainable water use and reduce water stress
And revise the management measures at any time

GRI Topics

GRI 303

SASB Topics

TC-ES-140A.1

TCFD Topics

N/A

MSCI Topics

ENVIRONMENTAL/GOVERNANCE

Management

General Manager Office



Safty Clean Water

Access

Balance the economic value of water resources with international initiatives as a basis

Management

.Referance CTI Water Intake and Consumption for Water Cycling
.Take environmentally sustainable and energy-saving water use as the index

Management of 2023

.Spot check on wastewater recycling mechanism (once a quarter)
.Water withdrawal and consumption assessment (Per Year)
.No any biodiverse water sources
.The recycled water will be used in the green restoration area of the plant
.The supervision function is strengthened through the sustainability Office .

Chapter

03 Green Mirror - Business Strategy of Environmental Sustainability

.The total water withdrawal and consumption in 2023 will decrease by 2.5% compared with 2022. Drinking water and wastewater are inspected on average once a month (excluding external inspections)

.Nocollect water from any areas with drinking water pressure

1.4 Identification of major issues and management polices

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

- .Identifying customer buying and selling, granting privacy security and product security
- .AI information security risk prevention

GRI Topics
418

SASB Topics
N/A

TCFD Topics
N/A

MSCI Topics
PRODUCT LIABILITY

Management
General Manager Office

Privaty



Access

- .Update information security and update internal links from time to time, and adjust them by yourself

Management

- .Built-in testing and development of a complete autonomous network
- .Responsible for information security and internal risk control and tracking
- .Ensure business relevance and information availability

Management of 2023

- .Server email offline sealing and new online detection
- .Server and endpoint program upgrades
- .The legal office and the audit office have strengthened the supervisory function

Chapter

- 02 Steady and clear-corporate governance and resilient
- 04 Digital Optoelectronics - Smart operation and create a win-win situation

.In 2023, improve daily sampling of information security databases and NAS and other systems

.Customer satisfaction will be greater than 70% in 2023

1.4 Identification of major issues and management polices

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

.Connecting contemporary needs and initiatives as a representation of organizational sustainability
.And revise the management measures at any time

GRI Topics

GRI 2/103

SASB Topics

N/A

TCFD Topics

N/A

MSCI Topics

ENVIRONMENTAL/SOCIAL/GOVERNANCE

Management

General Manager Office

Connect Sustainability and Business



Access

.Based on sustainability indicators as a basis, and the regulations are included in the REPORT
.Refer to domestic and foreign peers and comply with relevant international laws and regulations

Management

.The sustainability department has passed the international GRI and IFRS standard examinations
.Participate in zero-carbon universities in China
.Participate in international WBCSD initiatives
.Participated in the GRI and IFRS Online Initiative and Forum Presentations

Management of 2023

.GRI: Personnel attend classes and obtain certificates initiatives
.IFRS: Stay tuned
.IEA: Stay tuned
.WBCSD: Participation in the Circular Economy and CTI Curriculum
.TCFD: Personnel attend classes and obtain certificates
.Strengthen the oversight function through the General Manager Office

Chapter

06 Action Sustainability - Social Benefits and Response Initiative

.In 2023, social welfare and international initiatives will both increase by 20% compared to 2022
.80% compliance rate for international initiatives in 2023 compared to 2022

1.4 Identification of major issues and management polices

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Importance to AOET

Identify critical resources and long-term net-zero carbon emissions to reduce consumption

GRI Topics

GRI300

SASB Topics

TR-MT-110A.3/TR-MT-110A.4

TCFD Topics

N/A

MSCI Topics

ENVIRONMENTAL/SOCIAL/GOVERNANCE

Management

General Manager Office

Environmental Chance



Access

- .Based on CTI as a circular economy indicator
- .Enhance resource reuse and identify renewable energy devices

Management

- .Pay attention government's green energy is in place
- .Strengthen autonomous waste recycling
- .Comply with international regulatory requirements

Management of 2023

- .Non-renewable waste plastic blocks as works of art
- .The scrap skeleton is recycled from the scrap secondary material
- .Export the green cycle of the supply chain and jointly serve the economic value
- .The production line independently added a power display area to save electricity

Chapter

- 02 Steady and clear-corporate governance and resilient operations.
- 03 Green Mirror - Business Strategy for Environmental Sustainability
- 06 Local Sustainability-Social Benefits and Response Initiatives.

.3% waste reduction in 2023 compared to 2022
.In 2023, waste blocks that cannot be reused and transferred back to the factory for artistic implementation will be achieved.



02 Stable and clear - corporate governance and resilient operations

2.1 Corporate Governance

2.2 Integrity management

2.3 Regulatory governance and internal audit system

2.4 Risk Management

2.5 Climate change risk management

2.6 Supply chain management

SDGs:8,12,13,15

Chapter Highlights:

- .Implement internal control and audit system
- .Evaluate measures in accordance with laws and regulations
- .Quantitative risk in the face of border economies
- .Strategies and turnarounds for climate risk
- .Valuable symbiotic partners

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.



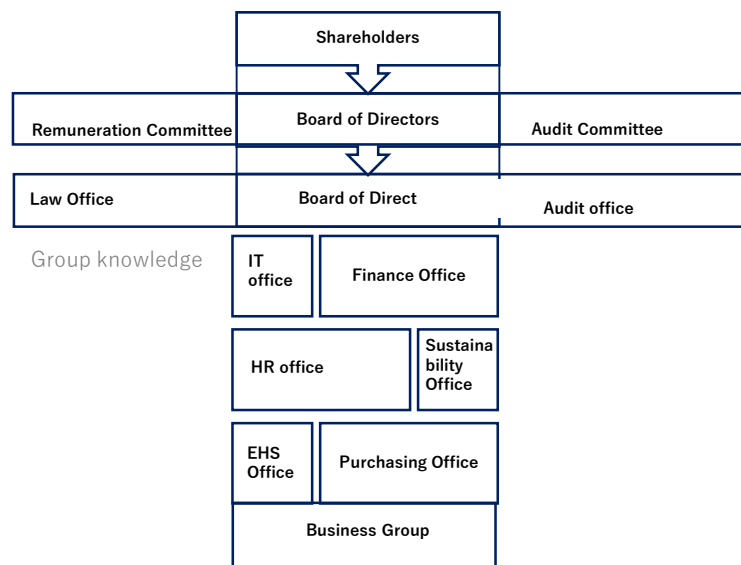
Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Environmental
Social

2.1 Corporate Governance

2.1.1 Corporate Governance Chart



.Sustainability Committee Prepared for 2025
.2026 Risk Preparedness Committee

Corporate governance identifies communication and issues

.Identify:
Identify and communicate problems, determine the direction of governance, refer to the SDGs as a development blueprint, and ensure sustainable consumption and production patterns.
.Assess:
In accordance with the sustainability directive, the corporate governance evaluation is used to identify and evaluate the management mechanism.
.Manage:
TWSE and SASB are used as reliability management guidelines, and risk and management opportunities are constructed
See 2.4 Risk Management

For information on corporate governance and all relevant details, please refer to the Company 112 Years Annual Report.

2.1.2 Corporate Governance Organization and Philosophy

The Group is elected by the General Meeting of Shareholders as a supervisor and a director and constitutes the Board of Directors, and the General Manager's Office is the most decision-making center and governance unit in the organization, responsible for supervising the Company and ensuring corporate sustainability responsibilities.

Each office works independently but cross-organizational to jointly manage the sustainability of the group to promote overall economic, environmental and social governance, and assists the board of directors in overseeing its responsibilities through various functional committees.

We have repeatedly implemented the operation of each unit and formulated relevant rules and regulations, ensured the independence and professionalism of each department and business group through pre-audit and joint audit, and used the OECD to guide and manage the enterprise mechanism, so as to implement the responsibilities of business operators, protect the legitimate rights and interests of shareholders and take into account the interests of other stakeholders.

Good corporate governance should mean that the board of directors and management achieve operational objectives in a manner that is in the best interests of the company and all shareholders, assist in the management and operation of the enterprise, and provide an effective oversight mechanism to motivate the enterprise to make good use of resources, improve efficiency, thereby enhancing competitiveness and promoting the social well-being of all people.

2.1.3 Board Governance Code

In accordance with the establishment and authority of the Board of Directors, the directors of the Board of Directors shall have the duty of care to faithfully perform their duties and perform their duties as good managers, and shall exercise their with highly self disciplined and attitude.

The implementation of the company's business and the resolutions of the board of directors involving the company's business development and major decision-making directions shall be carefully considered and shall not affect the promotion and operation of corporate governance, and the directors shall perform their duties in accordance with the requirements of relevant laws and regulations and the articles of association of the company, so as to safeguard the rights and interests of the company and shareholders, and formulate the performance evaluation methods of the board of directors and functional committees.

The Board of Directors and functional committees and individual directors are self-evaluated and peer-evaluated every year, and performance evaluation may be conducted by external professional bodies or other appropriate means every three years, and negotiated with irregular activities to promote sustainable operation and development.

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

Governance
Environmental
Social
Governance
Environmental
Social
Environmental
Social

2.1 Corporate Governance

2.1.4 Composition and further education of the Board of Directors

AOET's directors are selected without regard to gender, age, race or nationality, taking into account diverse perspectives. At the same time, considering the professionalism and skills of its directors, whether it is in line with the company's business development plan and practical operation, and the operation of the organization, it is composed of five directors, including two independent directors.

In order to ensure that the board of directors can make a objective and professional judgment on the company's affairs, its professional experience includes finance, international economy and trade, engineering law and finance-related disciplines, and because the board of directors must effectively supervise, the meeting time organization also needs to be organized, and independent directors must maintain relevant independence, they must avoid indirect or direct interests and interests, in addition to the original leadership decision-making and industry knowledge courses, in response to international trends and internal development and changes in operating conditions.

In addition to the international trend CBAM, CCA, WBCSD, we also pay attention to the relevant EFRAG laws and regulations, and in 2023, we will strengthen the international ability of directors and understand and adapt to climate and situation changes, including carbon neutrality planning pathway, digital data analysis, circular economy and public relations crisis management. And we hold climate and net zero related knowledge internally from time to time, and participate international sustainability agenda.

In addition to professional knowledge, we also bring internal and senior managers and cultivate relevant knowledge to turn the organizational crisis faced by enterprises under the climate crisis into opportunities, so as to facilitate the high-speed operation and agile adaptability of the organization, and adjust the strategy and forward-looking improvement in a timely manner through risk control.

For details on the nomination and selection of the highest governance unit, please refer to the 112 Annual Report.

Board Performance Evaluation:

- .Degree of involvement in the company's operations
- .Quality of Board decision-making
- .Composition and structure of the Board of Directors
- .Election of Directors
- .Internal Controls

Performance evaluation of individual directors:

- Mastery of the company's goals and tasks
- .Awareness of directors' responsibilities
- .Degree of involvement in the company's operations
- .Internal relationship management and communication
- .Professional and continuing education of directors
- .Internal Controls

The items to be measured in the self-performance evaluation of the functional committee include the following:

- .Level of involvement in the Company's operations
- .Awareness of the responsibilities of the functional committee
- .Improve the quality of decision-making of functional committees
- .Composition of the functional committee and selection of members
- .Internal Controls

- .Director performance evaluation once in 2023, with good performance.
- The average term of directors in 2023 is 3 years, showing good performance.
- Average director attendance rate in 2023 is 97%
- .Adopt legal term changes and gender norms
- .Because we are still in the backend of the epidemic in 2023, there are still situations where those who have registered will not be able to attend
- .The epidemic has declined and improved since 2024



Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Governance
 Environmental
 Social
 Governance
 Environmental
 Social

2.1 Corporate Governance

2.1.4 Board composition and further training

The board members of AOET include practicing lawyers, certified public accountants, financial professionals and operators of listed companies in different industries, which meet the needs of the company's operation and development.

50% of directors are employees and 25% are independent directors. One independent director has a tenure of less than 3 years, one independent director has a tenure of more than 9 years, two directors are over 70 years old, three are 60~69 years old, and three are under 60 years old.

The Company currently has a total of 8 members of the Board of Directors, including 2 independent directors and 4 directors with employee status (accounting for 25% and 50% of all directors), all of whom meet the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission as independent directors. The main contents, operating procedures, minutes of meetings of the board of directors of listed companies shall be subject to the provisions of the Measures for the Deliberations of the Board of Directors of Public Companies.

The information published in the director's information and the individual professionals of the directors are mainly disclosed in the annual report

When deciding on important matters, the board of directors will consider economic, environmental and social topics and their impacts, risks and opportunities, as well as the opinions of stakeholders and regularly listen to reports from the management team.

The directors are all professional talents

Direct	Age	Professional background				Professional knowledge and skills				
		Industrial experience	Science and technology	Finance	Law	Operational judgment ability	Operation and management capabilities	crisis management	International market view	Leadership decision-making ability
Weiya Kao	51-55	V	V			V	V	V	V	V
Zhonghe Lin	71-75	V				V	V	V	V	V
Maosheng Lai	81-85	V				V	V	V	V	V
JianXun Lai	46-50	V	V			V	V	V	V	V
Maosheng Li	71-75	V				V	V	V	V	V
Jinlong Xu	71-75	V				V	V	V	V	V
Yongran Cao	61-65	V	V	V		V	V	V	V	V
Weijun Chen	46-50	V			V	V	V	V	V	V
Senhe Zhang	55-60	V		V		V	V	V	V	V
Yongrui Chen	46-50	V	V			V	V	V	V	V

There are no regulations set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act among the directors and independent directors, and the future succession plan is not only to recruit external professionals, but also to train the Group's own senior managers.

The members of the board of directors shall establish a branch office with the approval of the competent authority in accordance with the key points (6) of the Taipei exchange with the theme of corporate governance. In the following fiscal year, in addition to the requirements of the competent authority, the diversity of directors and the proportion of female directors will be required, and the term of office of independent directors will be required. Strengthen more diverse voices and business sustainability perspectives.

In order to enhance the professionalism of the board members and continuously improve the company's further education for directors, consider the scope of each director's professional ability, and choose courses covering corporate governance topics related to finance, risk management business, legal, accounting, corporate social responsibility, etc., or internal control system, Each person will be provided with at least 6 to 18 hours of refresher courses per year to ensure that the Board members have a high degree of industry knowledge and acquire new knowledge.

In addition, the members of the Board of Directors shall conduct annual performance evaluations, and the results of the evaluations shall be used as a reference basis for the selection or nomination of directors and the reference basis for determining their individual remuneration.

Accordance with TWSE Corporation 2024,the establishment and exercise of powers by the board of directors of listed companies shall be subject to the key points, Section II, Article 4 stipulates:

More than half of the independent directors of a listed company shall serve no more than three consecutive terms from 13 years onwards, but if the term of office of the director has not expired in 113 years, it may be applicable from the expiration of his term of office.

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.1 Corporate Governance

2.1.1 Corporate Governance Communication



Identification groove passage problem

Differential Problems

- Identify communication issues and determine the direction of governance.
- According to the perspective of sustainability, time is communicated irregularly, direction and effectiveness of the plan are adjusted on a rolling basis in case of major agenda changes.
- Selective organizational strategy guidance and effective supervision, with major identification as the basis.
- Analysis according to SWOT tools, relevant regulations and perpetual directives issued by the stock exchange are used as a basis.

Evaluation mechanisms

- Refer to the expertise and skills of shareholders as the basis of the policy, consider the relevant dependencies and responsibilities, influence, multiple perspectives and other factors, and use the shareholders' meeting and internal meetings as analysis and feedback.
- In addition to corporate governance evaluation, it also emphasizes information transparency and sustainability.
- Comply with TWSE, SASB and related laws and regulations as the reliability management policy.

Management Policy

- Refer to the expertise and skills of shareholders as the basis of the policy, consider the relevant dependencies and responsibilities, influence, multiple perspectives and other factors, and use the shareholders' meeting and internal meetings as analysis and feedback.
- In addition to corporate governance evaluation, it also emphasizes information transparency and sustainability.
- Comply with TWSE, SASB and related laws and regulations as the reliability management policy.

In the process of sustainable transformation, regardless of the clean opportunity or the transition mechanism, it is necessary to consider the risk discrimination and the most actual economic value faced by the enterprise, and not let the climate risk overlap with the enterprise risk. Policies and implementation procedures are formulated based on the importance of impact and stakeholder discussion and communication, management policies and communication response methods to the AOET.

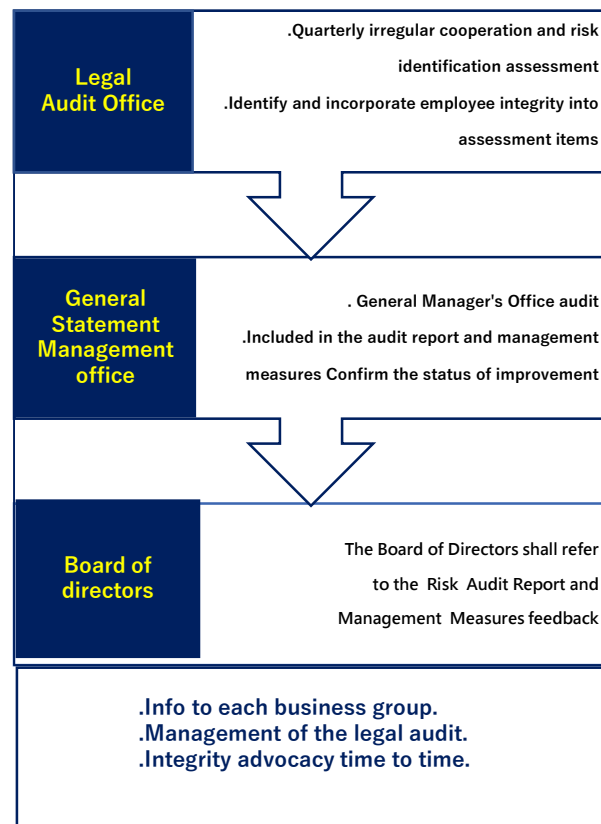
Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social

2.2 Integrity management

2.2.1 Risk assessment process



The scope of the current prevention programme

- Prevention of bribery and bribery
- Prevent the provision of illegal political contributions
- Prevent improper donations or improper charitable contributions
- Prevention of unfair competition
- .Prevent all infringement of trade secrets
- Prevent products or services from indirectly or directly harming stakeholders

2.2.2 Honesty and visibility

To strengthen internal integrity management and implement it in daily life, the organization organizes internal education courses on anti-corruption and corporate integrity management from time to time, and adheres to governance and internal audit education and training. Contracts with external customers and suppliers are reviewed and signed by the Forensic Audit Office to review the integrity principles and regulatory audit governance systems, implement anti-corruption business ethics, and supervise the enforcement of commercial laws. Regarding employees' professional behavior, the company adopts work code provisions, regulates job descriptions and reward and punishment procedures, and regulates employee confidentiality and avoidance of conflicts of interest. No employees in the organization made any profits during the year, or any improper interests caused conflicts or penalties.

Establish a comprehensive identification and assessment mechanism, connect it with the existing internal control system and operating regulations, implement integrity risks, comprehensively consider the operating risks of each unit, and refer to whether dishonest behavior has occurred in the past based on the educational resource database and past experience learning database.

A matrix of how internal audit and specific departments identify and impact risk output as a two-dimensional model is written into the risk response method. In the employee employment contract, it is notified that if a case of corruption or bribery occurs, the organization will require the parties to return money according to the terms of the employment contract. illegal gains, and check whether there is any improper damage to the company's interests.

In addition to internal integrity control, external business partners are also visible in the sustainable management of integrity management, making good use of the due diligence mechanism and initiating identification of composite mechanisms. Information security risks, opportunities and integrity will be included from 2024. In view of the large amount of information cited by companies in each market, upcoming AI virtual attacks and impacts need to be identified as early as possible. Currently, the intelligence department is using Deploy VPN and virtual desktops to protect against terminal server attacks and take the following precautions:

- (1) Identify risks: Includes server attacks, virtual recognition, generative AI risks, and programming language usability.
- (2) Look for opportunities: Network authentication, reasonable scenarios, interface software, virtual desktop.

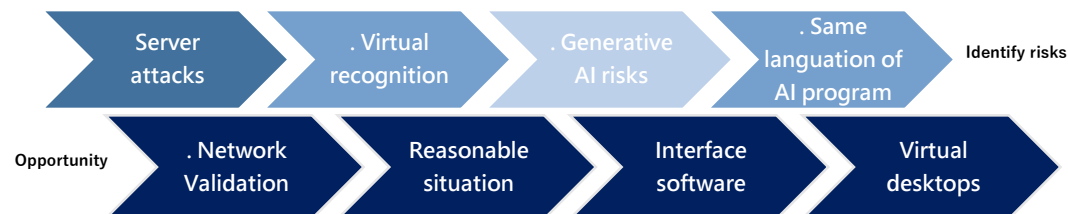


Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

2.2 Integrity Management

2.2.3 Integrity management system

AOET Implement the principles of fair and transparent governance, establish governance and risk control mechanisms based on the basic policy of integrity, and explicitly prohibit bribery and bribery, illegal political donations, improper charitable donations or sponsorships, and unreasonable gifts and other improper benefits.

In addition, it clearly stipulates the avoidance of conflicts of interest, implements an effective accounting system and internal control system, regularly organizes education, training and publicity, establishes an appropriate reporting disciplinary system, and implements the integrity management policy and plan by the Legal Audit Office, reports to the board of directors on a regular basis, and does not purchase 3TG conflict minerals, and establishes excellent trust standards in quality.

2.2.4 Whistleblowing system

In order prevent dishonest behavior, review the implementation status and continuous improvement at any time to ensure the implementation of the integrity management status, and the Company implements the management of the integrity management, in addition to the establishment of a part-time unit through the Sustainability Development Committee to be responsible for business policies and programs, to promote the Group's integrity management, anti-corruption, anti-bribery and legal compliance and other corporate governance matters, and to report to the Board of Directors of the Company on its implementation every six months, and internal education and training include the signing of employees and senior managers. And set up a whistleblower mailbox to open and transparent disclosure, continuous internal and external training and education to improve the moral quality and legal awareness of employees, establish a complete employee reward and punishment system and reporting mechanism, and appropriately evaluate the effectiveness of integrity management and control, external suppliers in addition to sustainability standards education and advocacy, but also include product safety and occupational safety.

When information disclosure is transparent, it naturally allows senior executives to confirm the management effectiveness of the top five projects, and also increases the trust of relevant stakeholders and the investing public. In addition to advocating the Code of Corporate Governance Practices, in addition to advocating employee training, implementing the value of integrity, and advocating corporate sustainability, Legal Compliance also regularly implements the promotion of trade secrets, intellectual property rights, patent law, etc., and strengthens the implementation of integrity and ethics through internal control mechanisms and annual tests, so as to ensure that all personnel and operations comply with relevant laws and regulations.

2.2.5 Anti-bribery control

AOET implements sustainable management and society, attaches importance to honest behavior, so the PDCA is the most input and output work, the organization should adopt interest avoidance and work report and appropriate rotation, framework contract and procurement and inspection responsibility as the supervision and cooperation of the management, and evaluate the bribery of stakeholders and relevant personnel Financial and document review, clearly stipulate a clear operating process, accept the unit, the investigation unit, and take appropriate measures in the event of an incident with the requirements of independence and confidentiality.

Ensure that whistleblowers are not subject to retaliation or discipline as a result. At present, we refer to the relevant ISO37001 provisions and laws and regulations, start to work on and follow the principle of communication and monitoring compound governance, and regularly educate and train employees and clearly establish appropriate internal management measures to revise and reduce the risk of leakage of confidential information.



Anonymous
whistleblower
Contact



Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.



2.3 Regulatory Governance and Internal Audit System

2.3.1 Regulatory Governance

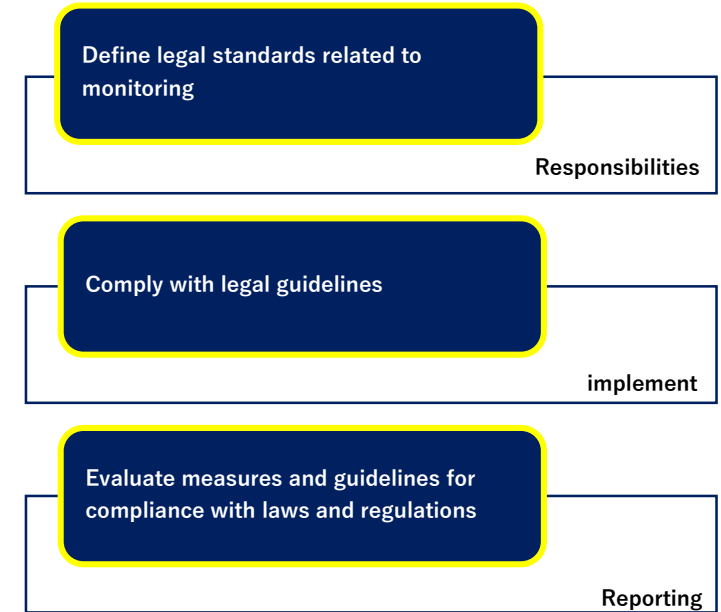
Compliance management is not only related to the survival of enterprises, most countries in the world have adopted laws and regulations to encourage enterprises to establish compliance management systems within their organizations, so as to reduce the possibility of immunity from prosecution and compliance with geopolitical laws and regulations. Overseas companies are also gradually establishing compliance programs, which include standard operating procedures such as risk identification and assessment, control and measurement, and monitoring, to ensure the implementation of internal controls, and to take internal and external actions to avoid risks exceeding the critical point.

In addition to complying with the relevant laws and regulations of various countries, it is also necessary to ensure that the information within the organization is consistent, and the legal audit office regularly advocates the relevant laws and regulations of competition law, which not only reduces the probability of violating the law, but also protects the cognitive ability of colleagues when competing in the external market.

In addition to signing memoranda of understanding and contracts, external business partners also implement procedures for supply chains, vendors and individuals in accordance with the Personal Data Protection Act. Information security checks are also included in the audit program to confirm that improvements have been made and more appropriate corporate decisions have been made. In terms of internal policies, the organization relies on its past experience database, responds to the reflexive requirements derived from environmental changes, and enterprises that have the courage to accept challenges are more capricious to adapt to the general environment, based on anti-competitive behaviors, anti-monopoly behaviors, and take sustainable governance as a confidence point as a business guideline.

However, since 2020, a number of unpredictable and irreversible events such as infectious diseases and wars have caused a certain impact effect, the Group has also taken the current draft of international carbon neutrality and related climate crises as the basis for complying with laws and regulations. The international current affairs template includes the governance of international companies and problems that industries will face with the same possibilities, and can also indirectly allow enterprises to think about the times of laws and regulations, as well as the additional climate thinking and regulatory governance required to run a business.

It is a principle to protect the rights and interests of shareholders, strengthen the functions of directors, give full play to the functions of supervisors, and respect the relationship between stakeholders.



According to Article 23 of the reporting system of listing on the OTC market, there are separate provisions:

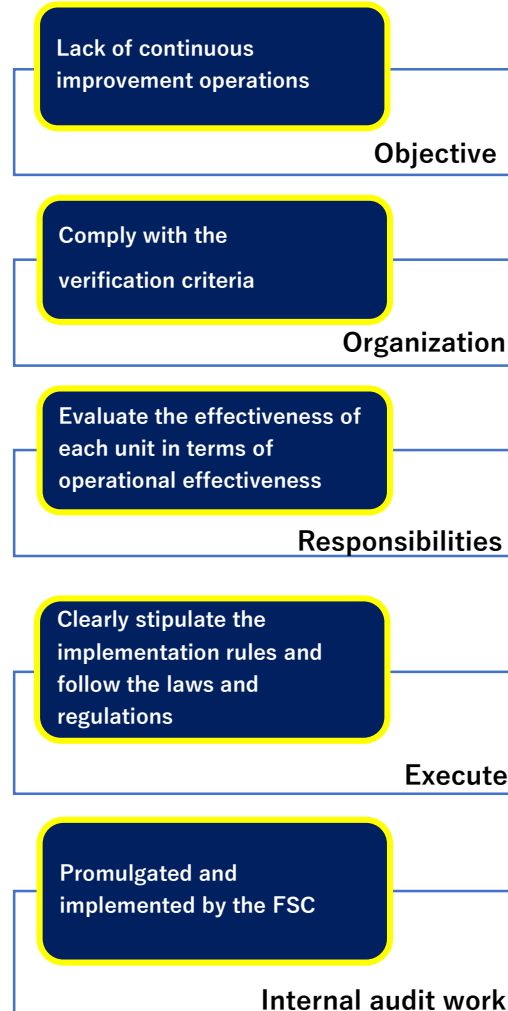
1. Establish and announce an internal independent whistleblower mailbox, special hotline, or entrust other external independent institutions to provide it Whistleblower mailbox and hotline for internal and external personnel to use.
2. Appoint a person or unit responsible for receiving reports, and the reports involve directors or senior management.
It should be reported to the independent director or supervisor, and the type of reported matter and the investigation to which it belongs shall be determined Standard Operating Procedures.
3. Determine the follow-up measures to be taken according to the severity of the circumstances after the investigation of the reported case is completed.
When necessary, it shall be reported to the competent authority or transferred to the judicial organ for investigation.
4. Records of the acceptance of the reported case, the investigation process, the results of the investigation and the preparation of relevant documents with saving. The identity of the whistleblower and the content of the report are kept confidential and anonymous reports are allowed.
5. Measures to protect the whistleblower from being improperly disposed of as a result of the report.
6. Whistleblower incentives.

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.3 Regulatory Governance and Audit System

2.3.2 Internal control audit system



2.3.2 Audit System of Five major processes

Objective:

The purpose of establishing an internal control system in accordance with the standards for handling and cooperating with the operation of a public company is to assist the board of directors and review the internal control and improvement deficiencies, and to measure the effectiveness and efficiency of the operation, to ensure the continuous and effective implementation of the internal control system, and to serve as the basis for reviewing and amending the internal control system.

Organization:

The Board of Directors shall report the reasons and contents of the changes to the Securities and Futures Bureau of the FSC through the Internet information system within two days for future reference, and shall be subordinate to a special internal audit unit under the direct command of the Board of Directors, and shall have relevant special functions.

Duty:

Evaluate and investigate the reasonableness and effectiveness of the internal control system, including analyzing and reviewing the company's operational effectiveness and efficiency, reliability and timeliness of reports, transparency and compliance with relevant norms and relevant laws and regulations, and reviewing the internal control system by itself, evaluating whether each unit operates and designs key controls according to business characteristics, and regularly submits management statements as difference analysis with accounting data, assesses whether there is an appropriate division of labor, and avoids independent completion by a single organization or individual. All operations and procedures need to consider costs and benefits, strive to be pragmatic and simplified, supplemented by standard forms, and strengthen communication between units.

Action:

Including work planning, formulating the purpose and scope of work of the audit, collecting background information and deciding the resources required for the audit, notifying the units and personnel under investigation, and specifying the audit procedures. The information collected should be understood and analyzed, and on-site verification should be carried out if necessary. After the auditors complete the audit work, they shall make an audit report, and after the chairman of the board of directors approves it, the audit results shall be sent to the management department and the inspected unit for improvement, and shall be handed over to the independent directors for review before the end of the next month. The audit unit prepares a follow-up report on a quarterly basis and a follow-up improvement plan to determine whether the inspected unit has taken corrective measures.

Submissions:

In accordance with the provisions of the FSC, the internal audit unit shall check the effectiveness of internal control and implementation on an annual basis, and prepare a statement of internal control system in accordance with the regulations, and the same applies when the amendment is approved by the board of directors in advance. Within three months after the end of each fiscal year, the relevant materials of the announcement declaration and audit report shall be kept for at least five years on the website designated by the Securities and Futures Bureau of the Financial Supervisory Commission.

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.3 Regulatory Governance and Audit System



2.3.2 COSO

Definition of internal control objectives

.Perational goals:

The organization must operate efficiently and effectively, including achieving operational and financial goals and taking safety measures to avoid asset losses.

.Reporting objectives:

Internal and external, financial and non-financial reports must be reliable, timely, and transparent.

.Compliance objectives:

Enterprises must truly comply with the regulations or standards set by the competent authorities, and policies must comply with relevant laws and regulations. Based on the five major components and 17 principles of the COSO internal control system:



Control Environment:

1. Demonstrates commitment to integrity and ethical values
2. Exercises oversight responsibility
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment:

6. Specifies suitable objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Identifies and analyzes significant change

Control Activities:

10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys through policies and procedures

Information & Communication:

13. Uses relevant information
14. Communicates internally
15. Communicates externally

Monitoring Activities:

16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Environmental
Governance

2.4 Risk Management

2.4.1 Risk warning and management organization

With the vision of excellence in optics, the Group has begun to incorporate AI risks in the digital era into recognition. Manage special events related to risk opportunities, assess the likelihood of occurrence and risk scale when warning, and determine the response mechanism. Through risk measures, we jointly control the assessment process with the legal audit office and the finance office, and visualize risk warnings and incorporate them into assessment control. Based on high-level goals and evidence, implement strategies and policies, and use the corporate vision and blueprint as the main axis to effectively utilize resources and organizational allocation to achieve financial reliability and optimization.

Establish organizational risk appetite, classify all possible risks into a risk database, conduct ratings, including risk ratings for each function and coordinate each risk function, and set up the person responsible for the response. Therefore, this management organization needs to work with cross-department situation rooms instead of having a single person in charge in the past. Risks are part of the business. When properly managed, they can drive growth and opportunities and will not easily become an issue due to exceeding the control line, and will not affect the organization due to issues. Refer to the RBS to identify each risk and use the WBS work layer to break down the major information, human resources, financial... and other risks. The risk management committee will coordinate the functions and prioritize them based on the determined probability.

At present, AOET uses the general manager's office as the highest risk management guidance unit and agrees on organizational principles. The review mechanism collaborates with the legal and audit offices and cross-department collaboration.



Realize early warning and distribution within regulations, including reliable strategic planning, external threats and competitive opportunities, and related services to meet customer needs. The optimization of supply chain management and the allocation of resources and time costs within suppliers and enterprises must comply with ethical supervision and assessment, in addition to internal warnings for major financial risks, non-compliance of legal insurance and financial sufficient cash flow and bad debts, as well as quality management assurance and obstacle elimination, all of which are internal prudential evaluation mechanisms and effectiveness. Based on the ISO31000:2018 Risk Management Principles and with reference to BCM's Operational Continuity Management, effective risk management not only improves performance, but also encourages innovation and supports organisational objectives, and through a series of risk management processes, more support for the organisation and improved performance supports more objectives. The risks in 2022-2023 include war, related supply chains, the earth's boiling and disease caused by climate change, energy contraction, and inflation shocks, etc., which will reshuffle and remake the bottom line globalization goals of many companies.

Systemic challenges and integrated strategic project risk practices need to be repurchased with greater agility. The project risk strategy remains unchanged, and the response needs to include geopolitical and disease-related risks, as well as the economic and operational impacts of natural evolution disasters. Cause company to build the new goal and keeps the baseline in business.

With integrity and integrity as the core of risk assessment, we conduct legal identification and classification of corruption types, formulate various business operating procedures and standards, require all employees to thoroughly comply with and implement the audit system inspection, self-evaluate and inspect each unit, and establish reporting channels. and anonymity protection policies to prevent corruption incidents.



Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.4 Risk Management

2.4.2 Risk Management Policy

The risk management process includes the process of identifying, measuring, responding to and monitoring and reporting risks. Accordance with the Quality Management Guidelines. When identifying risks, it is necessary to analyze the business environment, cover various business and operational activities, and manage various risks qualitatively or quantitatively.

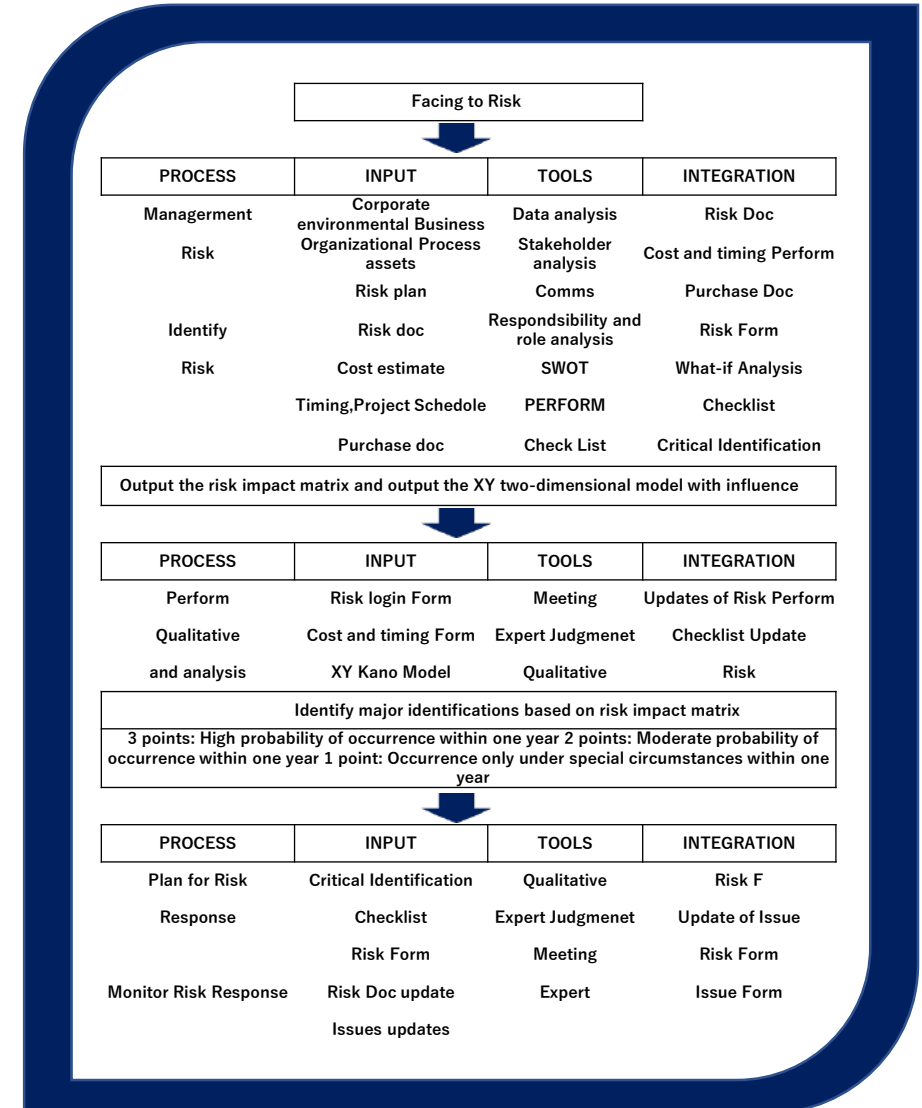
When taking stock and identifying possible risk sources, the business execution unit should consider external and internal environmental factors and other aspects of the assessment, identify the risks it may face, and then formulate appropriate measurement methods according to different risk types as the basis for risk management. Risk measurement includes the analysis and assessment of risk, and the measurement can be carried out through quantitative analysis and planning responses.

2.4.3 Scope of Risk Management

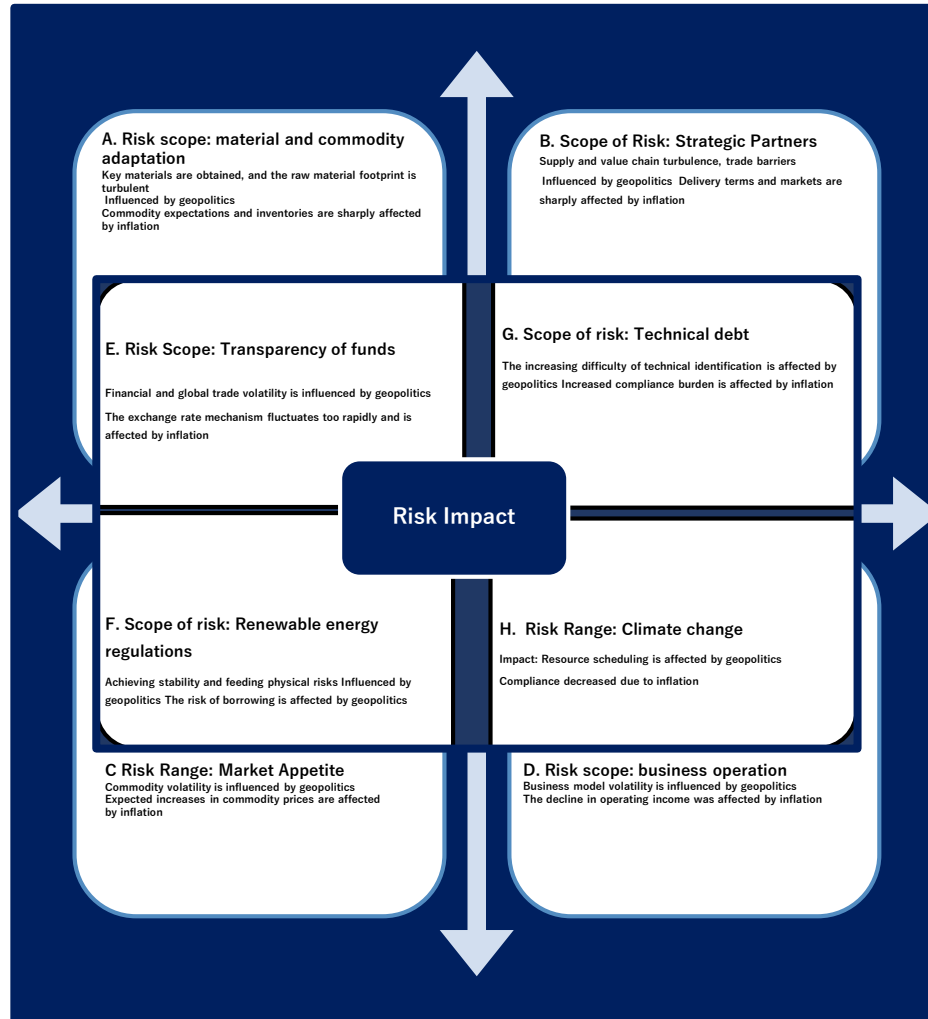
When the new globalization comes, enterprises will face trade barriers and political geopolitical risks, fully understand national security and geopolitics, and the new business model will also change from a linear model to a circular economy model. The lessons of the pandemic have prompted people to move away from relying on linear global supply chains and instead seek to diversify them. Only diversity is still insufficient, and the other trend is from efficiency to safety. As the U.S.-China competition intensifies, supply chains must be strategically integrated into geopolitical considerations, rather than just pursuing low costs. Risk and strategy implications need to be linked to international initiatives and use new economic indicators as a modal approach.

Emerging economies and dominance will continue to affect the risk orientation, and the decision-making point of the expansion of the human resources market will also continue to affect the risk response.

2.4.4 Risk Management Procedures



2.4 Risk Management
2.4.5 Risk Management and Probability of Opportunity



Risk Impact

In the face of the current changes in the main body of the world economy, the policies of various industries focus on protectionism. Not only does it promote geopolitics and inflation, but it also has a different impact on the climate debt risks brought about by climate change. In the face of natural threats, trade barriers and changes in the manufacturing footprint will be denigrated in an instant. In 2023, there will be no warning of the collapse of First Republic Bank, and the bubble of cryptocurrencies, not only the uncertainty is high, but the risk balance has clearly shifted downward, not only staying in a single individual or block, but affecting the interval chain.

Therefore, it is more difficult than ever to include the impact of climate risks in the necessary and necessary early warning of corporate risks.

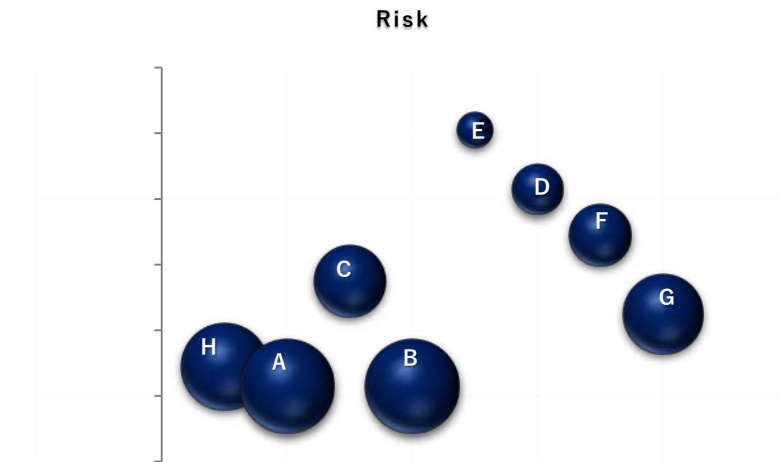


Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

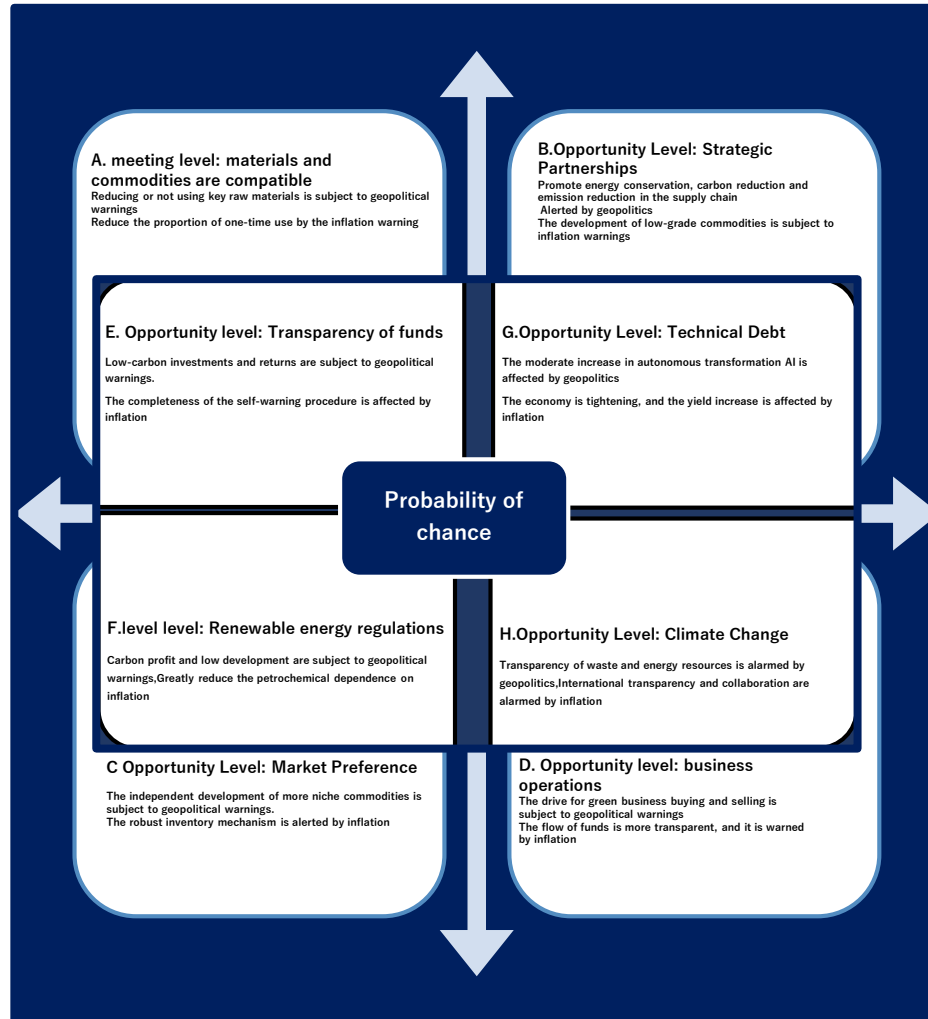
4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.4 Risk Management
2.4.5 Risk Management and Probability of Opportunity



Opportunity

Reduce the degree of risk, improve the display of advantages and disadvantages, for the commanding heights of risk early warning, after the risk becomes a topic, but the issue often causes irreversible consequences and disasters, so the situation that may occur in the future control and reduce the risk of isolationism can bring enterprises a greater sense of interdependence and trust, and increase the contribution of enterprises to create the possibility of future probability and adjust the benefits.

The alliance and comprehensive exchange of key materials in the biocycle often lead to more green opportunities and business opportunities through collaboration, and according to the determined influence of geopolitics and inflation, systematic strategic analysis must be used as a possible source of disclosure.



Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

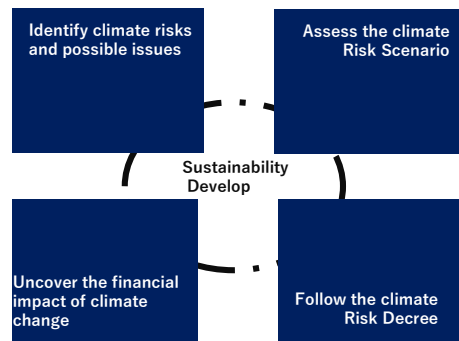
Governance
Environmental
Social
Environmental
Social
Governance
Environmental
Social

2.5 Climate change risk management

2.5.1 Climate change management

The Sustainability Department includes the Energy Saving Team, Climate Team and Greenhouse Gas Team, which is composed of six departments including directors, inter-departmental auditing, and finance. The work includes identifying climate-related risks and opportunities and formulating relevant response policies and plans. Various departments also actively participate in external training courses on greenhouse gas emissions, carbon pricing, carbon footprint, low-carbon economy and circular economy. It is currently being implemented within the organization of the general manager's office in 2023, and the group plans to establish this functional committee after 2025.

After the training, if the personnel obtains the certificate, they will return to the internal staff to educate and train the employees and continue the sustainable seed spirit. Examples of climate risks on the business side come from commodity acquisition and risk management along the value chain. However, climate change results in increased energy and resource constraints or limitations. Examples of value chain risks include production or logistics disruptions, and rising costs due to capacity constraints and logistics challenges. Examples of business-side climate risks include damage to brand value, ESG goals or priorities that are poorly defined or vulnerable to correction, and the potential financial impact of misaligned goals.

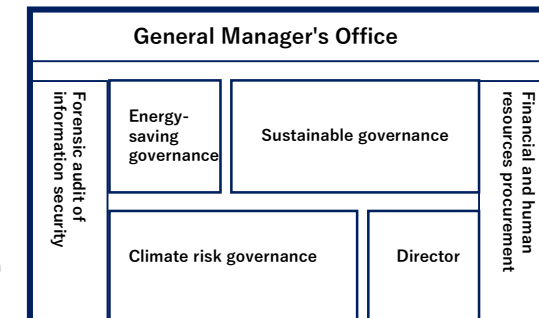


General Manager's Office :

As the highest supervisory unit for climate change governance, it is responsible for reviewing annual reports and results, and also ensuring the effective implementation of risk supervision.

Sustainability Office:

In addition to checking greenhouse gases and energy conservation, it is also necessary to deepen the identification and management, and be consistent with the company's ESG vision.



The annual report is mainly published on the final plan and work position of the sustainability committee member or the sustainability office

The Sustainability Office is a dedicated unit. Through horizontal and cross-department communication and identification, climate-related risks and opportunities affect both the organization and the upstream and downstream supply chains. For example: if carbon tax or carbon fee increases, if all upstream cost expenditures are passed on to the organization, procurement costs within the organization will not only increase, but they will also have to bear indirect impacts, as well as cost increases in the client value chain. The combination of procurement decision-making and sustainability can effectively help assess the impact of carbon emissions, human rights and labor, environment and climate risks, and thereby select partners with sustainable performance to enhance the resilience of the supply chain.

International agreements on climate change governance are mainly concentrated within the global framework. In addition to referring to climate change issues, Advanced Optoelectronics also focuses on the most important agreements among them.

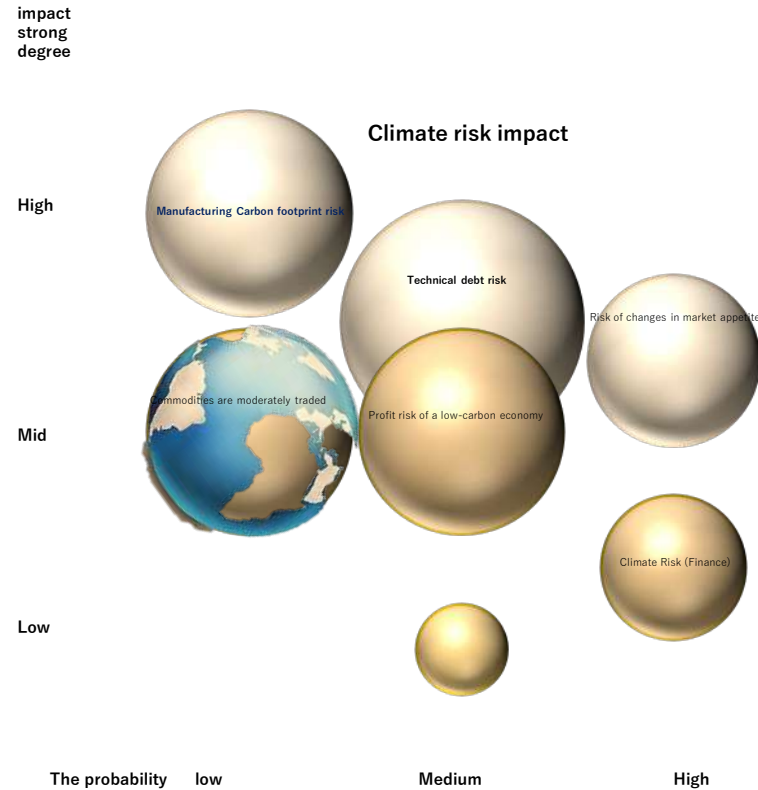
1. United Nations Framework Convention on Climate Change (UNFCCC): The UNFCCC was adopted in 1992 to promote the reduction of global greenhouse gases and adaptation to climate change.
2. Kyoto Protocol: The Kyoto Protocol was adopted in 1997 and focuses on the greenhouse gas emission reduction targets of industrial countries.
3. Paris Agreement: Adopted in 2015, the Paris Agreement is the most comprehensive global climate agreement to date. The agreement requires the voluntary submission of Nationally Determined Contributions (NDCs), with the targets regularly reviewed and strengthened.

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.5 Climate change risk management

2.5.2 Climate change Risk



Manufacturing Carbon footprint risk
Climate change leads to the reduction of raw materials, forming trade barriers, as well as climate impacts, and trade isolation due to geopolitical factors.

Technical debt risk
Climate change has led to the high cost of taxing new technologies for research and development of new technologies.

Profit risk of a low-carbon economy
Due to the inconsistency between the transition to low-carbon and green commodities and the inconsistency between excessive investment and recycling ratio, it is difficult for enterprises to operate in terms of turnover and cash.

Commodities are moderately traded
The supply time of goods is lengthened due to climate change, resulting in an imbalance between supply and demand.

Risk of changes in market appetite
Due to climate change, stakeholders have adjusted their expectations in the market, and the initial price spread of low-carbon commodities is too large, which affects the expected market purchases.

In fact, greenhouse gases and climate change have created a vicious circle between natural capital and business, and the breakthrough mechanism must face a valuable transition in the face of risks, and the response measures revolve around transition and net zero. Reducing petrochemical dependence and financial carbon emission risks also need to be reconciled in the face of climate change and regulatory market requirements. The immediate impact has prompted companies to have more determination to manage carbon risks.

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

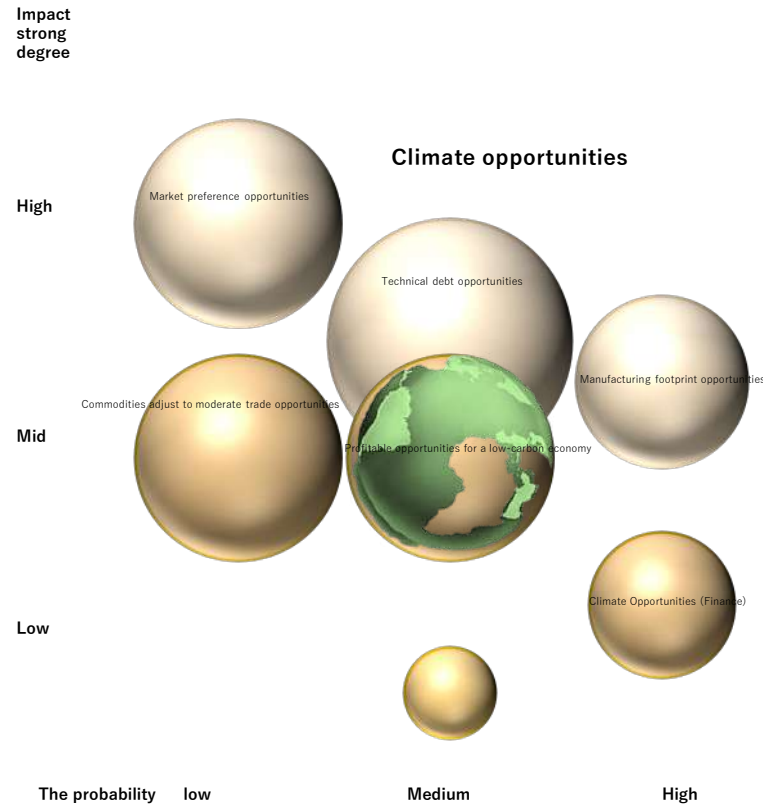
5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.5 Climate change risk management

2.5.2 Climate change Opportunities



Market preference opportunities
Yield improvement, carbon emission reduction, petrochemical cost and renewable energy cost differentiation.

Technical debt opportunities
The rapid development of recycled packaging materials has reduced the use of linear economic packaging materials.

Profitable opportunities for a low-carbon economy
Reduce petrochemical dependence and create green value opportunities for low-carbon commodities, and increase the trading of green modules.

Commodities adjust to moderate trade opportunities
The financial side increases the opportunity for evaluation and transparency, and reduces the risk of investment value.

Manufacturing footprint opportunities
The topic of cross-industry alliance and transformation, and the supply chain are large and small Reducing our carbon footprint and moving towards more green suppliers.

For contemporary digital technology and technology-based management, climate issues must identify major analysis and scenario simulation, and understand the opportunity potential through risks, which will bring opportunities for improvement in the carbon value chain. The value model of shared response and low-carbon technologies under the knee-to-knee reflection effect will have a two-sided impact on climate finance.

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.5 Climate change risk management

2.5.4 Climate change management strategies and objectives

FACE TO	TCFD Disclosure Project	AOET PLAN		
Governance	Board's position on climate-related risks and opportunities	<p>The general manager serves as the chairman of the Sustainability Committee and holds regular meetings with the board of directors every year.</p> <p>Jointly discuss issues related to climate change and formulate response policies and plans</p> <p>Lead all colleagues to mitigate the climate crisis and adapt and implement overall carbon reduction plans</p>		
	Management reassessing and managing climate risks and opportunities	<p>The risk committee is constituted by the board of directors and meets regularly every year.</p> <p>Compliance with laws and regulations and international related measures</p> <p>In addition to supervising the implementation of climate change management work by the sustainability department,</p> <p>Environmental management performance and risk management and control, and the sub-committees will discuss response strategies with each public institution.</p>		
Strategy	Identified short, medium and long term Climate-related risks and opportunities	Physical Risk(short term)2023-2025	Physical risk(mid term)2026-2030	Physical risk(long term)2031-2050
	<p>Reference SBTi as a scientific commitment to reduce carbon emissions</p> <p>Scope 1 and 2 reduce carbon emissions by 20% by 2030</p> <p>And use 2023 as the base year.</p> <p>Measuring and reducing Category 3 emissions</p>	<p>1. Exports of raw materials and packaging are restricted due to rising temperatures and reduced inventories.</p> <p>2. Climate variability, unstable value chains and raw material supply sources</p> <p>3. Market preference changes and sales rate declines</p> <p>4. Rising negative awareness of product expectations</p> <p>5. Add double recognition technology</p>	<p>1. Rise and variability of climate temperature, increase service time</p> <p>2. Due to heavy rain and weather variability, substantial exhibition risks</p> <p>3. Price fluctuations of purchased goods</p> <p>4. The weather suddenly affects the delivery schedule</p> <p>5. It is expected that carbon fees will increase and purchases and sales will decrease.</p>	<p>1. Chemical changes in products caused by rising temperature</p> <p>2. Impact of low-carbon transformation of supply chain partners on funds</p> <p>3. The price of low-carbon products is higher than that of original products</p>

2.5 Climate change risk management

2.5.4 Climate change management strategies and objectives

FACE TO	TCFD Disclosure Project	AOET PLAN		
Strategy		Financial risk(short term)	Financial risk(mid term)	Financial risk(long term)
		1. Increase in operating costs	1. Capital increase affects ICP carbon pricing of enterprises	1. Gross profit margin decreases
		2. Increase in procurement costs	2. Extended delivery time affects supply time	2. Increase in operating expenses
		3. Decrease in operating income	3. Increase in operating expenses	3. Capital increase
		4. Decline in operating income	4. Resources are scrapped in advance	4. Increase in operating costs
		5. Increase in operating expenses	5. Operating gross profit declines	5. Recognition of gains and losses on investments in transformation
Strategy		Market opportunities(short term)	Market opportunities(mid term)	Market opportunities(long term)
		1. Increase the use of recycled packaging materials	1. Improve product greenness	1. Industrial transformation and use of green products
		2. Confirm the stability of raw materials in the supply chain	2. Drive the supply chain to reduce greenhouse gas emissions	2. Respond to regeneration and use low-carbon transportation manufacturers
		3. Diversified management	3. Scalable investment analysis tools	3. Cross-industry cooperation and low-carbon transformation technologies
		4. Reduce waste in the raw material manufacturing process and increase utilization rate	4. Identify sustainable energy and water sources	4. Carbon neutral goods
		5. Use assistive intelligence technology	5. Identify the full life cycle and more circular economy possibilities	5. Increase innovative technology and investment portfolio
According AOET faces major climate in addition to uncontrollable climate change, are that stakeholders and investors also need to respond to the short, medium and long-term progress that raw materials can plan in the face of climate variability.				
AOET adheres to sustainable and diversified product research and development, hoping to create more green products and respond to more products that reduce waste.				

2.5 Climate change risk management

2.5.4 Climate change management strategies and objectives

FACE TO	TCFD Disclosure Project	AOET PLAN		
Risk Management	Business, strategic and financial planning	Physical risk: 1. In order to reduce water shortages due to drought and climate variability, we have first increased the recycling rate and utilization rate of business water, as well as the recovery rate of rainwater and general water. 2. Reference of LCA life cycle In addition to using renewable raw materials for packaging, we also cooperate with customers on product raw materials, processes and compositions. In addition to being non-toxic and environmentally friendly, we also look forward to more green products.	Financial and transformation risks: 1. Increase in resources affects corporate carbon pricing 2. Purchase price fluctuations 3. Decrease in corporate gross profit 4. Decrease in corporate revenue 5. Operating losses will increase with climate risks	Market opportunity identification: 1. Increase in transformational goods and carbon-neutral goods 2. Diversified operations and increased utilization rate 3. Identify the full life cycle and more circular economy possibilities 4. Technical cooperation between industries and cross-industry alliances
	Risks and Opportunities Related to Climate Risks impact	Strategically decentralized planning, and Consider different climate-related scenarios	1. Refer to the 2° C scenario published by the International Energy Agency (IEA), simulate and analyze future climate change and impacts, and formulate scientifically based greenhouse gas reduction targets SBTi accordingly. 2. Carbon reduction and net-zero energy electricity consumption methods can be used as a reference for operational strategy adjustment and electricity consumption reduction... etc. We hope reduction scope 1 to 3.	
Risk Management	Processes for identifying and assessing climate-related risks	1. Refer to the risk management system and guidance program collect the future development of markets, regulations and technical entities, and list the risks and climate opportunities that may be identified. 2. Identify major risks and opportunities, then calculate them using risk scores, identify high, medium and low possible risks, and set a basic limit of NT\$10 million. Any risk exceeding this amount is considered a major risk. 3. Based on the quantitative process, conduct climate scenario analysis, consider the operational layout, and calculate the impact of climate financial risks and opportunities for response measures.		
	Processes for managing climate-related risks	1. The general manager serves as the convener of the meeting, and the risk committee and sustainability-related departments (environmental safety department, sustainable development office, etc.) jointly participate 2. The Audit Committee regularly reports and discusses to the Board of Directors based on the evaluation results of the Chairman and those present. 3. Regularly track the risk management process and pay attention to relevant international indicator reports as the next improvement process		
	Identification, assessment and How management processes are integrated into the company's Overall risk management system	1. Climate change is a major risk and unknown area for enterprises. The unknown must be converted into known, and management measures must be planned for operations, risk management plans, supply chains and value chains based on known risks. 2. Take risk management measures, identify opportunities, and use challenges as opportunities and management indicators 3. Based on the ISO31000 risk management system and PDCA operation model, continue to improve environmental climate change risk management and risk system integration		

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.5 Climate change risk management

2.5.4 Climate change management strategies and objectives

Metrics & Targets	Explain the company's strategies and risks	1. Set a carbon reduction plan for short, medium and long-term indicators in the face of climate risks, and identify targets that can be adjusted in Category 1 and Category 2 respectively.		
	Management processes for assessing climate-related	2. Conduct inventory and reduction of greenhouse gases. For renewable energy sources, which are in progress in power supply mode planning, circulating water indicators for new factories have been set up.		
	Indicators used for risk and opportunity	3. Explore cooperation with reusable packaging materials and smart technology to reduce carbon emissions		
	Category 1, Category 2, and Category 3	1. AOET will use 2023 as the base year for the inventory to conduct its first assessment of category 1 and category 2 emissions of greenhouse gases, and will arrange scope 3 emission assessments starting from 2024.		
Greenhouse gas emissions and related risks	Managing climate-related risks and opportunities	2. AOET assumes that the scope one emission in 2023 is 33t/co2e; the scope two emission is 10347t/co2e, indicating that scope two is the largest source of carbon emissions.		
		3. Please refer to Chapter 03 of the Sustainability Report for various environmental objectives and management implementation standards.		
		1. In formulating a low-carbon process, AOET, in addition to reducing its own energy consumption, also strives to set waste reduction and water conservation goals on the sustainable blueprint, and is fully committed to reducing environmental impact.		
Goals used, and implementation	2. Refer to and move towards SBT usage goals, set reductions during the first annual inventory, and refer to the CDP Water and Climate Questionnaire Guide			
Performance on this target	3. Incorporate links between climate risk indicators and manager KPIs			
		2023 Years ICT US\$10		
	Term	Short term 2023-2025	Mid term 2026-2030	Long Term 2031-2050
	T	I Greenhouse gas policy and governance structure:	I Greenhouse gas policy and governance structure:	I Greenhouse gas policy and governance structure:
	A	Reduce Scope 1 and Scope 2 emissions by 8.4%.	Reduce Scope 1 and Scope 2 emissions by 30%.	Reduce Scope 1 and Scope 2 emissions by 50%.
	R	Reduce scope 3 emissions by 5% and out independent inspections in advance.	Reduce scope 3 emissions by 15%.	Reduce scope 3 emissions by 50%.
	G	I Water Policy and Governance Framework:	Deploying renewable energy official vehicles.	Use renewable energy official vehicles.
	E	Recycling of water used in factory operations reaches 50%.	I Water Policy and Governance Framework:	Business adopts renewable aviation fuel
	T	Reduce water intake by 5%.	Recycling of 80% of water used in factory operations.	I Water Policy and Governance Framework:
		I Recycling and waste policy and governance structure:	Reduce water intake by 10% Use rainwater collection and recycling.	Water circulation degree reaches 85%.
		Reduce waste by 5%.	I Recycling and waste policy and governance structure:	Reduce water intake by 35%.
		Increase 5% recycled packaging	Reduce waste by 15%.	Use rainwater collection and recycling 85%
		Materials.	Increase 15% recycled packaging materials.	I Regeneration, recycling and waste policy and governance structure:
		I Electricity and renewable energy supply policy and governance structure:	I Electricity and renewable energy supply policy and governance structure:	Reduce waste by 45%
		Use 10% green electricity (installed or outsourced)	Use 21% green electricity (installed or outsourced).	Increase 45% recycled packaging materials.
		I Lower environmental footprint.	I Lower environmental footprint product life cycle assessment.	I Electricity and renewable energy supply policy and governance structure:
				Use 100% green electricity (installed or outsourced).
				Lower environmental footprint product life cycle assessment.
				I carbon neutral.

2.5 Climate change risk management

2.5.4 Climate change management strategies and goals

Risk impact is exposed

1. Commodities and raw materials are declining due to rising climate, and exports are restricted
2. Climate temperature rise and change, increase service time
3. Due to heavy rain and weather variations, physical exhibition risks
4. Chemical changes in the composition of the product due to the increase in temperature
5. Abnormal weather affects the operating time and delivery time

Financial disclosures

1. Increased operating costs
2. The increase in capital affects the internal carbon pricing of enterprises
3. Gross profit margin declined

Climate risk identification

Commodities adjust to moderate trade opportunities

Response measures

1. Pay attention to the change of temperature of the commodity and increase the number of inspection.
2. Reduce carbon emissions, use low-carbon goods, and use low-carbon transportation to reduce your footprint.
3. Increase the renewable energy source of electricity consumption at the manufacturing level by at least 50%.
4. Rolling adjustment of climate risk man-hours.

Climate target and scope	S.T 2023 TO 2025	M.T 2026 TO 2030	L.T 2031 TO 2050
Highly recycled packing materials	5%	15%	45%
Improved product greenness	5%	15%	45%
Improved inventories in response climate change	5%	15%	45%
Common response regeneration program	5%	15%	All supplier



Face-to-face assessment of adaptation opportunities

1. Improve the use of recycled packaging materials
2. Improve the greenness of products
3. Product efficiency transformation
4. Self-made transformation, with its own industry plus green energy as the degree of discrimination

2.5 Climate change risk management

2.5.4 Climate change management strategies and goals

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Risk impact disclosure

1. Due to climate variability, the value chain and the source of raw material supply are unstable
2. Fluctuations in the price of purchased goods
3. The impact of low-carbon transition funds of supply chain partners
4. The stability of the supply chain and value chain has decreased Significantly

Financial disclosures

1. Increased procurement costs
2. The delivery time is extended, which affects the supply
3. Increased operating expenses

Climate risk identification

Carbon footprint risk

Response measures

1. The supply chain simultaneously checks greenhouse gases and sets carbon reduction targets
2. Use low-carbon transportation and omit too much transportation and dispose of it in a centralized manner
3. Select suppliers in a green way. Implement commodity liability

Climate target and scope	S.T 2023 to 2025	M.T 2026 to 2030	L.T 2031 to 2050
Reduce Scope 1 and 2 emissions.	8.4%	20%	50%
Reduce Scope 3 emissions	5%	15%	50%
Drive the supply chain to reduce greenhouse gas emissions	21%	42%	All supplier chain
Reduce water withdrawal	5%	10%	35%
Recycling of operating water	50%	80%	85%
Reduce Waste	5%	15%	45%

Note:2023 is the base year, and the water recycling rate is % of water recovery after business



Face-to-face assessment of adaptation opportunities

1. Respond to low-carbon transportation
2. Drive the supply chain to reduce greenhouse gas emissions
3. Respond to the regeneration plan together
4. Confirm the stability of the source of the raw material supply chain

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.5 Climate change risk management
2.5.4 Climate change management strategies and goals

Risk impact is assessment-oriented

1. Market preference has changed, and selective purchase and sales have declined
2. The climate temperature may suddenly affect the delivery schedule
3. It is expected that the carbon fee will increase, the price of products will rise, and the purchase and sales will decline
4. The price of low-carbon commodities is greater than that of virgin commodities

Financially Oriented Valuation

1. Decrease in operating income
2. Increased operating expenses
3. Extended delivery time



Climate risk identification

Low-carbon profit capital risk

Response measures

1. Establish carbon reduction targets, calculate the carbon footprint of commodities, and use waste products
2. Identify more opportunities for the inflow and outflow of circular economy materials
3. Drive the buying and selling of green business modules

Climate target and scope	S.T 2023 to 2025	M.T 2026 to 2030	L.T 2031 to 2050
Scalable Analytical tools	30%	50%	90%
Alien Alliance Collaborative technology	20%	50%	80%
Low-carbon profits Earnings profit	20%	40%	60%



Face-to-face assessment of adaptation opportunities

1. Scalable investment analysis tools and risk analysis
2. Cross-industry alliances or low-carbon transition technology exchanges
3. Have a common climate topic or international initiative with the customer

2.5 Climate change risk management

2.5.4 Climate change management strategies and goals

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Risk impact is assessment-oriented

1. Negative awareness of commodity expectations rises
2. There are too many green commodities in transition, and the physical revenue is not as expected
3. The market preference time is too short, and the time for R&D products increases
4. Affect the inventory of goods

Financially Oriented Valuation

1. Decline in operating income
2. Resources are scrapped in advance
3. Increased operating costs

Climate risk identification

Risk of changes in market appetite



Response measures

1. Establish material waste flow and reduce tax expenditure.
2. Enhance market preferences and public welfare green initiative.
3. Carbon neutral good.
4. International questionnaire disclosure and evaluation.

Climate target and scope	S.T2023 to 2025	M.T2026 to 2030	L.T 2031 to 2050
Use green electricity and clean energy	10%	50%	100%
Identify and increase sustainable sources of energy and water	15%	40%	80%
PIR TO PCR	10%	50%	85%



Face-to-face assessment of adaptation opportunities

1. Carbon neutral goods, green energy for electricity
2. Identify sustainable sources of energy and water
3. Identification of the whole life cycle, evaluation of PIR to PCR

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.5 Climate change risk management

2.5.4 Climate change management strategies and goals

Risk impact is assessment-oriented

1. Single-commodity technology recognition is increasing due to climate change
2. Recognize the increase in technology development time
3. Differentiation of the Low Carbon Technology Directive
4. Invest too much time and cost in R&D

Financially Oriented Valuation

1. Increased operating expenses
2. Too many products are scrapped, and the cost of research and development is too large
3. Operating expenses are not proportional to income

Climate risk identification

Technology Debt Climate Risk

Response measures

1. Increased recognition of the use of sustainable goods
2. Resource scheduling time is shortened
3. Stable technology, low-carbon profit

Climate target and scope	S.T 2023 to 2025	M.T 2026 to 2030	L.T 2031 to 2050
Increase innovative adaptation technologies and R&D products	10%	30%	50%
Reduce carbon emissions using AI automation	10%	30%	50%
Improvement in waste and reuse	15%	30%	50%



Face-to-face assessment of adaptation opportunities

1. Increase in innovative adaptation technologies
2. Low-carbon R&D commodity opportunities
3. Portfolio combination of technical increases

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social
Governance
Environmental
Social

2.6.1 Supply Chain Management Vision

The Group adheres to SCM management, which involves activities related to procurement, product lifecycle management, supply chain and logistics planning value, including inventory, corporate assets, production lines and order management. In addition, the OECD will develop activities that refer to the upstream and downstream of the value chain to conduct due diligence logistics and expand global trade, and formulate co-consultation management policies, and work together with all supplier chains to move towards green procurement and sustainable operation, reduce environmental impact, and treat the supply chain and customers as strategic partners with the same value stream. Raw materials and services will be corrected due to the global trading status.

Target same with SDGs, covering the management policy and code of conduct, and using the selection of suppliers as the basis and reference source For Advanced Light, not only suppliers, but also Advanced Light prefers to use strategic value partners to refer to our peers.



2.6.2 Supply Chain Management Policy

Supplier management policy, mainly to reduce operational risks and impacts, and real-time grasp of operational status, supplier management mechanism includes new supplier evaluation, existing supplier risk management, and incentives and punishments and guidance to improve suppliers. A shared commitment to maximizing value is the organization's vision, and moving towards reducing excessive greenhouse gas emissions from the transportation of raw materials from distant locations, promoting local jobs and economic prosperity, and emphasizing the legitimacy of 3TG-free procurement and consultation to uphold human rights and child labor. Only a total score of 185 points (total quality score of 100 + total HSF score of 100, and the total HSF score of the supplier to which the material belongs in the BOM list must be a full score) is qualified. When a new supplier signs a purchase agreement, the [HSF Management Standard] will be communicated to the supplier for compliance when the regulations and customer specifications change, and the supplier is required to confirm the compliance with the new substance and send back the "Declaration of Non-Use of Hazardous Substances" to confirm the compliance.

Supplier management is divided into upstream semi-finished products, midstream finished products and downstream applications to ensure that suppliers are in terms of quality, cost, delivery, service quality, Achieve consistency in environment, safety, health and production. In addition to supplier self-QC and QA management, the organization also conducts random sampling QA audits to ensure that the cyclical and commodity cycles of the value chain meet the standards. Although there are some overlapping technologies in different applications, supply chain ecology and product specifications, the same sustainable supply criteria are consistent.

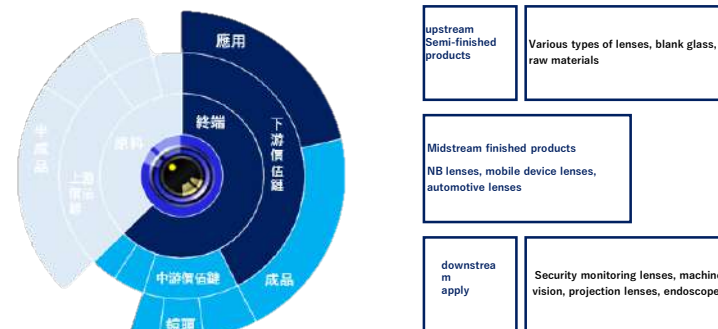


Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.6 Supplier Chain Management

2.6.3 Overview of Supplier Chain

Ensure the safety of the working environment and human rights in the supply chain, as well as the implementation of a green supply chain and compliance with ethical standards, AOET formulated a Supplier Code of Conduct, which requires suppliers, contractors and service providers to work together Comply with the three major standards, and at the same time comply with the laws and regulations of the place where the company operates, and conduct supplier risk assessment and mechanism in 2023 without violations and major incidents.

Benign 2024 onwards, we will conduct a survey of suppliers on sustainable procurement standards and relevant RAB confirmation.

A. Supplier Environmental Responsibility:

.Environmental permits and reporting:

All required environment-related permits (e.g., ISO14001), approvals and registration documents, and maintenance and renewal should be obtained, and the operation and requirements of the permit should be complied with:

.Pollution prevention and resource conservation:

Prevention at source, such as the addition of pollution control equipment and improvement of production, maintenance and facility procedures, or the minimization or elimination of pollutants and waste generation. or balancing biodiversity through practices to improve production, maintenance and facility procedures and replacement materials, as well as to conserve the depletion of natural resources.

.Identification of hazardous substances:

Identify, inspect and manage chemical substances and wastes that cause harm to humans or the environment, and ensure that these substances are safely disposed of, including production, transportation, storage, use, recycling, waste or reuse, and disposal.

Solid Waste & Material Control:

Comply with local regulations and household requirements for responsible recycling and implementation practices

.Greenhouse gas:

Scope 1 and Scope 2 should be audited or self-examined, and Scope 3 should be checked in the capacity permit or in the next year, so as to facilitate the understanding of the relative amount of each emission substance, and move from the self-audit of enterprises to the combination of carbon footprint and life cycle management and intelligence.

.Energy management:

Since the group itself has an electric intelligence room, it is clear and transparent about the electricity consumption of the production line, but for other suppliers, they may not all use the electric intelligence room to analyze or fully understand the energy consumption, so it is better to enter and understand the entire supply chain by first checking the greenhouse gas inventory and then moving towards the product carbon footprint.

Water management:

Suppliers should conserve water, draw water from areas where there is no water stress, and should prioritize pollution control and regularly check water quality and hydrogen ion concentrations. The water consumption rate and water consumption rate of the correlation test also need to be converted and improved in practice.

Mainly based of the annual report

B. Supplier's Human Rights Responsibilities:

Humane treatment:

Prohibit harsh and inhumane treatment of employees, including any form of sexual harassment, sexual assault or corporal punishment, as well as mental or physical abuse, bullying, and public humiliation and verbal abuse, and do not threaten and recommend that sexual equality meetings should be held on a regular basis.

Non-discrimination and equal human rights:

Women enjoy equal treatment and freedom of employment, and there is no differential treatment on the basis of sex. Employees will not be harassed on the basis of skin color, race, or gender. We do not use slavery, human trafficking or any violation of the relevant regulations of 3TG.

Freedom of choice of occupation:

Do not unreasonably restrict workers' freedom of movement in the workplace, and use the worker's native language to publicize the access, benefits and rights of the worker internally, so that employees can understand their respective benefits and their respective rights and interests.

Freedom of association:

Employees are not restricted from collective bargaining and peaceful assembly, but they are also encouraged to communicate freely and in a way that is safe and secure.

C. Supplier Code of Ethics:

Integrity management:

The highest standards of integrity and local laws and regulations shall be observed in all business interactions, and information shall be kept confidential in business dealings

Transparency and openness:

There is no improper bribery or illegal business transfer, and we have an honest financial system.

Responsible sourcing:

Conflict-free mineral procurement, and interest avoidance.

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

2.6 Supply chain management

2.6.3 Overview of supply chain management

C. Supply chain evaluation level and response measures:

.GOOD 90-100 point

It is recommended to increase the volume of purchases

.SATISFACTORY 80-89 分

Maintain the current operation, but require the supplier to continue to strengthen the management mechanism.

NEEDING IMPROVEMENT 70-79 point

In that year, the total score of the supplier evaluation was less than 80 points, and the supplier was audited and counseled for improvement, and the total score of the evaluation was between 70-79 points for two consecutive years, and the procurement volume ratio was discussed in the supply chain management group.

SIGNIFICANT DEFICIENCY 70 point

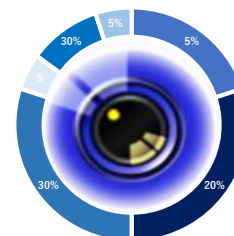
If the total score of the annual supplier evaluation is less than 70 points, the total score of the annual supplier evaluation is less than 70 points, and the relevant measures such as stopping procurement or canceling the qualification of qualified suppliers will be discussed in the supply chain management team, and the supplier management mechanism includes the evaluation of new suppliers, the risk management of existing suppliers, and the guidance and punishment of suppliers and counseling to improve suppliers.

Jointly committed to maximizing the value of the organization's vision, and moving towards reducing excessive greenhouse gas emissions caused by the transportation of raw materials from distant places, promoting local employment opportunities and economic prosperity, and emphasizing the legality of no 3TG procurement and co-consultation to safeguard human rights and no child labor, the supplier self-assessment form 70 points are qualified, and the company and HSF regulations are implemented in accordance with [hazardous substances and related process procedures].

when new suppliers sign purchase agreements, when regulations and customer specifications change, [HSF management standards] will be implemented For the requirements of sustainability, we focus on the requirements of the supplier's environment, society and corporate governance, and the supplier's management policy, mainly to reduce the operational risk and impact, and to grasp the operation status in real time.

2.6.4 Supply chain procurement analysis

Six categories of procurement Supplier Definition Importance to the organization	Six categories of procurement Supplier Definition Importance to the organization	Six categories of procurement Supplier Definition Importance to the organization
Business & Safety Maintenance Workplace safety is related to operational needs	Business & Safety Maintenance Workplace safety is related to operational needs	Business & Safety Maintenance Workplace safety is related to operational needs
Rough glass Quality raw material source Jointly maintain the source of quality, important strategic value partners	Rough glass Quality raw material source Jointly maintain the source of quality, important strategic value partners	Rough glass Quality raw material source Jointly maintain the source of quality, important strategic value partners
Blank plastic Quality raw material source Jointly maintain the source of quality, important strategic value partners	Blank plastic Quality raw material source Jointly maintain the source of quality, important strategic value partners	Blank plastic Quality raw material source Jointly maintain the source of quality, important strategic value partners
Quality raw material source Jointly maintain the source of quality, important strategic value partners	Quality raw material source Jointly maintain the source of quality, important strategic value partners	Quality raw material source Jointly maintain the source of quality, important strategic value partners
Machinery and mold use The machine is used in the R&D and production process of the mold required for the finished product. Jointly maintain the important strategic value partners of product molding.	Machinery and mold use The machine is used in the R&D and production process of the mold required for the finished product. Jointly maintain the important strategic value partners of product molding.	Machinery and mold use The machine is used in the R&D and production process of the mold required for the finished product. Jointly maintain the important strategic value partners of product molding.
Business operations and basic household supplies Jointly maintain the value of enterprise operation	Business operations and basic household supplies Jointly maintain the value of enterprise operation	Business operations and basic household supplies Jointly maintain the value of enterprise operation
Transportation Land, sea and air service delivery for external clients Jointly maintain an important value partner in the transportation of products	Transportation Land, sea and air service delivery for external clients Jointly maintain an important value partner in the transportation of products	Transportation Land, sea and air service delivery for external clients Jointly maintain an important value partner in the transportation of products



Six categories of procurement

From 2024 onwards, we will conduct a survey of sustainability standards for suppliers and conduct due diligence and sustainability, and RAB advocates implementing sustainability requirements in the daily management of the supply chain and following sustainable supply chain management as the basis for cooperation.

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

2.6 Supply chain management

2.6.4 Supply chain procurement analysis

Six categories of procurement

In addition to focusing on quality raw materials, R&D and manufacturing, and workplace safety, AOET's six categories of procurement are also indispensable parts of the procurement process.

.General Affairs and Labor Procurement:

According to the demand pattern of enterprise procurement and the role of procurement change management, formulate management systems and processes and procurement management strategies.

.Blank plastic:

The upstream raw materials of the plastic lens are engineering plastic raw materials such as PC and PMMA, and then the plastic lens is produced through the process of cutting and coating, and the plastic lens is made by combining multiple plastic lenses together and adding image sensors.

.Blank glass:

According to customer needs, the optical glass raw materials are cut, weight controlled and heat-pressed... The production of optical blanks will depend on the shape of the customer's optical lens design (such as plano-convex lens, biconvex lens, biconcave lens...) A variety of different thicknesses are required.

.Mold use:

Mold is a tool specially used to shape the shape of the product, according to the different materials and properties of the product, the type of mold suitable for use will be different

.Business & Safety Maintenance:

For example, the cost of business expenses and equipment maintenance and safety.

.Transportation business:

Domestic inland transportation as well as container or air transportation.. and other expenditure costs.

2.6.5 Green Procurement Strategy

Green procurement is an important part of realizing green value and realizing a sustainable economy, and the energy and water consumption used in the production process since Tire 1, as well as related human rights, are all green procurement issues. Whether it is a scenario or an international initiative, climate change and temperature, we should strive to reduce the greenhouse effect, in addition to responding to clean energy production, and integrate environmental, social and governance into green procurement strategies.

Checking carbon emissions and carbon reduction benefits in a large-scale and small-scale response is not only in response to CBAM and CCA, but also in terms of future financial carbon reduction benefits, the use of supplier sustainability standards and life cycle analysis and costs, the implementation of environmental impact assessment, cleaner production and eco-efficiency, and the use of goods-to-service systems and green contract systems to jointly develop sustainable plans and green procurement.

2.6.6 whistleblower mailboxes

The Group attaches great importance to the integrity management and procurement code and supplier selection, so it is a channel for reporting supplier behavior and illegal and unethical safety regulations. Conduct business activities based on the principles of fairness, honesty, trust worthiness and transparency, and establish a code of ethical management.

Set up a reporting contact email in accordance with the regulations for reporting dishonest behavior or misconduct, and if you find any illegal and corrupt behavior of the company's employees or supervisors, any improper ethical and professional conduct, please use the reporting channel.

Please Feel free to let us know by QR Code.



Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

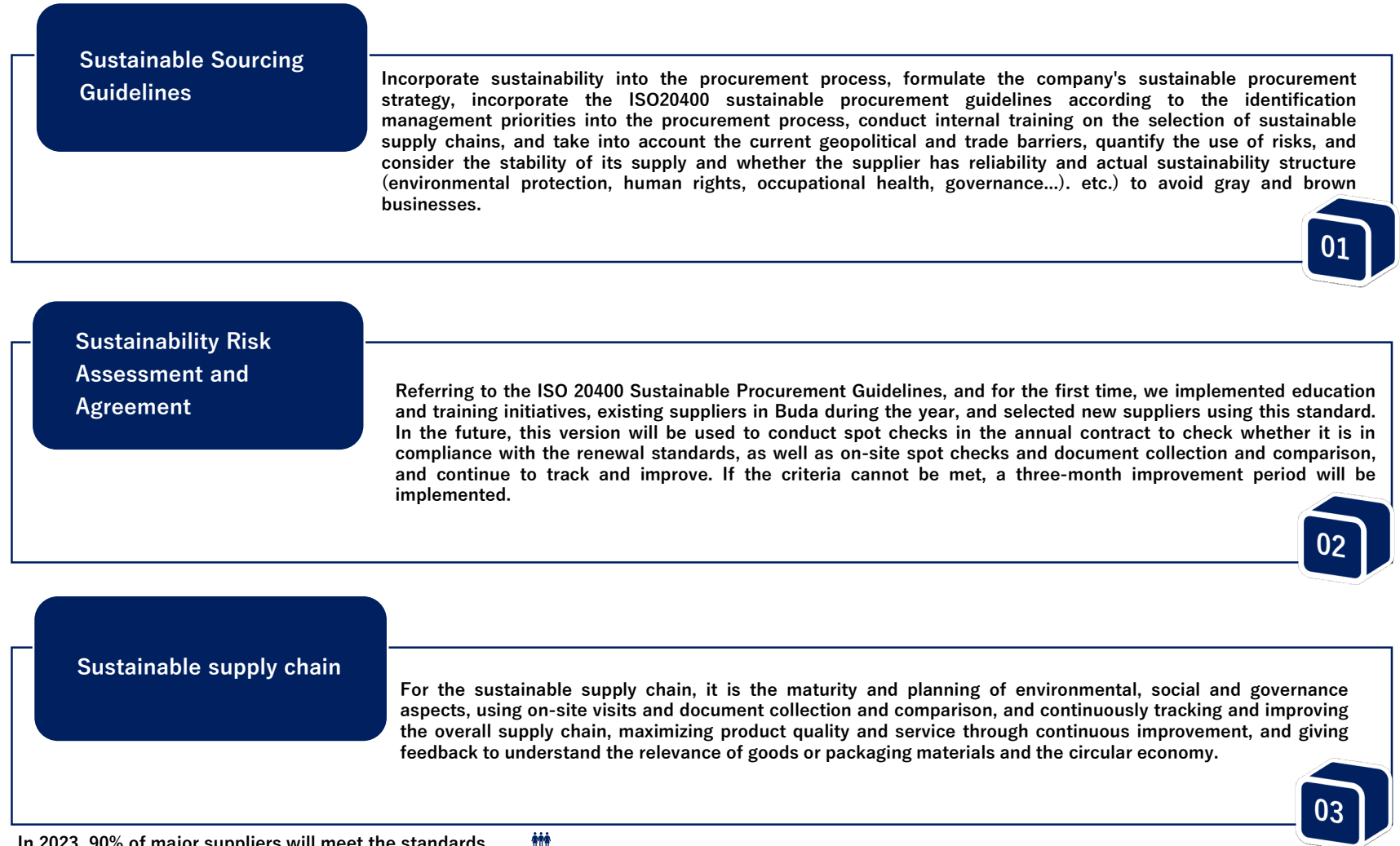
5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

2.6 Supply chain management

2.6.4 Supply chain management processes



In 2023, 90% of major suppliers will meet the standards
.In 2023, no suppliers violated environmental regulations.





03 Green Mirror - Business Strategy of Environmental Sustainability

- 3.1 Climate change stratege
 - 3.2 Greenhouse gases and emissions
 - 3.3 Energy Use
 - 3.4 Water resources management
 - 3.5 Waste Management
- SDGs:13,7,11,12

Chapter Highlights:

- .Promote the feasibility of diversification and net zero
- .No harmful substances
- .Planning the new plant area for green electricity for self-use
- .It is planned to increase the rainwater return rate and water circulation rate of the new plant
- .Business activities: Deal with sustainable waste and regenerate sustainable art

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1 Strategic Situation-Business Performance and Stakeholders.

2 Steady and clear-corporate governance and resilient operations.

3 Green Mirror-Environmentally Sustainable Business Strategy.

4 Digital Optoelectronics-smart Operation and Creating.

5 Talent Vision-Diversity and Happiness Structure.

6 Sustainability-Social Benefits and Response Initiatives.

Appendix.

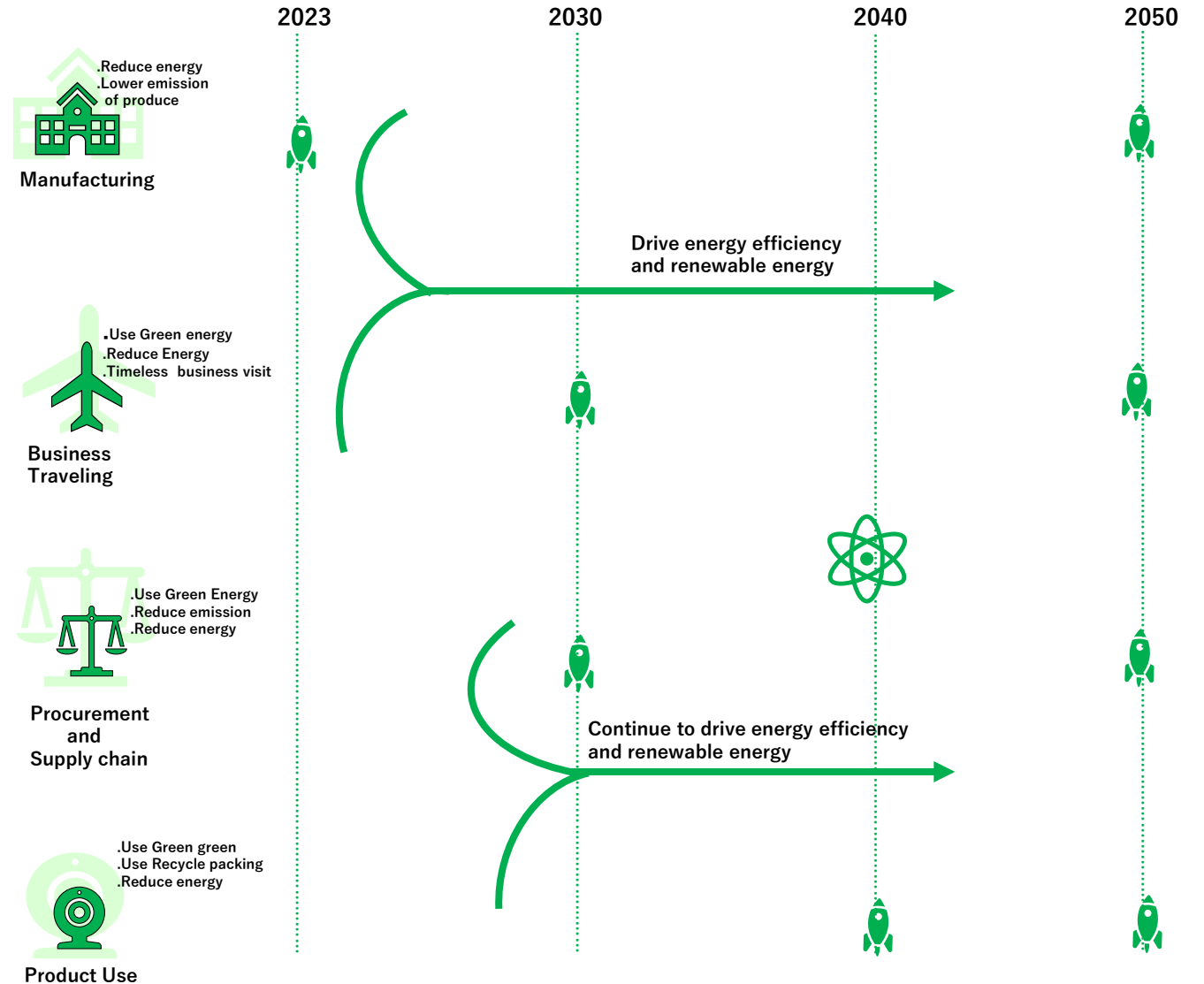


3.1 Climate Change Strategie

3.1.1 Climate Action

In response to the trend of international flows and the Taiwan government's 2050 net-zero emission policy, the Group has independently inventoried greenhouse gases for the first time in 2023 as a base year.

And set short, medium and long-term climate goals and carbon reduction, implement the net-zero vision, adopt TCFD carbon emission reduction targets, implement net-zero goals for greenhouse gas management, energy management, waste management and reduce product carbon footprint, and mitigate climate change, and practice net-zero emissions by 2050 towards a low-carbon path (inventory, reduction, offset, neutralization) Join many international initiatives to pay attention to it at any time, hoping to contribute to sustainable.



Governance

Environmental Governance

Social Environmental

Governance Social

Environmental Social

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Governance
Social Environmental Governance
Governance
Social Environmental Governance
Governance
Social Environmental Governance
Governance
Social Environmental Governance

3.1 Climate Change Strategie

3.1.1 Climate Action

Implemented by the Sustainability Department, the General Manager's Office convenes cross-departmental members to define risks and opportunities in accordance with TCFD guidelines, collects cross-departmental discussions and external consultations through multi-faceted issues, specifically identifies the Group's main risks and opportunities, as well as the corresponding potential scenarios and impact levels, and analyzes the possible financial impacts.

The product, supply chain and market are symbiotic under climate risk, and the overall inventory of climate risks and opportunities is managed, covering the entire value chain upstream and downstream and the group's own operations. Meeting the growing global need for climate risks, linkages with financial impacts is the goal of advanced light sustainability.

The Group focuses on five contexts:

- .Operational measures
- .Environmental measures
- .Water measures
- .Waste measures
- .Supply chain measures

Note:
Currently, Taiwan Electric Power Co., Ltd. is the largest coal-fired power generation company in Taiwan. If Taiwan adjusts its power supply source in the future, the group will make simultaneous rolling adjustments.

Reduce of Carbon Emission and Time Flow

Short term 2023 to 2025

.Operational Measures:
.Review the climate risk assessment of meetings and departments at all level.

Environmental Measures:
.Review the risk assessment of Renewable Energy, including self-power supply and efficiency saving, .10% of Renewable Energy.
.8.4% reduction in Scope 1 and 2 emissions.

Water Resources:
.Review water withdrawals and water consumption Reduce water withdrawal by 5%.

Waste measures:
.5% reduction in industrial waste.

Supply Chain Measures:
.5% reduction in CO2 emissions from transportatio.
.5% reduction in product water resources and carbon emissions

Mid Term 2026 to 2030

.Operational Measures:
.Business operations based on climate change risk assessmen.

Environmental Measures:
.20% reduction in Scope 1 and Scope 2
.15% reduction in Scope 3
.21% of Renewable Energy.

Water Resources:
.Review water withdrawals and water consumption reduce water withdrawal by 10%.
.80% process water recovery rate

Waste measures:
.15% reduction in industrial waste,
.15% recycled packaging

Supply Chain Measures:
.45% reduction in CO2 emissions from transport
.15% reduction in product water and carbon emissions

Long Term 2031 to 2050

.Operational Measures:
Implemented in line with long-term climate goals.

Environmental Measures:
.50% reduction in Scope 1 and 2
.50% reduction in Scope 3
.100% self-financing and Renewable Energy

Water Resources:
.Review water withdrawals and water consumption
.Reduce water withdrawal by 35%.
.85% process water recovery rate
.50% recovery of rainwater.

Waste measures:
.Reduce the amount of industrial waste by 45%,
.45% recycled packaging.

Supply Chain Measures:
.80% reduction in CO2 emissions from transportation
.80% reduction in water resources and carbon emissions of products.

We also reduce carbon emission to effect the afraid and Supply reduce to value chain to net emission journal And aiming the ghg align to use

Table of contents

Regarding report.
Statement from top management.
Company Overview.

1
Strategic Situation-Business Performance and Stakeholders.

2
Steady and clear-corporate governance and resilient operations.

3
Green Mirror-Environmentally Sustainable Business Strategy.

4
Digital Optoelectronics-smart Operation and Creating.

5
Talent Vision-Diversity and Happiness Structure.

6
Sustainability-Social Benefits and Response Initiatives.

Appendix.

3.1 Climate Change Strategie

3.1.2 Net Zero Sustainability

.2023 base year self-verification of Scope 1 and 2.
.It is expected that selfinspection Scope 1 to 3 will start in 2024.

IFRS/GRI

Check for greenhouse gases
Reduction of greenhouse gases



.Check the carbon footprint of products at the environmental and governance level, and start planning and measurement by the end of 2023.

Sustainable Disclosure Indicators-
Optoelectronics Industry (5)

Product carbon footprint



Greenhouse gas:

In 2023, we will learn about carbon dioxide emissions and proportions through ISO 14064 inspections. In 2024, we will gradually increase the number of inspections to categories one to three. From 2024, we will gradually guide subsidiaries and consolidated declarations. and in accordance with ISO 14064 methodology.

ISO 14064-1 :

Guidelines for the quantification and reporting of greenhouse gas emissions and removals at the organizational level.

Physical evidence

ISO 14064-2:

Specification for quantifying, monitoring and reporting incremental reductions or removals of greenhouse gas emissions at the program level. Qualitative and quantitative, technical documentation.

ISO 14064-3:

Specification and Testimonial Evidence for the Corroboration and Verification of Greenhouse Gas Claims with Guidelines.

Increasing and identifying waste and water resources on the product side, and using renewable energy sources in production and transportation on the business side. The value chain of a product can move from the final consideration of taking, manufacturing and product to the economic value of the ultimate sustainable activity.

Sustainable Disclosure Indicators-
Optoelectronics Industry (5)


Circular economy



At present, the group is owned by the management unit of Zhongke, and has set up sewage and wastewater treatment. And by the Ministry of Water Use, the Central Science and Technology Administration has adopted water conservation to implement and improve, and the calculation of water consumption has established an improvement basis.

Sustainable Disclosure Indicators-
Optoelectronics Industry (2)

Water resources



Carbon Footprint:

The AOET set 2023 as the base year for the inventory, and the greenhouse gas emissions have been set first. After 2024, it is expected to introduce intelligent operation to calculate product carbon footprint, identify risks and Balance costs.

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

3.1 Climate Change Strategie

3.1.2 Net Zero Sustainability



Raw Materials and the Circular Eco:

AOET does not use key raw materials in its production and use, and attaches great importance to raw materials, even if the source of raw materials cannot be recycled or derivative products depending on the industry, the scraps after the manufacturing process can be reproduced and reused 2-3 times to maximize the use of raw materials. At the same time, it reduces the concern that the quality in the process is uneven and more is discarded, and at the same time, because the process and raw materials are optimized, a small number of waste products cannot be reformed. All of them have been converted to the factory area for sustainable art use, moving towards a sustainable circular economy, and will move from PIR to PCR in the future.

The use of raw materials within the organization does not produce the resources and key materials required for key technologies under the numerous energy transitions

Sustainable Disclosure Indicators - Optoelectronics Industry (6)

Key raw materials

GRI
IFRS
IEA
TCFD
WBCSD
CTI
DDP

International initiatives

Renewable energy:

AOET power supply energy is based on Taiwan Electric power co;Ltd as INDIRECT, which is planned for self-sufficient green power from 2024, and is currently planned for green energy power purchase or self-construction, and short-term purchase according to Taiwan's current power grid, which cannot reach more than half of renewable energy.

In addition to the fact that the factory land cannot be expanded, the second is that the factory needs to be greened to maintain the greening of the park, and the enterprise needs to maintain effective green value and fulfill its environmental protection responsibilities in addition to carbon reduction, but will follow the green certificate or other government .

At present, 100% of Taiwan power is purchased and the power supply method is planned to introduce clean energy in 2024 in accordance with the government.

Sustainable Disclosure Indicator - Optoelectronics (1)

Renewable energy

Product life cycle
Internal carbon pricing
Innovate green products

Other

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance Environmental Social Governance Environmental Social Governance Environmental Social

3.2 Greenhouse gases and emissions

AOET policy statement on climate change, mitigation and adaptation strategies. In addition to taking stock of greenhouse gas emissions, assessing effective mitigation opportunities and setting targets, and taking timely actions to keep track of the current situation in Buda. And set short, medium and long-term goals. In the face of the current situation where climate variability cannot be avoided, the resilience test of operations and value chain is also different from the past, avoiding too many hazards and pollution factors as much as possible, and striving to reduce the impact point of the environment. In line with the country's 2050 net-zero emissions, In terms of policy paths, low-carbon emissions and greenhouse gas reduction, enterprises need to independently check the emission status of CO₂, the biggest factor of environmental impact, supplemented by global warming trends and scientific quantitative calculations, so that independent inventory and presentation of inventory reports, and emissions from the inventory, and subsequent carbon reduction or carbon neutrality planning, can reduce environmental impact.

Taking 2022 as the basic point, the company will start to enter the greenhouse gas inventory in this year to facilitate subsequent continuous improvement and reduction, and implement energy conservation and power-saving cooling in the plant from 2022, refer to the legal restrictions for temperature regulation in the plant as much as possible, adopt sensor lighting in all public areas, and start in 2022 to independently investigate and develop the carbon reduction mechanism, move towards sustainable operation and development, and follow-up green energy planning. In view of the first edition of the Greenhouse Gas Inventory in FY2022, and the Scope 1 and Scope 2 emissions are examined, in view of the first edition of the Inventory and Lesson and Learn, we will move towards Scope 1 to Scope 3 in the next fiscal year, and promote the annual carbon reduction implementation rate.

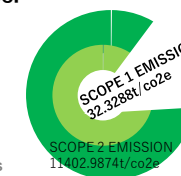
The company has obtained ISO 14001 environmental management system certification, and verified it on schedule, in accordance with the group's environmental management policy: reducing climate change, maintaining natural resources, and striving to reduce the risk of harmful substances as the main axis, taking environmental sustainability as an indicator, using the concept of PDCA continuous improvement, improving employees' environmental awareness, enhancing compliance with rules and regulations and environmental management capabilities, and complying with laws and regulations integrated into the standards, including the support of management for the management system, and whether the environmental policy formulation is reasonable.

Evaluate environmental considerations and risks, set appropriate environmental targets, and conduct effective management reviews of the effectiveness of emergency response measures, and set greenhouse gas emission reduction, waste reduction, and green procurement as short- to medium-term performance indicators for environmental management

AOET passed the environmental management system standard ISO14001 certificate, and from the perspective of product life cycle, from the raw material acquisition, design, manufacturing, logistics and transportation to customer use and other procedures, the company has carefully evaluated its impact on the environment, minimized the impact on the environment, and achieved the goal of sustainable management and protection of the earth.

The environmental management system is an international standard that must be considered by enterprises to achieve an environmental, social and economic balance, and it is also one of the important considerations for enterprises to meet ESG or SDG sustainable development goals.

AOET 2023 GHG emissions for Category 1 and Category 2 totaled 11,435.307 metric tons of CO₂/year, Scope 1 emissions of 32.3288 tons of CO₂e, Category 2 emissions of 11,402.9874 metric tons of CO₂e, and no biomass emissions in 2023, R22, a substance controlled under the Montreal Protocol, is not included in the total emissions, and R600 has no GWP declaration factor. The company does not announce the public institution to which the emission source belongs, but independently investigates in advance.



Note 1: The base year is the first time to be checked and studied in 2023
Note 2: Carbon intensity is calculated as a unit of monetary emissions and is calculated based on individual revenue of RMB 3,995,000 (thousand).
Note 3: Intensity based on turnover

Scope	2023 years Carbon Emission	Carbon Intensity
Scope 1 Direct	32.3288 t/co2e	0.000008
Scope 2 InDirect	11402.9874 t/co2e	0.002854
Scope 1 and 2 Total Emission	11435.307 t/co2e	0.002862

It is planned that in 2024, the group will build its own solar panels for green electricity for its own use or use government solar energy certificates, and the green electricity will reach more than 10%. Negotiations are currently underway with electricity sellers

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

3.2 Greenhouse gases and emissions

The quantification principle is based on the emission coefficient method calculated by greenhouse gases, and the formula is as follows: $GHC = \text{activity data} * \text{emission coefficient} * \text{IPCC global warming coefficient in 2021}$. In addition, due to the different sources of greenhouse gas emissions, the units are converted into kilograms, liters, and degrees. In addition, the greenhouse gas emission coefficient management table version 6.04 announced by the Climate Change Administration of the Ministry of Environment of the Executive Yuan, the latest electricity coefficient announced by the Energy Administration, and the carbon footprint information announcement website are used as the basis sources for emission factors. The calculation process refers to the data released by the IPCC AR6 in 2021, the greenhouse gas inventory registration form 3.0.0 of the Climate Change Administration of the Ministry of Environment of the Executive Yuan as a quantitative source, and the industrial development carbon emission system of the Ministry of Economic Affairs.

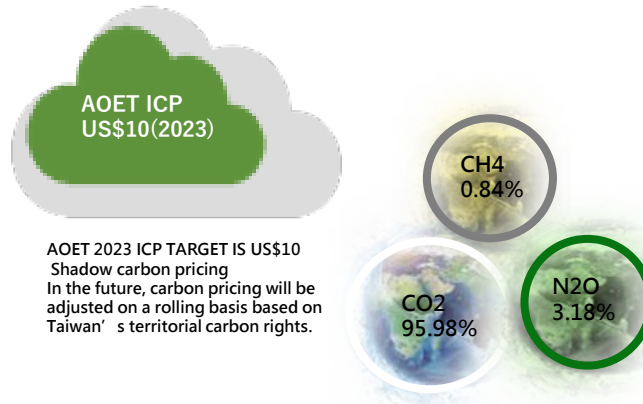
The Direct emission source is an official vehicle, and the calculation method is to first convert the annual gasoline use liters to the official level, and then add up the Co2, CH4, and N2O respectively. Data selection and collection for quantification purposes In accordance with ISO 14064:2018, organizations should identify and document data for each GHG source and GHG sink categorized as direct and indirect emissions and removals. Quantitative methods should be selected and used to reduce uncertainty and produce correct, consistent and presentable results. Convert each amount of greenhouse gas into tonnes of carbon dioxide equivalent (Co2e) using appropriate global warming potential values (GWPs), in line with the latest Global Warming Potential (GWPs) published by the Intergovernmental Expert Committee on Climate Change (IPCC).

When GHG emissions are recorded in the Emissions Inventory, the total emissions are expressed in metric tons CO2e and are shown to 3 decimal places or 3 decimal places of scientific notation. In the process of quantification, if the contribution of direct or indirect greenhouse gas emissions or removals is low and the exclusion threshold is low, the business may directly quote the emissions of the most recent year of the emission source, and the fugitive emission sources are refrigerators, water dispensers, fire extinguishers and air conditioners, using the median value of the IPCC emission factor, and there is no septic tank and wastewater escape, because the China Science and Technology Administration adopts a unified sewage and septic tank calculation, the company does not have its ownership, and Advanced Optoelectronics will establish a detailed system internally for the first time in 2022. Therefore, 2022 is set as the base year for inventory, and an inventory of greenhouse gases for the base year consistent with the provisions of this standard is formulated.

The Carbon Accounting Finance Partnership (PCAF) is a new industry-led initiative and initiative. PCAF was co-founded in 2015 by a number of Dutch financial institutions (FIs), expanded to North America in 2018, and expanded globally in 2019. The globalization of PCAF has enabled financial institutions around the world to take a consistent approach to calculating and disclosing greenhouse gas emissions from their financial activities. More than 300 banks and investors around the world have announced their participation in PCAF. In order to promote the long-awaited global and standardized GHG accounting and reporting methodology, PCAF has developed and developed the Global GHG Accounting and Reporting Standards, focusing on the measurement and reporting of financial carbon emissions, which can be used by the financial industry as a reference.

Published in November 2020, the guidelines provide detailed methodological guidance on the greenhouse gas emissions associated with six asset classes to help calculate and disclose their carbon emissions: listed equities and corporate bonds, commercial loans and unlisted equity, project finance, commercial real estate, mortgages and motor vehicle loans. Since then, banks and investment institutions have called for more ways to expand the content and scope of the standard to cover other activities in the financial industry. The financial carbon emissions of a loan or investment are calculated by multiplying the attribution factor by the corresponding borrower or investee. The total financial carbon emissions of listed stocks and corporate bond portfolios are calculated as reported emissions, which are obtained directly from borrowers or investment targets (e.g., those contained in the company's sustainability report), or indirectly collected through verified third-party information sources, and then use attribution factors to derive the amount that should be recognized by the reporting financial institution.

AOET use the theoretical basis same with OTC to verify financial carbon emissions as the basis for ESH in the next year.



$$\sum \frac{\text{Distribution amount (C)}}{\text{Enterprise value in cash (C)}} * \text{Emission}$$

. Absolute GHG emissions impact=7kg co2e
. Relative GHG emissions impact=7*1.53=10.71/Millions

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social

3.3 Energy Efficiency and Climate Action

The Group uses 100% Taipower to transmit electricity, still uses gas as the largest source of power supply, and is still some distance away from clean energy. Wait. In addition to adopting air-conditioning power-saving measures and light-off measures, the company will also introduce a semi-automated process in the future in 2024 to provide real-time power consumption display in the war room, which can not only show the most power-consuming power on the production line, thereby improving it, but also screen out excessive carbon dioxide consumption for start-up power, and manage energy and energy through data. In addition, real-time video is often used between businesses, eliminating excessive commercial carbon footprint. In the upstream and downstream of the supply chain, warehousing and shipment will be simplified to reduce carbon emissions from aviation and land transportation.

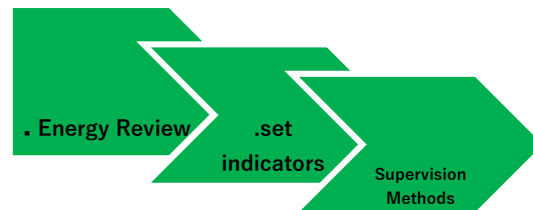
Catelogy	2022 (t/co2e)	2023(t/co2e)	2024 Targer
Scope 2: Indirect	12180.96	11402.98	We want income 10% Green energy
Electronic come from Governance			

Reduce:6%,between 2022 and 2023



Industry 4.0 concepts and technologies, the introduction of digital monitoring meters to automatically record energy information, the construction and analysis of statistical models and a large number of information flows, the use of intelligent platforms to make information transparent, so that energy management staff can grasp the efficiency of energy use and make appropriate disposal measures.

At the end of 2023, we have begun to plan and deploy and understand the Japanese and European Serve processing, as well as machine open communication processing, real-time collection, monitoring, analysis and estimation of future energy use of energy consumption data, shorten the information transmission time and quickly respond and adjust the management of energy use and consumption, so as to achieve energy saving and abnormal management effects 500001 spirit of energy management standards, towards low-carbon manufacturing and independent energy saving.



Energy information collection
Align with the Group's improvement goals
Establish a monitoring method and vision to improve operations

At present, the Group's plant is leased, so it must follow the power supply method of the Authority and organize the unified relocation to the new Zhongke plant purchased by itself in early 2024, and plan green power self-supply solar energy in the park, and also seek relevant installation and assembly measures with peers, hoping to accelerate the pace of corporate decarbonization and green energy power supply.

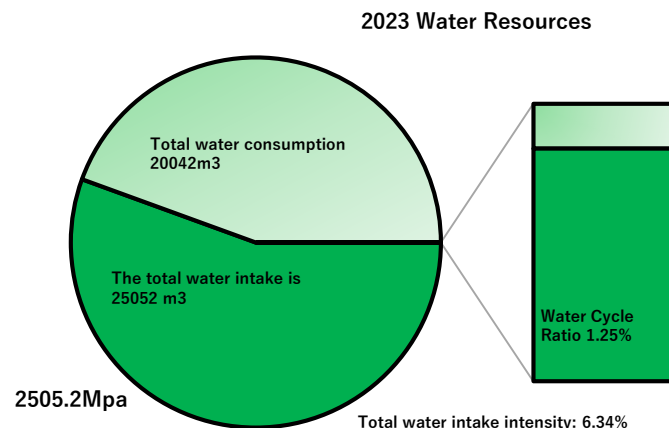
In addition to site construction space, green electricity supply also needs to collect electricity and plan safety. The original plant was built by the China Science and Technology Administration, and it is impossible to change and increase solar energy at will, so it is planned to supply it in the new plant, hoping to add more green electricity to the earth and the supply chain.

3.4 Water Resource Management

AOET does not take water in the water pressure zone, and has educated the plant in advance to improve the awareness and practical practices of water recycling, such as: 1. Adopt water-saving faucets, 2. Uniformly manage toilet water consumption and adjust water pressure, 3. Use intelligent introduction to monitor the water volume of the process, improve the process 4. Strengthen the reuse of water circulation. Starting from the establishment of a new site in early 2024, it will save and improve the total water consumption, disclose the transparent information of water resources, irrigate and clean the reusable flowing water in the plant area, and recycle and filter the rainwater, and there is no hazardous waste and discharge water in the plant area into the water resource cycle, so we focus on strengthening the use of water resources management. In terms of water use and recycling, the use of water saving and recycling is the middle blueprint of the ESG vision, and water resources are not easy to preserve, so the good use and conservation of water resources will continue to move forward for the company's efforts to the earth's resources. In terms of drinking water, the Group regularly tests the quality of drinking water and replaces the filtration system to ensure the importance and safety of drinking water for employees at work. The water recovery rate in the process is 85% for recycling and utilization, and although it cannot meet the Class A drinking water standard, it can still be used for process recovery and plant-wide recycling.

The Group also does not refer to the World Resources Institute's (WRI) Water Risk Risk Atlas to assess the water source of each site, Drawing the water resources map of each site, evaluating the impact items and the degree of impact on the surrounding environment or society, setting water quality standards for discharged wastewater in accordance with local laws and regulations, and properly treating all effluent in-house to meet the company's internal and regulatory standards before discharging the discharge. In accordance with the water quality protection project of the Ministry of Environment, the discharge water standard is neutral, the chemical oxygen demand and suspended solids are within the standard range, and the system operates according to ISO14001 and QC 080000.

- .Regularly check the water used for drinking
- .Regularly drain your own samples
- .Regularly promote and strengthen water intake and water use



Year	Total water intake m3	Average monthly water consumption m3
2022	24007	2001 m3
2023	25052	2088 m3

2023 and 2022 Water withdrawal decline by about 3%

In terms of water resource management, the Group not only attaches importance to actual reduction and reduction, but also attaches importance to the citation of relevant research. WFE and CTI 4.0 water resources management are both used by enterprises to cite quantitative treatment research sources, find out the differences from the gaps, and actually enter the sustainable point for the enterprise, do not take water from water pressure, and try to strengthen greening in the plant area irrigation, and try to consolidate biodiversity under the available resources to make the plant more green.

Year	Total water intake m3	Total water consumption m3	Water cycle ratio	Total water intake intensity
2022	24007	19206	1.25%	0.0065
2023	25052	20042	1.25%	0.0063

Governance Environmental Social Governance Environmental Social Governance Environmental Social



Table of contents

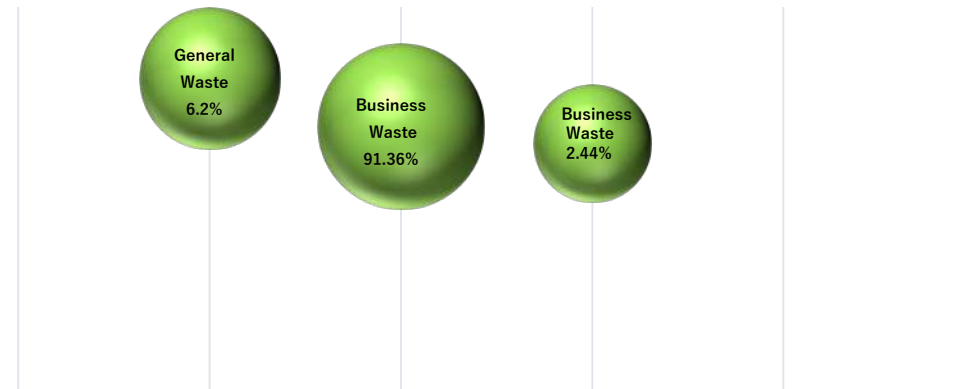
- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

3.5 Waste Management

The Group produces no hazardous substances and environmental pollutants, and applies ISO 14001 and QC 080000 management systems to the organization, implements legal provisions and fulfills environmental responsibilities, and imports laws and regulations and customer specifications into the company's internal HSF specifications, in accordance with A2-QA-005 hazardous substances and A3-IE-005 auxiliary materials management regulations. The company actively cooperates with green energy saving and waste reduction and environmental protection, and combines non-recyclable plastic blocks with the factory area to display artworks, such as small snails and Christmas trees.

Since there are no hazardous substances in the company's process, there is no waste liquid recycling process recycling or outsourcing reuse. The waste oil from the manufacturing process is also fully recycled by the manufacturer and uses a recycling mode. Therefore, the composition of non-hazardous waste in the organization, and the plastic blocks that are not incinerated (not recyclable) are sent back to the organization by the manufacturer, combined with the decoration of the factory, and the organization also follows the GRI 306 specification, and the instructions have been posted in full Chinese and English, and in accordance with the nationality of the employees in the organization. Confirm its own business activities and evaluate its readiness for future reuse. and assess the future final disposal of commodities in GRI 306-1 products and packaging sections upstream of retrospective packaging and downstream of the value chain, and reduce the final life cycle of products and damage biodiversity.

Quantification of waste proportion



AOET Raw Materials Virgin is committed to environmental protection, the earth and raw material suppliers to work together to develop renewable inflow, but at present, Japanese technology and biotechnology have not yet reached this state, so the recycling cycle has not yet been achieved at the front end of the circular economy, so we focus on scraps. Because of the high purity of the raw materials, more than 99% of the waste is recycled and used as scraps of plastic products and reused as secondary products. According to the Industrial Development Bureau of the Ministry of Economic Affairs, Industrial Waste Cleanup and Information, if the plastic waste block cannot be finally disposed of in the future, there are currently implementation methods that can not fall into the ocean and threaten biodiversity, using organic and molecular chain break state to decompose into small molecule products, such as fuel oil. Wait.

AOET also shares this information with downstream manufacturers and the whole value chain. Unable to recycle the advanced light of the plastic block is recycled as a factory artwork, has non-toxic glue and non-toxic pigments to combine and color, hoping to make a contribution and efforts are also sustainable art inheritance.

In operation: the waste plastic blocks in the factory area have been converted into sustainable art



Year	General Waste	Recycling waste	Business Waste (t/year)	Waste Intensity'	Recyclable vs. recyclable
2022	28668	20901	149906	24.80%	10.40%
2023	54000	11548	124161	34.50%	6.08%

The total amount of business waste in 2023 will increase compared with 2022, mainly because the new Factory is being built and some waste needs to be transported back to the old Factory for disposal.

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.





04 Digital optoelectronics - a win-win situation for smart operation and supply and innovation

4.1 Optoelectronic Safety

4.2 Information Security and Customer Privacy

4.3 Customer maintenance quality and satisfaction

SDGs:16,6

Chapter Highlights:

- .Set up an electric war room to prepare intelligent data
- .Terminal maintenance and virtual desktops
- .Incorporate AI risk considerations
- .Reliable performance of regular satisfaction

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1
 Strategic Situation-Business Performance and Stakeholders.

2
 Steady and clear-corporate governance and resilient operations.

3
 Green Mirror-Environmentally Sustainable Business Strategy.

4
 Digital Optoelectronics-smart Operation and Creating.

5
 Talent Vision-Diversity and Happiness Structure.

6
 Sustainability-Social Benefits and Response Initiatives.

Appendix.





Information Security Management Mechanism:

Implement information room, computer information file security and network security, email security management information system access control.

Responsibilities of the Information Security

Organization:

Information security pipeline and network security.

Regardless of the past SARS or COVID-19 and other epidemic organizations can only announce the suspension of work in order to protect the safety of employees' lives and property, it still has a certain influence on the organization of enterprises in the amortization of losses.

Avoid business shutdown or survival and adopt desktop virtualization as your IT infrastructure. As long as servers and storage devices are functioning properly, the network is uninterrupted, and employees can theoretically access these files at any time, anywhere, and on any device, maintaining productivity.

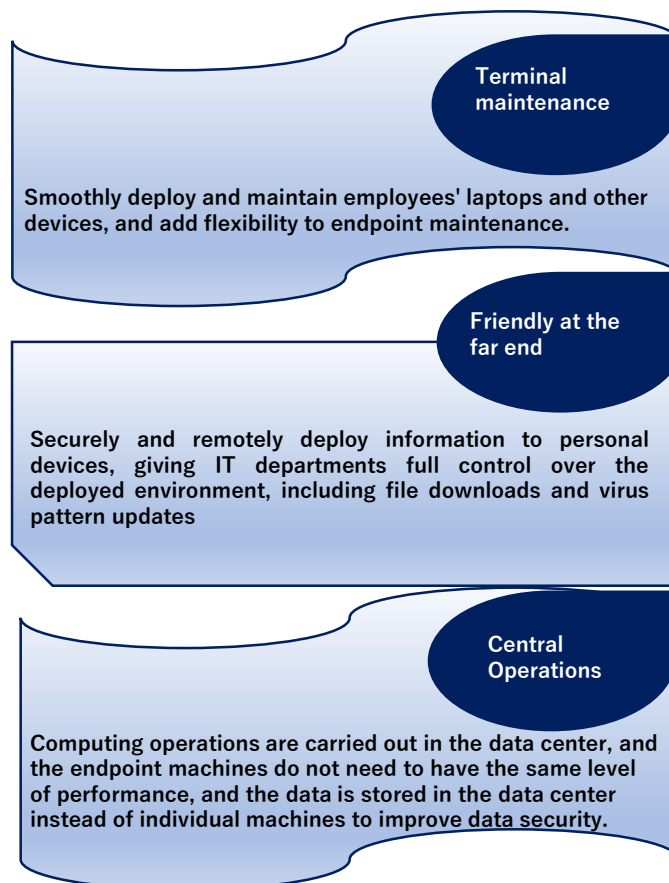
4.1 Optoelectronic safety



Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

4.1 Optoelectronic safety



4.2 Information Security and Customer Privacy

Virtual desktop infrastructure (VDI) enables IT managers to manage end-user desktops on virtual machines running on servers in the data center. VDI brings great advantages by enhancing the manageability, performance, and security of user devices. Centralize the operating system and applications on the server, build a storage device to store public files, and avoid hard butterfly poisoning and data loss on the computer. Adopt desktop virtualization solutions, regardless of whether the front-end platform is a general personal computer. or a thin version without a hard drive. Computer companies can force users to store files on back-end servers or storage devices to prevent malicious parties from copying or distributing files.

This protects supply chain operations from the source to the mid-end, as well as customer privacy maintenance and endpoint operations, and restricts the use of peripheral storage devices such as USB flash drives or optical drives through the management interface of virtual machines.

The data files of the application are stored separately and can be completely separated from the operating system files used by the virtualization service and the user's personal computer, so even if the server or PC fails, the data files can be mounted on a redundant server or replaced with a new computer, allowing the user to continue working as originally set.

With data centralization, it is possible to grasp the health status of servers and storage devices, build a backup mechanism for the backend, and open multiple versions of applications at the same time under the virtualization architecture, regardless of whether they are compatible with the operating system in the user's computer.

In order to exercise the rights of the communication relationship between the data subjects, to fulfill their obligations, or to ensure the integrity of the personal data, the audit and legal offices will cooperate and guide them. The customer's data protection system is sound, and the external receipts and payments are also retained or copied by the Finance Department in accordance with the confidentiality obligations and in cooperation with the Audit and Legal Office. When personal data or files may be confiscated or accepted as evidence in accordance with the provisions of Article 22, Paragraph 2 of the Personal Data Protection Act, receipts indicating their name, quantity, owner, place and time of retention or reproduction shall be attached, such data or documents shall be published and a record shall be made, and the personal data collected or processed by the data subject may continue to be processed and used within the scope of the specific purpose of collection.

When used for other purposes, the provisions of the revised Personal Information Protection Act shall be complied with.

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.



Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social

4.2 Information Security and Customer Privacy

For information security management, the Group adopts the investment in architecture and specific management solutions. In addition to improving employees' awareness of salary and security, collecting and continuously improving information security management technology products, the audit office is the supervision unit to implement and implement the security management methods and policy objectives of information and communication security management methods, and implement information security management by the internal control system.

Number of audits conducted in 2023
A total of 6 times



The ratio of audit to information security audit is 6:4

In order to implement information security management, the Group also regularly manages its management methods and strives to achieve policy objectives through the efforts of all employees. Conduct data access in accordance with departmental and functional specifications, ensure the continuous operation of information software and hardware systems, and prevent unauthorized use or modification of data and systems.

Head of Information:

Planning and management of information systems, integration of computerized requirements of the use department, computerized project management, procurement and evaluation of software and hardware equipment, management of system access rights and security control, management of computer hosts, and management and coordination of information personnel and related affairs.

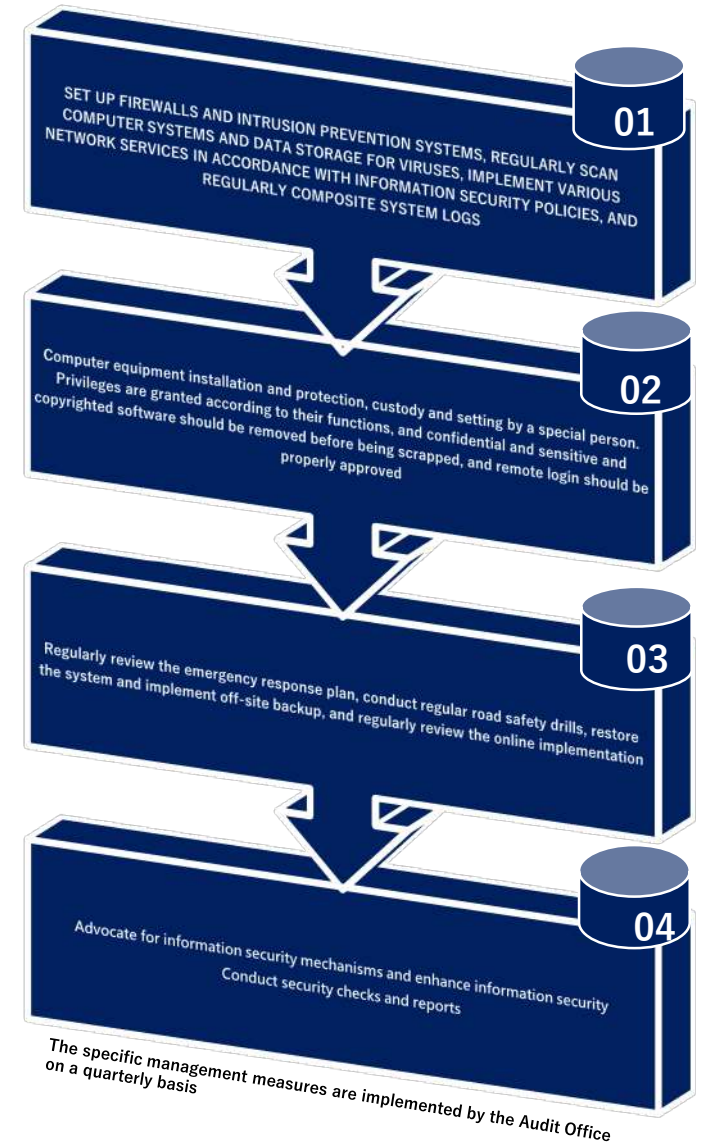
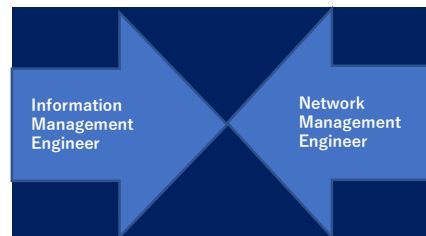
Information Management Engineer :

Assist in handling information management related business and tasks assigned by supervisors.

Network Management Engineer :

Planning and optimization of network communication environment, maintenance of network communication related equipment and tasks assigned by supervisors.

Head of Information Security



The specific management measures are implemented by the Audit Office on a quarterly basis

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

4.2 Information Security and Customer Privacy

Information Security Objectives:

Establish a secure and reliable computerized operating environment to ensure the security of data systems, related equipment and networks, and protect the interests of the company and the internal information systems or external operations of each unit, as a sustainable traceability. The scope of information security includes: personnel management and information security education and training, computer system security management, system access and control, system security management and related system development and update, network security management, information audit operation management, information asset security management, sustainable operation of information systems, and information entity security.

Information Security Policy & Compliance:

Regularly conduct information security education and training, including information security policies, laws and regulations, and security operating procedures, correctly use information technology, promote employees to understand the importance of information security and information security risks, improve information security awareness, comply with security regulations, and prevent information system virus attacks.

In the event of a power outage due to a natural disaster... and regional networks, and establish operational planning and advance reserve mechanisms. And establish and advocate the relevant cooperation of employees, computer data and equipment, shall not be arbitrarily destroyed, carried, borrowed, improper modification, in order to maintain the integrity of the data, the information unit after receiving the account application form, the establishment of user code. After entering the main machine, if the operation is finished or the machine is not used for a long time, the machine should be exited to avoid the leakage of confidential data. The hardware equipment of the computer system, the model and equipment of which are listed in the "Computer Software and Hardware Schedule" to manage the damage caused by others or cause trouble to crash, and the prohibition of the use of copyright-free software and the placement of computer equipment should be kept away from the damp location in addition to the principle of convenience, so as to prolong its life, are all intellectual property management policies related to business strategies. If the resignation or the transfer of the old and new duties, the relevant units, the information unit to eliminate all the rights of use in the computer after signing at the countersign, and registered in the system suspension record form for future reference, by the information unit to measure the relevance of the data for appropriate disposal, when the computer equipment can not operate normally, the user should immediately notify the information unit for inspection or maintenance. The management of files, databases, original programs and executable programs should be restricted to prevent unauthorized modification of sensitive systems or data (e.g. payroll/personal information), unauthorized information personnel should not enter the data storage area, the data files of each application system should not be opened without special approval, and the files containing passwords should be specially protected to prevent unauthorized access.

Data protection norms (customer and strategic partner privacy policy),Reference PDPA development

For those who are qualified to be living natural persons, the term "personal data files" as used in Article 2, Paragraph 1, Paragraph 2 of the Personal Data Protection Law includes backup files. Allocate management personnel and reasonable resources, define the scope of personal data, establish a personal data risk assessment and management mechanism, establish a data breach prevention, notification and response mechanism, establish internal control procedures for the collection, processing and use of personal data, data security and personnel management, promote awareness, education and training, manage facility security, establish a data security audit mechanism, keep records, log files and related evidence, and carry out comprehensive and continuous improvement of personal data security and maintenance. Personal data that has been published, publicly announced or disclosed to the public in other lawful ways in accordance with the law or the provisions of the law or expressly and expressly authorized by law, and the retention period, including customers, suppliers, and partners of the entire value chain. According to the contract, there are sufficient grounds to believe that the deletion of personal data will infringe on the rights and interests that should be protected by the data subject, there are other legitimate reasons not to delete personal data, and refer to Article 25 of the PDPA and Article 18 of the Personal Data Protection Law, and the personnel who have the ability to manage and maintain personal data files, and can properly perform the daily tasks of the authorities to protect and maintain personal data and their files, shall set up information security departments and set up full-time personnel. Have the ability to secure and maintain personal information, and receive outsourced education and training to ensure maintenance and due to the termination of the contract or the full performance of the contract.



Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social
Governance
Environmental
Social

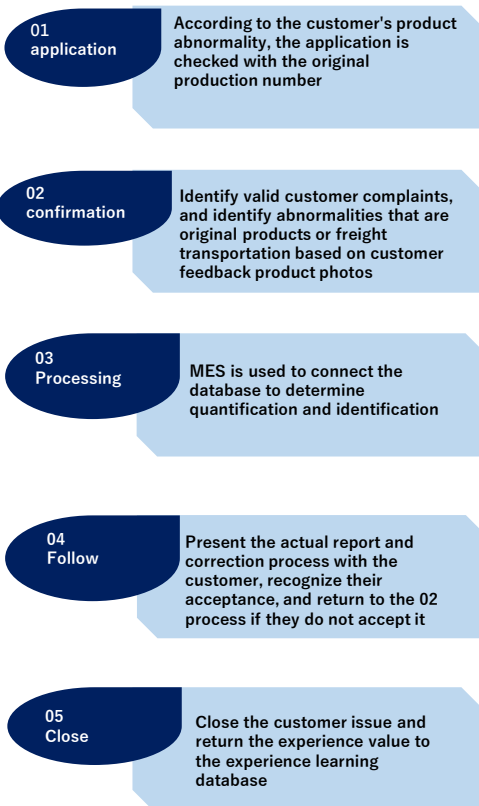
4.3 Customer maintenance quality and satisfaction

4.3.1 Customer Handling Process

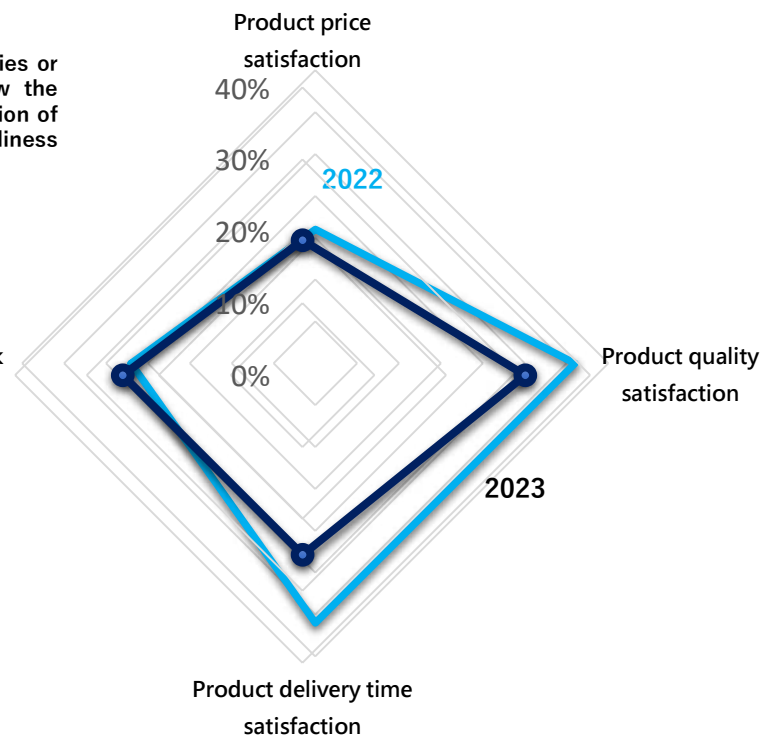
AOET attaches great importance to quality feedback and customer satisfaction, of which customer satisfaction includes customer complaint process and feedback. Customer complaints are an opportunity to improve your products and services, and establishing an effective customer service system is one of the best ways to prevent customer complaints and provide real-time feedback.

According to the application, confirmed as valid customer judgment for transportation anomalies or quality anomalies to distinguish the handling mechanism method, and process and follow the correction procedure to follow the correction procedure to actually report and after the correction of the return to the experience learning database after the closure of the anomaly as combat readiness Lessons & Learned.

Maintain quality and customer complaint handling processes



Business staff feedback satisfaction



4.3.2 Customer Satisfaction

When products and services fail to meet customer expectations or requirements, it will lead to customer doubts and disappointment. AOET attaches great importance to customer satisfaction and quality, and has improved its electronic operations in recent years. In 2022 and 2023, customer feedback forms will be invited to further improve To deal with the need for improvement within the organization, it can be seen from the aspects that the delivery time in 2022 is lower than that in 2023. The main reason is the delay in freight transportation caused by the epidemic. The industry is also due to the impact of the external epidemic, vacations and illness, resulting in slower business feedback. , due to being unable to arrive at work hours normally. At the same time, product delivery time is also affected by external factors due to the transportation industry, but customer satisfaction with the product is good.

Regarding report.
 Statement from top management.
 Company Overview.
 1
 Strategic Situation-Business Performance and Stakeholders.
 2
 Steady and clear-corporate governance and resilient operations.
 3
 Green Mirror-Environmentally Sustainable Business Strategy.
 4
 Digital Optoelectronics-smart Operation and Creating.
 5
 Talent Vision-Diversity and Happiness Structure.
 6
 Sustainability-Social Benefits and Response Initiatives.
 Appendix.

4.3 Customer maintenance quality and satisfaction

4.3.3

Maintain quality and carry out the production process

The group adopts ISO 9001 to control the process from order receipt to production to product completion, collecting and monitoring production data generated during the manufacturing process to ensure product production quality. Through the relational database, graphical user interface and open architecture, the production information of orders, suppliers, property management and production, equipment maintenance and quality control and other processes required for enterprise production are integrated.

When an emergency occurs in the production process, it can Provide timely information on on-site emergency status to notify users as quickly as possible, thereby improving enterprise processes and increasing production efficiency. This system is used in conjunction with the original QC and QA to provide a complete product production history and life cycle.

Using ISO 9001 customer complaints is reduced, thereby improving customer satisfaction. Plan and set goals and achieve targets. The initial goal setting stage of performance management, goal and task planning, and execution blueprint. Execute the assigned tasks, check whether there is any gap between the inspection plan and the execution, and standardize the final treatment or propose improvement countermeasures.

In the middle of the cycle, differences must be checked, real-time responses and overall countermeasures must be taken, and improvement goals for the next performance cycle must be formulated at the beginning of the cycle. Consolidate records and documents into documented information, and replace preventive measures with risk management, expand customer expectations and requirements to those of stakeholders, increase monitoring and review of the organizational environment, and build an appropriate organization Knowledge requirements.

Among them, customer attention and relationship management are important links in the lens industry. Maintaining the stability of products and services and establishing a mechanism for optimization and improvement are more important business points. PDCA process refinement is the final and complete case of actual improvement.

4.3.4 Overall Satisfaction

The Group's customers are from their own country and from other countries, so their response to delivery time or immediate feedback is different from that of their own country, and due to the impact of exchange rate depreciation or interest rate increases, customer satisfaction with commodity prices is also different. However, overall satisfaction has been expected to range from psychological expectations to 65%. Very satisfied accounted for 10%, the overall satisfaction was more than 70%, a total of 14 customers were sampled, the valid questionnaire was 10 points, the valid sample was 71%, and 71% of the people from their own country and other countries accounted for half of the people. In 2022 and 2023, the customer feedback form was asked to improve the internal demand of the organization, and the improvement of the internal demand of the organization can be seen from the face, the delivery time in 2022 is lower than that in 2023, mainly due to the delay in freight transportation caused by the epidemic, and also because of the slow feedback speed caused by the epidemic.

1.Customer Centric	2.Leadership role	3.ALL Participates
7.Relation Management	ISO 9001	4.Process approach
6.Fact Based,Approach	RULE	5.PDCA

2023 Target	2023 Achieve Rate
ISO 9001:2015 Certification	Achieve
ISO 14001:2015 Certification	Achieve
QC080000:2017 Certification	Achieve

- As expected range
- Stable
- Excellent
- To be strengthened by





05 Talent Vision - Diversity and Happiness Structure

5.1 Employee Care and Welfare

5.2 Human Rights Protection and Policy

5.3 Talent recruitment and cultivation

SDGs:5

Chapter Highlights:

Factory doctor on-site, childcare allowance

Ongoing human rights goal relationships

Happy enterprise, transparent function assessment

The number of employees is equal for both sexes

Labor-management meetings are held on a regular basis

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.



Sustainability

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Environmental
Social
Governance
Environmental
Social

5.1 Employee Care and Welfare

5.1.1 Physical and mental care of employees

AOET to the safety and health of employees, in addition to providing health examinations every six months to one year, it also provides occupational health services, on-site health services, advocacy and service to employees, including occupational and work ergonomics to prevent injuries, such as: musculoskeletal disease prevention, such as office work may also have shoulder and neck pain, wrist pain, engaged in weight-bearing work may cause lumbar spine, shoulder and wrist injuries, etc. In order to detect employees' musculoskeletal problems at an early stage, the medical team will assess whether their work posture and workload will aggravate their problems, and take measures such as workplace improvement or work restrictions, and comprehensively assess whether employees with abnormal workload such as hypertension and diabetes, and if they work too long overtime, whether they will have a high risk of occupation-induced cerebrocardiovascular diseases, so as to promote the health status of each worker, and provide timely health education and follow-up.

According to their condition, medical advice or overtime restrictions are made to avoid the development of cerebrocardiovascular-related diseases and violence prevention, to avoid employees from workplace violence in the workplace, including physical violence, mental violence, sexual harassment, sexual assault, etc., to take measures to prevent verbal, psychological and physical violence, and to establish a relevant notification mechanism in the company, so that illegal infringement can be handled and coordinated as soon as possible.

In addition, medical staff will also regularly care for the physical and mental conditions of employees, provide staff counseling services and maternal health protection when needed, whether there will be adverse effects and hazards to babies in the workplace, and assist in improving the working environment or adjusting work content, as well as health check-up tracking management. The obligation to pay retirement benefits to employees is in accordance with laws and regulations, and employees are encouraged to plan social welfare activities in advance if they have a pending retirement plan.

Due to the fact that there is no imbalance and too much differentiation in the number of men and women within the group, the average ratio of salaries and employees tends to be adjusted by 1:1, focusing on issues related to the crowd for the company, serving customers and the workforce is the key value of the company to demonstrate ESG value, accepting and respecting the different cultures of all employees, and valuing employees with many unique personal traits and experiences.

In terms of the factory, most of the employees from other countries uphold the principle of fairness of the enterprise, all of them are in accordance with the laws and regulations, the starting salary is better than the standard reward of the same industry, and the meal system is perfect, and the contact window is set up for employees from other countries to take care of the daily life needs and psychological communication, and can provide new insights and opinions according to their own experience in the anonymous suggestion box, so as to ensure that all employees can grow and thrive fairly and justly.

The Employee Care Policy is as follows:

Maternal health care

Measures taken by female workers in work that poses a risk of maternal health hazards

Sexual Hazards to Health Program

Prevention and avoidance of repetitive musculoskeletal injuries (human-caused hazards)

Hazard prevention efforts

Prevention of unlawful infringement

Physical or mental violations, take precautions

Assess the workload

Workload assessment and time allocation for work types

Health follow-up checks

Health check-up for the prevention of occupational diseases or health follow-up check-up

The return of business and industry to the assessment

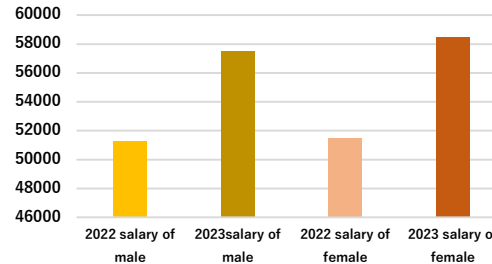
Assess the current return-to-work tracking mechanism

At present, the group's employee benefits are as follows:

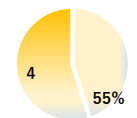
- .Complete labor health insurance and group insurance
- .Marriage, childbirth and funeral allowances
- .Employee birthday gift certificate and three-day gift certificate
- .Subsidies for year-end activities and childcare
- .Regular factory doctor visits, and factory care station
- .Welfare Committee benefits and special manufacturer discounts

Workforce transformation education				
Average learning hrs per employee	hrs	4.1hrs	4hrs	
Male	hrs	4hrs	3.9hrs	
Female	hrs	5.2hrs	4.3hrs	

All new employees and resigned employees of the company have been published in the 2012 annual report.



Salaries of the Group's employees Internal employee salaries in 2023 will increase by 7%-8% compared to 2022



- Ratio of male employee
- Ratio of female employee

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

5.1 Employee Care and Welfare

5.1.1 Physical and mental care of employees

AOET attaches great importance to childcare and community childcare subsidies, and every year, male employees and female employees apply to strengthen social fairness and deepen employee care. In addition to general health check-ups, birthday and wedding gifts, and maternity subsidies, the organization also has special childcare subsidies to reassure employees and take care of them, and the organization also organizes welfare committee activities from time to time, so as to enhance emotional exchanges and interactions between employees through activities, bring a good workplace environment in the corporate culture, pay attention to diversified development and balance, and the ratio of male and female employees is small, and because of the large proportion of female employees, the factory has a special nursery and nursing room and cold storage to facilitate the use of ice storage for female employees. In addition, we provide childcare allowance subsidies so that most women in the workplace can return to the workplace with peace of mind.

At present, the Group's employees have not yet reached retirement age, but the Group is also guiding employees who are facing retirement in the future to retire and move towards part-time guidance and learning programs.



The group thinks about the value of work, examines that women also need considerable emotional labor and adaptability, women are also an important pillar of support for this society at work, in addition to rewarding the work treatment of women in the private sector, the confidentiality clauses in most employment contracts are also the key, but this is the corporate social responsibility of the sustainable value of the enterprise can not be ignored, and the working hours and salary appraisal system has become a universal value. In 2023, the number of baby care counteroffensives will be as high as 91%

5.1.3 Workplace hygiene assessment

Project	Description	Detection achievement rate
Drinking water equipment	(1) Water quality testing is in accordance with the operating management regulations of the Environmental Protection Agency. In addition to testing water quality by ourselves, professional manufacturers are entrusted with maintenance and testing.	100%
	(2) The source of drinking and clean water is tap water, and the drinking water dispenser is entrusted to an inspection unit recognized by the central subjective agency.	100%
Air conditioning equipment	According to the equipment and planning, maintain and implement maintenance items and related list management methods such as wires and insulation...	100%
Air quality	According to the Environmental Monitoring Implementation Measures, indoor places will monitor carbon dioxide every 6 months, and conduct self-sampling tests from time to time.	100%
Site safety	The workplace should be maintained in a safe condition that prevents workers from falling, slipping, trampling, rolling, etc., or necessary preventive measures should be taken	100%

Note: The display method is based on the native language of the multiple companions

5.1.4 Occupational safety and health management

In addition to the enhancement of professional knowledge and the assistance of safety training of safety facility personnel to reduce occupational accidents, the company also pays attention to the safety compliance and participation of team safety-specific transformational leaders, and affects safety compliance and participation through team safety motivation, and the company has held relevant labor safety and workplace safety workshops and disaster prevention and fire drills in 2023. Workplace safety improves personal health and also affects economic and social development. Based on the perspective of collective social learning, team employees will first form a consistent understanding of the safety atmosphere within the team, promote employees to carry out safety compliance and safety participation behaviors, and then realize collective social learning of safety priorities and behaviors.

AOET governance and operation management policy is not only aimed at the achievement of substantive operational results, but also from the management indicators, departmental work objectives and individual performance, fully integrating sustainability indicators and practicing corporate social responsibility as the mission; In addition to the profitability of the company, it is more important that the whole company must do a good job of being environmentally friendly, Every step by natural-oriented & social beneficial.

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

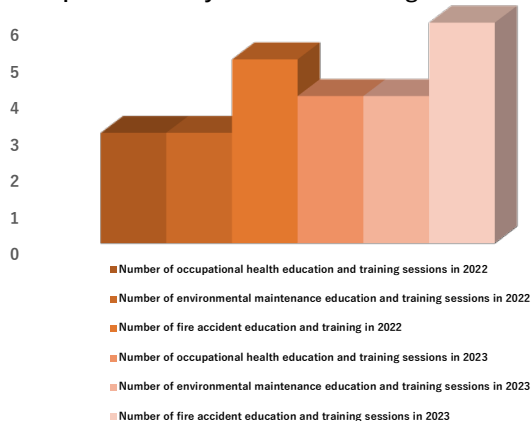
5.1 Employee Care and Welfare

5.1.4 Occupational safety and health management

In order to prevent the occurrence of industrial safety accidents, provide a friendly working environment, and ensure the safety of employees and contractors, we have formulated an occupational safety and health policy. AOET's occupational safety and health management will be fully systematized from 2024. Subsequently, in accordance with the relevant laws and regulations of labor safety and health, formulate, plan and promote the safety and health management matters of the company's premises and related education and training, disaster prevention and emergency response planning suggestions and guidance; In accordance with environmental protection laws and regulations, environmental pollution prevention and control, management of toxic chemical substances, and resource recovery in experimental sites; As well as the promotion and promotion of green procurement, the promotion and promotion of sustainable energy conservation, the management and declaration of building decoration and the safety of electricity.

AOET set an annual work plan for the industrial safety inspection team, with the general manager as the general convener, defining safety-related KPIs to determine the content to be measured, and each audit report is carried out by the industrial safety inspection team using the industrial safety inspection system, and regularly participating in safety training to understand the organization's unique health and safety issues. In addition, we regularly provide training to review deficiencies at the meeting of the occupational safety audit team, and there will be no major occupational safety accidents in 2023, and we are committed to creating a corporate safety culture and maintaining employee safety.

Occupational safety and health training



5.1.4 Occupational safety and health management

Employee safety and healthy working environment

A. Our company's measures and education training for a safe and healthy working environment:

(1) Safety aspects:

Emergency eye flusher: Employees can provide emergency treatment when they accidentally come into contact with chemicals to protect their safety. On-site operating environment monitoring: In the first and second half of the year, a third agency is outsourced to perform operating environment monitoring once each to evaluate the operation based on measured data. Does the environment have any impact on employee health? Protective gear: Provide necessary protective gear so that employees can minimize risks while working. The equipment is equipped with an emergency stop switch: in the event of an emergency, the operation of the equipment or appliances can be stopped immediately, making employees' operations safer.

(2) Education and training:

Environmental part: Cherish resources, classify garbage, recycle and reuse, jointly maintain the ecological environment, and make the biological and food chain harmless. Factory education for new employees: New employee education and training (3 hours) must be completed before starting work to understand the company's relevant environment, equipment, equipment, and tools Etc., whether there are potential risks and how to reduce the risks so that people, places and things are safe. On-the-job education and training: more than 2 hours per year, review and familiarize yourself with relevant regulations, internal regulations and SOPs to see if there have been any updates or revisions, so that employees can effectively control changes in regulations or management measures to minimize the risk value. Emergency response training: The company arranges emergency response training every six months to respond to emergencies, whether it is fire fighting, evacuation, Escape, etc., provide professional knowledge transfer and drills to simulate current situations, so that employees can have traces to follow when encountering an emergency and avoid accidents. Panic also improves the safety factor and minimizes disaster losses.

(3) Health aspects:

Our company has occupational nursing personnel who can provide timely assistance and consultation on employees' knowledge of health and disease, as well as physical and mental maintenance. Our company has also signed contracts with medical institutions, and licensed doctors visit the factory for four hours every month to provide employees with medical consultation and physical and mental conditioning suggestions. Make employees' physical and mental health more secure.

(4) Implementation status:

Total implementation in 2023: A total of 52 occupational safety training sessions, A total of 52 environmental safety training sessions, A total of 2 emergency response drills

B. In 2023, all factories in Taiwan and overseas factories will apply for "ISO14001" certification in accordance with the laws and regulations of each region or customer requirements.

C. 112 Number of employee occupational accidents in 20 years, 20 employees, accounting for 0.026% of the total number of employees, and related improvement measures:

D. Promote traffic safety videos and knowledge.

E. Review the basic causes, direct causes, indirect causes and other sources of the incident, and then discuss improvement methods and recurrence prevention countermeasures. If you modify the SOP Or change the manufacturing process...etc.

F. 2023 no of fires, no casualties, and related improvement measures in response to fires in the year: such as the above emergency response training.

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

Governance
Environmental
Social
Governance
Environmental
Social

5.1 Employee Care and Welfare

5.1.5 Employee traffic accident ratio

AOET attaches great importance to the workplace and commuting work-related accidents of employees (domestic + foreign), in addition to strengthening the promotion of safety regulations for new employees every year, both employees also take safety classes and tests every year, in addition to strengthening workplace safety, but also strengthen the dual safety of pedestrians and traffic vehicles on the road for employees, so since 2021, the current proportion of traffic accidents has dropped to 0.64%.

There are no major occupational injuries caused by work-related injuries. In 2023, traffic accidents are almost all caused by abrasions caused by the illegal turning of the car without turning on the turn signal on the road on the way to and from work, and a piece of commuting alone on a public transportation vehicle, and not falling on a public vehicle to get on and off the bus.

The work-related accident was caused by the employee's failure to pay attention to the sharp blade of the tape when packing the parts at the end of the process. The manufacturing process in the factory is assembled in a clean room, and employees must be fully protected and worn when entering the factory, so as to ensure the prevention and safety of employees in the work area, and to avoid similar female employees from hair accidents, and there will be no occupational diseases, occupational injuries or deaths in 2023.

The proportion of employees in 2021 and 2022 was originally a relatively high proportion of foreign population, but after continuous communication by translators and advocacy and supervision in various languages in the factory, the proportion of injuries of foreign population has decreased in 2023, and domestic employees have also paid more attention to prevention.

The disclosures are mainly annual reports

Item	2022	2023
Traffic	18	12
Injury	5	8
Count	23	20
Traffic Ratio	2.33%	1.54%
Injurer Retio	0.64%	1.02%
Tttl no of Employees	772	779

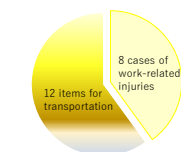
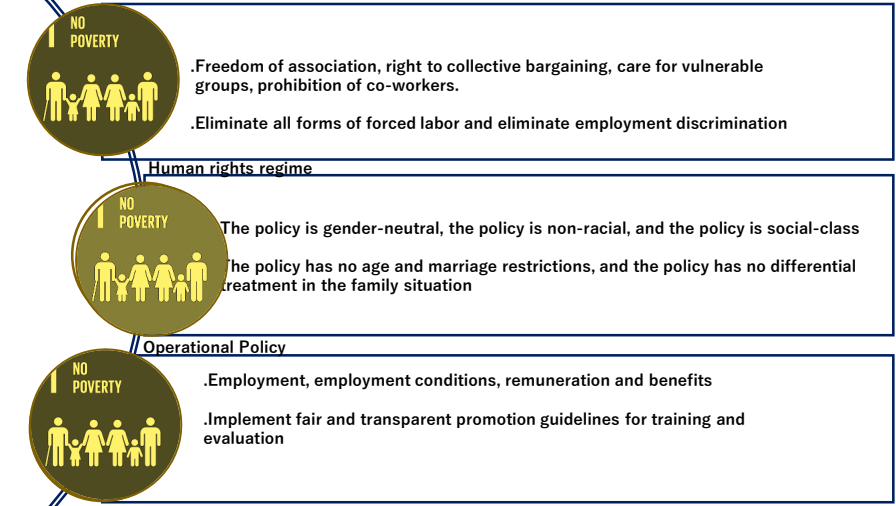
5.2 Human Rights Protection and Concern

5.2.1 Human Rights Protection and Concern

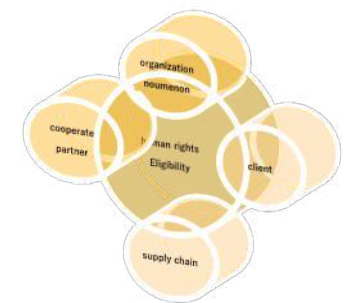
AOET values international human rights conventions and the right to work, prohibits discrimination and establishes relevant management policies and procedures, in addition to the internal human rights declaration, and sets out separate procedures for dealing with the impact of operations and internal management on human rights.

In addition to the smooth and transparent grievance channels, we also have regular dialogues with employees, respect employees' rights to negotiate working conditions, provide information on local laws and regulations, and provide necessary information and hardware facilities to employees, and promote consultation and cooperation with employees.

International labor human rights protection



12 items for transportation and 8 items of work-related injuries.



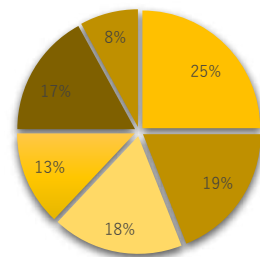
5.2 Human Rights Protection and Concern

5.2.1 Human Rights Protection and Concern

Human rights are important for achieving sustainable development goals, promoting diverse partnerships and promoting a sustainable vision, and everyone has the right to work and choose their profession freely. Compliance with non-employment and inhumane labor and child labor, as well as GRI Code 409-1, is used as an indicator to identify whether the supply chain and customers are involved in this risk, as well as the development of human rights protection policies and management measures and disclosure to stakeholders. In addition to advanced optical ontologies, the focus also includes clients, partners, and supply chains. Major topics include workplace health, safety and health, occupational health, personal freedom, sexual harassment prevention and control, and gender equality. It also requires suppliers to commit to the code of conduct, to maximize the scope of sustainable environmental, social and governance human rights, sustainable human development has become a global consensus, enterprises are mostly labor-intensive industries, and their operations comply with labor laws and regulations, and then enhance the value of talents and improve management awareness.

The organization has both domestic and foreign employees, so the protection and development of human rights is a priority. Anonymous questionnaires are used to provide feedback and care for all employees, improve employment, inclusion and happiness, and promote improvement and feedback. When it comes to human rights issues within the organization, we are committed to learning and growing every year.

The Group does not use child labor and does not violate labor rights prohibiting its use. No violation of professional ethics. There are no risks of forced labor incidents, restrictions on freedom of association and group negotiations.



- Do you consider respect for basic human rights to be a primary concern within your organization?
- Do you consider welfare equality to be a primary concern within your organization?
- Do you consider workplace safety to be a primary concern within your organization?
- Do you believe that respect for privacy in the workplace is a primary concern within your organization?
- Do you consider gender respect and equality to be a primary concern within your organization?
- Do you consider freedom of association to be a primary concern within your organization?

Refer to the International Convention on Human Rights (RBA), formulate and disclose human rights protection policies and specific management plans (human rights assessment, human rights risk mitigation measures, relevant education and training, and sustainable talents, etc.), formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions, and propose corporate human rights policy statements and publicity. and assess the impact of the company's operations and internal management on human rights, and establish corresponding procedures:

1. Regularly review the effectiveness of corporate human rights policies or statements.
2. When human rights violations are involved, the procedures for dealing with the stakeholders involved shall be disclosed.
3. Comply with internationally recognized labor rights and freedom of association, such as the right to collective bargaining, care for vulnerable groups, prohibit child labor, eliminate all forms of forced labor, eliminate discrimination in employment and employment, etc., and confirm that its human resources utilization policy does not discriminate on gender, race, socio-economic class, age, marital and family status, etc., so as to implement equality and fairness in employment, employment conditions, salary, benefits, training, evaluation and promotion opportunities.
4. Provide an effective and appropriate grievance mechanism to ensure the confidentiality and equality, transparency, conciseness, convenience and smoothness of the grievance process, and respond appropriately to employees' grievances.
5. Provide a safe and healthy working environment for employees, including providing necessary health and first aid facilities, and strive to reduce the hazards to the safety and health of employees and prevent occupational accidents.
6. Respect the right of employee representatives to negotiate working conditions, and provide employees with necessary information and hardware facilities to promote consultation and cooperation between employers, employees and employee representatives.
7. Establish measurable human rights sustainability goals, and regularly review the sustainability and relevance of their development, relevant specific plans or action plans and other implementation measures, and regularly review the effectiveness of their operation.

Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

5.2 Human Rights Protection and Concern

5.2.2 Labor-management meetings and sex appraisal meetings

The greatest value of AOET generalist identification is talent selection, so it is necessary to quantify how employees are looking at the organization and what they are focusing on. In addition to the handling, investigation or evaluation of sexual harassment prevention and complaint cases, the content of communication is to improve and give feedback, and to encourage employees to participate in the education and training related to sexual harassment prevention and control, supervision and effective implementation, employee assistance programs and psychological management, as well as employee labor-management communication, gender equality and respect for diversity.

And set up a separate anonymous mailbox for employees to use at any time. In 2022, due to the still epidemic situation, the number of meetings was slightly video, and by 2023, it has returned to normal.



In 2023, there will be a total of five labor-management meetings and gender evaluation meetings

In 2022, there were three labor-management meetings and gender appraisal meetings

.If employment with some employees must be terminated due to major operational changes and there a relationship, we will make an announcement in advance in accordance with the laws and regulations of each business location.

Highlights of the Labor-Management Conference:
.Handling of matters resolved at the previous meeting, number of workers, labor changes, production information such as production plan, business overview and market conditions of the business, labor activities, welfare programs, and work environment improvement and coordination of labor-management relations, promotion of labor-management cooperation, working conditions, labor welfare planning, work efficiency improvement, selection and dismissal of labor-management council representatives, and other discussions on the operation of the council.

Highlights of the Sex Review Conference:
Implement education and training on the prevention and treatment of sexual harassment, and issue a written statement prohibiting sexual harassment in the workplace.
Establish a grievance procedure for handling sexual harassment incidents, and designate a person or unit to be responsible
Handle the complaint confidentially and indemnify the complainant from any retaliation or other adverse treatment
The investigation is a disciplinary approach.

Fulfill the commitment to put employees as core value
Promote quality work and strengthen support for employees

Employee Educational	Ratio
PhD	0.5%
Master	7.1%
University	47.8%
Specialist	38%
High school	6.6%

Distribution of academic qualifications of group talents

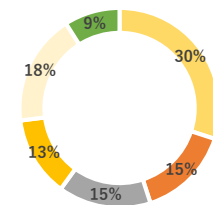
5.3 Talent recruitment and cultivation

5.3.1 Diversify the workforce

AOET attaches great importance to the welfare and further education of its employees, and is committed to nurturing talents, and actively encourages employees to participate in various courses and improve themselves. In addition to internal education and training courses, the course also includes external refresher courses, internal emphasis on professional and technical exchanges, to provide employees with good working ability, and external participation in seminars and training according to organizational planning and needs, diversified information, and diverse talents. Therefore, the focus is on ability as the core of the enterprise, equal and non-discriminatory treatment of skin color, race, and gender, and there is no imbalance between men and women in economic benefits, and equal pay for equal work is adopted in salary.

(5.1.1 Diversified Staff) and actively utilize the manpower of local regional operations, and strive to promote social development and organize activities through business models.

2023 Proportion of employee education and training



- .Administration and human resources management 30%
- .Manufacturing and RD 15%
- .Auditing and Trade secrets 18%
- .Information management 15%
- .Financial Management 13%
- .Sustainability and climate change options

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.

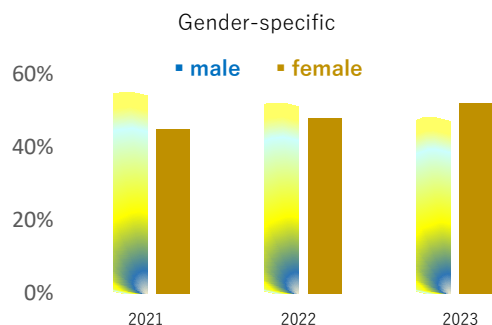
Governance Environmental Social Governance Environmental Social Governance Environmental Social

5.3 Talent recruitment and cultivation

5.3.2 Functions and Assessments

AOET performance appraisal planning function-oriented appraisal system, the use of ranking and important order method and let employees self-submit for evaluation and evaluation of performance, in order to retain the harmony between talents and employees, newcomers from time to time to reflect and understand feelings, in-service employees will lead new employees to get acquainted, the mechanism is coordinated by the Human Resources Division, assisted by other departments.

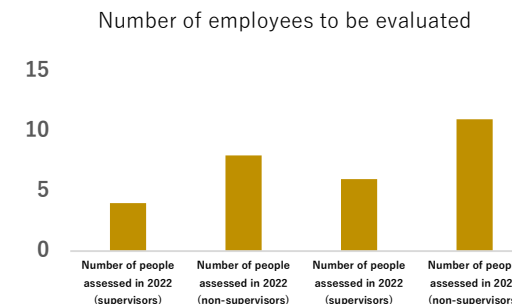
And in the appraisal first to take employee self-examination and self-evaluation, and the target management is the promotion plan and bonus system, the enterprise training module enhances employee performance training and practice, all employees can apply for not limited to supervisors, change management and practice is to promote the skills crisis awareness, leadership team.. The courses are all contracted by the administrative management training courses, and the cultivation and development of talents are the key points in the micro group, and the future group will refer to TALENT as a sustainable talent indicator.



When aligning the goals of the enterprise, the performance indicators are reasonable, the performance standards need to be consistent to reduce the subjective gap, and in the process of performance management optimization, there is a perfect supporting set to reduce the disadvantages of forced distribution, after all, the purpose of performance is to motivate the development of employees.

The performance appraisal conducted by the employees in the current year is divided into quantitative work objectives and qualitative functional behaviors, and relevant indicators such as risk and sustainability control are included in the assessment items, and the assessment results are fully integrated with corporate governance, overall operation and sustainable development, such as: industrial safety, environmental protection and pollutant discharge, carbon reduction, quality and information security indicators and gender equality and human rights, etc., and strive to implement an equal and friendly workplace. The average monthly income of grassroots staff is higher than the minimum basic wage in Taiwan, and the overall salary is better than that of peers and does not differ due to factors such as gender, age, race, nationality, etc., so that employees can give full play to their personal value and contribute to their strengths in an equal workplace environment.

In 2023, there is no significant difference in the annual salary and compensation ratio between female and male employees in Taiwan, regardless of whether they are in charge or in general, and performance appraisals are provided, which also reflects the company's policy of sustainable talent retention in addition to diligent employees. If the company has a profit in the current year, it shall allocate not less than 5% to 12% for employee remuneration, and no more than 3% for directors' remuneration, but when the company still has accumulated losses, it shall reserve the amount of compensation for losses in advance, and the so-called profit for the current year refers to the pre-tax benefits of the current year after deducting the benefits before the distribution of employee remuneration and directors' remuneration, and the employee remuneration is paid to the employees of subordinate companies who meet certain conditions, so that social responsibility can continue to be integrated into the company's operations to achieve sustainable operation.



Publication and disclosure are mainly based on annual reports



06 Action Sustainability - Social Benefits and Response Initiatives

- 6.1 Social action
- 6.2 Responsiveness
- 6.3 Community Discussion

SDGs:14

Chapter Highlights:

- .Respond to government employment matchmaking
- .Respond to and donate materials and fundraising
- .Links to international initiatives

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.



Table of contents

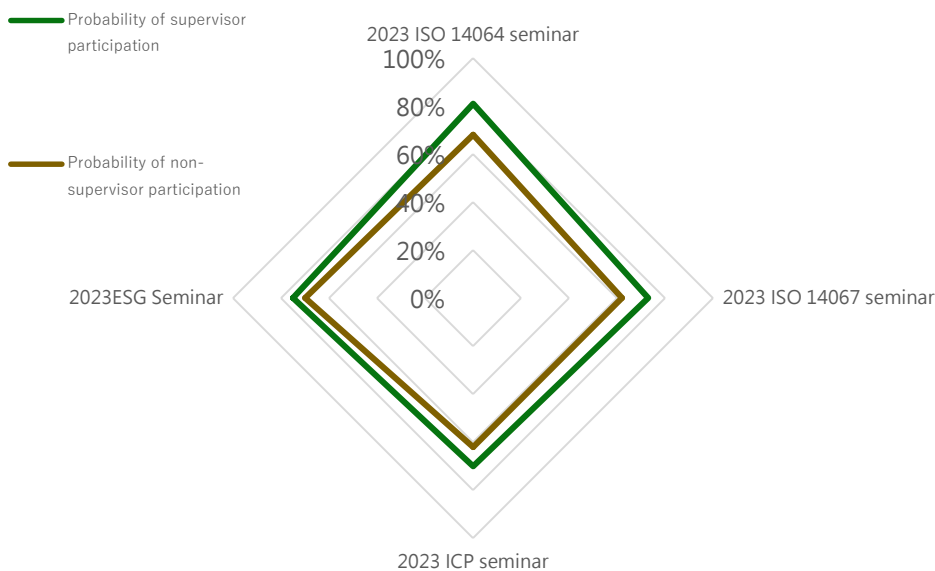
- Regarding report.
- Statement from top management.
- Company Overview.
- 1 Strategic Situation-Business Performance and Stakeholders.
- 2 Steady and clear-corporate governance and resilient operations.
- 3 Green Mirror-Environmentally Sustainable Business Strategy.
- 4 Digital Optoelectronics-smart Operation and Creating.
- 5 Talent Vision-Diversity and Happiness Structure.
- 6 Sustainability-Social Benefits and Response Initiatives.
- Appendix.

Governance Environmental Social Environmental Governance Social Environmental Governance Social Environmental

6.1 Social Activism

In 2023, AOET will respond to the municipal government's successful employment in Taichung, Fushi, with the changes of reform and the expansion and development of the market economy. Although there are many opportunities to try, it is inevitable that the working population is aging and declining, the fertility rate is declining year by year, and the young population is gradually moving out. At present, even if Taichung is an advanced capital in terms of manufacturing processes, it is still a common problem for enterprises to retain talents and recreate employment opportunities. The job market is faced with physical, psychological and ideological qualities. and other related social deepening issues. Therefore, we work together to respond to vocational reengineering as part of the company's support for the national economy.

In 2023, the Group and its employees will jointly respond to the material donation plan, and the donated materials are all new, including infant products, and food supplies. and so on, and all of them responded and participated. As well as donations and disadvantaged groups, joint response to love and social response benefit projects are all in progress, hoping that love will leave no stone unturned and not be left behind.



Respond to international initiatives and participate in domestic net-zero universities. The course covers smart energy transition, circular economy and green energy and green investment, as well as carbon rights and carbon trading, and is used in climate change governance in accordance with TCFD climate-related financial disclosures, consideration of political regulations, market and technology reputation, and SASB sustainability accounting standards. In 2023, he also participated in the BCSD Circular Economy Workshop, all for enterprises to move towards sustainable environmental and social development.

As a member of the global citizenry, AOET has the obligation to respond to the initiatives related to net zero, carbon reduction and sustainability, and will also notify all ministries, Ke'an and related internal education and training courses to strengthen the meaning of sustainability in the optoelectronic industry. In accordance with the Code of Practice for Sustainable Development of Listed and OTC Listed Companies, the content of the sustainability report must not only adopt international universal standards to disclose the sustainability situation, but also include the implementation of corporate governance, the development of a sustainable environment, the maintenance of social welfare, and the promotion of economic development.

- [2023 Global International Initiative GRI Online Forum:](#)
- 7/11
- Enhancing policy for sustainable development through transparency .
- 9/27
- Strengthening the social dimension of sustainability reporting: a way forward that leaves no one behind .
- 10/10
- Overview of GRI's Support Options.
- 11/20
- Global webinar in preparation for the public comment period for the Climate Change and Energy Standard drafts.
- [2023年於IEA參與線上論壇:](#)
- 1/16
- Global Progress on energy efficiency:Change of Platform
- [2023 IAAS Forum:](#)
- Strategy for Green Development and Carbon Sink.

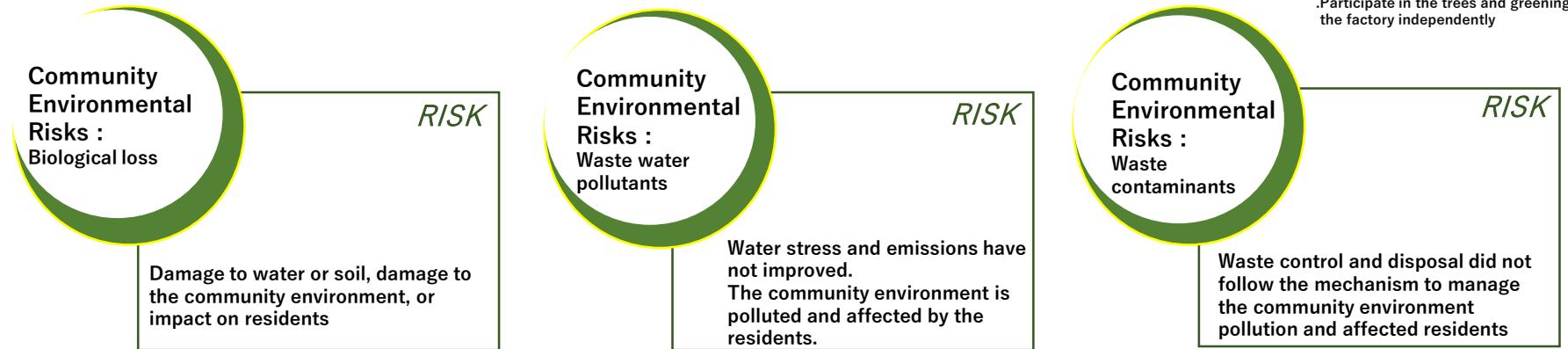
Table of contents

- Regarding report.
- Statement from top management.
- Company Overview.
- 1
- Strategic Situation-Business Performance and Stakeholders.
- 2
- Steady and clear-corporate governance and resilient operations.
- 3
- Green Mirror-Environmentally Sustainable Business Strategy.
- 4
- Digital Optoelectronics-smart Operation and Creating.
- 5
- Talent Vision-Diversity and Happiness Structure.
- 6
- Sustainability-Social Benefits and Response Initiatives.
- Appendix.

6.2 Social Resource, Social Benefits

Friendly community

- .Autonomy emission reduction
- .Autonomy and management
- .Autonomy of environmentally hazardous substances
- .Participate in the trees and greening of the factory independently



Community Environmental Opportunities:

The Group is committed to self-management of emissions and the identification of the true meaning of the environment, so when studying sustainable development and environmental issues, in addition to paying attention to the protection of the natural environment, we should not ignore the importance of the man-made environment and the interaction between the man-made environment and the natural environment. The end of social hostility requires the understanding of nature and the study of society at the same time, and the society cannot be external to nature, and the residents' cognition of the community environment has no impact on the non-substantial social structure and order, under the refinement of homogenization and homogenization, the community residents' cognition of the connotation of the community environment is blurred, and the current society is in charge of economic growth, and people generally ignore the environmental form in response, and often do not develop distinctive local characteristics according to the history and regional models of each place.

Community development is only concerned with social and economic policies, and does not adequately reflect environmental issues, resulting in a disregard for the awareness of public goods and the care for the non-material and material. Each community has its own characteristics and resources, and only by approaching from different levels can we truly solve problems, improve the environment, and promote the common sense of community. Step by step, the Group will follow the sustainable urban-rural development model, promote the construction of living circles and promote the community growth management system, as well as promote urban and rural plans to strengthen the characteristics of natural, historical, social and cultural landscapes.



Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

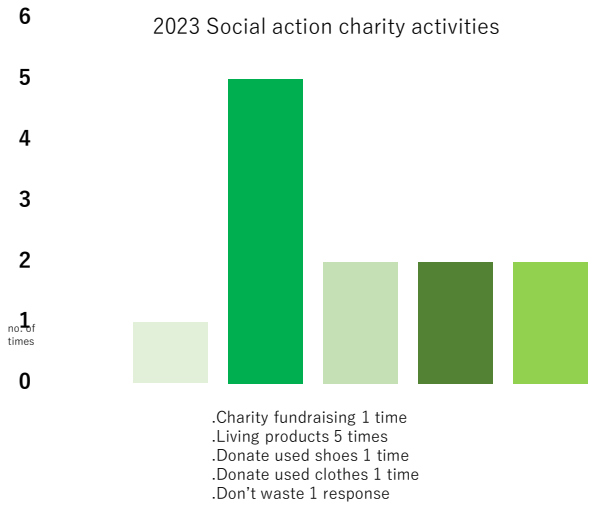
Appendix.

Governance
 Environmental
 Social
 Governance
 Environmental
 Social
 Governance
 Environmental
 Social

6.3 Community Discussion

At present, society is generally facing the risk of community aging and young population migration, resulting in talent shortage. Therefore, after 2024, the Group will cooperate with neighboring Fengjia, Zhongxing, Lingdong and Tunghai University to promote students' participation in employment programs, and also hopes to create multiple functions and industry-academia through youth return to their hometowns or internship opportunities, on the one hand, it will also actively participate in the government, such as Taichung City's 2050 net-zero carbon emission goal, through government seminars and lectures to understand that enterprises can only adjust and transform, and sustainable governance of low-carbon cities.

In 2023, the Group has not caused harm to biodiversity and wastewater and waste treatment in the community and soil, and its practice of social love has also increased year by year, and will cooperate with Zhongke manufacturers in community activities in 2024, looking forward to participating in more social common good and community activities in the future.

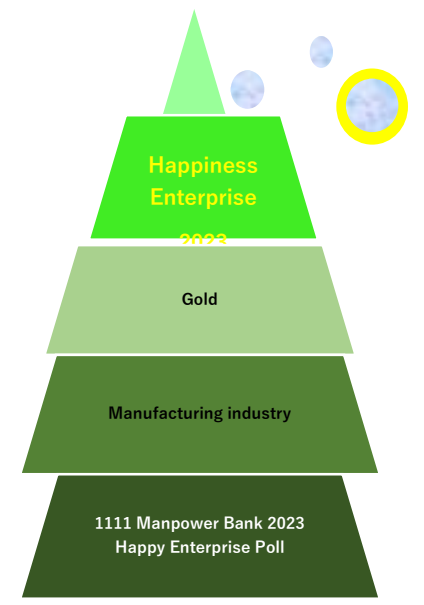


6.1.2 Corporate philanthropy

The Group responds to and gives back to the localization and community-based performance of micro-enterprises, through public welfare activities and community activities, and other related to effectively feedback and echo the localized resources. Since it is currently a leased factory for Zhongke, the public welfare activities are limited in terms of recruitment and venues.

In 2023, the group will respond to the public welfare activities of donating used shoes and books twice, and the public welfare fundraising will continue to work hard once in the Autistic Children's Association.

At present, we also set up donation boxes to assist the disadvantaged, hoping to be a business and promote the existence of social prosperity, public welfare love is also to promote social prosperity and implicit cooperation, we believe that caring for the disadvantaged as long as it starts, it is never too late to give back to the society.



GRI Index

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

GRI	Item	Chapter
GRI 2: General Disclosure 2021		
GRI 2: General Disclosure 2021		
1. Organization and reporting		
2—1	Organization details	Company Overview
2—2	Entities included in organizational sustainability reporting	Company Overview
2—3	Reporting period, reporting frequency and contact person	Company Overview
2—4	Information rearrangement	Company Overview
2—5	External assurance/assurance	Company Overview
2. Activities and workers		
2—6	Activities, value chains and other business relationships	Company Overview
2—7	Employee	5.3 Talent recruitment and cultivation
2—8	non-employee workers	5.3 Talent recruitment and cultivation
3. Governance		
2—9	Governance structure and composition	2.1 Corporate governance
2—10	Nomination and selection of the highest governance unit	2.1 Corporate governance
2—11	Chairman of the highest governance unit	2.1 Corporate governance
2—12	The role of the highest governance unit in overseeing conflict management	2.1 Corporate governance
2—13	Conflict Management Leader	2.1 Corporate governance
2—14	The role of the highest governance unit in sustainability reporting	2.1 Corporate governance
2—15	Conflict of interest	2.1 Corporate governance
2—16	Communicate key events	1.3 Major theme identification process and management policy
2—17	Highest governance unit	2.1 Corporate governance
2—18	Performance evaluation of the highest governance unit	2.1 Corporate governance
2—19	Salary policy	5.1 Employee care and Welfare
2—20	Salary Decision Process	2.1 Corporate governance
2—21	Annual total compensation ratio	Salary is employee personal information and is confidential and cannot be disclosed.

GRI Index

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

GRI	Item	Chapter
GRI 2: General Disclosure 2021		
GRI 2: General Disclosure 2021		
4.Strategic policies and practices		
2—22	Statement on sustainable development strategy	Concerning AOET/1.1 Sustainable Development Policy and Governance Structure
2—23	Policy commitments	2.1 Corporate Governance Blueprint/2.5 Climate change risk mamangement 2.6 Supplier Chain Management Vision/3.1 Climate Change and Sustainability
2—24	Incorporate policy commitments	5.2 Human rights protection and Concern
2—25	Procedures for remediating negative shocks	About this report 2.1 Corporate governance blueprint
2—26	Mechanism for seeking advice and raising concerns	1.3 Major theme identification process and management policy /2.3 Regulatory Governance and Audit System
2—27	Compliance	1.4 Issue identification and evaluation mechanism/2.2 Integrity management
2—28	Membership of public associations	2.1 Corporate Governance Blueprint/2.3 Legal Compliance Governance and Internal Audit System
4. Discussion among stakeholders		
2—29	Stakeholder discussion policy	6.2 Participate in public association initiatives
2—30	Group agreement	1.2 Communication with stakeholders / 1.3 Major theme identification process and management policy
GRI		
Item		
Chapter		
GRI 3: Key Themes 2021		
GRI 3: Key Themes 2021		
3—1	Process for deciding major topics	1.3Major theme identification process and management policy
3—2	List of major topics	1.3Major theme identification process and management policy
3—3	Major topic management	1.3Major theme identification process and management policy
GRI		
Item		
Chapter		
GRI 200: Economic Series		
GRI 201: Economic Performance 2016		
201—1	The direct economic value generated by the organization	Company Overview: Operating Performance and Financial Governance
201—2	Financial impacts and other risks and opportunities arising from climate change	2.4 Risk Management/ 2.5 Climate change governance strategy/3.1 Climate Strategy
201—3	Defining Benefit Obligations and Other Retirement Plans	5.1 Employee care and welfare
GRI 202: Market Position 2016		
202—1	Ratio of standard salary to local minimum wage for entry-level staff of different genders	5.1 Employee benefits and benefits
202—2	Proportion of local residents employed as senior managers	5.1 Employee care and welfare/5.3 Talent recruitment and cultivation
GRI 204: Procurement Practices 2016		
204—1	Proportion of procurement spend from local suppliers	2.6 Supply chain management
GRI 205: Anti-Corruption 2016		
205—1	Operations assessed for risks related to corruption	2.1 Corporate Governance Blueprint/2.4 Risk Management
GRI 206: Anti-Competitive Behavior 2016		
206—1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A(No cases have been investigated for violations of fair competition)
GRI 207: Taxation 2019		
207—1	Tax policy	Company Overview: Operating Performance and Financial Governance
207—2	Tax governance, control and risk	Company Overview: Operating Performance and Financial Governance
207—3	Stakeholder negotiation and management of tax-related issues	Company Overview: Operating Performance and Financial Governance

GRI Index

Table of contents

Regarding report.
Statement from top management.
Company Overview.
1
Strategic Situation-Business Performance and Stakeholders.
2
Steady and clear-corporate governance and resilient operations.
3
Green Mirror-Environmentally Sustainable Business Strategy.
4
Digital Optoelectronics-smart Operation and Creating.
5
Talent Vision-Diversity and Happiness Structure.
6
Sustainability-Social Benefits and Response Initiatives.
Appendix.
.

GRI	Item	Chapter
GRI 300: Environmental Series		
GRI 302: Energy 2016		
302—1	Energy consumption within the organization	3.3 Energy management
302—3	Energy intensity	3.3 Energy management
302—4	Reduce energy consumption	3.3 Energy management
GRI 303: Water and Exiled Water 2018		
303—1	Interactions among shared water resources	3.4 Water resources management
303—2	Management of drainage-related impacts	3.4 Water resources management
303—3	Water intake	3.4 Water resources management
303—4	Displacement	3.4 Water resources management
303—5	Water Consumption	3.4 Water resources management
GRI 305: Emissions 2016		
305—1	Direct (Scope 1) greenhouse gas emissions	3.2 Greenhouse gases and emissions
305—2	Energy indirect (scope 2) greenhouse gas emissions	3.2 Greenhouse gases and emissions
305—4	Greenhouse gas emission intensity	3.2 Greenhouse gases and emissions
305—5	Greenhouse gas emission reduction	3.2 Greenhouse gases and emissions
305—6	Emissions of Ozone Depleting Substances ODS	N/A
305—7	Carbon oxides NOx, sulfur oxides Sox, and other significant gas emissions	N/A
GRI 306: Waste 2020		
306—1	Waste generation and significant waste-related impacts	3.5 Waste management
306—2	Dealing with significant waste-related impacts	3.5 Waste management
306—3	waste generation	3.5 Waste management
306—4	Disposal and transfer of waste	3.5 Waste management
306—5	Direct disposal of waste	3.5 Waste management
GRI 307:		
307—1	Compliance with environmental protection regulations	N/A
GRI 308: Supplier Environmental Assessment 2016		
308—1	Use environmental criteria to screen new suppliers	2.6 Supply chain management

GRI Index

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

GRI	Item	Chapter
GRI 400: Social Series		
GRI 401: Employment Relations 2016		
401-1	New and retired employees	5.1 Employee care and welfare
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.1 Employee care and welfare
401-3	parental leave	5.1 Employee care and welfare
GRI 402: Employment Relations 2016		
402-1	Minimum notice period for operational changes	5.1 Employee care and welfare
GRI 403: Occupational Safety and Health 2018		
403-1	Occupational safety and health management system	5.3 Talent recruitment and cultivation
403-2	Hazard identification, risk assessment and accident investigation	5.1 Employee care and welfare
403-3	occupational health services	5.1 Employee care and welfare
403-4	Workers participate in consultation and communication on occupational safety and health	5.1 Employee care and welfare
403-5	Related Occupational Safety Training for Revenue and Expenditure Workers	5.1 Employee care and welfare
403-6	Worker health promotion	5.1 Employee care and welfare
403-9	Occupational injuries	5.1 Employee care and welfare
403-10	Occupational diseases	N/A
GRI 404: Education and Training 2016		
404-1	Average hours of training per employee per year	5.3 Talent recruitment and cultivation
404-2	Improve employee functions and over-assistance plan	5.3 Talent recruitment and cultivation
404-3	Percentage of employees who receive regular performance and career development reviews	5.3 Talent recruitment and cultivation
GRI 405: Employee Diversity and Equal Opportunities 2016		
405-1	Diversity of governance units and employees	5.3 Talent recruitment and cultivation
GRI 406: Non-Discrimination 2016		
406-1	Incidents of discrimination and actions taken by the organization to improve	N/A
GRI 407: Freedom of Association and Group Negotiation 2016		
407-1	Operational sites or suppliers that may be at risk for freedom of association and group negotiation	N/A
GRI 408: Child Labor 2016		
408-1	Significant risks in using co-workers at operating sites and suppliers	Prohibition of child labor
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operational sites and suppliers with significant risks of forced or compulsory labor incidents	N/A
GRI 411: Aboriginal Rights 2016		
411-1	Incidents involving violations of indigenous rights	N/A
GRI 413: Local Communities 2016		
413-1	Operational activities through local community communication, impact assessment and development planning	6.1 Social mobility
413-2	Operational activities that have actual or minor negative impacts on local communities	N/A
GRI 414: Supplier Social Assessment 2016		
414-1	Use social criteria to screen new suppliers	2.6 Supply chain management
414-2	Negative social impacts in supply chains and actions taken	2.6 Supply chain management
GRI 416:		
416-1	Use social criteria to screen new suppliers	N/A
416-2	Breach of health and safety regulations regarding products and services	N/A
GRI 418: Customer Privacy 2016		
418-1	Breach of health and safety regulations regarding products and services	N/A

TC-ES

Table of contents

Regarding report.

Statement from top management.
Company Overview.
1

Strategic Situation-Business Performance and Stakeholders.
2

Steady and clear-corporate governance and resilient operations.
3

Green Mirror-Environmentally Sustainable Business Strategy.
4

Digital Optoelectronics-smart Operation and Creating.
5

Talent Vision-Diversity and Happiness Structure.
6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

SASB CODE	METRIC	Content situation	Abstract	Chapter
TC-ES-140a.1	Water Manager	1. Total water intake 2. Total water consumption	The total water withdrawal in 2023 is 23,387 thousand cubic meters, and the total water consumption is 18,710 thousand cubic meters.	3.4
TC-ES-150a.1	Waste Management	1. Amount of hazardous waste generated	No hazardous waste produced in 2023	3.5
TC-ES-310a.1	Labour Practices	1. Number of shutdowns 2. Total idle days	There are no unreasonable work stoppages in 2023. In compliance with the law, there are no idle days.	5.1
TC-ES-320a.1	Labour Conditions	1. Accident rate 2. (a) Direct employment (b) Contract employment	In 2023, the traffic accident rate will be 1.5% and the work injury rate will be 1%	5.1
TC-ES-410a.1	Product Lifecycle Management	Life cycle management and end-of-life products	There will be no hazardous waste produced in 2023, and the life cycle of non-end products cannot yet be calculated.	3.5
TC-ES-440a.1	Materias Sourcing	Describe risk management for the use of critical substances	The group does not use key raw materials or conflict minerals	2.6
TC-ES-000.A	Number of Manufacturing Facilities	Number of facilities	Number of company equipment	N/A
TC-ES-000.B	Area of Manufacturing Facilities	Facility area	Total area of the company	N/A
TC-ES-000.C	Number of Employees	Number of employees	Number of employees within the company	5.1

Taiwan Stock Exchange's Sustainability Disclosure Indicator - Optoelectronics

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Item	Index	Type	Annual disclosures	UNIT	Chapter	SASB Remark
1	Total energy consumption, percentage of purchased electricity and renewable energy usage rate	Quantify	The total energy consumption in 2023 is 88591 GJ; currently 100% of Taipower's electricity is purchased from outside; Taipower does not yet have a green power supply, and the company has planned to implement it soon	GJ/%	3.3	TC-SC-130a.1
2	Total water intake and total water consumption	Quantify	The total water withdrawal in 2023 is 23,387 thousand cubic meters; the total water consumption is 18,710 thousand cubic meters	M3	3.4	TC-ES140a.1
3	Weight of hazardous waste generated and percentage recycled	Quantify	No hazardous waste produced	T,%	3.5	TC-SC-150a.1
4	Explain the types, number and proportion of occupational accidents	Quantify	There were no occupational disease cases in 2023. The main occupational injuries were cuts caused by people not paying attention to the tape table when packaging and sprains and contusions when going up and down stairs, accounting for 1% of the total employees.	%	5.1	
5	Product life cycle management and disclosure: including the weight of end-of-life products and electronic waste and the percentage of recycling. Note: Including the sale or other recycling of scraps, instructions should be provided	Quantify	Advanced Optical's main products are not final products, so it is difficult to collect recycling information. Advanced Light provides customers with maintenance services during the product warranty period. In 2023, a total of % of functions will be restored after repair and a total of % will be transferred to other uses.	T/%	2.2/3.5	
6	Description of risk management associated with the use of critical materials	Qualitative	The group complies with the OECD due diligence procedures and has established a 3TG policy for conflict-free minerals, and has developed risk identification for supply chain and critical material investigations.	N/A	1.4/2.6	TC-HW-440a.1
7	Total pecuniary losses resulting from legal proceedings related to anti-competitive conduct regulations	Quantify	No lawsuits or monetary losses related to the Anti-Competitive Conduct Ordinance in 2023	Currency	2.3	RT-EE-510a.3
8	Output of main products by product category	Quantify	The output of the group's main optical products in 2023 is (thousand pieces)	Varies by product type	Company Overview	TC-HW-000.a

Climate-related information listed on the Taiwan Stock Exchange

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

NO	Item	Implement	Chapter
1	Describe board and management oversight and governance of climate-related risks and opportunities	The General Manager's Office is the top management and decision-making unit of the Group, and reports to the Board of Directors on the results of the implementation every year, including climate change explanation and governance	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Climate risk is closely related to the financial and strategic aspects of the Group's business, and the Group attaches great importance to the issues and strategies related to the risks. As climate risks are classified as known and unknown, they are assessed more carefully than ever in terms of their finances.	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Commodity adjustment moderate trade risk: 1. Commodities and raw materials are limited due to the increase in climate and inventory decrease, so the export volume is limited 2. The temperature rise and variation of the climate increase the service time, 3. The risk of physical exhibition due to heavy rain and weather changes, 4. Chemical changes in the composition of commodities due to the rise in temperature, 5. Abnormal weather affects the operation time and delivery time. Commodity Adjustment Moderate Trade Opportunities: 1 Increasing the availability of more recycled low-grade materials 2 Improving product greenness 3 Transforming product efficiency 4 Adopting renewable fuel transporters.	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Manufacturing footprint risk: 1. Due to climate variability, the supply of raw materials in the value chain is unstable 2. Fluctuations in the price of purchased commodities 3. The impact of low-carbon transition funds from supply chain partners 4. Fluctuations in the stability of supply chain and value chain. Manufacturing footprint adaptation opportunities: 1. Drive energy conservation in the supply chain, 2. Drive the supply chain to reduce greenhouse gas emissions, 3. Jointly respond to the recycling plan, 4. Jointly develop and reuse packaging materials.	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Low-carbon profit capital risk: 1. Changes in market preference, selective purchase and sales decline 2. Climate warming or rapid impact, affecting delivery time 3. Expected increase in exploration costs, product price increases, and purchase and sales decline 4. Low-carbon profitable capital risk opportunities: 1. Scalable investment analysis tools and risk analysis 2. Cross-industry alliances or technical exchanges and joint cooperation 3. Have common climate topics or international initiatives with clients.	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Risk of change in market preference: 1. Negative awareness of commodity expectations rises 2. There are too many green products in transition, and the physical revenue is not as good as expected, 3. The market preference time is too short, and the time for R&D products increases, 4. Market preference opportunities: 1. Carbon neutral commodities 2. Identify sustainable energy and water sources 3.	2.5
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Technology debt climate risk: 1. The recognition of single commodity technology increases due to climate change, 2. Identifies the increase in technology development time, 3. Differentiation of low-carbon technology directives, 4. Excessive investment in R&D time and cost, resulting in knee reflex effect. Technology Debt Climate Opportunities: 1. Increase in innovative adaptation technologies 2. Low-carbon R&D commodity opportunities 3. Portfolio combined with technical increases.	2.5

Climate-related information listed on the Taiwan Stock Exchange

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

NO	Item	Implement	Chapter
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	Short-, medium- and long-term response measures, except for rolling adjustments in the face of great variation, the rest of the response measures are adopted in short-, medium- and long-term planning, and the scope of implementation is reserved in the plan to respond to international recognition. Short-, medium- and long-term response measures include: 1. Reducing carbon emissions, 2. No key raw materials, 3. Renewable energy improvement, 4. Green supply and module trading, 5. Circular economy inflow and opportunities, 6. Material waste flow and carbon neutrality opportunities, 7. Stable and sustainable recognition. ((A total of 1-7 measures, short, medium and long-term improvement quantification, in percentages.))	2.5
3	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium and long term)	The Group reviewed the transition from extreme weather events and their financial impact and individual risks, and identified three of them. 1. Manufacturing footprint risk: due to climate change, the source of raw material supply in the value chain is unstable, the fluctuation of purchased commodity prices and the impact of the low-carbon transition capital chain will affect the increase in procurement costs, the extension of delivery time and the increase in operating expenses, and, 2. The risk of low-carbon profit funds: the change in risk appetite, the increase in product prices, and the decrease in sales of purchased goods, resulting in a decrease in operating income. 3. Technological debt climate risk: too many low-carbon products are scrapped or R&D costs are too high in the initial stage.	2.5
4	Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system	The group's sustainable development is implemented across departments. In addition to the sustainability, energy conservation and supervision committees, the general manager's office is the highest authority and responsible unit, supervising and promoting joint negotiations.	2.5
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained	Distinguishing impacts and opportunities in climate change risk management	2.5
6	If there is a transformation plan to manage climate risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.	The Group adopts various breadths of identification in terms of climate risk levels. In addition to physical transformation risks, it also sets additional indicators and has a sustainable future as its vision.	2.5
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	The group should comply with international convention organizations and initiatives, similar to the Taiwan Carbon Exchange's Taiwanese enterprise carbon pricing and PCAF carbon intensity calculation. It is not a high-carbon emission industry and is consistent with the internal carbon pricing of the enterprise ICP. The defined range is 0.99~1.01. Intermediate definition, so the internal carbon pricing of ICP is US\$10.	3.2
8	If climate-related goals have been set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if the relevant goals have been achieved using bottom-up or renewable energy certificates (RECs), the information should be explained. Source and quantity of offset carbon reduction credits or renewable energy certificates (RECs)	The group has set short, medium and long-term goals (same as IEA 2.C) as a contextualization to achieve SBT strategies and practices. There is currently no RECs certificate, but the group hopes that government-related green electricity transactions can be expanded as soon as possible in the future.	2.5
9	Greenhouse gas inventory and confirmation status (fill in 1-1 separately)	The group uses 2023 as the base year for the inspection. There is no third party to confirm that it will be handled accordingly in the future.	3.2

Climate-related information listed on the Taiwan Stock Exchange

Basic company information: According to the sustainable development roadmap of listed companies, at least disclose: Companies with capital of less than NT\$5 billion
Parent company individual inspection

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

	t/co2e	t/co2e/Thousand	
Parent company	32.3288	0.0000	According to the listing path OTC, it will be 2028 Parent company inventory information
Subsidiaries ...(Note 1)			
Amount	32.3288	0.0000	N/A
Scope 2			
Parent company	11402.9874	0.0029	According to the listing path OTC, it will be 2028 Parent company inventory information
Subsidiaries ...(Note 1)			
合計	11435.316	0.0029	N/A
voluntary disclosure	N/A	N/A	N/A

Comply with

IFRS S1	TCFD	Sustainability Risks and Opportunities	2.5
IFRS S2	TCFD	Climate related revelations	2.5/3.2
			3.2

Partnership for Carbon Accounting

Absolute CO₂ Emission: 7.36 kg/co₂e (One million investment amount)

Relative CO₂ Emission: 10.71 kg/co₂e (One million investment amount)

Code of Practice for Sustainable Development on OTC Listings

The 1110361758 of the Financial Supervision and Financial Management 1110152489

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Stock Exchange Themes	Expose metrics	Content	Necessity	Chapter
General Provisions: Article 1 of Chapter I	Sustainable development practices and the impact of managing their economic, environmental and social risks	Sustainable development goals	Code of Development	01
General Provisions: Chapter I, Article 2	Improving the quality of social life of employees' communities and promoting sustainable development is in line with international trends	Sustainable development goals	Code of Development	01
General Provisions: Article 3 of Chapter I	Pay attention to the rights and interests of stakeholders, governance issues and risk assessment, and risk management	Materiality principle	Corporate Governance Policies and Operations	01
General Provisions: Article 4 of Chapter I	1. Implement corporate governance 2. Develop a sustainable environment	Principles of practice	Practical approach	01-03,06
General Provisions: Article 4 of Chapter I	3. Maintain social welfare 4. Strengthen the disclosure of information on corporate sustainable development	Principles of practice	Practical approach	01-03,06
General Provisions: Chapter I, Article 5	The relevance of the core business of the enterprise	Specific promotion plan	Management Policy	02
Implementation of Corporate Governance: Chapter 2, Article 6	Corporate Governance Code of Practice, Code of Ethical Conduct	Specific promotion plan	Governance structure	02
Implementation of Corporate Governance: Chapter 2, Article 7	Sustainable development issues and development directions	Specific promotion plan	Practical approach	01/02/03
Implementation of Corporate Governance: Chapter II, Article 8	Sustainability education and training	Education and training advocacy	Number of trainings	05
Implementation of Corporate Governance: Chapter 2, Article 9	Sustainable development governance structure	Sustainable development policy	Sound management	02
Implementation of Corporate Governance: Chapter 2, Article 10	Sustainable development issues	Stakeholder communication development	Sustainability issues	01
Chapter 3: Article 11 of the Development of a Sustainable Environment	Sustainability goals and utilization	natural environment	International norms	03
Chapter 3: Article 12 of the Development of a Sustainable Environment	Sustainability goals and utilization	Energy resource efficiency	Self-adaptation	03
Chapter 3: Article 13 of the Development of a Sustainable Environment	Sustainability goals and utilization	Environmental Management System	Measurable goals and programs	03
Chapter 3: Article 14 of the Development of a Sustainable Environment	Environmental Management & Responsibility	Environmental education courses	Environmental Management System	02
Chapter 3: Article 15 of the Development of a Sustainable Environment	Reduce operational and human impacts	Reduce consumption and pollution	Environmental Management System	03
Chapter 3 of the Development of a Sustainable Environment: Article 16	Strengthen environmental protection measures	Establish water resources and polluted water	Environmental Management System	03
Chapter 3: Article 17 of the Development of a Sustainable Environment	The shallowness of climate change lies in the opportunities and risks	Carbon reduction strategies	Environmental Management System	03
Chapter 4: Article 18 for Safeguarding Social Welfare	Comply with international human rights	Human rights-related rights	Statement of Human Rights Policy	05
Chapter 4: Article 19 for the Safeguarding of Social Welfare	Provide employee information	Labor-related rights	Labor law compliance	05
Chapter 4: Article 20 for Safeguarding Social Welfare	Employee health and safety and health education and training	Healthy working environment for employees		05
Chapter 4: Article 21 of the Safeguarding of Social Welfare	Employee career development and retention of sustainable management	Employee welfare measures		05
Chapter 4: Article 22 for the Safeguarding of Social Welfare	Employees have the right to communicate and express themselves on a regular basis	Employee communication practices		05

Code of Practice for Sustainable Development on OTC Listings

The 1110361758 of the Financial Supervision and Financial Management 1110152489

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Stock Exchange Themes	Expose metrics	Content	Summary	chapter
Chapter 4 of Safeguarding Social Welfare: Article 22-1	Product and service fairness, integrity and strategy	Duty of Loyalty and Specific Measures		04
Chapter 4: Article 23 of the Safeguarding of Social Welfare	Transparent and fair operations and services	Marketing Ethics		02/04
Chapter 4: Article 24 for the Safeguarding of Social Welfare	Consumer trust and product marketing labels	Regulations and international guidelines		04
Chapter 4: Article 25 for Safeguarding Social Welfare	Assess the risk of disruption and mitigate the impact	Respect consumer privacy		04
Safeguarding the Public Welfare Chapter IV: Article 26	Establish a supplier management policy	Social Responsibility Policy		02
Chapter 4: Article 27 for Safeguarding Social Welfare	The company operates civic organizations that impact, engage, and educate the community	Community Identity		05/06
Chapter 4 for the Safeguarding of Social Welfare: Article 27-1	Resources are injected into the cultural and creative industries	Cultural Creativity and Corporate Volunteering		06
Chapter 5: Article 28 of the Disclosure of Strengthening Corporate Sustainable Development	Disclosure of the continuity of relevance and reliability in accordance with corporate governance practices 1. Policies, systems or related management guidelines and specific promotion plans for sustainable development approved by the Board of Directors 2. The risks and impacts of the implementation of corporate governance, the development of a sustainable environment and the maintenance of social welfare on the company's operation and financial condition 3. The company's promotion goals, measures and implementation performance for sustainable development 4. Major stakeholders and issues of concern 5. Disclosure of management and performance information of major suppliers on environmental and social issues 6. Other information related to sustainable development			Agendn, 01
Chapter 5: Article 29 of the Disclosure of Strengthening the Sustainable Development of Enterprises	1. Implement sustainable development policies, systems or management guidelines and specific promotion plans 2. Key stakeholders and issues of concern 3. The company's implementation performance and review in implementing corporate governance, developing a sustainable environment, safeguarding social welfare and promoting economic development 4. Future improvement direction and goals			appendix
Strengthening Corporate Sustainability Disclosure Chapter 5: Article 30	Listed companies should pay attention to the development of relevant standards for sustainable development at home and abroad and changes in the corporate environment, and have reviewed and improved the sustainable development system established by the company to enhance the effectiveness of promoting sustainable development			appendix

Performance Index

Environmental and Climate

	Unit	2023	2022	GRI
Decarbonisation				
GHG emissions				
Scope 1 emission	ktco2e	32.3288	23.4548	305-1
Scope 2 emission	ktco2e	11402.9874	12180.96	305-2
GHC emission intensity	ktco2e	0.0029	0.0033	305-4
Renewables Capacity (2024 Renewables 5-10%,2025 Renewables 11-25%,2030 Renewables 26-50%,2050 Renewables100%)				
Energy				
Total energy consumption with AOET	GJ	41167	43936	302-1
Water				
Water consumption within AOET				303-5
All area	ML3	25052	24007	303-5
Consumption	ML3	20042	19206	303-5
Recycle on area	%	1.25%	1.25%	303-5
Intenity		0.0063	0.0065	
Waste				
Waste generation within AOET				306-3
General Waste,Non-hazardous	Kt	54000	28668	306-3
Business waste,Non-hazardous	Kt	124161	149906	306-3
Recycle Waste	Kt	11548	20901	306-3
Waste density	Kt	0.0474	0.0544	306-3

Measurement units:
 .ktCO2e:Kilotonnes of carbon dioxide equivalent
 .GJ/MWh:gigajoule per megawatt-hour
 .ML:Megalitres or 1000m3
 .Kt:Kilotonnes

Empowering Lives

	Unit	2023	2022	GRI	
Workforce transformation					
Employment					
Number of employees		779	772	2-7	
Male no/%		366/47%	357/46%	2-7	
Female no/%		413/53%	415/54%	2-7	
Breakdown of employees by age group					
Less 30 years		34%	34%	405-1	
30-49 years		61%	38%	405-1	
more and more than 50 years		5%	28%	405-1	
New employee hires					
New hires by gender		216	287	401-1	
Male		100	124	401-1	
Female		116	163	401-1	
New hires by age group					
less 30 years no/%		134/62%	162/57%	401-1	
30-49 years no/%		79/37%	92/32%	401-1	
more and more than 50 years no/%		1%	32/11%	401-1	
Employee turnover		31.37%	38.82.%	401-1	
Workforce transformation					
Training and education					
Average learning hrs per employee		hrs	4.1hrs	4hrs	404-1
Male		hrs	4hrs	3.9hrs	404-1
Female		hrs	5.2hrs	4.3hrs	404-1

Data Available:
 .Guidelines:For accounting Methods and Reportingof Greenhouse Gas Emission
 .IPCC Guidelines for National Greenhouse Gas Inventories for 2006
 .Direct emission(Scope 1)GHG emission data covers from fossil
 .Energy indirect(Scope 2)GHG emission data for AOET Taichung
 .Perctages mat not 100% as they rround nearest one place

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.

Performance Index

Health and Safty

	Unit	2023	2022	GRI
Work-related fatalities				
<u>Employee</u>	No.	0	0	403-9
<u>Contractor</u>	No.	0	0	403-9
<u>High-consequence injury cases</u>				
<u>Employee</u>	No.	0	0	403-9
<u>Contractor</u>	No.	0	0	403-9
Occupational diseases				
<u>Employee</u>	No.	0	0	403-10
<u>Contractor</u>	No.	0	0	403-10
Fatal accident rate				
<u>Employee</u>	Millions man-hours	0	0	403-9
<u>Contractor</u>	Millions man-hours	0	0	403-9
Lost time injury rate				
<u>Employee</u>	Millions man-hours	0	0	403-9
<u>Contractor</u>	Millions man-hours	0	0	403-9
<u>Total recorable injury rate</u>				
<u>Employee</u>	Millions man-hours	0	0	403-9
<u>Contractor</u>	Millions man-hours	0	0	403-9
Occupational disease rate				
<u>Employee</u>	Millions man-hours	0	0	403-10
<u>Contractor</u>	Millions man-hours	0	0	403-10

MISC ESG(GICS 45202030)

MODULE	10 TARGET	33 ESG ISSUE	Chapter
Environment	Climate Change	Carbon Emission	2.5
		Climate Change Vulnerability	2.5
		Financing Environmental Impact	N/A
		Product Carbon Footprint	N/A
	Natural Capital	Biodiversity and Land Use	N/A
		Raw Mterial Sourcing	2.6
		Water Stress	3.4
	Pollution and Waste	Electronic Waste	3.5
		Packaging Material and Waste	3.5
		Toxic Emission and Waste	3.5
		Environmental Opportunities	3.3
	Human Capital	Opportunities in Clear Tech	N/A
Opportunities in Green Building		3.3	
Opportunities in Renewable Energy		3.3	
Health and Safety		5.1	
Social	Product Liability	Human Capital Development	5.3
		Labor Management	52
		Supply Chain Labor Standards	2.6
		Chemical Safety	3.5
		Consumer Financial Protection	4.2
	Stakeholder Opposition	Privacy and Data Security	4.1
		Product Safety and Quality	4.3
		Responsible Onvestment	1.3
	Social Opportunities	Community Relations	6.1
		Controversial Sourcing	2.6
		Access to Finance	N/A
		Access to Health Care	N/A
Corporate Governance	Opportunities in Natrition and Health	N/A	
	Board	2.1	
	Pay	N/A	
	Ownership and Control	Company Overview	
Corporate Behavior	Accounting	Company Overview	
	Business Ethics	Company Overview	
	Tax Transparency	Company Overview	

Table of contents

Regarding report.

Statement from top management.

Company Overview.

1

Strategic Situation-Business Performance and Stakeholders.

2

Steady and clear-corporate governance and resilient operations.

3

Green Mirror-Environmentally Sustainable Business Strategy.

4

Digital Optoelectronics-smart Operation and Creating.

5

Talent Vision-Diversity and Happiness Structure.

6

Sustainability-Social Benefits and Response Initiatives.

Appendix.