

# **AUO**

## **2024**

### **Sustainability**

### **Report**



**AUO**



Go Beyond **CSR**,  
Create **Shared Values**



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# About the Report

## The Journey of Sustainability Reporting

AUO began publishing its Environmental Brochure in 2004, and the Environmental, Health, and Safety Report in 2005. The CSR Report has been published on an annual basis since 2006. The report provides a systematic compilation of AUO's goals and accomplishments in the corporate governance, environmental and social aspects. To provide a complete disclosure of AUO's sustainability accomplishments and the outcomes of stakeholder communication, the third edition of the Global Reporting Initiative - Sustainability Reporting Guidelines (GRI-G3) was adopted in 2007 as the basis for our CSR report structure, followed by the adoption of the GRI Standards in its entirety in 2017. The sustainability report is now prepared in accordance with the GRI Standards, and the Sustainability Accounting Standards Board (SASB) Index (Hardware). This report is the 19th sustainability report by AUO.

### Information Credibility

#### Internal audit

AUO follows the "Procedures for Preparation and Reporting of Sustainability Reports by TWSE Listed Companies" to establish the preparation and verification procedures for sustainability reports, incorporating them into the company's internal control system. The content of this report has been reviewed by the relevant department heads, Sustainability and Enterprise Risk Management Committee and the implementation of the preparation and verification process will be audited by the audit unit.

#### Material Topics

Obtain representative management system certification categories

#### External assurance & verification

All of the data in the report were verified by an independent third party and presented using internationally accepted indicators. Estimation is indicated in their corresponding sections.

- Financial data was audited by KPMG
- ISO 14064 GHG emissions were verified by DNV
- ISO 14001, ISO 45001 and ISO 50001 management system certifications were verified by SGS Taiwan
- ISO 27001 management system certifications were verified by AFNOR
- ISO 9001 management system certifications were verified by DQS
- GRI and SASB were assured by KPMG

For more about AUO external assurance & verification, see [AUO ESG website - Download section of Quality and Fab Environmental Certificate](#)

## Reporting Standards and Guidelines

AUO identified important economic, environmental, and social issues from a global perspective, applying materiality analysis to determine topics of stakeholder concern. The implementation outcomes for each material topic are presented in this report. This report is prepared in accordance with the GRI Standards (2021 version) and references the Sustainability Accounting Standards Board (SASB) Hardware Sector Standards, as well as the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. It discloses the Company's strategies, activities, performance outcomes, and management approaches regarding key economic, environmental, and social issues of concern to stakeholders.

## Scope of the Report

This report discloses AUO's sustainability performance from January 1, 2024, to December 31, 2024 (corresponding to the financial reporting period) across its global offices and manufacturing facilities. The reporting boundary includes the parent company and its subsidiaries with major operational and production sites in Taiwan, China, other parts of Asia, the Americas, and Europe. It also incorporates key information from subsidiaries including AUO Crystal Corp., AUO Display Plus Corp., AUO Envirotech Corp., AUO Digttech Services Corp., and Behr-Hella Thermocontrol GmbH (BHTC). In 2024, the revenue of the parent company and subsidiaries within this scope accounted for approximately 80% of the AUO Group's total revenue.

## Report Publication

The Sustainability Report is published annually by AUO.

Current version: Issued in June, 2025

Previous version: Issued in June, 2024

Next version: To be issued in June, 2026

## Contact Us

Please do not hesitate to contact us if you have any suggestions or questions. Our contact information is provided below. You may also click on "[Contact AUO](#)" on our homepage to reach us.

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## Cover Design

The design integrates geometric and curvilinear elements across diverse spaces, using light, shadow, and flowing lines to represent the three pillars of sustainability. It reflects AUO's commitment to advancing society and industry through technology-driven innovation and sustainable action—connecting lives and values for a smarter, sustainable future.



## Message From the Chairman

Dear valued partners who are concerned about the sustainability of AUO:

The year 2024 presented significant global challenges. Worsening climate crises, volatile economic conditions, geopolitical tensions, and social divisions have reshaped the landscape in which businesses must operate. In this era of instability, companies must adopt proactive strategies to strengthen their operational resilience, mitigate external risks, and advance sustainable development.

In response to uncertainties, AUO exercised prudence and reinforced our foundations while accelerating transformational strategies. AUO is redefining itself—not merely as a panel supplier but as a solution-oriented enterprise driven by display technology. AUO has successfully established a business structure based on three pillars: Display, Mobility Solutions, and Vertical Solutions. By enhancing operational focus, improving efficiency, and leveraging synergies across the Group, AUO continues to build long-term, stable profitability.

AUO's vision is "Playing a key role in achieving the human race's vision for the future." Anchored in our deep expertise in display innovation and R&D, AUO continues to develop high-value, energy-efficient, and circular products that respond to evolving market demands. In 2024, AUO completed the acquisition of Behr-Hella Thermocontrol GmbH (BHTC) in Germany, becoming a Tier 1 automotive supplier and gaining proximity to key global markets. Through its advanced automotive human-machine interface displays, AUO is enhancing driving experiences by making them safer and more intuitive. AUO also views sustainability not only as a responsibility, but as a competitive advantage. Through our Vertical Solutions, AUO delivers display-integrated solutions in fields such as healthcare, education, retail, and enterprise—enriching smart living experiences while providing industries with energy- and water-efficient, waste-reducing, digital, and low-carbon manufacturing solutions.

As AUO advances our sustainability journey, it remains committed to creating shared value for society and the environment. The company's achievements have earned wide recognition, including being ranked in the Top 5% of the S&P Global Sustainability Yearbook and receiving Taiwan's highest management honor—the National Quality Award. AUO continues its steady progress toward net zero, and in 2024 reached a major milestone: carbon neutrality of our headquarters building. Alongside internal initiatives to enhance energy and material efficiency, AUO is collaborating with suppliers on decarbonization, circularity, and plastic reduction projects. Through partnerships with customers, AUO has launched the world's first panel manufactured entirely with 100% renewable energy and developed highly recyclable module designs—strengthening both product competitiveness and the green business ecosystem. Externally, AUO Foundation continues to drive positive impact through environmental stewardship and educational outreach, reinforcing mutual trust and prosperity with value chain partners and the broader community.

In a future filled with challenges, new windows of opportunity will surely emerge. AUO remains steadfast in our spirit of bold innovation and sustainable commitment—driving transformational growth and delivering lasting, positive change for society and the planet. We are grateful for the continued support and recognition from all stakeholders and will persevere with resolve into the future.



Chairman & Group CSO

A handwritten signature in black ink, appearing to be 'Paul Chen', written in a cursive style.

## Message From the CSO



CSO

A handwritten signature in black ink that reads "Amy Kee". The signature is fluid and cursive.

In 2024, the sustainability sector encountered significant challenges— including anti-ESG sentiment, accelerated climate change, biodiversity loss, and heightened social inequality and polarization. In the face of such transitions and disruption, companies must be equipped with the resilience to adapt and the vision to lead. AUO has remained steadfast in its commitment to generating positive environmental and social impact. Below is an overview of AUO's sustainability practices, along with a continued invitation to grow and thrive in partnership with stakeholders.

### Q. In a turbulent global environment, how does AUO implement effective risk management?

AUO views risk governance as fundamental to sustainable operations. From an organizational perspective, it has established a “three lines of defense” system—functional departments carry out execution, the Sustainability and ERM Committee provides oversight, and external consultants offer improvement suggestions aligned with global standards. On the systems side, AUO conducts annual risk assessments across 75 categories spanning operations, strategy, and climate. This is supported by sensitivity and scenario analyses, risk appetite, and defined mitigation plans. Culturally, AUO fosters risk awareness through training and incentive mechanisms. By combining structure, systems, and culture, AUO continues to reinforce operational resilience.

### Q. As impact transparency gains importance, how is AUO measuring its corporate influence?

AUO introduced the Impact Measurement and Valuation (IMV) methodology and published its inaugural IMV Report in 2024. By evaluating 32 economic, environmental, and social indicators, the company assessed stakeholder value creation and used impact pathways to translate non-financial contributions into monetized metrics. Results show positive influence in supply chain development, green product delivery, and socioeconomic contributions. The primary negative impact identified stems from environmental costs associated with product use. Guided by this approach, AUO is working toward a Net Positive vision by amplifying positive impacts and minimizing negative ones—advancing mutual prosperity with society.

### Q. As AUO sets its sights on more ambitious goals, how is the company advancing decarbonization across the organization and value chain?

With low-carbon development now a key industry differentiator, AUO has set a science-aligned target of a 42% absolute emissions reduction by 2030 (from a 2021 base year), in line with a 1.5°C pathway. In 2024, AUO achieved a nearly 17% reduction in emissions intensity, recorded its highest-ever 4.72% electricity savings, and increased its renewable energy usage to 6.67%. Beyond internal efforts, AUO leads collaborative decarbonization with supply chain partners—engaging 15 key suppliers through a capacity-building initiative that has reduced over 9,900 tons of emissions in two years. Digital systems for Scope 3 tracking were also enhanced, laying the groundwork for broader carbon footprint management.

### Q. How is AUO systematically identifying nature-related impacts and taking the right actions to address biodiversity challenges?

AUO follows scientific frameworks such as LEAP and AR<sup>3</sup>T<sup>Note</sup> to assess its operational and value chain dependencies and impacts on nature. Mitigation efforts include optimizing water usage, reducing air pollution, cutting plastic use, and minimizing waste. Compensation efforts engage volunteers and partners to protect site surroundings, remove invasive species, and restore native ecosystems. In 2024, AUO published its first TNFD (Taskforce on Nature-related Financial Disclosures) Report, advancing transparency and reaffirming its alignment with nature-positive goals.

### Q. Employees are the driving force behind sustainability. How is AUO cultivating an organization-wide culture of sustainability engagement?

AUO integrates sustainability through capacity-building, institutional systems, and engagement activities. The College of ESG of AUO University offers internal training, and an annual sustainability literacy survey shows growing awareness year over year. In 2024, the company introduced its “Family Care and Support Program,” offering benefits beyond legal entitlements—including paid parental leave and family support days. Culturally, AUO curates events such as feast of life and AUO Gallery while deepening DEI (Diversity, Equity, and Inclusion) efforts across all locations. Through advocacy, education, and celebration, AUO strengthens a sense of shared purpose and builds a culture of inclusion and impact.

Note: LEAP refers to Locate, Evaluate, Assess, and Prepare; AR<sup>3</sup>T refers to Avoid, Reduce, Restore & Regenerate, and Transform.

# Awards & Recognition



## Governance

- Global Corporate Sustainability Award (GCSA) - Sustainability Reporting Award (Silver Class)
- Clarivate Top 100 Global Innovators
- Asia-Pacific Sustainability Reporting Awards (ASRA)
- National Quality Award - Outstanding Business Performance Award
- Ranked among the top 5% in the TWSE corporate governance evaluation
- Taiwan Corporate Sustainability Awards (TCSA) - Sustainability Reporting (Chinese Version) Platinum Award, Corporate Sustainability Performance Award, Supply Chain Leadership Award
- Taiwan Circular Economy Awards - Enterprise Category
- Digital Transformation Award (Dingge Awards) - Large Enterprise Category with ESG Special Award (First Prize)
- Harvard Business Review Model Award for Digital Transformation (Longtan site)
- 2024 China Industrial Carbon Peak "Pioneer" Enterprises <sup>Note 1</sup>



## Environment

- Industry Eagles Awards (UK) - Sustainable Organization of the Year (Gold Award)
- Ministry of Science and Technology (Taiwan) - Outstanding Unit for Waste Reduction and Resource Circulation
- Ministry of Economic Affairs Energy Saving Leadership Award - Silver Award (Taichung site)
- Ministry of Environment National Corporate Environmental Award - Silver Award (Taichung site)
- Ministry of Environment Excellent Recycling Performance Awarded - Silver Award (Houli site)
- Taiwan Corporate Sustainability Awards (TCSA) - Climate Leadership Award, Water Resource Management Leadership Award, Circular Economy Leadership Award
- Top 10 Green Companies in Xiamen



## Society

- HR Asia - HR Asia Best Companies to Work for in Asia Awards, HR Asia DEI Awards
- HR Asia Best Workplace – Most Innovative Company Award <sup>Note 1</sup>
- Taiwan Corporate Sustainability Awards (TCSA) - Social Inclusion Leadership Award
- Taiwan Association for Sustainable Social Enterprise Development (ASSET) - Humanities Enterprise Award
- China Best Employer Award – Suzhou Best Employer
- 2025 Most Influential Employer Award <sup>Note 1</sup>

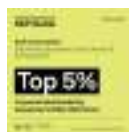


## Innovation

- Gold Panel Awards (GPA) - Outstanding Technology Award, Distinguished Product Award
- Smart Display Application Awards (SDAA) - Smart Healthcare Award, Smart Mobility Award
- Smart Display Industrial Alliance (SDIA) Advanced Display Awards - Gold Award, Silver Award
- Ministry of Economic Affairs Taiwan Excellence Awards - 3 Grand Awards
- Bureau of Energy, Ministry of Economic Affairs (Taiwan) Top Solar System Award
- Bureau of Energy, Ministry of Economic Affairs (Taiwan) Top Solar System Award - Outstanding Ground-Mounted System Category
- First Batch of Excellence-Level Smart Factories <sup>Note 2</sup>
- Best Employer for High-Tech Enterprises in China <sup>Note 1</sup>

Note 1: The award recipient is AUO (Suzhou) Co., Ltd.

Note 2: The award recipient is AUO (Xiamen) Co., Ltd.



Selected among the top 5% in the S&P Global Sustainability Yearbook 2025



Included in the DJSI World Index for the 14th consecutive year



MSCI ESG Leaders Indexes  
MSCI ESG Rating A



CDP Climate Change A  
CDP Water Security A-



Business Weekly  
Carbon Competitiveness  
Top 100



CommonWealth Magazine Sustainability  
Citizenship Evaluation  
Top 35 Leading Enterprises



ISS ESG Rating -  
Prime Status



EcoVadis Sustainability Rating  
- Bronze



FTSE4Good  
Emerging Index



Taiwan Index Plus

Note: As of the first quarter of 2025.



# CSR EPS 2025 Goals

In alignment with nine United Nations Sustainable Development Goals (SDGs), AUO established its AUO Sustainability Framework—Environment, People, Society (EPS)—in 2018 to address growing environmental concerns and social inclusion imperatives. The EPS framework encompasses ten concrete dimensions, each guided by short-, mid-, and long-term sustainability goals set for completion by 2025. Annual targets are defined for all ten dimensions; in 2024, AUO achieved 100% attainment, meeting all ten goals.



## Environment

<b>Climate Adaptation</b>	Increase the resilience of climate adaptation and continue to reduce the risk of financial impact from climate change issues.	A total of 34 projects	Continue to manage the financial risks
<b>Energy Optimization</b>	Set reduction targets based on life cycle and reduce carbon emissions by up to 6.5 million tones CO <sub>2</sub> e cumulatively.	Accumulated reduction of 13.29 million metric tons of carbon emissions	Cumulative achievement rate <sup>Note 1</sup> : over 100%
<b>Water Optimization</b>	Work with the value chain to combat the threat of water resource shortages and conserve up to 100,000 CMD <sup>Note 2</sup> in tap water cumulatively.	Accumulated water savings of 278,000 CMD <sup>Note 2</sup>	Cumulative achievement rate: over 100%
<b>Circular Production</b>	Spearhead the development of the circular value chain, expand its economic performance and achieve a growth rate of 135%.	AUO generated economic benefits of NTD 6.60 billion	Cumulative achievement rate: over 100%

Note 1: Cumulative progress toward CSR EPS 2025 goals is measured from the 2018 baseline, with results reported through 2024.

Note 2: CMD refers to cubic meters per day (m<sup>3</sup>/day).

## People

<b>Inclusive Growth</b>	Support the disadvantaged and ally with industry chain partners to grow inclusive employment and learning opportunities more than eight-fold.	Accumulated creation of 68,000 job opportunities	Cumulative achievement rate: over 100%
<b>Enjoyable Workplace</b>	Become the preferred enterprise and reach 80% in employee identification with the four dimensions in Primary demand, Management support, Teamwork and Learning and growth. (The scope of the approval survey is indirect employees)	86.82% of employees identify with the company	Achieved for 4 consecutive years
<b>Quality Education</b>	Provide diversified educational opportunities to more than 600,000 people and increase employee participation in AUO quality education by 20% each year.	Promoting popular science education, employee competency, and industry-university collaboration with 600,000 participants	Cumulative achievement rate: over 100%

## Society

<b>Intelligent Life</b>	Development products and integrated services to expand the cumulative reach of education, health, finance, shopping, lifestyle, transport, and other smart city applications to a one billion people.	Diversified display products have reached a cumulative total of 1,277 million people	Cumulative achievement rate: over 100%
<b>Smart Manufacturing</b>	Boost industry competitiveness and overall performance by 50% through intelligent manufacturing and technology integration.	Achieved an overall performance improvement of 133%	Cumulative achievement rate: over 100%
<b>Affordable and Clean Energy</b>	Improve capability in renewable technology, expand the installed capacity of renewable energy around the world and double the cumulative growth rate. (100% cumulative growth)	The total installed capacity of renewable energy has reached 2,974 KW	Cumulative achievement rate: 99%

# 1 Business Operation

## Annual Highlights

Officially announced the **successful acquisition of BHTC in Germany**, with AUO emerging as a leading provider of Smart Mobility services.

Driving biaxial transformation to establish the **three pillars of business**: "Display, Mobility Solutions," and "Vertical Solutions," **continuing to evolve beyond a traditional panel manufacturer.**

The proportion of independent director positions accounts for **50%** of the total seats.

"Corporate Governance Commission" has been renamed as "**Corporate Governance and Nomination Committee**" to strengthen corporate governance and enhance Board performance.

Implementing integrity task management. **100% completion of job rotation and business replacement.**

Developing diverse risk management courses to promote risk culture, with an annual participation rate **exceeding 90%.**

### 1.1 Company Profile

### 1.2 Economic Performance

- 1.2.1 Financial Performance
- 1.2.2 Tax Governance

### 1.3 Governance Organization

- 1.3.1 Board of Directors
- 1.3.2 Audit Committee
- 1.3.3 Corporate Governance and Nomination Committee
- 1.3.4 Remuneration Committee
- 1.3.5 Sustainability and ERM Committee

### 1.4 Business Integrity

- 1.4.1 Integrity Culture
- 1.4.2 Regulation Compliance

### 1.5 Risk Governance

- 1.5.1 Risk Evaluation & Management
- 1.5.2 Information Security & Privacy Protection















## Target and Progress



Achieved



Not Achieved

Material topic	2024 Target	2024 Our action	2025 Target	2026 Target	Responses
 Obtain representative management system <sup>Note</sup> certification categories	10	 Performance: 12 AUO proactively maintains and expands the validity of its management system certifications, achieving a total of 12 certifications in 2024 and demonstrating its firm commitment to sustainability.	11	12	Foreword - About the Report
 Annual achievement rate of the CSR EPS Goals	100%	 Performance: 100% AUO's CSR EPS 2025 goal has three major axes (Environmental Sustainability, Inclusive Growth, and Agile Innovation) and extends to 10 targets, which are guided and implemented by the Sustainability and ERM Executive Committee. In 2024, all 10 targets were successfully achieved, marking a 100% completion rate.	100%	100%	Foreword - CSR EPS 2025 Goals
 Review of the linkage between the board oversight mechanism and sustainable performance incorporated into the annual goal review of the remuneration committee	Once a year	 Performance: Once a year AUO has a long-term incentive plan for senior managers, which is set by the Remuneration Committee based on the company's long-term strategy, financial and ESG performance indicators. The performance evaluation period is 3 years, with stockbased rewards accounting for more than 50%. Additionally, there is a clawback clause, strengthening the link with shareholders' interests and fulfilling the commitment to sustainable operations.	Once a year	-	1.3.4 Remuneration Committee
 Increase the annual participation rate for activities and courses related to the enhancement of risk culture	90%	 Performance: 90% Building a strong risk culture enhances an organization's ability to manage risks effectively. Clear risk management targets ensure continuous focus on risk issues, while employee awareness of their roles and responsibilities improves risk identification and assessment. AUO promotes risk culture through diverse courses covering risk mindset, information security, compliance, and safety. In 2024, participation in risk-related activities and courses exceeded 90%.	91%	92%	1.5.1 Risk Evaluation & Management
 Major information security incidents affecting operations	0 case	 Performance: 0 case Regarding overall information security risk management, AUO engaged an external cybersecurity firm in 2023 to conduct Red Team and Blue Team exercises, assessing the company's security defenses and response capabilities. Additionally, monthly vulnerability scans were performed with continuous follow-up on improvements. In terms of business continuity management, a total of 48 drills were carried out in 2024, with no major cybersecurity incidents affecting operations.	-	-	1.5.2 Information Security & Privacy Protection
 Maturity of information security	>85 points	 Performance: 90.44 points AUO has launched a three-year "Zero-Trust Architecture for Strengthening Information Security Resilience" initiative, implementing company-wide actions in 2023 to align with ISO 27001 requirements. Key performance indicators have been established with continuous improvement driven by the PDCA cycle to reduce information security risks and enhance the Company's information security maturity each year. AUO achieved an information security maturity score of 90.44 in 2024.	-	-	1.5.2 Information Security & Privacy Protection

Note: Representative management systems include ISO 9001, IATF 16949, QCO80000, ANSI/ESD S20.20, ISO 17025, ISO 27001, ISO 14001, ISO 46001, ISO 50001, ISO 45001.



# 1.1 Company Profile

## About AUO

**Our Vision** Playing a key role in achieving the human race's vision for the future



youtube



linkedin



facebook



AUO Corporate image video



Company Name

AUO Corporation

Founded in

August 12, 1996

Number of employees

41,000 (as of Dec. 2024)

Main products and services

TFT- LCD, Low-temperature polycrystalline silicon (LTPS), Micro LED, Solar Energy, Sensor, Smart Manufacturing

Chairman

Shuang-Lang (Paul) Peng

CEO

Frank Ko

Headquarter

No. 1, Li-Hsin Road 2, Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.

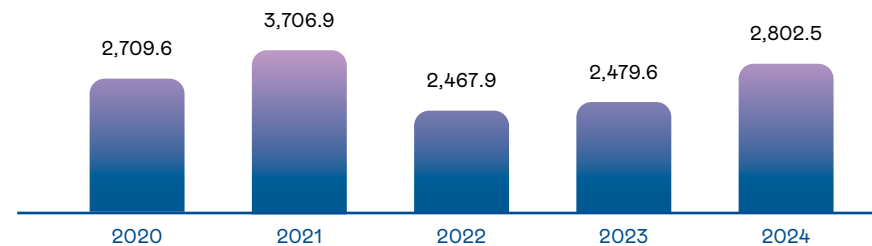
Market Value as of Dec. 31, 2024

USD 3.43 billion

Shares Issued as of Dec. 31, 2024

7,667,880,972

Revenue (NTD 100 million)



## Tap Into The Possibilities

Established in 1996, AUO strives to play a critical role in humanity's vision for the future. We spearhead innovations and breakthroughs in display technologies through out cutting-edge research and development expertise. AUO specializes in the research, development and manufacture of display panels with a focus on high-value and differentiated product applications. Through our extensive R&D capability and innovative technologies, we have become the undisputed leader of the industry. We are also combining our core expertise in display technologies with AIoT to become a solutions provider for all kinds of fields. Software, hardware, cloud and service platforms are integrated to offer one-stop services that satisfy the needs of different fields, including smart mobility, manufacturing, enterprise, education, retail, medical, care and green energy solutions. We also hope to build a smart IoT ecosystem with partners from each sector through a cooperative, complementary, and co-creative model that will usher in a future of smart living.

As part of the AUO "biaxial transformation" in recent years, we focused on both "Go Premium" through enhancing the added value of display technologies as well as "Go Vertical" through vertical integration of market applications under the collective group banner of "One AUO." We successfully diversified our investment portfolio and established a partner ecosystem to become a provider of solutions based on display technologies and strengthened our operational resilience.

In April 2024, AUO completed our acquisition of Behr-Hella Thermocontrol GmbH (BHTC) in Germany. The resource synergies and vertical integration between the two companies facilitated the execution of AUO's long-term strategy of building a complete smart mobility ecosystem through accelerated integration of automotive industry supply and value chains across the world. In November of the same year, the Board resolved to transfer the Smart Mobility BU and BHTC into "AUO Mobility Solution Corporation" (AMSC), a newly formed, 100% AUO-held subsidiary. AMSC will focus on the needs of the smart mobility industry, improve the operational efficiency of the AUO mobility BU, continue to promote the growth of the automotive business and innovative R&D, and ultimately develop into a full supplier of smart mobility solutions.

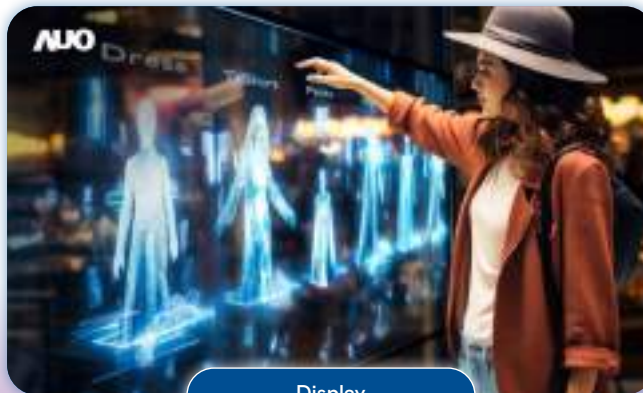
## Three Pillars for Sustainable Business

In terms of biaxial transformation, AUO has defined our three pillars of business as "Display", "Mobility Solution", and "Vertical Solution." We are focusing and optimizing our operations in response to the opportunities and challenges in each field. This will hopefully reduce the panel industry's exposure to economic cycles.

### Maximizing the Value of Display Technology and Expanding Vertical Market Applications and Solutions



Mobility Solution



Display



Vertical Solution

Green Technology Applied to Empower Sustainability Goals

# Display

AUO's extensive experience in panel R&D and manufacturing has translated into world-leading innovations in many technologies. For example, 8K ultra-high resolution, ultra-high refresh rate, high dynamic range (HDR), curved displays products have been adopted and mass-produced by major brand customers. We are also committed to developing advanced display technologies, such as Micro LED, AmLED, fingerprint scanning and A.R.T. technologies, demonstrating cross-domain innovation capabilities.



Advanced Display



High-quality Image



Multi-form and Size



Value-added Application



Micro LED



AmLED



Green Tech



Ultra-high Resolution



High FrameRate



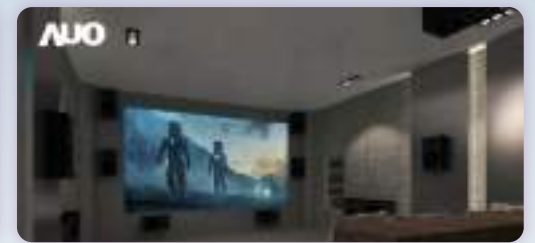
A.R.T.



Free-form



Super Narrow Bezel



Seamless Tiling



Sensing Technology



Hidden

Visible

Active Privacy



Touch Solutions



### Mobility Solution

AUO has also applied our innovative, world-leading display technologies to the automotive display field for more than twenty years. We have gradually expanded beyond human-machine integration solutions for panels, automotive systems, sensors and software services into smart cockpits and smart mobility solutions for all kinds of vehicles and transportation scenarios. One out of four vehicles around the world now use Central Information Display (CID) products produced by AUO. The addition of BHTC will allow AUO to expand our global portfolio, improve services to global customers in North America, Europe, and Asia, and strive to become the leading supplier of Smart Mobility services in the future.

#### Over Two Decades of Cultivation in Automotive Sector and Rapid Global Expansion

Worldwide Top **1** CID Supplier



Smart Cockpit Solution Redefining In-Vehicle Experience

Worldwide Top **3** Automotive Display Supplier



HMI Solution



Digital Out-of-home Solution



Passenger Information System



TARTAN

### Vertical Solution

In the age of digital transformation, regarding display as a vital interface of communication and connection. AUO integrate software, hardware, cloud and service platforms with the core of profound display technology to enter the diverse application market of field economy such as smart retail, smart healthcare, smart mobility, smart education, enterprise and entertainment, and smart manufacturing, leading people into a brand new smart lifestyle.

#### As a Vertical Solution Provider

Extending innovation of displays, digitalization, and green technology across diverse verticals



Smart Retail



Smart Healthcare



Education & Enterprise



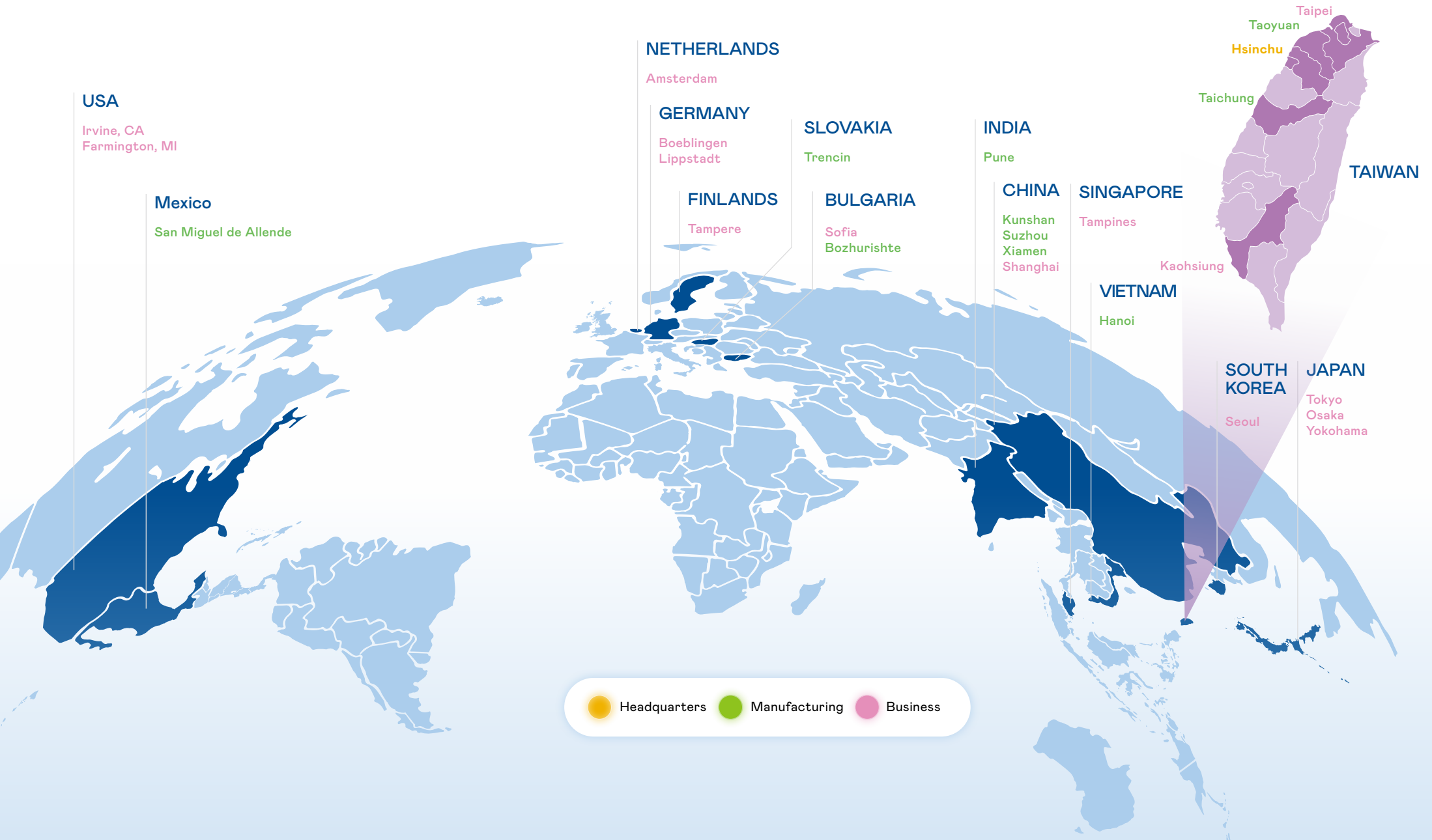
Intelligent Service



Green Energy

# AUO Around the Globe

AUO operates manufacturing, R&D, and sales locations worldwide. We also provide customers with timely support through our overseas branches and offices. AUO has embarked on a proactive strategy of global expansion after the acquisition of BHTC. Existing display manufacturing sites in China, Vietnam, and Slovakia will be joined by new sites in Germany, Mexico, India, and Bulgaria, making us the leading supplier of Smart Mobility services.



# 1.2 Economic Performance

## 1.2.1 Financial Performance

AUO is committed to maintaining the transparency in our business operations. In addition to monthly revenue announcements, AUO organizes quarterly investor conferences and annual shareholders' meetings. An "Investor Relations" section has been created on the AUO corporate website. Financial information and briefings of institutional investor information seminars are regularly posted online for investors' reference. Material information is disclosed through the Market Observation Post System of Taiwan Stock Exchange. The provision of timely information keeps shareholders and investors up to date on company operations.



For more about financial performance, see [2024 Annual Report Chapter 4](#)

### Financial Strategies

AUO investment in biaxial transformation in recent years has begun bearing fruit. The three pillars of "Display", "Mobility Solution", and "Vertical Solution" are now defined in our business and strategic planning. The change in revenue structure will lead to greater balance in AUO's overall operations. The challenges and opportunities of different operating structures will be utilized to focus and optimize our operations.

Guided by a core philosophy of sustainability, AUO's robust finances and solid R&D capabilities will be distributed in the most effective manner to enhance the value of our core business. In the future, competition will expand beyond individual companies to entire ecosystem chains. AUO has therefore adopted complementation, cooperation, and co-creation as our strategic axes. Investments, joint ventures, mergers & acquisitions or strategic alliances will be used to integrate our upstream/downstream value chains and build a competitive ecosystem. AUO hopes to expand from being a display component maker that mainly produces panels to a "solutions provider based around display technologies" in different application scenarios. AUO will not only cooperate with international partners on value innovation but also share the rewards with all stakeholders including shareholders, investors, employees, customers, the government, and society.

### Business Operation Proportion

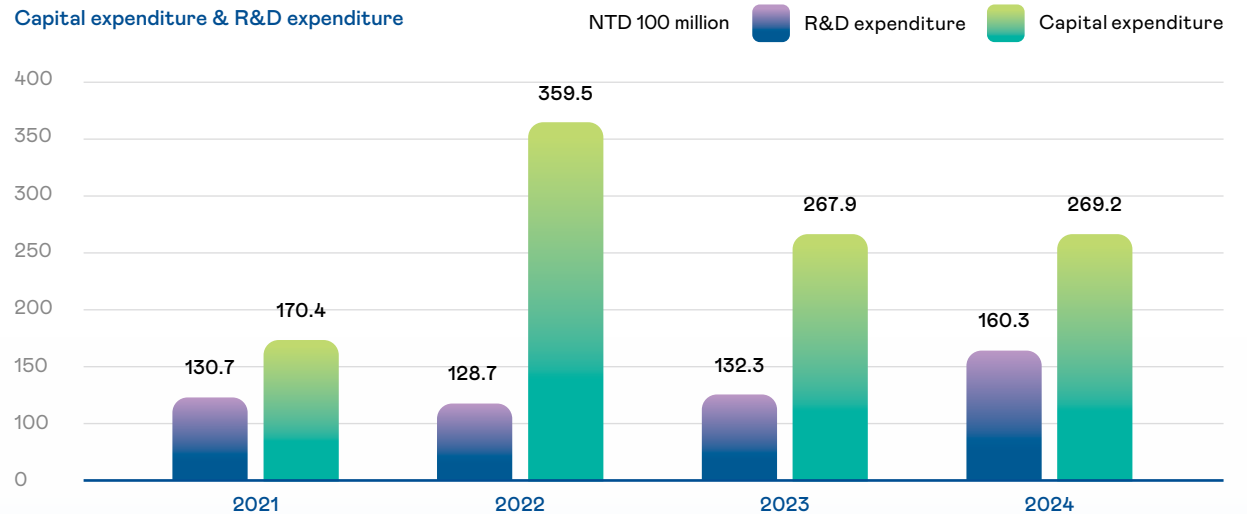

In 2024, the three pillars of "Display", "Mobility Solution", and "Vertical Solution" at AUO each accounted for 55%, 25% and 14% of consolidated revenue respectively. In the future, AUO will continue to transform and invest in the growth of two pillars, namely "Mobility Solution" and "Vertical Solution." For "Display", our focus will remain on the development of high-end display technologies (e.g. Micro LED, and integrated notebooks with high-definition, high-refresh rate, energy-efficiency, privacy protection, and integrated touch control). We will provide customers with high value-added products and services, enhance their product bundle, while continuing to push for improvements and consistency in profitability.

### Capital Expenditure & R&D Expenditure

AUO follows the Smart Investment principle by carefully reviewing all of our investments. The biaxial transformation strategy is emphasized with investments aimed at making further improvements to the value added in display technologies (Go Premium) and exploration of vertical market applications (Go Vertical). In response to geopolitical challenges, AUO flexibly adjusted our production capacity layout, establish a complete ecosystem, and gradually shifted to a light-asset business module.

In terms of R&D expenditures, AUO remains committed to steady investment regardless of fluctuations in industry conditions. This consistent support helps preserve the company's competitive advantage in advanced display technologies, automotive applications, and vertical market solutions. In 2024, AUO's consolidated R&D spending totaled NT\$16.03 billion. These resources not only strengthened cutting-edge innovations such as Micro LED and enhanced process efficiency, but were also strategically directed toward developing automotive and vertical domain-related products and technologies. AUO has also established a comprehensive patent portfolio that reinforces its leadership in technological innovation. By boosting the added value of both products and production capacity, the company is well-positioned to support global brand clients in expanding their presence across international markets.

Capital expenditure & R&D expenditure

For more information, please refer to [5.1.1 Intellectual Property](#)



## Sustainability-linked Loans and Green Loans

### Green Credit

Green credit is when financial institutions provide loans earmarked for the purchase of real estate, machinery or equipment required for green R&D, manufacturing, or business operations, for obtaining intangible assets such as green certification or patented technologies, or for investment, starting a new business, acquisitions, or business operations. AUO obtained green loans from the Changhua Bank in 2022 to support our expanded use of green electricity and investment in the construction of a solar power plant by our subsidiary Da Ping Green Energy. The project is still valid in 2024, without any new quota added.

### Green Deposits

Green deposits are special-purpose deposits collected by banks that will all be used for green financing projects and programs focused on topics such as the development of renewable and energy technologies, improving and energy efficiency and conservation, pollution prevention and control, water conservation or remediation, or recycling and reuse. Once the deposits are received, the bank must periodically report on how the special purpose funds were used and have the reports verified by an independent third-party. The bank may offer a bonus interest rate on the deposit to encourage participation from corporate clients. For corporate clients, it represents a substantive way of demonstrating their positive effect and long-term benefits on the environment and society. Green deposits were made with DBS, Chang Hwa Bank, and KGI Bank in 2022, as well as the Land Bank in 2023. In 2024, AUO cooperated with Bank of Kaohsiung to undertake green deposits. AUO and the bank will work together to promote green transformation and practice sustainable operations. In the future, AUO will continue to join forces with the banking sector by not only providing financial support for sustainable and environmentally friendly project targets set by AUO, but also use innovative green financing products offered by banks to build a more appropriate financial portfolio. This will not only reduce costs and improve investment returns but also provide a sustainable environment for eco-friendly development projects.

### Blue Loan

A Blue Loan is where a financial institution provides a loan that must be invested in designated water resource sustainability, ocean resource sustainability, supply of clean water resources, ocean friendly products, or ocean ecological conservation projects or programs. The use of funds and project outcomes are also examined on a regular basis. Blue loans were provided by the DBS Bank in 2022 to support AUO's investment in water recycling and purification equipment. The expansion of financing options will enable the development of even more blue initiatives. The project is still valid in 2024, without any new quota added.

### Sustainability-Linked Loans

A sustainability-linked loan is where a sustainability performance index published by an impartial third-party body is used as a basis for periodic assessment of the borrowing enterprise's performance in economic development, environmental protection, and social impact. The bank will then actively lower the loan interest rate if a firm achieves some growth in the indicators mentioned above. AUO obtained separate sustainable development loans from DBS Bank, Mega Bank, Bank of Taiwan and First Bank from 2019 onwards. Another sustainability-linked loan was set up with the Republic of China's Export-Import Bank in 2022. For the period of the loans, partner banks will periodically assess the sustainability performance of AUO through Dow Jones Sustainability World Index and other indices annually. In 2023, AUO signed a syndicated loan linked to sustainability indices with Taiwan Bank and 18 other banks. In 2024, AUO signed another sustainability-linked syndicated loan agreement with 18 banks including Bank of Taiwan and First Bank. The new package included the purchasing of renewable energy and related certificates. The goal of the package was to support sustainable development and conform with environmental protection targets. This represented the banking sector's support and affirmation of AUO's business philosophy and sustainability strategy, and support for the growth of AUO through concrete action.

### Progress

During the expansion of capacity at the Kunshan fab, it faced the dilemma of insufficient processing capability in the pure wastewater treatment system, urgently needing system expansion. AUO utilized the Blue Loan supported by DBS Bank to invest in projects such as expanding the pure wastewater and recycling systems, and implementing headstream diversion improvements. Ultimately, upon completion of the expansion project and optimization of the recycling unit, an additional 8,100 CMD of water could be recovered for re-entry into the manufacturing process under full-capacity conditions <sup>Note</sup>, ensuring that the entire factory maintained a process water recycling rate of over 90%.

Note: Kunshan Site did not operate at full capacity in 2024.

## 1.2.2 Tax Governance

### Tax Management Policy

To ensure effective operation of the tax management mechanism of AUO and its subsidiaries, we have established Tax Policy to make sure we can effectively manage all tax related matters and fulfill our corporate responsibilities.



For more about AUO Tax policy, see [AUO ESG website](#)

In response to international trends of tax governance, AUO has strict management of taxation administration for effective control of taxation risks and implementation of corporate sustainable development. AUO has a tax management department. The daily taxation administration and management is carried out by the accounting director and the professional and experienced tax specialist assists the accounting director in fulfilling the company's taxation duties. The chief financial officer bears the ultimate responsibility for tax management. Faced with ever changing tax regulations in Taiwan and overseas, we have adopted appropriate response measures and adjusted the strategies accordingly, as well as reinforcing our professional knowledge through the professional services provided by external tax advisory agencies.

### Tax Risk Management

AUO pays close attention to any taxation policy changes in countries to evaluate taxation risks that may arise from developing the business locally.

#### Region

Taiwan | China and Asia | Europe | United States

#### Tax Type

Income tax | Indirect tax | Others

#### Risk Content

Taxation disputes arising from uncertainties in tax legislation

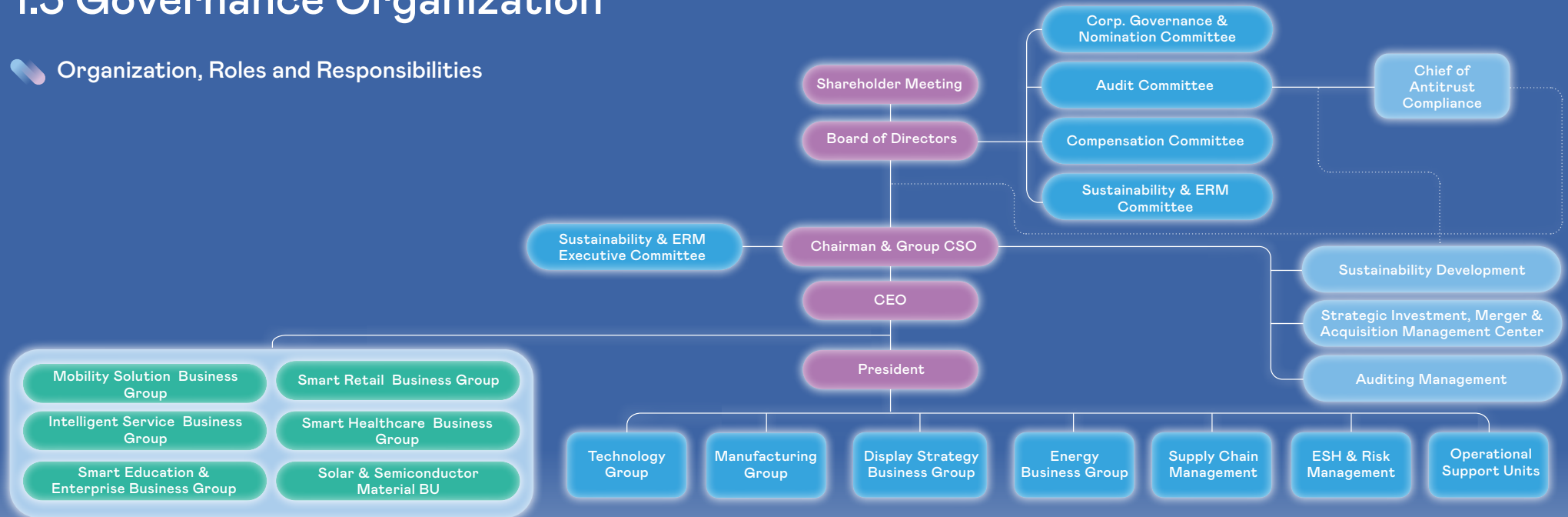
- Each country has a varied implementation schedule regarding the Base Erosion and Profit Shifting (BEPS<sup>Note</sup>) policy interpretation and legislation procedures as promoted by Organization for Economic Cooperation and Development (OECD). This has resulted in increasing cost of tax compliance.
- Changes in tax regulations or incentive measures may affect the Company's original tax planning.
- Cost of taxation incurred by failure to implement tax management policies, failure to give timely evaluation in response to changes in tax regulations or trading methods.

Compliant with the Income Tax Act Article 39 requirements, AUO currently uses the amount of loss deduction for the previous ten years to offset the amount of the profit-seeking enterprise income in the current year, and applies for other taxable amounts of relevant investment deductions and exemptions in accordance with the Statute for Industrial Innovation. The remaining subsidiaries also apply for suitable tax waivers, incentives and subsidies based on their mode of business.

Note: The Base Erosion and Profit Shifting scheme is an international tax reform led by the OECD aiming to establish an international tax system beneficial to the growth of the global economy.

# 1.3 Governance Organization

## Organization, Roles and Responsibilities



Department Name	Business
Sustainability & ERM Executive Committee	Establish a strategic corporate sustainable development plan that is in line with international trends. With net-zero carbon emissions as our core goal, we will develop proactive mitigation and adaptation actions to meet stakeholders' expectations for corporate governance, environmental protection and social care.
Mobility Solution Business Group	Technical upgrades and comprehensive development of automotive display solutions.
Smart Retail Business Group	With display technology as the core advantage, assisting businesses in creating customer-centric immersive consumption experiences.
Intelligent Service Business Group	Providing comprehensive industrial automation solution services for cross-regional and multi-venue management.
Smart Healthcare Business Group	Focusing on fields such as smart operating rooms, diagnosis detection, and integrated medical information management, providing intelligent healthcare solutions.
Smart Education & Enterprise Business Group	Integrating diverse display technologies to create diversified display solutions for enriching the educational and corporate environments.
Solar & Semiconductor Material Business Unit	Vertical integration of the solar energy value chain, managing solar energy, semiconductor materials research and development, and processing services.
Technology Group	The R&D of advanced display technologies, design, and development of new products.
Manufacturing Group	The planning and management of display manufacturing process, raw materials and finished products.

Department Name	Business
Display Strategy Business Group	The management of TV, information, mobile devices, automotive and other display business departments, including product planning, marketing, businesses and customer service, and provision of a full range of smart solutions.
Energy Business Group	The provision of high-efficiency solar modules, all-round solar power plant service, and highly integrated service platform concerning energy management & service.
Supply Chain Management	The management of procurement, export and import affairs.
ESH & Risk Management	Planning for environmental safety, health and operating risk management.
Sustainability Development	Consolidated management of corporate sustainability policies.
Strategic Investment, Merger & Acquisition Management Center	Value transformation strategy investment layout.
Operational Support Units	Finance, Legal, Human Resource, Digital Technology, Quality Management, Corporate Strategic Planning, Global Business Development, etc.
Chief Consultant of Antitrust Compliance	To ensure compliance with domestic and international antitrust laws by the Company; assess, mitigate and provide strategic advices on a variety of antitrust related risk.
Auditing Management	The management and supervision of internal audit and operating procedures.



## 1.3.1 Board of Directors

### Board Operation

The AUO Board of Directors is responsible for advising company strategies, supervising the managements and overseeing all operations and arrangement of corporate governance systems. The Board reports to the Company and shareholders and exercises its powers under the law, the Articles of Incorporation and resolutions passed by the shareholder meetings. Currently, there are 8 directors in AUO<sup>Note</sup>. The election of directors is based on a candidate nomination system, with the shareholders' meeting selecting directors from a list of candidate directors. The directors on the current Board of Directors have extensive and diverse industry experience in commerce, finance, accounting, law and business administration, as well as corporate social responsibilities. The AUO Board of Directors meets at least once every quarter and 8 meetings were convened in 2024.

Note: On June 17, 2022, our company elected 9 directors (including 5 independent directors) during the tenth election at the annual shareholder meeting. Independent Director Yen-Hsueh Su resigned on December 8, 2023.

### ESG-related Resolutions at Meetings in 2024

Meeting date	Meeting type	Contents of report and resolutions
January 31	Board of Directors	<ul style="list-style-type: none"> <li>Progress report on greenhouse gas inventory</li> <li>2023 report on the implementation of CSR Principles and Business Integrity Principles</li> <li>2023 report on the implementation of Corporate Governance Principles and Directors and Managers' Ethical Code of Conduct</li> <li>2023 risk management report</li> <li>Approved the revision of the "Risk Management Policy and Procedure" and "Environmental Health and Safety, Water Resources and Energy Policy"</li> </ul>
March 11	Board of Directors	<ul style="list-style-type: none"> <li>Approved the organizational charter of the Sustainability and Risk Management Committee and the proposed list of first-term members</li> </ul>
April 29	Board of Directors meeting	<ul style="list-style-type: none"> <li>Green electricity procurement budget and implementation status</li> <li>AUO Biodiversity, Ecosystems, and Zero-Deforestation Policy</li> </ul>
April 30	Board of Directors	<ul style="list-style-type: none"> <li>Progress report on greenhouse gas inventory</li> </ul>
July 31	Board of Directors	<ul style="list-style-type: none"> <li>Progress report on greenhouse gas inventory</li> </ul>
August 2	Strategy meeting of Directors	<ul style="list-style-type: none"> <li>Net Zero Strategy</li> </ul>
October 30	Board of Directors meeting	<ul style="list-style-type: none"> <li>Green electricity procurement budget and implementation status</li> <li>Wind power procurement</li> </ul>
October 31	Board of Directors	<ul style="list-style-type: none"> <li>Progress report on greenhouse gas inventory</li> <li>Approved green power procurement under the Net Zero Pathway to meet climate challenges</li> </ul>

### Board of Directors Performance Evaluation

"The Regulations for Evaluating the Performance of the Board of Directors" were passed by the AUO Board of Directors on January 25, 2017. An internal performance evaluation is conducted in the fourth quarter of each year. An evaluation by external independent bodies or a team of external experts and academics is also conducted at least once every three years.

#### Internal Performance Evaluation

The Board of Directors, functional committees, and Board secretariat conducted a performance evaluation for "the Board of Directors, Board members, Audit Committee, Remuneration Committee, Corporate Governance and Nomination Committee and Sustainability and Enterprise Risk Management (ERM) Committee" in 2024. The evaluation encompassed the 5 dimensions includes social, environment, corporate governance, and the outcome was divided into three levels: Above Average, Acceptable, and Improvement Needed. The outcomes of the 2024 AUO self assessment was Above Average with no major improvements required. The evaluation outcomes were reported to the Board and Corporate Governance and Nomination Committee in the first quarter of 2025 and will be used as a reference for determining the performance, remuneration, and re-appointment of Board and functional committees.

#### External Performance Evaluation

In 2024, an external assessment was carried out by the Taiwan Corporate Governance Association (TWGA), an independent body. The Board of Directors was evaluated on its composition in five aspects of the Board of Directors and division of responsibilities, supervision and inspection, Authorization and Risk Management, communication and cooperation, and self-discipline. The evaluation was conducted using online self-assessment questionnaires and on-site visits. The outcomes of the evaluation were reported to the Board and Corporate Governance and Nomination Committee in February 2025. The recommendations of the TCGA will be used as a reference by the Board of Directors, to improve the transparency of Company information such as enhancing the stakeholder area and, the Stakeholders zone and Audit Committee mailbox now suggest that the Company review existing anti-slave regulations. We also recommend that the Company reviews the names of layers with a reputation of anti-trust consultant. Scope was expanded to cover all the myriad of complicated laws to improve the Company's information transparency.



For external performance evaluation, please refer to the overall assessment of the **Chinese Corporate Governance Association**.

## Education and Training of Directors

The continuing education hours of the directors meets the requirements of the "Enforcement Guidelines for the Continuing Education of Directors' Board Education". New appointees are required to complete at least 12 hours of continuing education in their first year of office, and at least 6 hours each year starting from the following year. Those who are reappointed should also complete at least 6 hours of education annually during their term. The directors of this company in 2024 have all met these standards.

Position	Name	Newly appointed or reappointed	Hours
Chairman	Shuang-Lang (Paul) Peng	Reappointed	6
Director	Frank Ko	Reappointed	6
Director	Tsai Juan-Juan	Reappointed	6
Director	Han-Chou (Joe) Huang	Reappointed	6

Position	Name	Newly appointed or reappointed	Hours
Independent director	Peng Chin-Bing	Reappointed	18
Independent director	Chen Jang-Lin	Reappointed	6
Independent director	Chiu-Ling Lu	Reappointed	6
Independent director	Cathy Han	Reappointed	9

## Board Diversification

The current Board of Directors all have extensive and diverse industry, academic and management experience backgrounds. The AUO "Corporate Governance Principles" calls for diversity in the composition of the Board of Directors. In addition to capping the number of directors that is also company managers to no more than one-third of the Board, suitable diversification guidelines were also drawn up for Board operations, business models, and development requirements. These include but are not limited to the 2 key standards below:

- Basic criteria and values including gender and age.
- Professional knowledge and skills, such as professional background, professional skills and industry experience.

### Objectives and Progress of Board Diversity Policy

Category	Objectives	Progress
Composition	The number of independent directors shall account for at least half of the total number of directors.	✓
Gender	Directors of either gender to reach more than 1/3 of the director seats. <sup>Note 1</sup>	✓
Term	<ul style="list-style-type: none"> <li>● If an independent director has also already served 3 terms, then the appointment may be extended for a 4th consecutive term with the approval of the Corporate Governance and Nomination Committee <sup>Note 2</sup></li> <li>● The majority of independent directors do not exceed 3 terms <sup>Note 2</sup></li> <li>● Director's age at time of election must be under 75</li> </ul>	✓
Concurrently situation	<ul style="list-style-type: none"> <li>● The number of directors that are also company officers should not exceed 1/3 of the Board</li> <li>● Independent directors are advised against being an independent director at more than 3 companies concurrently (up to four if the Company is included)</li> <li>● Independent directors should not be a director (including independent director) or supervisor at more 5 TWSE/TPEX-listed companies concurrently</li> <li>● Non-independent numbers must not hold concurrent directorships at more than five publicly listed companies (up to six if the Company is included) <sup>Note 3</sup></li> </ul>	✓
Attendance rate	Board of Directors attendance must be no less than 80% <sup>Note 3</sup>	✓
Diverse professional skills	Including technology industry, technical R&D, industry innovation, corporate sustainability, risk management <sup>Note 4</sup> , human resources management, financial accounting, and strategic investment	✓

- Note 1: To enhance women's participation in the decision-making progress, the gender ratio for a single gender was increased to a higher proportion of seats.
- Note 2: To ensure that independent directors can perform their duties in an impartial and reasonable manner, management targets were set in 2023 to prevent the loss of independence from extended terms by imposing limits on consecutive independent directorships.
- Note 3: To help directors achieve the optimal allocation of resources by concentrating and participating effectively in the Company's decision-making and Board operations, a new management target was set in 2024 limiting the number of companies that non-independent directors can hold concurrent directorships at, and the attendance rate of directors.
- Note 4: To fulfill the goals of sustainability and development, and stay aligned with international trends, risk management is now supervised by the Board Director (the top governance body for Risk Management) to ensure the appropriate distribution and maintenance of resources. At the same time, an appropriate risk management mechanism will be established and a risk management culture fostered in order to supervise and ensure the effective operation of the Company's total risk management mechanism. For this reason, the requirement that directors must possess professional "risk management" skills were also added as a management target.



## Board Diversification (as of Dec. 31, 2024)

Name	Position	Gender	Age	Nationality	Term of Office			Professional Knowledge and Skills								Independence status	Number of other Taiwanese public companies concurrently serving as an independent director	Employee position
					Under 3 years	3-9 years	Over 9 years	Technology industry	Technical research	Industrial innovation	Corporate sustainability	Risk management	Human resources management	Financial accounting	Strategic investment			
Shuang-Lang (Paul) Peng	Chairman	Male	60-69	R.O.C.			✓	✓		✓	✓	✓			✓	Not applicable	0	✓
Frank Ko	Director	Male	50-59	R.O.C.		✓		✓	✓	✓		✓			✓	Not applicable	0	✓
Chuang Chuang Tsai	Director	Female	70-79	R.O.C.	✓			✓	✓							Not applicable	1	
Han-Chou (Joe) Huang	Director	Male	60-69	R.O.C.	✓			✓		✓		✓			✓	Not applicable	0	
Chin-Bing (Philip) Peng	Independent Director	Male	70-79	R.O.C.			✓	✓					✓	✓	✓	Note	1	
Jang-Lin (John) Chen	Independent Director	Male	70-79	R.O.C.		✓		✓	✓	✓						Note	0	
Chiu-Ling Lu	Independent Director	Female	60-69	R.O.C.	✓						✓		✓	✓		Note	2	
Cathy Han	Independent Director	Female	60-69	R.O.C.	✓			✓			✓	✓	✓	✓	✓	Note	2	

Note: Currently, there are a total of 8 seats on the 10th incumbent board of directors, with independent directors occupying 4 seats, accounting for half of the total number of seats on the board. This complies with Article 30 of the Company Act.

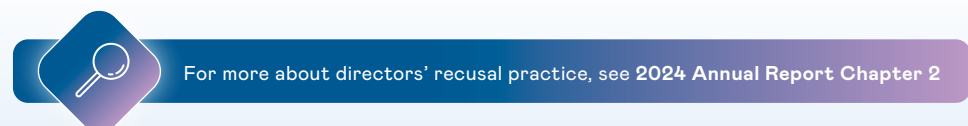


## Director Liability Insurance

AUO has filed for liability insurance for the Directors and managers and reports to the Board of Directors after the insurance has been renewed. The insurance amount is regularly evaluated every year.

## Mechanism to Prevent Conflicts of Interest

AUO has set down conflict of interest prevention provisions of the Board of Directors in the Management Guidelines for Board of Director Meetings and the Audit Committee Charter that if a director member (same for directors' spouses, relatives within the second degree of kinship, or company with which the director has a relationship of control or subordination) of the audit committee has a personal interest in any agenda item, the director shall explain the essential content of the interest. If the director's personal interest is likely to prejudice the interest of the company, the director member may not participate in discussion and voting and shall recuse himself or herself from the discussion and voting and also may not exercise voting rights as a proxy for any other independent director member. AUO has independent directors who will take an objective and fair position and make suggestions based on their professional capacity and experience. When discussing any proposals, the Board of Directors should fully consider the opinions of independent directors and include their opinions or reasons of consent or objection in the minutes of the meeting, while complying with the interest recusal principles to effectively protect the interests of the Company. Additionally, none of the board members hold cross-shareholdings with main suppliers.





## 1.3.2 Audit Committee

The Audit Committee is responsible for helping the Board of Directors supervise the Company's operations and exercise authorities vested in it by the Securities and Exchange Act, the Company Act and other relevant laws. The Audit Committee communicates with the Company's financial statement auditors on a regular basis and is responsible for the appointment of financial statement auditors as well as conducting independence and performance reviews. Meanwhile, the Company's internal auditors will regularly submit audit summary reports to the Audit Committee in accordance with the annual audit plan, together with the Audit Committee's mailbox submission report. The Audit Committee will also regularly evaluate the Company's internal control system, internal auditors, and their performance.

The Company's entire Audit Committee comprises independent directors (including 4 financial specialists), and all 5 independent directors meet the criteria as stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" regarding profession, work experience, independence and the number of independent director positions held concurrently.



For more about Audit Committee, see 2024 Annual Report Chapter 2

## 1.3.3 Corporate Governance and Nomination Committee

To strengthen corporate governance and enhance the efficacy of the Board of Directors, AUO established a Corporate Governance Committee in 2019. Renamed as the Corporate Governance and Nomination Committee on March 11, 2024. According to the organic charter, the Committee is to be made up of at least 3 directors nominated by the Board of Directors with the majority being independent directors. For the 2nd Committee, the Chairperson served as the Convener and the membership consisted of all independent directors. In accordance with the Company's Corporate Governance Code, the Board of Directors should convene at least once a year and whenever there is a need. Its primary duties are as follows:

- 1 Stipulate the criteria for the background diversity and independence of Board directors, such as expertise, skills, experience, and gender and seek, review and nominate the board director candidates, accordingly;
- 2 Establish and develop the organization structure of the Board of Directors and all committees, conduct performance appraisal on the Board of Director, committees and board directors;
- 3 Stipulate and regularly review the Board directors' continuing education and succession plan;
- 4 Inspection of the successor plan for the senior executives above the grade of president (or equivalent);
- 5 Provide newly appointed directors with appropriate introduction to their role in order to familiarize them with their responsibilities as well as the Company's operations and environment;
- 6 Stipulate AUO's Practical Corporate Governance Guidelines;
- 7 Other matters as directed by the Board of Directors.



Introduction to the Functional Committee, see AUO website – Investor Relations



### Corporate Governance Manager

The corporate governance manager in charge of the supervision and planning of the corporate governance meets the qualifications outlined in the Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies governing the corporate governance personnel. Their duties and power include providing the latest regulatory developments concerning the Company's operations along with the information required by the Directors and the Audit Committee in their business execution; assisting the Directors and the Audit Committee in complying with laws and regulations; regularly reporting the corporate governance practice to the Corporate Governance Committee and the Board of Directors every year; organizing matters related to the Board of Directors meetings and shareholders' meetings in accordance with the law; preparing the minutes of the Board of Directors meetings and shareholders meetings; assisting with the appointment and continuing education of the Directors and Audit Committee members. The execution of the above is handled by the secretarial department of the Board of Directors. Official duties were all performed in an effective and independent manner with no conflicts of interest or violations of internal control systems.



### Implement Governance

To ensure transparency and complete handling procedures of the corporate governance, AUO continues to participate in the corporate governance appraisal conducted by the TWSE and ranks among the top 5% for 9 times, a tremendous mark of recognition. The outcomes of AUO integrity initiatives were also overseen through the Board of Directors, the Corporate Governance and Nomination Committee, the Sustainability and ERM Committee and the HR department. The principle of full of disclosure was upheld by having dedicated units file reports with the TWSE Market Observation Post System in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities", "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds", "Regulations Governing Establishment of Internal Control Systems by Public Companies," "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies," the four major company laws and other regulations. In 2024, the annual shareholders' meeting was convened with video conferencing used in an auxiliary role to allow non-shareholders to participate in the live stream.



Shareholders' Meeting

## 1.3.4 Remuneration Committee

AUO set up the Remuneration Committee in 2011 in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter, with the appointment of its committee members determined by the Board of Directors. After the re-election of the Committee members in 2022, the independent directors, Peng Chin-Bing, Chen Jang-Lin and Cathy Han served as the committee members and the independent director, Peng Chin-Bing served as the remuneration committee convener. A total of 3 regular meetings were held in 2024.

### Remuneration Policy of the Board of Directors and Senior Management

#### Directors' Remuneration

AUO regulations on directors' remuneration adhere to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." Recommendations are made by the Remuneration Committee to the Board for approval prior to implementation. The AUO Articles of Incorporation stipulate that no more than 1% of company profits in any given year may be set aside as directors' compensation. If there are any accumulated losses from past years however then funds should be set aside for their repayment first.

#### Material Topics

Review of the linkage between the board oversight mechanism and sustainable performance incorporated into the annual goal review of the remuneration committee

#### Remuneration Policy of Senior Managers

For senior AUO managers, their performance evaluation and remuneration are based on the "management Remuneration Policy" set by the Board. Proposed compensation reviewed by the Remuneration Committee for each year before being submitted to the Board for confirmation. We also work with professional outside remuneration consultants to ensure competitive remuneration for senior managers and to improve the linkage between remuneration policy, market trends, and environmental developments.

To strengthen the alignment between executive compensation and company performance, total remuneration comprises base salary, short- and long-term variable bonuses, and employee profit-sharing incentives, accounting for 70% to 90% of total compensation depending on position and performance. A long-term incentive plan is in place for senior executives (including the Chairman, CEO, CSO, and C-level officers) with performance evaluation metrics covering (1) business performance goals and (2) ESG sustainability performance and key thematic management objectives. The weighting of ESG-related performance metrics varies based on each executive's responsibilities, ranging from 10% to 70%, ensuring strong integration between corporate climate (sustainability) transition strategies and compensation. This approach reinforces executives' continuous focus on advancing sustainability initiatives while achieving their management objectives. The long-term incentive plan follows a three-year performance evaluation period, with stock-based rewards comprising over 50% of total compensation. A clawback clause is also in place to strengthen alignment with shareholder interests and reinforce senior executives' commitment to sustainable business operations.

#### Executive Stock Ownership Requirements

The company remunerates its executives partly through stock options and has established the "Executive Stock Ownership Guidelines". These regulations stipulate that the value of stocks held by executives should be a certain multiple of their annual salary: for the chairman serving as the executive and the CEO, it should be 10 times; for other executives, it should be 5 times. Executives are required to meet the stock holding target within five years of their appointment and maintain the abovementioned stock value during their tenure, to strengthen company governance and fulfill the commitment to sustainable business operation.

#### Remuneration Committee primary duties are as follows:

- 1 Stipulate and periodically review compensation policies, systems, standards and structures and performance of directors and managers;
- 2 Periodically review and stipulate compensation packages of directors and managers;
- 3 Selection and appointment of managers; periodical review of the managing teams' cultivation and development plan.

### Senior Management <sup>Note</sup> (including the CEO) Performance-based indicators



#### Financial performance indicators

- Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)
- Contribution to Shareholders
- Business Unit Revenue
- Gross Profit Margin
- Operating Profit Margin



#### ESG performance indicators

- AUO CSR EPS Sustainable Development Goals
  - see [CSR EPS 2025 Goals](#) in this report
- Management target/metric of material issue
  - see [2024 Material Topic Management Goals](#) in this report

Note: The performance metrics for senior managers not in sales roles include only "Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)" and "Contribution to Shareholders."



For information on the salary of non-management and the compensation policy of the board of directors, see the **Fact Sheet** section in this report.

## 1.3.5 Sustainability and ERM Committee

### Operational Situation of Sustainable Governance Organization

A motion to upgrade the existing “ESG and Climate Committee” to the “Sustainability and ERM Committee” was therefore passed by the Board of Directors on March 1, 2024. The new committee reports directly to the Board. Assist the Board with the continued promotion of sustainable corporate development and risk governance. To realize the goal of sustainable management, strengthen and integrate risk management operations to provide directors with a better understanding of the operations. Distribution and allocate sufficient and appropriate resources to ensure the effective operation of corporate risk management. Use the establishment of a suitable risk management regime and formation of risk management culture to supervise and ensure the effective operation of the overall risk management regime within the enterprise. The committee charter provides for 3 committee members made up of the Chairperson (convener) and 2 independent directors. The committee is also to meet at least 2 times a year.

#### Sustainable development

- 1 Formulating the Sustainable Development Principles, supervising its implementation, reviewing and tracking its performance, making amendments, and reporting to the Board of Directors on a regular basis.
- 2 Supervising the proposal and outcomes of sustainable development polices, systems, or related management approaches and substantive action plans; presiding over material Company decisions on sustainability issues including technology applications, product value, energy development, green manufacturing, value chain management, citizenship (including people and human rights), risk management, circular economy, and carbon energy operations.
- 3 Strengthening engagement with all stakeholders and monitoring issues of stakeholder concern.
- 4 Ensuring the timeliness and accuracy of disclosures relating to sustainable development.
- 5 Supervising other tasks related to sustainable development approved by the Board of Directors.

#### Risk Governance

- 1 Review of risk management policy, procedure, and framework, and to examine the effectiveness of the risk strategy.
- 2 Determining qualitative and quantitative risk capacity as well as optimizing the allocation of resources.
- 3 Implementing the Board’s risk management decisions, supervising the risk management mechanism of the Company, and review of risk management priorities.
- 4 Review the implementation of risk management, make recommendations on necessary improvements, and making annual reports to the Board of Directors.

The “Sustainability and ERM Committee” oversees the “Sustainability and ERM Executive Committee” The implementation committee is headed by the first level supervisor and is convened on a quarterly basis to enforce the implementation of ESG activities as well as the disclosure of important ESG performance information.



For more information on the Sustainability and ERM Executive Committee, please refer to **2.1 Sustainable Governance**.

#### Sustainability Governance Organization Meetings in 2024

The Sustainability and Risk Management Committee was convened twice and attendance was as follows:

Position	Name	Actual attendance	Attendance by proxy	Actual attendance <sup>Note</sup> (%)
Chairman (Convener)	Shuang-Lang (Paul) Peng	2	0	100
Independent Director	Chiu-Ling Chiu	2	0	100
Independent Director	Chang-Lin Cheng	2	0	100

Note: Actual attendance rate = Actual attendance / No. of times Sustainability and Risk Management Committee meetings were convened \* 100%.



# 1.4 Business Integrity

## 1.4.1 Integrity Culture



Rooted in a culture of integrity, AUO actively implements values of credibility and fairness and complies with the guidelines of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”. Targeting the Board Directors, all employees, suppliers, contractors and other stakeholders, AUO strengthens the advocacy to prevent the seven major behaviors such as bribery and corruption, giving unlawful political donations, inappropriate charity donations or sponsorships, inappropriate gifts/hospitality or other illegitimate profits, violating intellectual property rights, engaging in unfair competitions and products or services damaging the rights and interests of stakeholders. The sustainable development division will be in charge of the stipulation, execution and supervision of the integrity management policies and will report to the Board of Directors once a year regarding the implementation of the integrity management policies. AUO builds and implements a corporate spirit of integrity management through four major dimensions including prevention, detection, management and tracking.

### Prevention

#### Build Integrity Policies and Guidelines

AUO provides employees with a code of conduct and guidelines for adherence, encompassing four major aspects: integrity policy, integrity governance, integrity communication, and integrity values. AUO also sets assessment indicators to ensure that employees understand and consistently implement integrity.

Honesty and integrity are the core values of AUO and the DNA of a business, and are listed as one of the necessary assessment criteria in the performance evaluation of employees. In an effort to promote the concept of integrity, all new employees at AUO must complete an integrity training course upon employment and sign a declaration of integrity. In the fiscal year of 2024, a total of 1,236 new colleagues completed the training and the completion and signing rate reached 100%. In addition, AUO also carries out annual integrity compliance training courses for directors and employees through an educational training mechanism to explanation of the seven preventive actions and examples, along with inclusion of whistle-blowing channel and investigative process. The completion rate of director training in 2024 reached 100%; employee education training for more than 35,000 colleagues worldwide Note, with a completion rate of 99.55%. Moreover, for all colleagues and suppliers, integrity case studies are promoted at least three times a year through internal announcements and emails; For contractors, monthly meetings are used as a platform to promote these ideas, reminding colleagues and stakeholders of the company’s commitment to integrity in business operations.

Note: Training encompassed all AUO employees at production sites in Taiwan, China, Vietnam, Singapore, and Slovakia, as well as overseas offices.



#### Corporate Integrity Principles

Establish a business integrity section on the company’s internal platform to remind supervisors and colleagues to implement honest behaviors.



#### Intellectual Property Protection Measures

Carry out intellectual property management training, partner with employees to advocate duties and obligations to protect intellectual property and protect intellectual property through confidentiality agreements.



#### Information Security Management Measures

Ensure the security of the Company’s information system and available software/hardware warranties.



#### Compliance with Insider Trading Laws

To maintain the fairness of market transactions, insider trading that provides specific investors with unethical and illegal advantages is strictly prohibited. Prevention measures against insider trading have also been established.



#### Anti-Money Laundering

The company complies with all laws prohibiting money laundering or financing for illegal or improper purposes.



#### Antitrust Compliance Principles

The Company is committed to ensuring that all business activities comply with antitrust regulations.



#### Code of Ethical Conduct for Employees

Establish the Company’s internal ethical guidelines to reduce risks of unethical behavior occurrences.

## Detection

Each year, a designated department will be in charge of conducting conflicts of interest declaration and internal audit, as well as external audit for suppliers to examine possible integrity risks. In 2024, AUO opened up the requirement to the company management and all colleagues who can make their own declarations. A total of 3,358 people completed the declaration. Regarding suppliers, we advocate a commitment to fair trade with integrity at the annual supplier conference and comply with the external audit system of the RBA to affirm that our key manufacturers adhere to the guidelines.

## Management

### Integrity Job Management

AUO regularly inspects the integrity department and defines the list of integrity positions for the departments with decisive influence on the import/export, product prices, investment targets and departments with frequent contact with suppliers, customers and contractors. AUO implements regular job rotation and business substitution through systematic management to prevent corruption. In 2024, we inspected 471 employees holding integrity positions and apart from conducting integrity courses on seven preventive actions for employees in integrity-related roles, anti-corruption and prevention courses were also held to strengthen their integrity awareness. There were 5 people on the rotation list, and the rotation implementation rate in 2024 has reached 100%.

### Whistleblowers and No-Retaliation

Under the whistleblower system, if ethical violations are discovered during the course of their duties, a whistleblower complaint can be made through internal and external channels.



An investigation is launched once a complaint has been raised. The investigation is conducted by dedicated personnel including the audit unit or a committee established in accordance with the "Management Regulations Governing Investigative Committee for Serious Disciplinary Cases." The "Procedures for Handling Complaints Relating to Accounting, Internal Controls, and Audits" and "Complaint Procedure" were also formulated to define the complaints procedure, the competent unit for handling cases and incident procedures. Personal information is kept confidential and retribution against employees strictly prohibited. If an employee can provide advance warning, report, or prevent illegal, corrupt, or other actions harmful to the interests of the Company, the rules on commendations and disciplinary action at AUO's Taiwan Head Office stipulates an appropriate reward if their complaint is found to be true and helped prevent loss to the Company. If an employee has against corporate integrity principles, inappropriate financial transactions with a company's business partners or violates AUO's "Anti-Trust Compliance Policy", upon verification, appropriate punishment will be given. Such events will also be reflected in employee performance evaluations and the appraisal. This also serve as an important factor to be considered for remuneration raises or promotions.

### Internal Controls

#### Internal Control System

Relevant control mechanisms have been implemented by AUO in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" while also taking our overall business activities and other industry-specific legislation into account. Enforcement rules for internal audits based on the internal control system have been formulated and implemented by audit units as well. The effectiveness and level of compliance with the existing control systems and procedures are being assessed on a continuous basis; all AUO operations and subsidiaries fall within the scope of audits.

#### Organizational Function and Implementation Strategy



## Improvements and Follow-ups

### Whistleblower Cases

A total of 19 whistleblower complaints were received by AUO in 2024. AUO's internal control systems have been established in accordance with laws. An audit unit conducts annual risk assessments and devises audit plans. Audits are carried out in line with the plan, and the outcomes are reported quarterly to the Audit Committee and the Board of Directors for management purposes. AUO remains committed to its integrity principles and take measures to prevent corrupt behavior.

	Cases Received	Cases Closed	Confirmed Cases of Corruption or Ethical Violations <sup>Note 1</sup>
Business integrity violation reporting system	13	13	1 <sup>Note 2</sup>
Audit Committee's mailbox	2	2	1 <sup>Note 2</sup>
Compliance email hotline	4	4	1 <sup>Note 2</sup>

Note 1: Confirmed cases corruption or ethical violations are defined as cases of corruption or ethical violations that have been investigated, confirmed, and corresponding disciplinary action taken.

Note 2: The involved employees were issued demerits in accordance with the company's work rules.

### Violations

There were no sanctions involving violations of anti-money laundering regulations in 2024.

### Strengthening the validity of integrity rules

AUO commissioned an independent third-party organization to audit the Agreed Upon Procedures (AUP) for compliance with the Code of Conduct. The audit covered bribery, corruption, discrimination, trade secrets, conflict of interest, anti-trust/anti-competition practices, money laundering and/or insider training, environment, health and safety, whistle-blowing, compliance system, educational practices. An AUP implementation report was also issued to optimize the effective operation of the AUO Code of Conduct.



## 1.4.2 Regulation Compliance

### Fair Competition

AUO commits to follow the laws and regulations of the countries where we conduct business, stipulate a "Integrity Handbook" to serve as a basic code of conduct for our colleagues and formulate policies to comply with various laws.

### Policy

Since 2015, AUO has established the "Anti-Trust Compliance Policy" and the "Anti-Trust Law Compliance Manual", which were updated and revised in 2023. AUO also strengthened its compliance measures on other legal issues by formulating the "Export Compliance Policy", "Anti-Corruption Compliance Manual", "Copyright & Software Privacy Policy", "Anti-Espionage and Trade Secret Theft Policy", "Conflict Minerals Policy", "Anti-Dumping Policy", and "AUO Policy on Data Protection Privacy of Personal Data". In response to the General Data Protection Regulation (GDPR) officially implemented by the European Union on May 25, 2018, AUO established the "General Data Protection Policy" in the same year, which includes the General Data Protection, Data Breach Management Policy, Data Protection Impact Assessment Policy, and Personal Data Inventory Implementation Policy. Applicable privacy statement notifications were also developed for various operational circumstances. In 2019, AUO subsequently updated the "Anti Corruption Compliance Manual". Responding to the Personal Information Protection Law implemented in China on November 1, 2021, AUO revised the privacy notice and data processing consent form by the end of 2021. In response to the U.S. implementation of the "Uyghur Forced Labor Prevention Act (UFLPA)", AUO formulated "Statement of Labor and Human Rights Policy" and revised the "Supplier/ Subcontractor Code of Conduct" in 2022, illustrating AUO's commitment to protecting human rights and prohibiting forced labor. AUO amended the personal information regulations and updated the Privacy Statement as well as the Data Protection and Personal Information Privacy Policy in accordance with changes to personal information law in 2024. The "Personal Information Protection Management Regulations" were also revised in April 12 in response to internal organizational climate changes. Revisions to the above documents on personal information included addition of procedures and methods for disposal of personal information to the "Privacy Statement", amendment of international transmission zones (including all global operating locations of the AUO Group), explanation of potential damages to the people involved if there is an online leak, and supplementary provisions for specific countries. The scope of the Data Protection and Personal Information Privacy Policy was also expanded to encompass all suppliers, service providers, consultants, contractors, and other vendors of the AUO Group and Group members. Group rules on risk management, audits, and disciplinary actions were also added, reflecting the importance of personal information protection at AUO. All the aforementioned documents are announced on the company's internal website under the legal compliance section for employees to follow.





## Management, Supervision and Prevention Systems

AUO promises to comply with antitrust law of Taiwan and foreign countries, establish a compliance program with effective implementation and has set up the General Consultant for Legal Compliance, who regularly reports directly to the Audit Committee with tasks covering the affirming of incentives and system, advocacy, risk assessment mechanisms, education and effect verification and timely response. Through the year-end risk assessment mechanism, we identify areas with potentially higher risks and modify the corresponding supervision and prevention mechanism accordingly. AUO's frontline business divisions and related subsidiaries have appointed representatives to comprise the compliance committee which quarterly convenes to discuss legal compliance issues including antitrust law, and review and implement compliance measures. In addition, the Chairman issues compliance messages twice a year, basing them on real-life cases in the workplace to remind colleagues of situations that may raise legal risks.

## Education and Training

AUO has established a multi-tier law compliance education and training system, including mix of online exams, classroom courses and cross-departmental large-scale training, plus advanced bespoke courses for certain departments. All employees are required to sign the Anti-Trust Declaration once every two years <sup>Note</sup>.

### Antitrust Compliance training for new employees

all new worldwide recruits, except for production line workers, are required to undergo antitrust compliance training within **30** days of commencing their employment.

### Advanced department-specific course

Online workshop was hosted for purchasing units on conflicts of interest, ethics policy, integrity principles, and confidentiality obligations. Colleagues were guided through potential real-life scenarios to enhance their compliance awareness. Training was required for 54 people and completed by 54 people for a training completion rate of **100%**

### Anti-trust compliance online course

Required training for all employee worldwide (except production line workers). All must take part the pre-test and the pass score is 100. A total of 7,888 people passed the pre-course test. Those who did not sit or pass the pre-test are required to take the online course and pass the post-test. The pass score was also 100. A total of 2,453 people passed the Traditional Chinese version, 237 people passed the Simplified Chinese version, and 108 people passed the English version for a training completion rate of **100%**.

### Introduction to Greenwashing concepts online course

In March 2023, the EU issued the Green Claims Directive defining misleading environmental claims as "greenwashing" and expanding it to include "greenwashing litigation." The course will hopefully introduce all AUO employees to the risks of greenwashing and enhance their compliance awareness to avoid crossing the red line on greenwashing in their work. Training was targeted at all AUO employee worldwide (except production line workers) and was completed by **9,733** people.

Note: The Anti-Trust Declaration was already signed in 2023 by 10,843 people for a signing rate of 100%. The next signing is scheduled for 2025.

## Violation Cases

AUO involved in unresolved anti-trust lawsuits in 2024 include a civil lawsuit with LG Electronics and its related affiliates. The details of these lawsuits are disclosed in the AUO's annual report.

For other cases, see  
**2024 Annual Report Chapter 5**

For more about Environment/Labor violations, see the  
**Fact Sheet section – Annual Violations in this report**

# 1.5 Risk Governance

The global environment is changing at a rapid pace. The challenges faced by businesses are now more complex and diverse as well. The changes in the political-economic situation, climate and energy crisis, as well as emerging risks all introduce new variables that test the flexibility and adaptability of business strategies. AUO uses our sound risk governance organization and management mechanism to identify trends and risks. Proactive action is taken to control risks that may impact on the Company so that we cannot only adapt to the changing circumstances but also seek out potential business opportunities.

## Risk Governance Policy and Organizational Function

The "AUO Risk Management Policy and Procedure" was formulated by AUO based on international risk management guidelines. The document serves as the Company's top guidance principles on risk governance and culture to ensure the proper implementation of strategic goals and risk control. The Sustainability and ERM Committee (Note) serves as the top management. Adhere to the three lines of defense on risk management with clearly defined responsibilities and obligations on risk management for the first line of defense, the likelihood and impact of risks that affect the Company each are identified, analyzed, and assessed by the heads of each functional department. These include strategic, business, financial, hazardous and emerging risks. Response strategies are also formulated to enhance the Company's risk capacity and resilience. The second line of defense is the risk management policy and procedure executed by the Sustainability and ERM Executive Committee. These include the actual implementation of the risk management process, formulation of control standards, and oversight on compliance. The subordinate Risk Governance Team meets regularly to examine all the risk monitoring indicators, verify the organization's control over risk response, and share domestic/overseas risk incidents in order to enhance the risk sensitivity of the management team. The third line of defense consists of internal risk management audits conducted by the Risk Management Division. Regular monitoring and auditing activities are also carried out to ensure the effective implementation and continuous improvement of risk management operations. Outcomes are periodically reported to the Board of Directors and the Sustainability and ERM Committee.

In addition to using the three lines of defense for assurance of risk control, AUO also partnered with external consultants to conduct audits of risk management processes based on the TWSE Risk Management Best Practices for TWSE/TPEX Listed Companies, the Enterprise Risk Management framework issued by the U.S. COSO Committee Note and other standards, and made 33 recommendations. Improvement proposals were devised for each recommendation by AUO based on the degree of risk. We now plan to conduct similar external audits every two years to ensure continued promotion of risk improvement activities.

Note: Committee of Sponsoring Organizations (COSO).

### 1.5.1 Risk Evaluation & Management

AUO has built up extensive experience in risk identification and management after many years of hands-on practice. We use general education, basic, and advanced training mechanisms to enhance the risk awareness of all employees. The "bottom-up" and "top-down" analysis and discussions were combined with strategic and operating risks to identify all potential risk incidents that may hinder the accomplishment of Company targets, or result in damages or negative consequences for the Company.

The risk identification process is carried out by AUO in the first quarter of each year. Plant/Division-level managers identified 75 types of risks (e.g. financial, human resources, sustainability, information, manufacturing, R&D, sales, supply chain, and legal affairs). A comprehensive three-axis evaluation was conducted, incorporating likelihood, magnitude of impact, and magnitude of control, using both qualitative and quantitative assessments. A risk matrix analysis was applied to prioritize risks, ultimately selecting 10 high-priority risk categories for focused attention.

A focal risk meeting is convened by senior managers every year to review the risk identification results and internal/external risk assessments. The annual focal risk and emerging risks for AUO were then selected. Risk Appetite Note was used to qualify and quantify the indicators for risk control. The responsible units then propose to the corresponding risk response action plans. Follow-up and management review is conducted by the Sustainability and ERM Committee for continuous monitoring to ensure appropriate control. Crisis is turned into opportunity and regular reports made to the Sustainability and ERM Committee.

Note: Risk appetite refers to the potential losses or degree of impact that an organization is willing to accept in pursuit of its targets.

## Sensitivity Analysis & Scenario Analysis of Risk

To take the impact of risks on the Company into account, AUO employed Sensitivity Analysis and Scenario Analysis to assess the degree of impact when risk happens. Such methodologies enable more comprehensive analysis and testing by AUO, and allows for more appropriate assessment, management, and response to risk.

Category	Risk Item	Measurement method or tool	Description
Financial	Interest Rate Risk	Sensitivity Analysis	Interest rate risk comes mainly from long-term borrowings with floating interest rates. An increase or decrease of 0.25% in variable interest rates translates into a swing of 278 million TWD in pre-tax profits for AUO.
	Exchange Rate Risk		AUO's exchange rate risk mainly comes from exchange losses/gains when prices are denominated in foreign currencies. When TWD appreciates or depreciated by 1% compared to USD, Euro or JPY, this translates into a swing of around 23 million TWD in pre-tax profits.
Business	Reputation Risk	Scenario Analysis	AUO partnered with Mabuville to conduct a scenario analysis for reputation risk on the topic of food safety. Timing simulation was conducted using historical scenarios and hypothetical scenarios. Internal controls, response plans, trans-unit risk response actions were employed to control and reduce reputation risk.

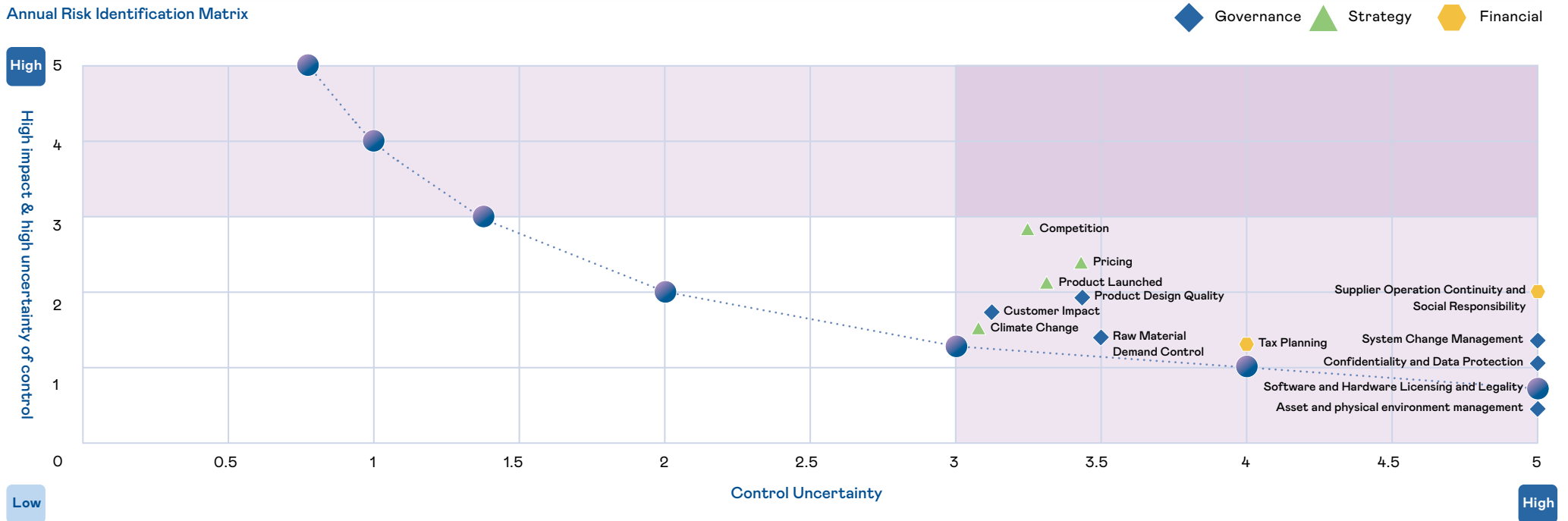


Risk Appetite

Risk preference and appetite issues in 2024 included the following:

Category	Risk Item	Risk Appetite	Description
Business	Changes in global economy and market demand	High	<ul style="list-style-type: none"> <li>Faced with the rise of protectionism, AUO is pushing to build a globalized portfolio and re-defining our supply chain in order to become the trading partners of customers in newly developed regions.</li> <li>In response to market fluctuations or dip in demand, AUO used the dual-axis transformation to diversify our business, expand our market, reduce the impact of individual markets, and construct an ecosystem for enhanced profitability.</li> </ul>
Strategic	Mergers and acquisitions	High	The acquisition of Behr-Hella Thermocontrol GmbH (BHTC) will see AUO leverage its Tier 1 supplier capability and Original Equipment Manufacturer (OEM) experience to globalize our sales and production locations. This will accelerate AUO's transformation into a "supplier of smart cockpit display solutions."

Annual Risk Identification Matrix








## Response Strategies for Focused and Emerging Risk Topics




AUO is responding actively to constantly-shifting risks by reviewing focused and emerging risks every year <sup>Note</sup>. Risk analyses by other professional bodies as well as internal risk identification information are all taken into account to ensure that risks are considered in a more substantive and comprehensive manner. Focused risks for AUO in 2024 included mergers and acquisitions affect end market demand, changes in global economic climate lead to overall economic weakness, and the diverse impacts of climate change; emerging risks encompasses the uncertain future of De-globalization and Protectionism, AI hacking attacks and information security risks, and green inflation, etc. The potential impact of these risks on our operations is carefully assessed by AUO. Response strategies are then devised so that their impact is minimized through prediction and advance response.

Note: Focused risks are important and short-term risk topics; emerging risks are emerging, medium/long-term and external risk topics.

### Focused Risks

Category	Risk Description	Impact or Potential Impact	Mitigating Actions
 <p>Strategic Industry trends</p>	<p><b>Mergers and acquisitions</b></p> <p>Risks generated by the purchase of Behr-Hella Thermocontrol GmbH (Germany), a German human-machine interface and automotive air-conditioning.</p>	<ul style="list-style-type: none"> <li><b>Credit Risk</b> The risk of financial loss to the company resulting from a counterparty's failure to fulfill contractual obligations.</li> <li><b>Liquidity Risk</b> A significant decline in product prices and demand may result from an economic downturn or supply-demand imbalance.</li> </ul>	<ul style="list-style-type: none"> <li>Execution of a share acquisition agreement requiring the seller to make representations and warranties, along with provisions for indemnification in the event of breach.</li> <li>Liquidity risks are monitored by the Company's Financial Department. The Company's actual cash flow is continuously monitored. Information from different sources is also used to forecast, monitor and ensure the liquidity of the consolidated company.</li> </ul>
 <p>Financial General economic</p>	<p><b>Changes in global economy and market demand</b></p> <ul style="list-style-type: none"> <li><b>Weak overall economy</b> In terms of the economic environment, countries have imposed high interest rates to curb high inflation. The global economy is weak overall and this is putting pressure on consumption.</li> <li><b>Changes in the Chinese market</b> Slowdown in economic growth, consumption stimulus and expansion of export capacity.</li> </ul>	<ul style="list-style-type: none"> <li>Effect of global economy on consumer spending has led to decline in end demand that impacts on company revenue and profits.</li> <li>Chinese panel makers are continuing to expand their production capacity for ultra-large panels and this is having an effect on supply and demand in the panel industry.</li> </ul>	<ul style="list-style-type: none"> <li>Continued inventory management, optimization of product combinations, expansion of market applications, an accelerated transition are being employed to reduce the business impact fluctuations in purchase intention.</li> <li>Expansion of e-sports, automotive, medical, and industrial premium products to build up an extensive high-mix, low-volume product portfolio for improved profitability.</li> </ul> <p><a href="#">see 1.1 Company Profile</a></p>
 <p>Business Climate change</p>	<p><b>Climate change</b></p> <p>Frequent extreme weather events, rising temperatures, and changes in precipitation patterns that lead to production disruptions, supply chain disruptions or resource shortages that in turn impact on product supply and service delivery.</p>	<ul style="list-style-type: none"> <li>Instability in the supply of energy, resources, and materials caused by climate change that impacts on the production operations of the Company and industry chain.</li> <li>Fluctuations in energy prices and the implementation of national carbon reduction quotas that increase operating costs for the Company and industry chain.</li> <li>Major disasters caused by severe climate change that affects the shipping priorities of the global supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Progressive realization of renewable energy and carbon reduction targets through regular engagement with customers and integration of Company resources.</li> <li>Promotion of climate-related financial disclosure operations to prepare for the financial risks caused by each scenario.</li> </ul> <p><a href="#">see 3.1.2 Climate Risk Management</a></p> <ul style="list-style-type: none"> <li>Construct a climate-resilient supply chain by actively engaging with suppliers (e.g. high-level conferences, seminars, and courses) to build consensus and share resources.</li> </ul>

Emerging Risks

Category	Risk Description	Impact or Potential Impact	Mitigating Actions
 <p>Geopolitical</p>	<p><b>Aggressive Protectionism and Polarization</b></p> <ul style="list-style-type: none"> <li>Effect of changes in foreign policy on US-China, Russo-Ukrainian War and the Middle-East t that show no signs of easing.</li> <li>Changes in tariff barriers.</li> <li>Global politico-economic uncertainty due to US-China relations, economic sanctions and tech wars.</li> </ul>	<ul style="list-style-type: none"> <li>Protectionism and tariffs are causing a shift from globalization to regionalization (splitting and restructuring of supply chains) that is forcing businesses to engage in globalized and distributed management.</li> <li>Escalation of geopolitics into regional conflict impacting on operations and causing confusion in the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Transition to the Company's biaxial transformation and strategy to distribute production sites and investments over different regions.</li> <li>The Risk Governance Team dynamically assesses and tracks changes in global geopolitical risks. For regions with high operational importance, Geopolitical risks that may impact on the Company's business and operations are assessed and countermeasures devised each month. Examples include fine-tuning of shipping operations in the supply chain to prepare for risks arising from geopolitical instability.</li> </ul>
 <p>Technological</p>	<p><b>AI-driven automated attacks and data security risks</b></p> <ul style="list-style-type: none"> <li>Tech companies and national governments are scrambling to respond to challenges of AI-generated disinformation. Such risks included but are not limited to malware, cyber attacks, using disinformation to harm a business' brand image and public trust, and influencing of consumer behavior.</li> </ul>	<ul style="list-style-type: none"> <li><b>Production disruption</b> Information security incidents may lead to system shutdowns or production disruptions with serious repercussions for business operations.</li> <li><b>Financial loss</b> Cybercrime may result in serious financial losses such as the cost of ransom payments or system recovery.</li> <li><b>Damage to customer trust and reputation</b> Cyber attacks have resulted in serious financial losses such as the cost of ransom payments or system recovery, damage to corporate reputation, and loss of customer trust.</li> </ul>	<ul style="list-style-type: none"> <li>Information security management is promoted and enforced through the Information Security Committee to protect Company IP, customer data, and enhance employee awareness on information security in response to evolving cybercrime and growing information insecurity threats.</li> <li>Implementation of Business Continuity Plan (BCP) drills for cyber security incidents and formation of trans-unit response organizations to prepare for risks through scenario simulations.</li> </ul>
 <p>Economic</p>	<p><b>Operational challenges due to Greenflation</b></p> <ul style="list-style-type: none"> <li>Introduction of government policies on carbon taxes and carbon fees; strengthening of environmental legislation that increases cost of compliance.</li> <li>Faced with the internalization of external costs that result in higher production costs.</li> </ul>	<ul style="list-style-type: none"> <li><b>Government fees and stricter legislation</b> The push to reduce carbon emissions is burdening businesses with additional costs. Non-compliance with stricter legislation may result in fines or litigation.</li> <li>Global promotion of green economy, energy efficiency and carbon reduction will increase product costs and impact on operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>The Energy Saving Working Group is responding to the operational challenges of government policies on carbon fees and taxes by promoting carbon reduction measures such as energy-efficient factory operations and energy-efficiency proposals.</li> <li>The ISO 14065 GHG Inventory Standard and ISO 50001 Energy Management System Standard are used to manage and implement carbon emissions/energy consumption, ensure continued compliance with environmental legislation, and support improvements to back-end processing technology for effluent and waste.</li> </ul>

[see 1.5.2 Information Security & Privacy Protection](#)

[see 3.1 Climate Action](#)

**Incorporation of risk criteria during product development**

As part of AUO's dual-transformation strategy in recent years, international automotive and medical industry standards are now being gradually incorporated into the development of smart products. Risk-related criteria are also being incorporated into the development process. AIAG-VDA Failure Mode and Effect Analysis (AIAG-VDA FMEA) is an example of a risk analysis tool applied during product and process design. The "Display HMI integrated display solution" was introduced for the smart cockpit display interface. A 55" ultra-large curved display that spans the A pillars supports facial recognition and automatic loading of the driver's personal preferences. Early warning through active detection of driver's eye movements and fatigue while in motion is also supported to greatly reduce driving risk and provide the consumer with a better service experience.

Material Topics

Increase the annual participation rate for activities and courses related to the enhancement of risk culture

## Establishing a Risk Culture

Risk culture is considered the foundation of risk management. The establishment of risk culture is critical to improving the ability of the organization to respond to risks as a whole. The definition of clear risk management targets can help the organization keep its attention on risk issues during everyday operations. Employees must also understand the implications of risk as well as their own role and responsibility in risk management. This will improve the accuracy of risk identification and provide a more comprehensive perspective for risk assessment and response. AUO has designed a diverse range of risk courses including risk mindset, information security, compliance and conformity, and security to promote risk culture. In 2024, annual participation in risk culture-related activities and courses exceeded 90%.

### Risk Education and Training

Education and training are an important part of promoting risk culture. AUO conducts comprehensive risk training program for employees at every level to improve the ability of the management and employees to identify, assess, and manage risks.

Course Type	No. of Trainees (persons)	Duration (hours)	Completion Rate <sup>Note 4</sup>
Risk trends and mindset <sup>Note 1</sup>	15,768	3,016	93%
Information Security	14,611	5,260	91%
Compliance and conformity <sup>Note 2</sup>	23,606	5,169	96%
Safety and Health <sup>Note 3</sup>	10,499	7,530	100%

Note 1: The Risk trends and mindset courses include courses on risk trends and risk mindset.

Note 2: Compliance and conformity courses include education on Integrity and Human Rights, Anti-Trust, and RBA Code of Conduct.

Note 3: Safety and Health courses include safety education and regulatory certification.

Note 4: Completion rate was the average completion rate for each course type.

## 1.5.2 Information Security & Privacy Protection

The AUO Group values the information security of the Company's and its partners' assets. The information security organization establishes strategies and goals for continuous risk management and the strengthening of protective measures to safeguard the Company's intellectual property, customer data, personal information, and privacy. This creates a secure information and operational environment that supports the organization's sustainability vision.

### Organizational Function

The "Information Security Committee" was established by AUO in 2012 as the top information security management body. It oversees the "Information Security Implementation Team" led by the Chief Digital Officer (CDO)<sup>Note 1</sup>. The Chief Information Security Officer (CISO) is responsible for implementing the resolutions set forth by the Information Security Committee and providing progress reports to the Chairperson and CEO. In 2022, AUO formed a dedicated information security team led by the CISO, which oversees the "Information Security Management Department" and the "Information Security Technology Department." The team continuously invests resources to strengthen its core information security capabilities. The team currently hold 44 professional information security certifications and consists of experts in information system security, security certification, penetration testing, and wireless networking <sup>Note 2</sup>.

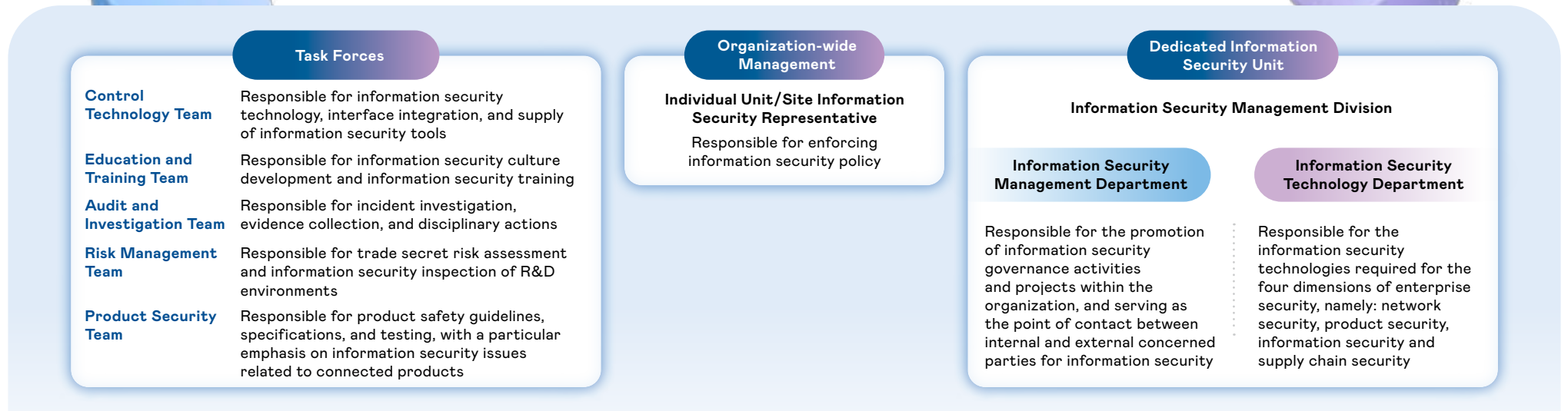
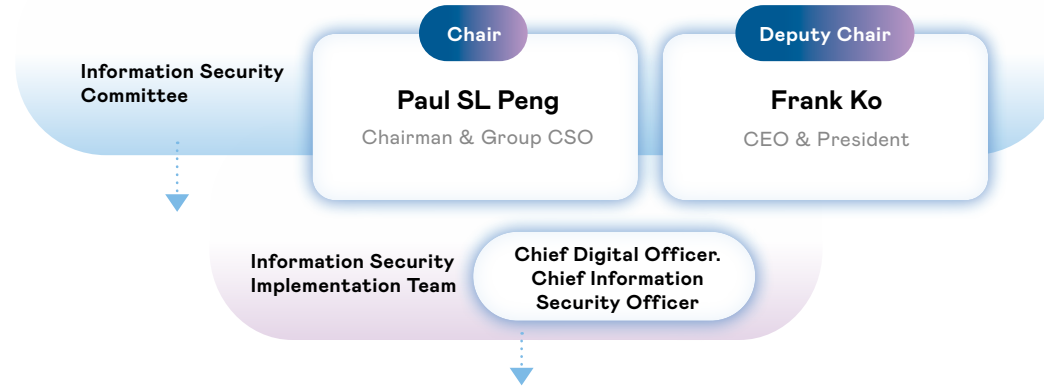
### Risk Incentive Scheme

AUO believes that the establishment of a risk culture regime is an ongoing process. Through open communications as well as clearly defined roles and responsibilities, T as well as offering different incentives for management and employees, employee initiative on risk management activities is enhanced. For the Board and senior managers, AUO offers enhanced remuneration linked to their sustainability performance; for employees, the proposal scheme is used to encourage AUOers to play an active role in risk management activities. In occupational safety for example, AUO established a long-running safety culture program that recognized outstanding employees through performance evaluations and promotions. Prize money and public recognition are used to build and enforce the risk management culture for the whole company.



Note 1: AUO's Chief Digital Officer (CDO) holds responsibilities similar to the widely recognized role of the Chief Information Officer (CIO), both focusing on driving digital transformation and integrating information technology solutions.

Note 2: Professional information security qualifications currently held by team members include CISSP (Certified Information Systems Security Professional), OSCP (Offensive Security Certified Professional), OSEP (OffSec Experienced Penetration Tester), OSWP (OffSec Wireless Professional), CEH/CEHP/CEH Master (Certified Ethical Hacker/Practical/Master), ISO/IEC 27001:2022 LA (Information Security Management System Lead Auditor), ISO/IEC 27701:2019 LA (Privacy Information Management System Lead Auditor), WAHS (Web Application Hacking and Security), CHFI (Computer Hacking Forensic Investigator), CPENT (Certified Penetration Tester), LPT Master (Licensed Penetration Tester Master), CRTP (Certified Red Team Professional), OSWE (Offensive Security Web Expert), ECSA (EC-Council Certified Security Analyst), and CC (Certified in Cybersecurity).





Material Topics

Maturity of information security

### Strategy and Objectives

AUO established an information security management system in accordance with the ISO/IEC 27001 standard, utilizing the PDCA cycle for management to conduct annual internal audits of both the information infrastructure and information security management system to continuously ensure the effectiveness of the management system, and obtained certification in 2017. In response to the requirements of the updated ISO 27001:2022 standard, AUO revised its information security policies and procedures, and successfully passed the verification by AFNOR (French standards association) in September 2024, obtaining the ISO 27001:2022 certificate.

AUO is continuing to manage and strengthen our information security using the U.S. National Institute of Standards and Technology Cyber Security Framework 2.0 (NIST CSF 2.0) and Cyber Defense Matrix (CDM). In terms of Zero Trust, in 2024, we engaged in network micro-segmentation to refine our management of information devices and network access. We introduced Network Detection and Response (NDR) solutions and expanded the scope of Managed Detection and Response (MDR) services. In terms of information security resilience, in 2024, we conducted health checks and optimizations of Microsoft Entra ID and Active Directory on-premises authentication management. At the same time, AUO has long promoted a common information security accountability culture. Information security indicators are converted into visible security maturity scores and communicated to unit supervisors each month to serve as a basis for measuring improvements to information security management. AUO achieved a security maturity score of 90.44 and met the annual target of scoring over 85.

#### Policy

Protect Company IP, raise overall information security awareness, create opportunities for mutual win (profit)

#### Objectives

#### Governance

#### Risk management

#### Compliance

High

Information Security Risk

Low

Strategy

2012 Awareness

2013 Awareness

2014 Education

2015 Self-accountability

2016 Continual improvement

2017 ISO certification

2018 Intelligent analysis

2019-2021 Non-landing data

2022-2024 Information security resilience

Behavior Management

Source Management

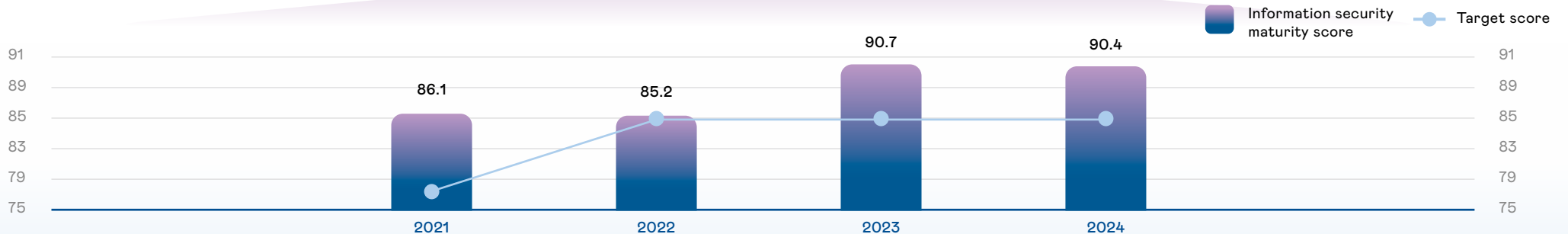
One Data

Zero Trust

Low

Maturity of Information Security

High



Material Topics

Major information security incidents affecting operations

## Risk Assessment and Response

AUO identifies internal and external issues every year to incorporate information security risks into the Company's strategic risk assessment. Additionally, AUO conducts information process and system impact analysis, information asset inventory, and risk assessment. In terms of the Company's overall information security risk management, a professional third-party information security company conducted penetration testing on AUO to assess its information security defenses and response capabilities. Services and tools such as third-party vulnerability scans, black box testing, white box testing, and source code review are employed in monthly scans with ongoing follow-up on improvements. In terms of business continuity management, a total of 48 system recovery, information security incident response, emergency response, and business continuity drills were conducted at each level throughout the year to ensure that AUO is fully prepared to respond to risks. AUO also adheres to the Cyber Security Guidelines for Publicly Listed Companies. If an information security incident occurs that meets the criteria outlined in the Guidelines, AUO will disclose material information, hold a press conference, and notify the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC). There were no major information security incidents that impacted on our operations in 2024.

### Purchase of Information Security Insurance to Enhanced Protection

AUO has been purchasing information security insurance to appropriately transfer information security risk, reduce potential losses from information security incidents, and ensure that losses arising from information security incidents at adequately covered.

### Open Communication and Enhanced Management

External stakeholders can report various information security incidents to AUO via the email address provided on the AUO website. AUO employees can also report information security incidents through the internal "AUO Information Security Platform." Under the Information Security Incident Management Regulations, AUO must carry out the classification, reporting, processing, and recovery processes for reported cases and gathered threat intelligence. Any sensitive information within the report must be properly safeguarded. Retaliation against whistleblowers or any actions that affect their employment rights are strictly prohibited. In 2024, there was one external cybersecurity incident report. The Information Security Technology Department worked with the external whistleblower to investigate and address the incident, which did not impact Company operations.

### Information Security Education and Training

To align with the Company's 2024 information security strategy objectives, AUO hosted the "Need-to-Know Information Security Campaign" in the second quarter. An activity website was set up, along with the implementation of internal information security bulletins, plant-wide announcements, promotional short videos, electronic posters, downloadable desktop wallpapers, an internal video streaming platform, general knowledge and specialist courses, social engineering drills were conducted in 2024, with a cumulative participation of 184,526 attendees, achieving a pass rate of 99.74%.

### Internal Compliance

AUO formulated the Information Security Management Regulations as an Acceptable Use Policy (AUP) for all employees to adhere to. The Regulations include the protection of the Company's confidential information, respect for intellectual property rights, and reasonable use of information resources. If an employee violates the internal security regulations and the investigation confirms that the violation is serious, the Company may impose disciplinary actions such as a warning, minor infraction, major infraction, or termination of employment in accordance with the Company's Incentive and Disciplinary Action regulations.

Major information security violations by AUO employees in 2024

0

### Third-party Information Security Risk Management Platform

AUO utilized a third-party information security risk management platform to assess its overall information security risks, achieving a score of 96, which is higher than the industry average of 80.

AUO's Information Security Rating

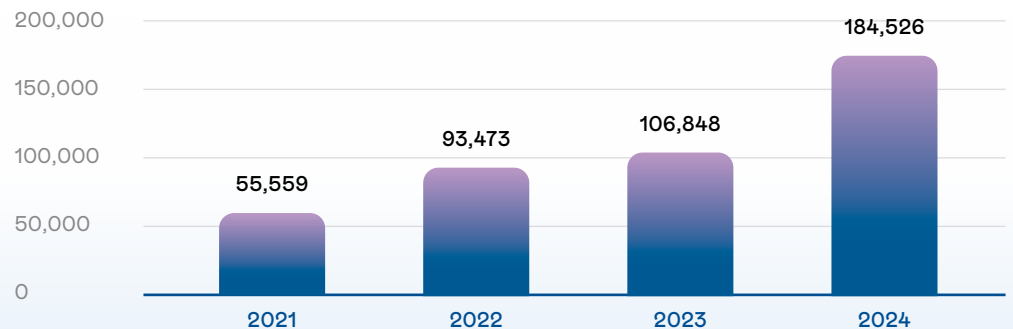
96

## Strengthening Information Security Awareness and Protection

### Protection of Core Secrets

To protect AUO's industry-leading core information assets and ensure our competitive advantage, AUO employs various technical controls and management systems, including Data Loss Prevention (DLP), hard disk encryption, information device controls, mobile storage device controls, two-factor authentication, and remote connection watermarking technologies to protect the confidentiality, integrity and availability of digital information throughout its lifecycle. In 2024, AUO focused on enhancing the accuracy of document classification verification, the downgrading of Extremely Confidential documents, and conducting print reviews. AUO continued to strengthen physical access control measures and mobile camera restrictions. Targeted audits were also conducted in 2024 on critical technical production areas.

### Number of Participants in Social Engineering Drills



## Ensuring the Information Security of Customers

### Actively Respond to Customer Requirements

AUO continues to identify and comply with the information security and privacy protection requirements of jurisdictions worldwide. We actively address and meet the information security expectations conveyed by customers through contracts and various agreements. These expectations are conveyed through agreements, surveys, and audit activities. A process has been established for notifying customers and relevant parties in the event of a serious information security incident or personal data breach. In the event of a major information security incident or personal data leak, customers and affected parties will be notified according to the established process.

2024 Information Security Compliance Review	
Amendment of Internal Regulations	12 items
Identification of Information Security-Related Laws and Regulations	43 items
Customer Feedback on Information Security Survey	16 items

### Information Security Management for Automotive Products

To protect the information security of automotive market customers, AUO implemented the VDA ISA (Information Security Assessment of the German Vehicle Manufacturers Association) in 2023 and successfully completed a third-party assessment under TISAX (Trusted Information Security Assessment Exchange) with a rating of AL3 (very high level of protection). The scope of assessments included the AUO headquarters, Xiamen site, Slovakia site, and the German office, and AUO continues to base its practices on this standard to ensure that it meets customer expectations for information security management capabilities in the global automotive market.

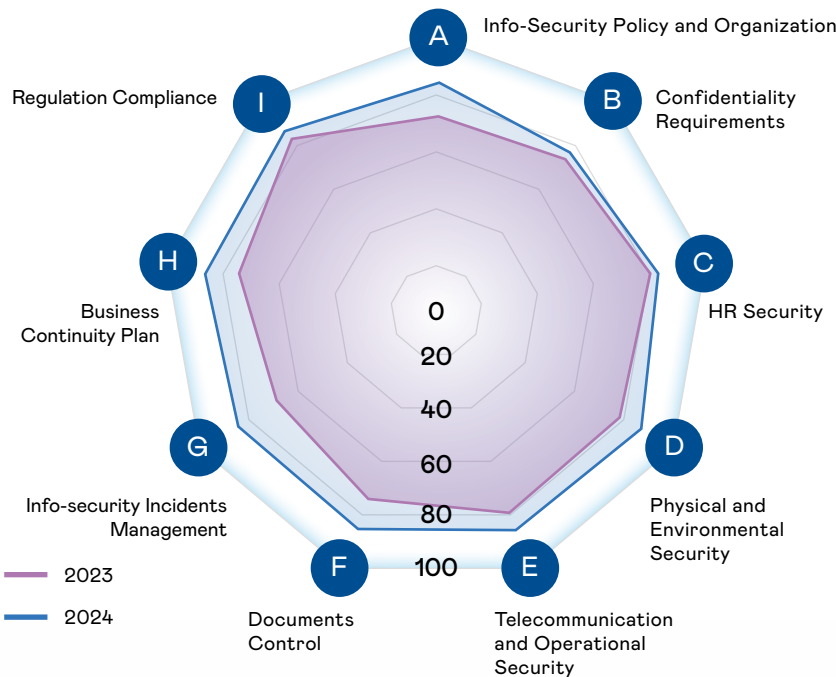
### Software Supply Chain Security

To ensure the security of products provided to customers, all software development projects for AUO products comply with the Secure Software Development Framework (SSDF) issued by the U.S. National Institute of Standards and Technology (NIST), covering regulatory standards and processes for customer requirements analysis, risk assessment, security design and development, verification and deployment, and incident response. In 2024, AUO established the "Software Secure Development Guidelines", "IoT Device Secure Development Guidelines", and "Information System Development Outsourcing Security Guidelines", and established an internal information security testing team for IoT devices. This team is responsible for ensuring the security of products.

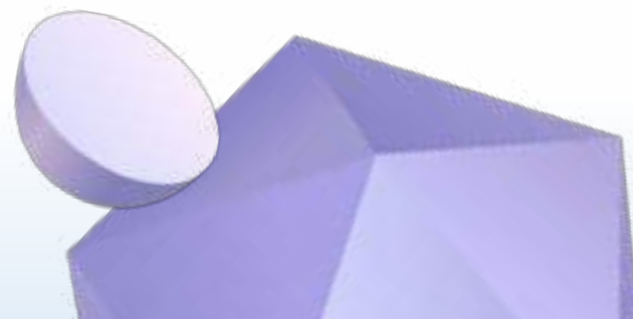
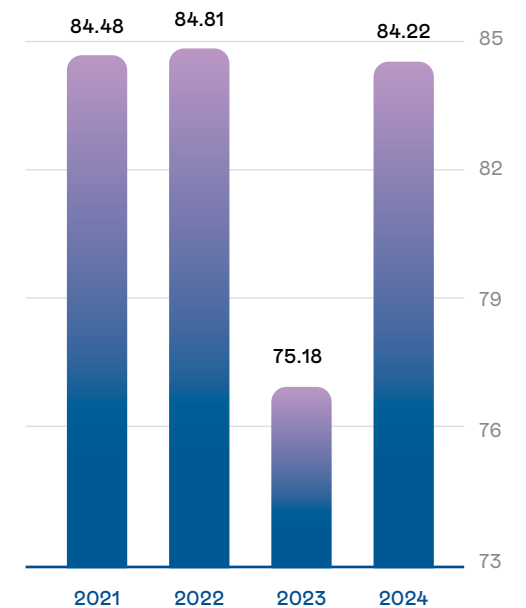
### Supply Chain Information Security

Supply chain information security is one of the key concerns of customers. To strengthen information security management in the supply chain, AUO formulated the Supply Chain Information Security Policy in 2023 and published it in the Supplier section of the AUO website. A set of Supplier Information Security Guidelines was also established and included in supplier order documents to ensure that suppliers are aware of and comply with AUO regulations when signing orders. Since 2020, AUO has been using questionnaire surveys and in-person visits to engage in ongoing discussions about information security with suppliers. We continue to discuss information security issues with suppliers to help them refine their information security management systems and processes. A total of 169 supplier information security surveys were successfully conducted in 2024, and most suppliers have already implemented or are planning to implement ISO 27001 Information Security Management System certification to actively respond to customer expectations. The majority of publicly listed suppliers have established information security committees led by senior management. They have not only demonstrated leadership in information governance but also committed to complying with the "Cyber Security Guidelines for Publicly Listed Companies."

#### Individual scores for supplier info-security self-assessment



#### Historical average scores for supplier info-security self-assessment



## Create Opportunities for Win-Win

### Group Information Security Collaborative Defense

AUO has been aligning the information security strategies of Group companies through the Information Security and Digital Sub-committee under the Group Synergy Committee since 2023. Coordination was strengthened, Group resources were consolidated, and a third-party information security trend platform is used to monitor Group-wide information security risks. In 2024, the Group Information Security Technology Team was formed by AUO to assist Group companies in conducting information security health checks, vulnerability scans, and penetration testing. External information security experts were also invited to discuss topics such as "Information Security Insights - Discussion of Information Security Strategies and Presentation of Outcomes" and "Product Information Security." Group members regularly exchange their information security practices and experiences, and CISSP (Certified Information Systems Security Profession) training is conducted in a corporate class format to cultivate information security management talent within the Group.

### Promotion Industry-University Collaboration

AUO is a long-term partner of "Girls in CyberSecurity (GiCS)<sup>Note</sup> and has sponsored the GiCS competition for the fourth consecutive year in 2024. The goal of GiCS is to help students understand information security concepts, promote grassroots education, and encourage women to pursue careers in the field. In 2024, outstanding students from the competition were invited to participate in AUO's "A+ Internship Program," which provided students with practical experience in corporate information security management over a two-month period. Additionally, the AUO "A Pro Semester Learning Program" collaborated with universities to hire three seniors for a six-month internship at AUO. The roles included information asset security culture, data collection and analysis, formation of an information security culture, compliance, and information security during software system development. The program effectively cultivated students' information security skills and management abilities, leading to strong performances during their internships.

Note: GiCS is sponsored by the National Science and Technology Council and Ministry of Education, and organized by the Taipei Computer Association and the National Center for High-performance Computing of the NAR Labs. As the president of the Taipei Computer Association, AUO Chairman Paul SL Peng has long supported this event to cultivate information security talent.

## Privacy Protection

Privacy protection is enforced by AUO for customers, suppliers, employees and all stakeholders as a key component in maintaining the trust of our stakeholders. We adhere to all laws and regulatory requirements on privacy and information security during our collection, storage, processing, dissemination, and sharing of personal information. In terms of information security, the Information Security Policy was formulated to protect stakeholder information. Information security management is promoted and enforced through the information security management system and the Information Security Committee. AUO has integrated and strengthened our information security management system to establish a standardized, documented, and systematic management mechanism for enforcing information security policy, protecting customer data, protecting customer IP, strengthening our information security environment and information security incident response capability, and meeting the target metrics and indicators of our information security policy.

Protection and management of personal information at AUO is governed by the "Personal Information Protection and Management Regulations", "Data Protection and Personal Information Protection Act" and "Privacy Statement" that serve our top guiding principles on protection of customers' personal information. We also set up an EU GDPR (General Data Protection Regulation) and China PIPL (Personal Information Protection Law) on our internal website to provide employees with references to related policies and official documents so they can actively respond to the regulatory requirements. New employees must complete the GDPR course within 30 days of starting at AUO to establish a basic understanding of personal information protection and how it applies during business operations, such as the collection, processing, and use of customers' personal information required for business or other necessary interactions.

Audit unit will conduct random audits of personal information management. If personal information is leaked, the head of the department involved should immediately notify the Personal Information Committee for the executive director of the committee to set up a single point of contact. The emergency response center must also be convened and set up. For serious incidents, the Legal Affairs unit will notify the competent authority for an investigation to be launched. Once the incident has been investigated by the Committee, the department involved should use appropriate means to notify the people affected as soon as possible. Once the incident has been resolved, and incident prevention review conference is to be convened to discuss the emergency response measures related to the incident.

AUO also retained an independent third-party organization to audit the Agreed Upon Procedures (AUP) for Privacy Protection. The inspection examined the Privacy Policy, Privacy Responsibility, Risk Management, Sanctions, Third-party Audit, and Internal Audit. An AUP implementation report should also be issued to optimize the effective operation of the AUO "Privacy Protection" regime.

### Enhancing Industry Information Security Resilience

AUO is a co-founder of the "Taiwan Chief Information Officer Alliance" (CISO). We are also member of its Development Committee and actively participate in CISO activities. Our aim is to enhance the information security resilience of the Taiwanese industry and promote sustainable corporate development. As the head of the opto-electronics industry team responsible for developing supplier information security management regulations since 2023, AUO has helped establish security resilience in the supply chain of the opto-electronics industry. In 2024, AUO was invited to share our industry experience with the legal community and to help create a more robust regulatory environment for the protection of trade secrets.

#### 2024

Sanctions imposed by the competent authority for serious violations of customers' personal information protection by AUO

0  
cases

#### 2024

Number of substantiated complaints regarding violation of customers' personal information protection received by the AUO privacy mailbox (privacy@auo.com)

0  
cases

CPA Letter of Appointment of Agreed Upon Procedures (AUP) on the Privacy Protection

For The AUO Privacy Statement, see the AUO website - Privacy Statement



# 2 Sustainable management

## Annual Highlights

Continuing to implement our Stakeholder Engagement Plan with over **1,500** interactions were completed in 2023

The Sustainability Influence Rating has been disclosed for the first time, supported by the development of a monetary evaluation methodology, striving to realize net positive value from corporate sustainability.

Cobalt and mica have been added to due diligence on conflict minerals, with product investigations completed for **91 customers** in 2024, reinforcing the commitment to conflict-free minerals.

The expanded use of recycled materials for product raw materials has led to obtaining a **50% UL 2909 rating on circularity**, helping to satisfy customer demand for green products.

A third party has been commissioned to carry out an RBA audit for the first time, enhancing the coverage, trustworthiness, and transparency of supply chain risk management.

The Large Leads Small Carbon Reduction Program has achieved a total carbon reduction of over **9,900 metric tons CO<sub>2</sub>** from 15 critical suppliers.

### 2.1 Sustainability Governance

### 2.2 Stakeholder Management

### 2.3 Customer Relations

### 2.4 Responsible Supply Chain

- 2.2.1 Stakeholder Cultivation
- 2.2.2 Material Topic Analysis

- 2.3.1 Product Quality
- 2.3.2 Customer Service
- 2.3.3 Sustainable Products

- 2.4.1 Supply Chain Management Strategy
- 2.4.2 Supply Chain Risk Governance
- 2.4.3 Low-carbon Supply Chain




















# Target and Progress



























Achieved



Not Achieved

Material topic	2024 Target	2024 Our action	2025 Target	2026 Target	Responses
 The number of international exhibition participations	6 sessions	 Performance: 7 sessions AUO took part in seven domestic and overseas trade shows in 2024 including the Consumer Electronics Show (CES), integrated System Europe (ISE), Touch Taiwan, Society for Information Display (SDI), Semicon, Energy Taiwan, Taiwan International Smart Energy Week, and Healthcare+ Expo Taiwan.	6 sessions	6 sessions	-
 Annual growth rate of LinkedIn followers	20%	 Performance: 17% In 2024, AUO posts to LinkedIn increased by 20% and gained 4,684 new followers. Overall growth in fans was just 17% and did not meet the target <sup>Note 1</sup> .	20%	20%	-
 Implementation of compliant information disclosure processes <sup>Note 2</sup>	Implementation	 Performance: Implementation AUO carefully reviews the quality of information disclosed externally by the company. In 2024, it established and implemented the "The Rules Governing Disclosure of Company Information by Employees," with oversight from the Corporate Marketing, Sustainability, Investor Relations and Human Resources unit to protect the brand reputation built up by the Company over the years.	Implementation	Implementation	2.2.1 Stakeholder Cultivation
 The number of featured articles	4 articles	 Performance: 4 articles AUO will continue to use this Report, the Sustainability website, social media and other diverse channels to share the latest developments at AUO with all interested stakeholders. During 2024, AUO published 4 Spotlight articles on key AUO initiatives. Hopes that will keep stakeholders up to date on AUO news and provides them with an in-depth understanding of the efforts and progress made by AUO on sustainability.	5 articles	6 articles	2.2.1 Stakeholder Cultivation
 Customer rating satisfaction ratio	92%	 Performance: 97.5% Customer satisfaction surveys are conducted by AUO every year. Evaluate customer satisfaction across five key dimensions: delivery schedule, product innovation, new products, quality, and after-sales service. Areas requiring improvement are personally examined by senior executives during management review meetings before being assigned to the competent units for the proposal and implementation of improvement strategies.	93%	94%	2.3.2 Customer Service
 The number of products that provide green information, mainly monitors and notebooks <sup>Note 3</sup>	20 cases	 Performance: 250 cases AUO leverages various channels, including executive meetings, project meetings, and irregular meetings to gain deep insights into customer needs and objectives. It provides customized solutions while engaging in professional discussions and technical exchanges throughout the process. In 2024, AUO delivered over 250 products incorporating green technology.	30 cases	40 cases	2.3.3 Sustainable Products
 Shipment volume of products using recycled materials	1.8 million pcs	 Performance: 6.47 million pcs Different levels of circulation are offered for recycled materials such as plastic frames glasses and metal backplates used in our product components for customers to choose from. In 2024, the shipment of displays exceeded 6.47 million pcs.	2.4 million pcs	3 million pcs	2.3.3 Sustainable Products
 The products of designated customer, the productivity of promising to use renewable energy	Meet customer requirements	 Performance: Meet customer requirements AUO used our in-house solar power and renewable electricity wheeling model to supply panels that used 100% renewable energy during the manufacturing process to help a Taiwanese brand-name customer craft their Aspire Vero 16 carbon-neutral notebook.	Meet customer requirements	Meet customer requirements	2.3.3 Sustainable Products
 Shipment volume of special-specification <sup>Note 4</sup> products of energyconservation	15 million pcs	 Performance: 14.43 million pcs Geopolitics and overall economic downturn have significantly weakened consumer demand. In 2024, AUO shipped 14.43 million pcs of energy-efficient custom-spec products. AUO will continue to adapt its market positioning strategy flexibly to better meet market demands and adjust its delivery pace accordingly.	16 million pcs	17 million pcs	2.3.3 Sustainable Products

Material topic	2024 Target	2024 Our action	2025 Target	2026 Target	Responses
 Increase the penetration rate of TV LCD panels <sup>Note 5</sup> Base year: 2021	R&D ongoing	 Performance: R&D ongoing AUO continues to experiment with new materials and optimize pixel design to enhance the light transmittance of LCD modules, achieving greater energy efficiency.	>10%	>10%	2.3.3 Sustainable Products
 Decrease energy consumption of IT Products <sup>Note 5</sup> Base year: 2021	25%	 Performance: 25% The AHVA3+ new pixel high penetration design and high-efficiency color condenser were adopted in response to continue improving product energy consumption. Based on 2021 as the benchmark, desktop display products in 2024 achieved a 25% reduction in energy consumption.	30%	35%	2.3.3 Sustainable Products
 Decrease energy consumption of car products <sup>Note 5</sup> Base year: 2021	20%	 Performance: 20% AUO extensively applies AmLED (Adaptive Mini LED) technology in automotive displays, offering superior energy efficiency compared to traditional Mini LED technology. AmLED energy-saving products were adopted by 25 new automotive product projects in 2024. The energy consumption of automotive products in 2024 was more than 20% lower than 2021.	30%	35%	2.3.3 Sustainable Products
 Management innovation of product life cycle	System integration	 Performance: System integration Systematic development was carried out by AUO in 2023 based on established methodologies. The system data was further refined in 2024 to establish a system for the systematic collection of carbon footprint data. Manual calculation and analysis of the carbon emission hot spots for each panel product type were also carried out to make improvements to carbon emission hotspots.	Product carbon information service	Product carbon information service	2.3.3 Sustainable Products
 The weight proportion of recycled materials used in special-specification products Base year: 2021	30%	 Performance: 50% AUO continues to assess the high-quality applications of various recycled materials to enhance the overall circularity of its products, meeting brand customers' demands for green products. In 2024, AUO obtained UL 2809 certification for a desktop display module with a 50% recycled content ratio, offering it as an option for customers.	30%	30%	2.3.3 Sustainable Products
 The number of key suppliers implementing risk management has increased every year	36	 Performance: 36 AUO regularly audits key suppliers on management processes such as ISO certification and business continuity planning. In 2024, a total of 36 suppliers were audited.	54	60	2.4.2 Supply Chain Risk Governance
 LCM local purchase ratio <sup>Note 6</sup>	75%	 Performance: 76.03% 76.03% of LCM are sourced from the regions where AUO's production bases are located. AUO holds quarterly meetings to review local procurement status and will continue to develop local supplier materials to further increase the proportion of local sourcing.	75%	75%	2.4.2 Supply Chain Risk Governance
 LCD local purchase ratio <sup>Note 6</sup>	82.7%	 Performance: 80.29% Due to supply source limitations for certain materials, non-local supplier materials are used. However, 80.29% of LCD are sourced from the regions where AUO's production bases are located. AUO will continue to develop local suppliers to further increase the proportion of local procurement.	82.7%	82.7%	2.4.2 Supply Chain Risk Governance
 The average score of the key supplier ESG scorecard has increased every year Base year: 2023	Increase by 3%	 Performance: 9.7% AUO has developed an ESG Scorecard, covering 15 topics across environmental, social, and governance aspects to assess supplier performance. In 2024, the average supplier score increased by 9.7% compared to 2023.	Increase by 5%	Increase by 8%	2.4.2 Supply Chain Risk Governance

Material topic	2024 Target	2024 Our action	2025 Target	2026 Target	Responses
 Ratio of suppliers with high electricity consumption who have obtained ISO 50001 certificates for energy management systems	75%	 Performance: 87.88% Based on electricity usage scale and emissions, a total of 29 high-power-consuming suppliers obtained ISO 50001 energy management system certification in 2024, accounting for 87.88%.	97%	-	2.4.2 Supply Chain Risk Governance
 Supplier Growth Courses <sup>Note 7</sup>	24 sessions	 Performance: 24 sessions Leveraging its extensive practical experience, AUO supports suppliers in enhancing their sustainability knowledge. Since 2019, a total of 24 collaborative growth courses have been conducted. In 2024, 73 supply chain partners participated, with a total of 259 attendees, demonstrating the program's broad influence and high engagement.	28 sessions	32 sessions	2.4.2 Supply Chain Risk Governance
 Number of suppliers working together on ESG	70	 Performance: 141 AUO responded by inviting 141 suppliers to join in exploring these international issues and developing a response plan. We hope that such cooperation with supply chain partners will result in greater resilience to future challenges and promote the sustainable development of the industry.	80	90	2.4.2 Supply Chain Risk Governance
 Ratio of key direct materials with diverse source development plans	97%	 Performance: 91% AUO adheres to a diversified supply strategy, actively developing multiple sourcing options for key direct materials while continuously conducting relevant validations to mitigate supply disruption risks and enhance supply chain resilience. In 2024, AUO successfully completed the diversification of 91% of its key direct material sources.	97%	97%	-
 Carbon reduction ratio of key suppliers Base year: 2021	2023 Target 2% 2024 Target 4%	 2023 Performance <sup>Note 8:</sup> 25.6% Due to overall market demand, AUO and its key suppliers reduced carbon emissions by 25.6% in 2023, significantly surpassing the original 2% target. AUO will continue to follow the decarbonization pathways of its key suppliers to sustain these efforts.	8%	12%	2.4.3 Low-carbon Supply Chain
 The number of key suppliers who have completed the CDP climate change questionnaire has increased every year <sup>Note 7</sup>	20	 Performance: 47 AUO encouraged critical suppliers to complete the Carbon Disclosure Project (CDP) climate change questionnaire so that all partners can manage their carbon emissions in a transparent and effective manner. In 2024, a total of 47 critical suppliers took part in the CDP carbon disclosure questionnaire.	25	35	2.4.3 Low-carbon Supply Chain

Note 1: The latest statistics showed that the top five export markets were the US, India, UK, Brazil, and France. Coverage did not include Taiwan, China, and regions where most AUO customers are located. Penetration rate in Taiwan was also just 10%. While LinkedIn was one of the better social network platforms for the publication of professional B2B information, its reach was still sub-optimal compared to the resources invested by AUO. To achieve a balance between yield and stakeholder communication, from 2025 onwards the social media metric will be changed to: Make 90 to 100 posts on LinkedIn each year.

Note 2: This refers to the process of ensuring appropriate and accurate information is provided through internal communication, review and publication.

Note 3: Mainly monitor and notebook.

Note 4: Products that apply new energy-saving technology from R&D units and production capacity for Low-temperature polycrystalline silicon (LTPS).

Note 5: The disclosure targets defined for this issue in 2023 were redefined to establish a more concrete connection with customer products. Target is now based on benchmark products from new projects that entered mass production each year.

Note 6: Localized purchasing data excluded Vendor-Management Inventory (VMI) to ensure that the true amount is not obscured by inventory.

Note 7: Cumulative sessions are counted from 2019.

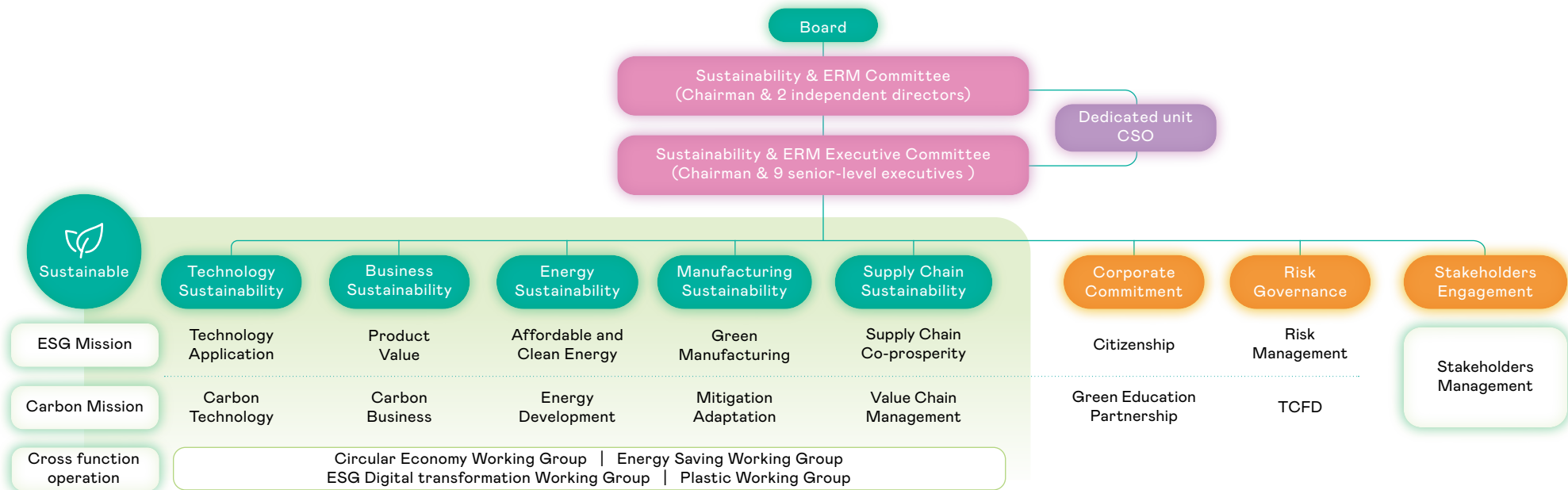
Note 8: AUO requires third-party verification for carbon reductions provided by the supply chain before they are compiled by AUO. The AUO supply chain is worldwide and involves many vendors. Limited verification capacity means suppliers are unable to provide verified carbon emissions right away. For this reason, AUO is unable to disclose supplier carbon reduction data for the current year. Only carbon disclosure data from the previous year is available. The number of vendors identified as critical suppliers was also adjusted so the carbon reduction percentage for suppliers in 2023 was changed (from 27.6% to 25.6%).



# 2.1 Sustainability Governance

## Sustainability Organization & Operations

The Sustainability Committee was established by AUO at the end of 2013 as the top governance body for sustainable development. In 2018, the Sustainable Development Office was created on the strong foundations built up by AUO over the past decade to oversee sustainability policy. In response to global climate issues and the trend towards net zero carbon emissions, the AUO Sustainability Committee was reorganized and promoted to become the ESG and Climate Committee at the end of 2021. The Board of Directors are not only supervises and participates in the implementation of AUO CSR EPS 2025 goals, but also for carbon emissions in the environmental, social, and governance aspects with achieving Net Zero by 2050 as the core objective. On March 11, 2024, the Board of Directors resolved to upgrade the ESG and Climate Committee to the Sustainability and Risk Management Committee” and made it a functional committee subordinate to the Board of Directors. A Sustainability and Risk Implementation Committee that reports to the Sustainability and Risk Management Committee has now been set up as well. AUO seeks promote robust corporate sustainability governance operations, respond actively to stakeholder concerns on the environmental, social, and corporate governance aspects, as well as promote globalized business risk management and response strategies in order to realize the goal of sustainable management.



### Organizational Operation

- Providing reports or making crucial decisions during biannual board or strategic meetings. In 2023, a total of 7 board and strategic meeting reports were delivered.

See 1.3.1 Board of Directors

- The chairman serves as the Chairman, and senior-level executives act as chairs of various subcommittee groups. They collaborate across departments to integrate strategic policies and resources, with overall coordination and promotion led by the CSO.
- Setting up cross-functional operating working group: Circular Economy Working Group, Energy Saving Working Group, ESG Digital Transformation Working Group, Plastic Working Group.

### Goal and Vision

- Practicing the 2025 CSR EPS Goals aligned with the SDGs.
- Monitor and govern operational risks, gain insight into business opportunities, and accelerate biaxial transformation.
- Invest in climate adaptation and mitigation actions, build a low-carbon value chain, and move towards net zero emissions.

### Implementation

- Sustainability & ERM Executive Committee convenes quarterly meetings to discuss the longterm vision and policy, review the progress of the goals, promote and implement the Company's sustainable development.
- Monthly dialogue between sub-committees to discuss all ESG program plans, establish shortand medium-term goals, and regularly track implementation results.

# 2.2 Stakeholder Management

## 2.2.1 Stakeholder Cultivation

Nine key stakeholders have been identified by AUO in accordance with AA10000 SES and GRI Standards based on the elements of dependence, responsibility, impact, diverse perspective, and tension. A Stakeholder Group was established under the Sustainability and Risk Implementation Committee. The six functional units led by the CEO promotes stakeholder engagement programs under the three principles of complementation, cooperation and sustainability. A range of online, offline, official and unofficial channels are used to integrate internal resources and give a precise response. The implementation of material issues, sustainability goals and policies during the year are also dynamically reviewed. Key AUO messages are communicated in a timely manner for two-way interaction in good faith and to meet stakeholder expectations.



**Material Topics**

Implementation of compliant information disclosure processes; The number of featured articles

**Definition of External Disclosure Rules to Ensure the Rigorous and Trustworthiness of Labor Sustainability Information.**

Disclosure of sustainability information is becoming increasingly important to AUO. Information released by the Company should be carefully reviewed to ensure their quality. The Rules Governing Disclosure of Company Information by Employees was formulated and implemented in 2024. Colleagues are now required to apply for approval at the vice president or BU head level through internal systems before being interviewed by the media, making public announcements or speeches, sharing information or making a publication. The mechanism is jointly enforced by the Corporate Marketing, Sustainability, Investor Relations and Human Resources unit to protect the brand reputation built up by the Company over the years.

**A New "Sustainability Spotlight" Section was Added to the Sustainability Website to Share AUO Achievements.**

AUO will continue to use this Report, the Sustainability website, social media and other diverse channels to share the latest developments at AUO with all interested stakeholders. During 2024, AUO published four Spotlight articles on key AUO initiatives including climate commitment, promotion of diversity, equality and inclusion (DEI), protection of biodiversity, and plastic waste reduction. AUO hopes that the topical updates of the website will establish an effective and interactive information platform that keeps stakeholders up to date on AUO news and provides them with an in-depth understanding of the efforts and progress made by AUO on sustainability.



Visit the "Sustainability Spotlight" section on the AUO Sustainability website—we'd love to hear your feedback.

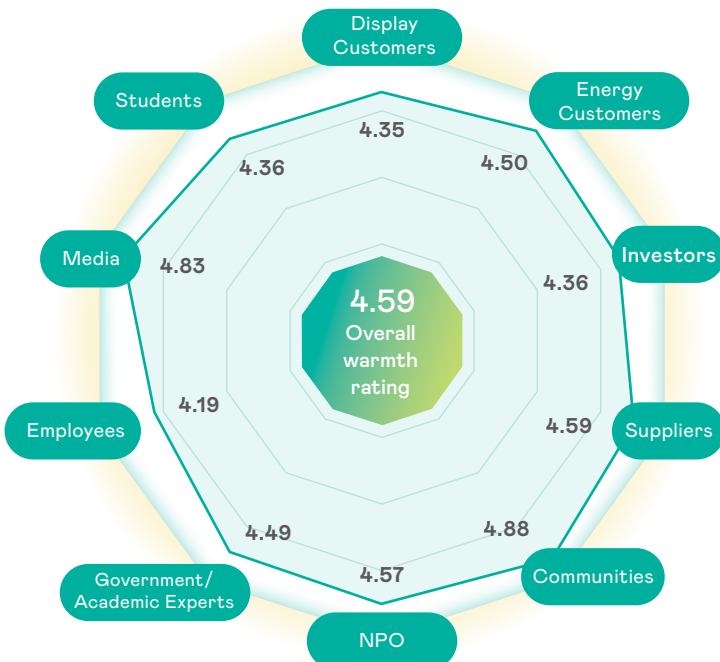
## Stakeholder Engagement Outcomes





Maintaining constructive communication and interaction with stakeholders is important to AUO. We listen to stakeholder concerns, opinions, and respond when appropriate. AUO used the nine key stakeholders to define 10 stakeholder types <sup>Note 1</sup> and a total of 135 targets for cultivation. An engagement warmth radar map was also generated based on the interaction warmth rating to assess the outcomes of stakeholder communication plans. More than 1,500 interaction sessions were accumulated in 2024. Overall warmth rating was rated as 4.59 <sup>Note 2</sup>, falling between friendly and positive & proactive.






Note 1: Customers are split into the Display and Energy BG.

Note 2: Out of 5.

### 2024 Stakeholder Engagement Warmth Rating



	Topic of communication	Engagement focus	Communication channel	Key achievements in 2024
 Investor	Sustainability governance operations, Operating risk, Technological innovation and market strategy, Stakeholder, Climate change	Proactively communicating with investors following the principle of openness and transparency, demonstrating the capacity for transformation and sustainable performance. By actively engaging in dialogue with investors and promptly updating them on operating conditions, concerns can be effectively reduced. <b>Issues</b> Transformation strategy, Sustainability performance, Purchase of green electricity, Risk issues communication	<ul style="list-style-type: none"> <li>Annual shareholders' meeting (yearly)</li> <li>ESG Roadshow (yearly)</li> <li>Investor briefings (quarterly)</li> <li>AUO website investor relations (irregularly)</li> <li>Mailbox (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Ranked in the top 5% of the 10th Taiwan Stock Exchange Company Governance Evaluation.</li> <li>Communication of the 3 pillars transformation strategy.</li> <li>Hosted 17 ESG Roadshows and exhibitions to communicate ESG performance to institutional investors.</li> </ul>
 Customer	Energy management, Circular and clean production, Sustainable product, Operating risk, Supply chain management	Under the biaxial transformation strategy, we continue to provide customers with highvalue-added products and solutions, meeting their needs and expectations through communication meetings and satisfaction surveys. <b>Issues</b> Sustainable product, Circular economy, Renewable energy business opportunities	<ul style="list-style-type: none"> <li>Customer satisfaction survey (yearly)</li> <li>Project meeting (monthly)</li> <li>Customer service website system (irregularly)</li> <li>Customer audits (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Display panel obtained UL 2809 certification on 50% recycled content.</li> <li>Promote energy-saving product solutions.</li> <li>Conduct approximately 60 meetings, discussing with clients about recycled materials, product footprint, and product carbon reduction strategies.</li> </ul>
 Supplier	Supply chain management, Business integrity, Technological innovation and market strategy, Sustainable product, Occupational safety and health	Uphold the spirit of growing together with suppliers, promote several cooperation projects, and share AUO experience through audits and group learning courses; grasp the states of suppliers with platforms and create a stable supply chain. <b>Issues</b> Net zero carbon, Circular economy, Operating risk, Supply chain strategy	<ul style="list-style-type: none"> <li>Co-prosperity course (quarterly)</li> <li>Project meeting (irregularly)</li> <li>Supplier audits (irregularly)</li> <li>Supplier CSR Portal (irregularly)</li> <li>Complaint mailbox (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Hosting the 2024 CSR Coprosperity Conference, working with suppliers to combat plastic pollution.</li> <li>Completed carbon reduction briefing meetings with 60 key suppliers.</li> <li>Expanded 85 circular economy supply chains, with 100% completion of third-party certification of recycled materials.</li> <li>Conducted 192 sessions of supplier meetings for seamless communication with suppliers.</li> </ul>
 Media	Talent recruitment and retention, Supply chain management, Biodiversity, Sustainability governance operations, Stakeholder, Circular and clean production	Actively communicate the biaxial transformation and the progress of sustainable development with relevant stakeholders. <b>Issues</b> Operating performance, Biaxial s transformation strategy, ESG Brand	<ul style="list-style-type: none"> <li>Exhibitions (yearly)</li> <li>Press conference (irregularly)</li> <li>Press release (irregularly)</li> <li>Social media (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Over 100 ESG-related media reports and news exposures.</li> <li>Attend at least 7 exhibitions.</li> </ul>

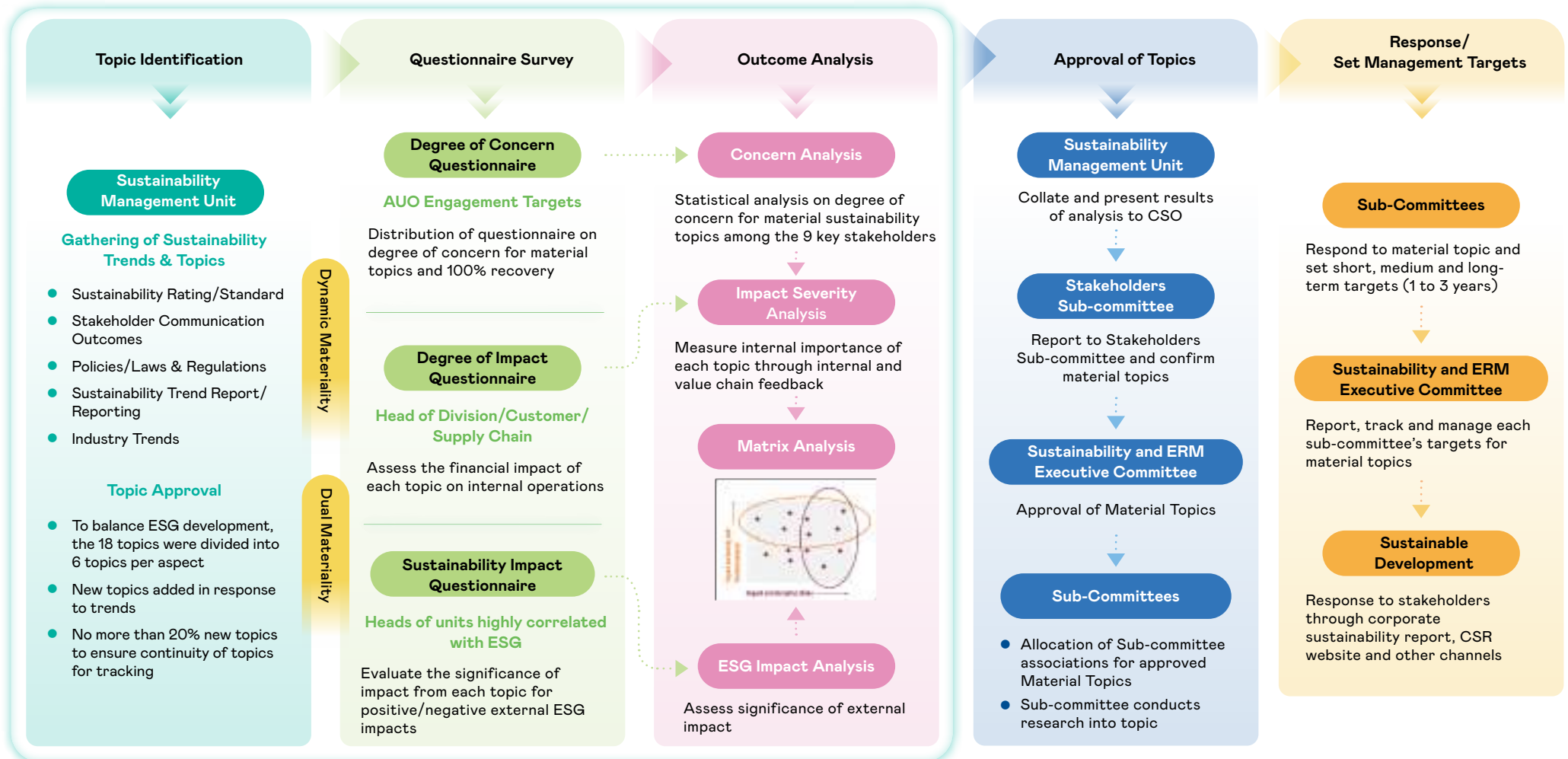
	Topic of communication	Engagement focus	Communication channel	Key achievements in 2024
 Academic/ Experts	Climate change, Energy management, Circular and clean production, Water resource management, Sustainable product	Inject R&D energy through exchanges between industry, government and academia. When dealing with all kinds of issues, the expert opinions are actively consulted, and relying on the external professional viewpoints to quickly grasp the trend of the topic, and accurately respond to external needs.  <b>Issues</b> Technology R&D, Product health and safety, Environmental safety and health practice, Industry-academia cooperation	<ul style="list-style-type: none"> <li>Expert meeting (irregularly)</li> <li>Conferences (irregularly)</li> <li>Mailbox (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>More than 250 instances of industry-government-academia exchanges.</li> <li>Completed 48 industry-university collaboration exchanges.</li> <li>Each site separately communicates with government units on fire safety, environmental protection, health and safety, and emergency response, and shares experiences.</li> </ul>
 NGO	Stakeholder, Sustainability governance operations, Technological innovation and market strategy, Circular and clean production, Social welfare	Proactively collaborate with NGOs and social enterprises to promote projects, combining their expertise and enthusiasm to expand the project's impact.  <b>Issues</b> Environmental education promotion, General science education promotion, Social welfare practice	<ul style="list-style-type: none"> <li>Project meeting (yearly)</li> <li>External seminar (irregularly)</li> <li>AUO Foundation (irregularly)</li> <li>Mailbox (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainability literacy scholarships, with over 1,800 colleagues donating more than 9.48 million.</li> <li>More than 1,022 participants in AUO Popular Science Train.</li> <li>Collaborate in remote township development projects, with Taichung environmental education courses engaging a total of 2,979 participants, while the Naluo Science Camp provided free participation for 606 scholarship-winning junior high school students.</li> </ul>
 Employee	Social cohesion, Talent recruitment and retention, DEI, Business integrity, Human rights and labor relations	Caring for employees' physical and mental wellbeing and focusing on their welfare contributes to shaping a friendly workplace. Create a sustainable internal environment to foster a culture of sustainability within the company.  <b>Issues</b> Business operations, Charitable activities	<ul style="list-style-type: none"> <li>Internal publication (halfyearly)</li> <li>Welfare committee (quarterly)</li> <li>Business briefings (quarterly)</li> <li>Labor-management conference (monthly)</li> <li>Internal mailbox/Complaints and consultation hotlines (irregularly)</li> <li>Club activities (irregularly)</li> <li>Questionnaire survey (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Convene 4 labor-management meetings.</li> <li>Convene 4 Welfare Committee meetings.</li> <li>Invite the Company's internal clubs to engage in public welfare activities that include the Wish Program, mountain cleaning, and beach cleaning.</li> </ul>
 Student	Human rights and labor relations, Energy management, Talent recruitment and retention, DEI, Technological innovation and market strategy, Social cohesion	Help students experience the workplace early through the GOLF Alliance and Summer Internship Program; actively recruit outstanding talents through campus recruitment.  <b>Issues</b> Industrial Internship, Employment and Benefits, Brand Image	<ul style="list-style-type: none"> <li>A+ Summer Internship Program (yearly)</li> <li>Campus Recruitment (yearly)</li> <li>GOLF Platform (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Organize or participate in 5 or more campus recruitment briefings and campus expos.</li> <li>21th A+ Summer Internship</li> <li>Continue to promote the GOLF program to help interns keep up with the industry.</li> </ul>
 Community	Circular and clean production, Water resource management, Biodiversity, Climate change, Occupational safety and health, Social welfare	Actively communicate with neighbors in the community, shorten the distance, and visit community representatives regularly; and build an educational field within the factory area to promote environmental and cultural learning in cooperation with neighboring campuses.  <b>Issues</b> Cultural education promotion, Popular science and environmental education promotion, Optoelectronics project communication, Plant environment maintenance	<ul style="list-style-type: none"> <li>Project meeting (yearly)</li> <li>On-site visits and care (irregularly)</li> <li>Good-neighbor activities (irregularly)</li> <li>Factory complaints hotline (irregularly)</li> <li>Mailbox (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Over 90 community neighborhood collaboration and communication sessions have been conducted.</li> <li>Environmental education courses developed in collaboration with neighborhood teachers, disseminating knowledge about water resources and zero carbon emissions.</li> </ul>



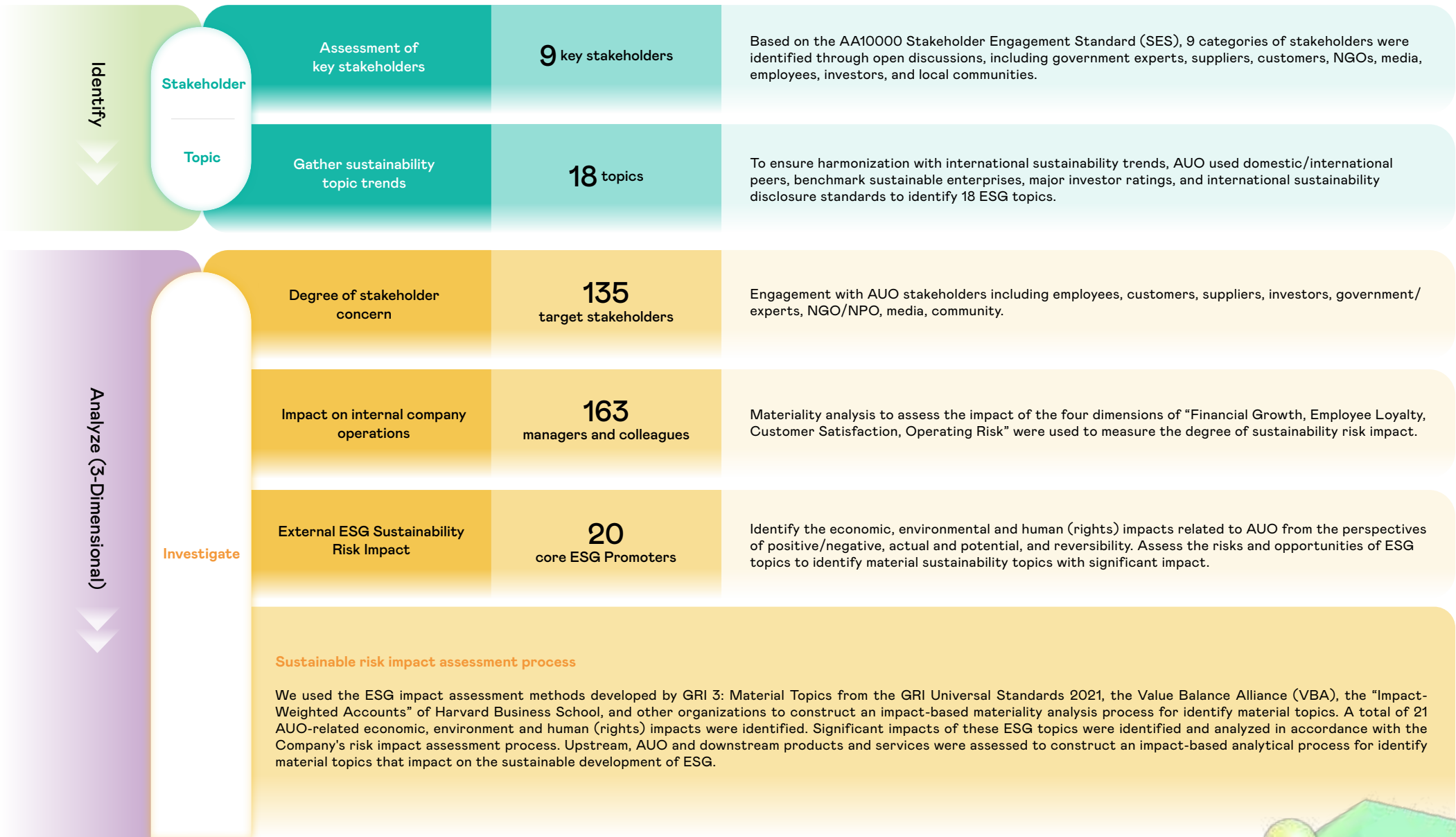
## 2.2.2 Material Topic Analysis

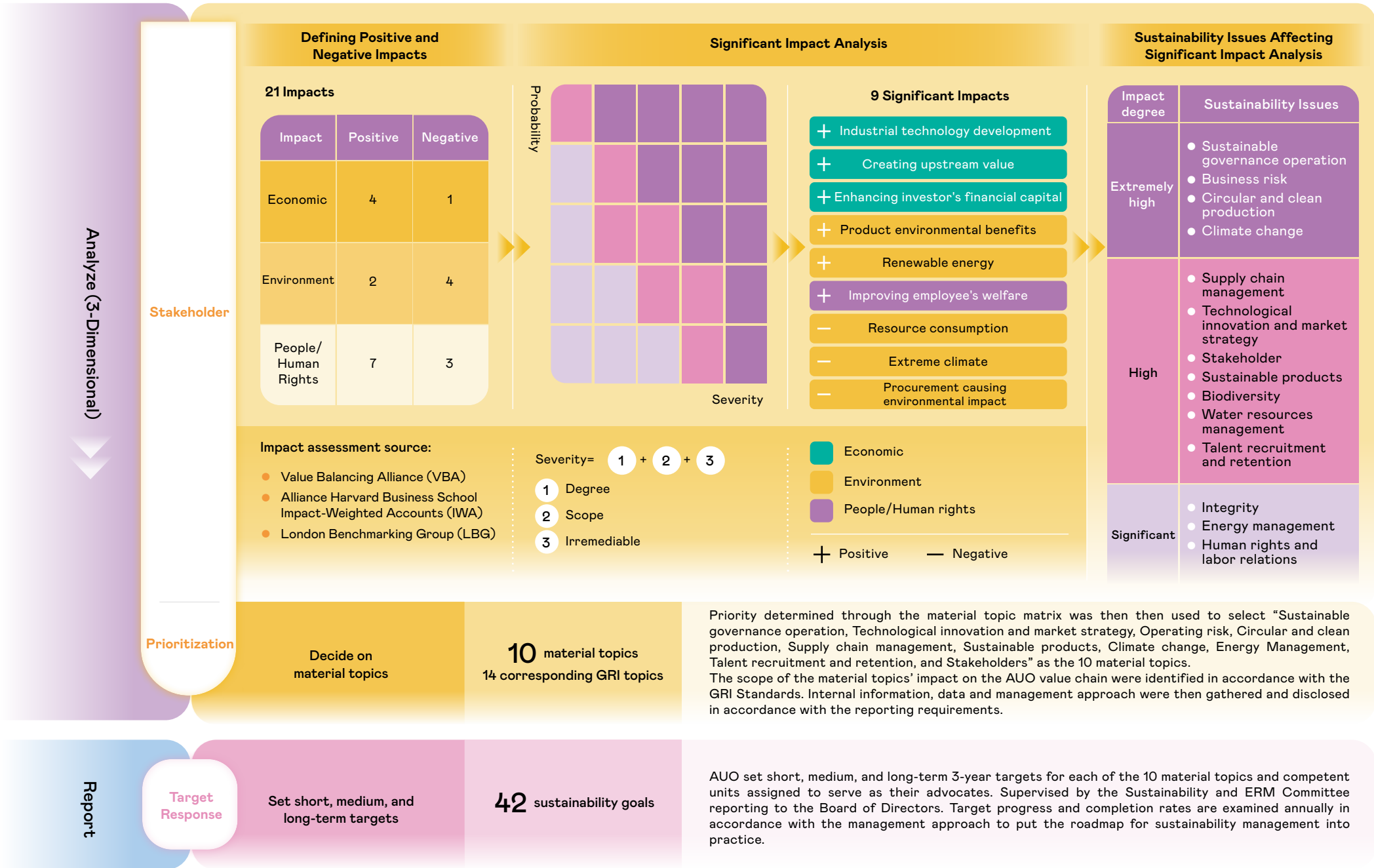
### Materiality Assessment Process

Materiality analysis is conducted by AUO every year. The appropriateness of issues is examined against global sustainability trends and the GRI Guidelines. Stakeholder-oriented issues were identified through economic, environment, and human (rights). The European Sustainability Reporting Standards (ESRS) issued under the EU Corporate Sustainability Reporting Directive (CSRD) was used to construct the analytical process for Double Materiality). The three dimensions of “Degree of Stakeholder Concern”, “Impact on Organizational Operations” and “Impact on Sustainable Development” were combined to analyze the materiality and priority of ESG issues. Significant impacts of material topics were determined to identify material sustainability topics. At the same time, a double materiality assessment method was developed for assessing the business impact of ESG issues on the Company through AUO managers and key supply value chain partners. For external ESG impacts on sustainability, we also used the ESG impact assessment methods developed by the GRI 3: Material Topics from the GRI Universal Standards 2021, the Value Balance Alliance (VBA), the “Impact-Weighted Accounts” of Harvard Business School, and other organizations to construct an impact-based materiality analysis process for identify material topics.



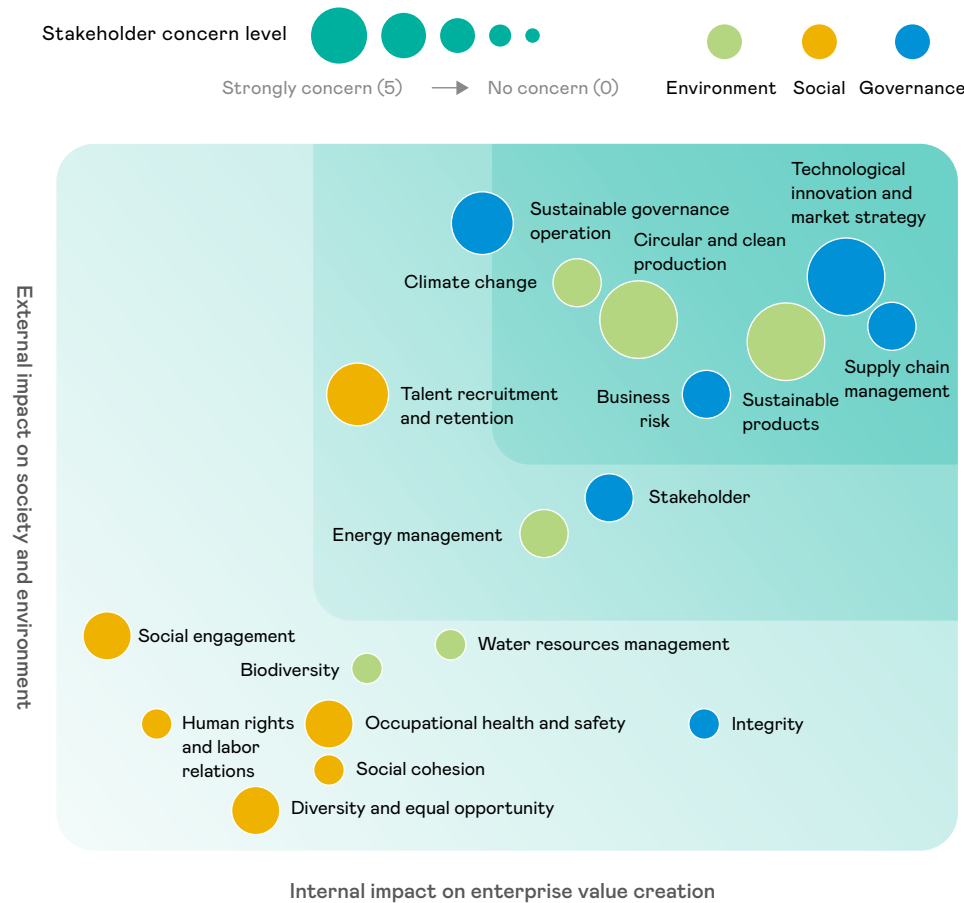
The outcomes of the 2024 materiality analysis led to the identification of 10 key sustainability topics that were confirmed by the CEO and approved by the Sustainability & ERM Committee. The setting of related targets and implementation outcomes were also reported to the Board of Directors. The outcomes of the analysis were incorporated into Enterprise Risk Management (ERM) to become the core topics in AUO's promotion of the sustainability roadmap and setting of short, medium, and long-term goals.





## Double Materiality Matrix

The materiality analysis process is used by AUO to sort each topic by priority based on degree of stakeholder concern for ESG topics, degree of impact from each ESG topic on organization operations, and degree of impact on external sustainable developments in the economy, environment, and human (rights).



2024 Material Topic	Internal impact on enterprise value creation	Degree of stakeholder concern	External impact on society and environment	Change (vs 2023)
1 Supply chain management	●●●●●	●●●●	●●●●	↑
2 Technological innovation and market strategy	●●●●●	●●●●●	●●●●	—
3 Sustainable products	●●●●	●●●●●	●●●●	↑
4 Sustainable governance operation	●●●●	●●●●	●●●●●	↓
5 Circular and clean production	●	●●●●●	●●●●●	↓
6 Operating risk	●●●●●	●●●●	●●●●●	↓
7 Climate change	●	●●●●	●●●●●	—
8 Talent recruitment and retention	●●	●●●●	●●●●	—
9 Energy management	●	●●●●	●●	New <sup>Note</sup>
10 Stakeholders	●	●●●●	●●●●	↓

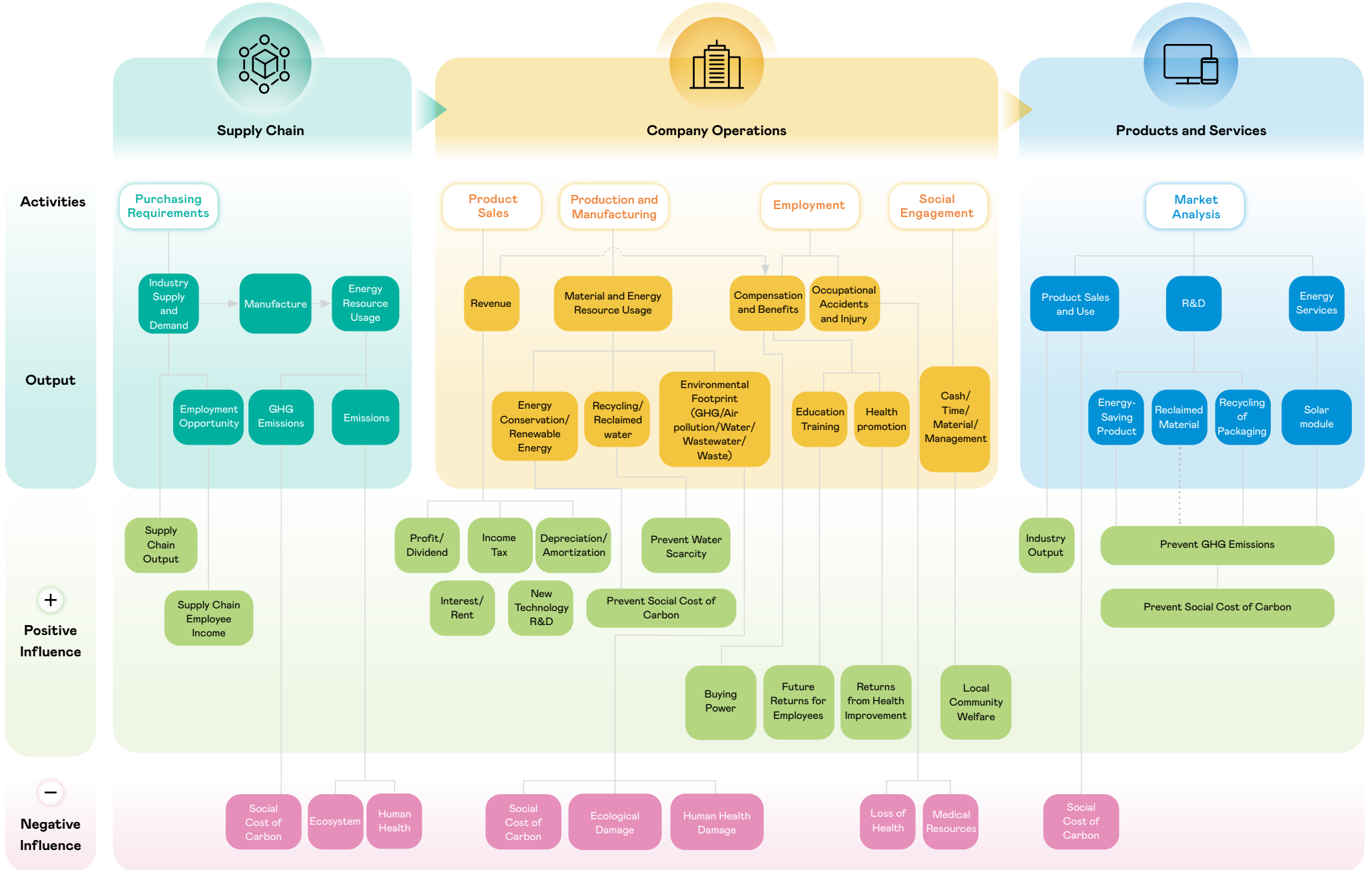
Note: "Energy management" was introduced as a material topic for 2024.

## Sustainability Impact

AUO conducted a thorough review of the effect our value chain activities have on human life and welfare from an outside perspective. Since 2023, we have combined an assessment framework based on the Nature Capital Protocol, Social & Human Capital Protocol, and ISO 14008:2019 environmental impacts and aspects with the Impact-Weighted Accounts (IWA) of Harvard Business School and the monetary evaluation methodology developed by the Value Balancing Alliance (BVA). From the upstream supply chain to production operations and downstream products and services, we used the Impact Pathway to analyze cross-domain intersections in economic, environmental and social issues. A Profit and Loss (P&L) management approach was also adopted to incorporate external considerations such as cost (negative) and yield (positive). How operating activities change or affect the life and welfare of stakeholders was converted into quantifiable monetary values to establish a sustainability influence management framework based on "Triple Bottom Line" (TBL).

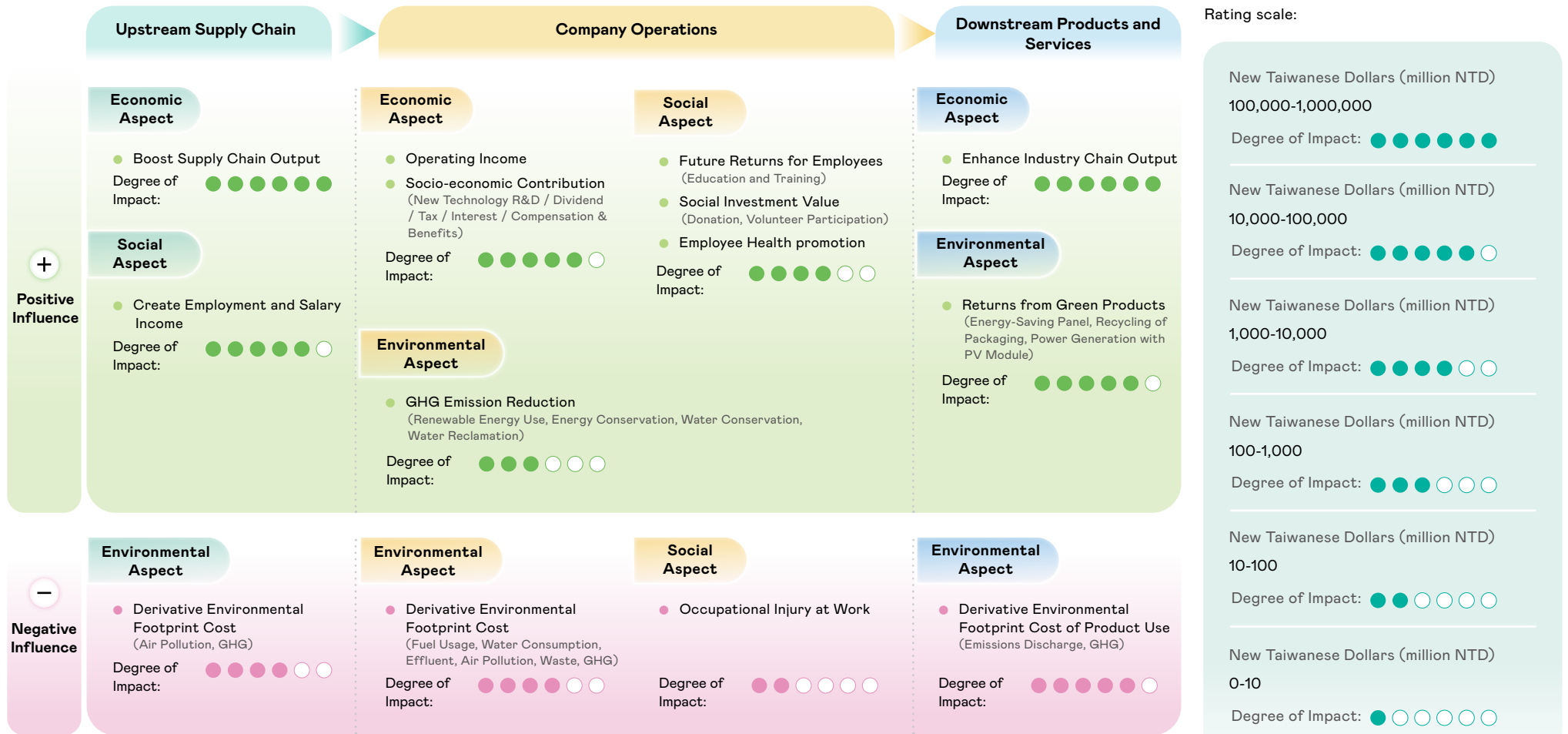


Sustainability Impact Strategy Map



Impact Assessment: Outcome of Monetized Analysis

AUO strives to be net positive in corporate sustainability through constant innovations and breakthroughs that create a partnership between the enterprise and society based on profit-sharing and co-prosperity.



Material Topic Boundaries and Implications for AUO

Confirmation of Material Topics and Disclosure

Each material topic's scope of impact on the upstream, company operations, and downstream components of the AUO value chain were examined against the outcomes of the materiality analysis. Internal information, data and management approach were gathered in and disclosed in accordance with the reporting requirements of the GRI Standards to ensure the transparency of the value chain, and its extended influence. Given the fact that multiple indicators exist for specific issues each covering different scopes and boundaries, this report has taken the approach of presenting the results using the maximum boundary.



Double Materiality at AUO

◆ Indicates that material topic has a significant effect on business impact or sustainability impact

	2024 Materials issues	Business Cases	Business Impact (Company Values)				Sustainability Impact (External Impact)									Corresponding Chapter
			Revenue Growth	Customer Satisfaction	Operating Risk	Employee Cohesion	Industry Technology Development (Positive)	Creation of Upstream Value (Positive)	Investor Financial Capital (Positive)	Environmental Benefit of Product (Positive)	Increase in Renewable Energy (Positive)	Improvement of Employee Life and Welfare (Positive)	Consumption of Energy Resource (Negative)	Environmental Impact of Purchasing (Negative)	Extreme weather (Negative)	
Governance	Sustainability Governance Operations	Everyone from the Board, senior management to all employees can effectively implement the goals and vision in a systematic manner to reduce the impact of risks, strengthen business resilience, and realize the sustainable management of the Company.	◆		◆			◆	◆		◆	◆	◆	◆	◆	1.3 Governance Organization 1.4 Business Integrity 1.5 Risk Governance
	Technological Innovation and Market Strategy	The definition of strategies for product management, product management, market strategy, and new business development as well as the introduction of R&D technology and innovative techniques are revenue generation and essential the competitiveness of the Company.	◆	◆	◆		◆	◆	◆	◆						2.3.2 Customer Service 5.1 R&D Innovation
	Operating Risk	Effective risk monitoring and management to increase the resilience of the Company and win market trust.	◆	◆	◆		◆	◆	◆			◆		◆		1.5 Risk Governance
	Supply Chain Management	Suppliers are important partners. A risk and sustainability management mechanism must be established to reduce the procurement cost, and achieve inclusive growth with supplier partners to build a resilient supply chain.	◆	◆	◆		◆	◆		◆					◆	2.4 Responsible Supply Chain
	Stakeholder	Effectively engage with stakeholders through suitable channels to communicate the positive and negative impacts of sustainability topics as well as demonstrate the implications and performance of sustainability management.					◆		◆			◆				2.2 Stakeholder Management
Environmental	Circular and Clean Production	The use of innovative technologies for waste reduction and recycling can help reduce the impact of production and open up new business opportunities.						◆			◆	◆	◆	◆	◆	3.4 Circular & Clean Production
	Sustainable Product	Having the design and innovation capability to develop green products and services or rigorous green material certification and conflict mineral management mechanisms will help win customer trust, premium price opportunity and boost environmental friendliness.	◆	◆			◆	◆		◆			◆			2.3.1 Product Quality 2.3.3 Sustainable Product 3.4.1 Circulation Management

	2024 Materials issues	Business Cases	Business Impact (Company Values)				Sustainability Impact (External Impact)									Corresponding Chapter
			Revenue Growth	Customer Satisfaction	Operating Risk	Employee Cohesion	Industry Technology Development (Positive)	Creation of Upstream Value (Positive)	Investor Financial Capital (Positive)	Environmental Benefit of Product (Positive)	Increase in Renewable Energy (Positive)	Improvement of Employee Life and Welfare (Positive)	Consumption of Energy Resource (Negative)	Environmental Impact of Purchasing (Negative)	Extreme weather (Negative)	
Environmental	Climate Change	Faced with the diverse and complex effects of climate change, engage in suitable mitigation and adaptation behaviors, think about life cycle management, and identify risks and opportunities.														Chapter 3. Environmental Sustainability
	Energy Management	Green upgrades in energy prices and renewable energy use will lead to significantly higher manufacturing costs. Low-carbon production and energy management will generate opportunities for intelligent services.														Chapter 3. Environmental Sustainability
Social	Talent Recruitment and Retention	Providing employees with fair and comprehensive compensation, benefits, and competency training will reduce turnover, boost recruitment, and increase profitability.														4.2 Talent Attraction & Development 4.3 Talent Development

## 2024 Material Topic Management Goals

### Governance Aspect

New 2024 new goals    - Did not set goal    ▲ Sub-committee of Sustainability & ERM Committee

Material topic	Item	Target	2024	2025	2026	Responsible unit	Business strategy
Technological innovation and market strategy	Establish strategies for product operation, market strategy, and new business development	Shipment volume of products using recycled materials	1.8 million pcs	2.4 million pcs	3 million pcs	▲ Sustainable Business	Collaborate with like-minded partners and continue to increase the sales of green products through the Company's R&D and sales teams.
		Shipment volume of special-specification <sup>Note 1</sup> products of energy-conservation	15 million pcs	16 million pcs	17 million pcs		
	Apply core technologies, innovative practices	The products of designated customer, the productivity of promising to use renewable	Meet customer requirements	Meet customer requirements	Meet customer requirements		
Sustainable governance operation	Management of product quality, customer satisfaction, and protection of confidential information (customer privacy, company secrets, etc.)	Customer satisfaction rating ratio	92%	93%	94%	Sustainable Development	Maintain a certain level of customer satisfaction through delivery date, service, innovation, quality, and the introduction of new products.
		Sustainability goals and all employees culture promotion	Improve the participation of all employees and enrich the knowledge energy through multiple innovative techniques	24,000 person-times	25,000 person-times		



Material topic	Item	Target	2024	2025	2026	Responsible unit	Business strategy
Supply chain management	Supplier risk management mechanism	LCD local purchase ratio <sup>Note 2</sup>	82.7%	82.7%	82.7%	Sustainable Supply Chain	Develop local supply sources, forge a priority cooperative relationship, and increase the ratio of local purchase.
		LCM local purchase ratio <sup>Note 2</sup>	75%	75%	75%		Form a diverse supply network to minimize the risk of relying on a single supply source.
		Ratio of key direct materials with diverse source development plans	97%	97%	97%		Comprehensive supply chain risk control and management lower potential risks and maintains supply chain stability.
		The number of key suppliers implementing risk management has increased every year	36	54	60		Continuously hosting diverse thematic courses and sharing experiences with supplier partners, collectively pursuing sustainability.
	Supplier consulting/collaborate	Cumulative number of sessions for supplier co-prosperity growth course <sup>Note 3</sup>	24 sessions	28 sessions	32 sessions		Publish the key supplier ESG scorecard and require the average score of all suppliers to increase every year.
Promotion of supplier sustainability initiative and evaluation of sustainability competitiveness		The average score of the key supplier ESG scorecard has increased every year	Increase by 3%	Increase by 5%	Increase by 8%	Sustainable Development	Facilitate carbon reduction actions by suppliers, require key suppliers to disclose climate information, as well as evaluate and review the development progress using international indicators.
		The number of key suppliers who have completed the CDP climate change questionnaire has increased every year	20	25	35		Combining international exhibitions with green exhibition practices to fulfill sustainable commitments, and creating ESG business opportunities through the participation and collaboration of diverse stakeholders.
Stakeholder	The diversity of external interaction channels and brand management	The number of international exhibition participations	6 sessions	6 sessions	6 sessions	Sustainable Development	Continuously communicating the biaxial transformation achievements to foster community strength in sustainable growth and innovative low-carbon intelligent applications.
		Annual growth rate of LinkedIn followers	20%	20%	20%		Proactively engaging with stakeholders to communicate and showcase sustainable development achievements, driving societal impact through case sharing reports.
		The number of featured articles	4 articles	5 articles	6 articles		Implementing responsible information disclosure processes to ensure the validity of sustainability statements and maintain competitiveness in future green marketing.
	The completeness, timeliness, and quality representation of information disclosure	Implementation of compliant information disclosure processes <sup>Note 4</sup>	Implementation	Implementation	Implementation		Aligning with international standard trends to maintain and expand the effectiveness of management system verification, verifying the confidence in the company's sustainable actions.
Obtain representative management system <sup>Note 5</sup> certification categories		10	11	12			
Business risk	Manage business risk and establish a risk culture among all employee	Increase the annual participation rate for activities and courses related to the enhancement of risk culture <sup>Note 6</sup>	90%	91%	92%	Risk Management	Continuously building a risk awareness culture among all employees through annual risk training courses.

Note 1: Pertaining to the product capacity of the R&D new energy-saving technology applications and Low-Temperature Polysilicon (LTPS) process.

Note 2: Data for local purchases excludes the Vendor-Managed Inventory (VMI) system of supplier inventory management, ensuring that the actual amounts are not affected by inventory quantities.

Note 3: Accumulative event count since 2019.

Note 4: This refers to the process of ensuring appropriate and accurate information is provided through internal communication, review and publication.

Note 5: Representative management systems include ISO 9001, IATF 16949, QC080000, ANSI/ESD S20.20, ISO 17025, ISO 27001, ISO 14001, ISO 46001, ISO 50001, ISO 45001.

Note 6: To continuously establish a corporate risk culture, annual risk training for all employees will be conducted, with training rates for indirect staff set as the goal.

Environmental Aspect

Material topic	Item	Target	2024	2025	2026	Responsible unit	Business strategy
Sustainable Product	Sustainable product innovation and design	Decrease energy consumption of IT products Base year: 2021	25%	30%	35%	Sustainable Technology	Review and enhance the R&D capacity through the technology platform, so that the products can be more energy-efficient than before.  Continue to improve the penetration technology of TV LCD panels to solve the problem of high energy consumption of large screens and high resolution through the technology platform.  Continue to evaluate the high-quality application of different recycled materials through the operation of the Circular Economy Working Group to improve the comprehensive recycling of products and meet the requirements of green brand customers.
		Decrease energy consumption of car products Base year: 2021	20%	30%	35%		
		Increase the penetration rate of TV LCD panels Base year: 2021	Technology developing	>10%	>10%		
		The weight proportion of recycled materials used in special-specification products Base year: 2021	30%	30%	30%		
	Product green information Transparency and Communication	The number of products that provide green information, mainly monitors and notebook <sup>Note1</sup>	20 cases	30 cases	40 cases	Sustainable Technology Sustainable Business	Increase the application of green technology and recycled materials in new product modules, and provide related information for customers to increase the product's green performance and competitive differentiation.
Circular and clean production	Promote circular and clean production value chain engagement and management	Continue to expand the circular economy supply chain (number of suppliers)	58	64	86	Circular Economy Working Group Sustainable Supply Chain	Facilitate close collaboration with the supply chain regarding the issue of circular economy through the supply chain platform.
		Ratio of recycled materials certification for the circular economy supply chain	>90%	>90%	>95%		
	Market application and commercial value creation of circular and clean production technology	Financial benefits growth rate Base year: 2017	110%	135%	145%	Circular Economy Working Group	The Circular Economy Working Group horizontally integrates resources across various units and generates circular economy growth through the reduction and recycling of raw materials, as well as waste reduction and the development of high-value, green product markets.
	Management innovation of product life cycle	Re-establish product carbon footprint projects and systems in response to standards trends	System integration	Product carbon information service	Product carbon information service	Circular Economy Working Group Sustainable Development	In response to product diversity and complexity, we have reformulated an appropriate product carbon footprint calculation methodology that is applied to new product development through collaboration between different units.
Climate change	Value chain climate change mitigation and adaptation as management, engagement and operation	Carbon reduction ratio of key suppliers Base year: 2021	4%	8%	12%	Sustainable Supply Chain	Promote carbon reduction actions of suppliers, where key suppliers are required to obtain greenhouse gas (GHG) inventory verification and implement carbon reduction targets.
		Number of suppliers working together on ESG	70	80	90		Foster a consensus and share resources through supplier-related meetings (high-level exchanges, seminars, and courses) to accomplish common action and growth.
	Management of climate change risks and financial impacts	Number of projects completed the risk assessment and management process	3	3	3	Carbon-energy Working Group	Continue to implement TCFD operations through cross-functional collaboration, and prepare for financial risks caused by diverse climate scenarios.

Material topic	Item	Target	2024	2025	2026	Responsible unit	Business strategy
Climate change	Carbon asset management and international initiatives	Sign the international initiatives-RE100	-	RE10 (executive annual goal)	-	▲ Sustainable Energy Sustainable Development	Integration of company resources and regular communication, gradually achieving set renewable energy use and carbon reduction goals.
		Sign the international initiatives-SBT	-	Absolute Carbon Reduction by 25% (Base year: 2018)	Implementation of the new SBT Path	Sustainable Development	
		Manage carbon credits/acquiring a qualified total amount of carbon credits	>200,000 tons (carbon offset credit)	>500,000 tons (carbon offset credit)	>500,000 tons (carbon offset credit)		
<div style="background-color: #e0f2f1; border-radius: 50%; padding: 2px 5px; display: inline-block;">New</div> Energy Management <small>Note 2</small>	<div style="background-color: #e0f2f1; border-radius: 50%; padding: 2px 5px; display: inline-block;">New</div> Renewable energy development, use, and participation in RECs market	Sign the international initiatives-RE100	-	RE10 (executive annual goal)	-	▲ Sustainable Energy Sustainable Development	Continue to strengthen application of renewable energy and achieve the goal of RE100 by 2050 by participating in the green energy market and REC trading.
		Shipping volume of modules required by PV market	300 MW	300 MW	360 MW	▲ Sustainable Energy	Development of the PV market and continued innovation. Maintain continued growth in shipping volume through PV module production of or power plant DevOps.
	<div style="background-color: #e0f2f1; border-radius: 50%; padding: 2px 5px; display: inline-block;">New</div> Improve the efficiency of energy management technology	Number of proposals submitted to annual energy conservation competition	48 cases	48 cases	48 cases	▲ Carbon-energy Working Group	Promotion of green manufacturing, continued optimization of the energy management system, refinement of energy efficiency, and promotion of technical services for energy conservation and carbon reduction.
		Organizing of annual energy-efficiency and carbon reduction events	2 sessions	2 sessions	2 sessions		
		Annual Energy Savings	4.5%	4.5%	4.5%		
		Absolute power reduction	-	204 million kWh	195 million kWh		

Note 1: Mainly monitor and notebook.

Note 2: This was a material topic from 2022. The disclosure target has been extended to 2026.

Social Aspect

Material topic	Item	Target	2024	2025	2026	Responsible unit	Business strategy
Talent attraction and retention	Competitive rewards and diversity of employee welfare policies content	Percentage of employees who experience happiness and are willing to recommend others to participate	78%	79%	79%	Human resources center	Conduct post-experience happiness questionnaire survey through digital communication platforms to create a smooth and friendly communication channel with employees.
		Overall salary level compared to the industry standard <small>Note 1</small>	Top 25%	Top 25%	Top 25%		Participating in annual international market salary surveys to ensure market competitiveness.
	Enhance employee satisfaction and of employer brand image	Q12 annual questionnaire communication channels survey on employees' recognition of the company and work <small>Note 2</small>	80%	80%	80%		Conduct the Q12 employee survey every year to gain employees' feedback and design countermeasures to enhance employees' recognition and sense of belonging to the Company.
Q12 Annual Employee Survey Coverage Rate		81%	82%	85%			

Note 1: In the Taiwan Stock Exchange's public information observatory, the median salary of full-time employees who do not hold managerial positions is in the top 25% of the same industry.

Note 2: To avoid inconsistencies in the definition of recognition rate and CSR EPS, the original target for this issue disclosed in 2023 has been redefined and reset as the Q12 annual employee survey, average recognition degree of employees in four aspects (basic needs, management support, team cooperation, learning growth), and a new target for response coverage rate has been added.

## 2.3 Customer Relations

AUO strives to become the best long-term partner for our customers. We work actively to meet customer requirements through innovative technologies and services, and provide our key customers in different fields worldwide with high value-added green products and solutions. AUO has accumulated a wealth of technical expertise through many years of investment in the display industry. Our display technology now forms the backbone of our efforts to integrate system-side software and hardware solutions that create new display value and boost vertical market applications. The resources and smart productivity at global locations have been harnessed to build high quality, highly flexible customer services. We utilize annual satisfaction surveys to support continuous review and improvement, ensuring the delivery of high-quality green products and services to our customers.

### 2.3.1 Product Quality

#### Quality Management Approach

AUO has constructed a rigorous quality management system to not only supply products with quality products and services but also become their trusted long-term partner.

#### The Three Key Quality Management Strategies



In smart management, digital technology is combined with operating processes to optimize the smart management system. An information and material governance management process that includes design data management structure, definition and organization of data sources, and improvement of trans-system data quality was also built to establish the Company's key data assets. Data is extensively used to support decision-making in order to improve the speed, precision, and completeness of decisions. Digital transformation in smart manufacturing was used to apply AI and big data to production line software/hardware. Remote monitoring was then used to precisely predict equipment maintenance requirements. Smart, automated and standardized processes were also established to improve productivity and stabilize quality.

In quality management, AUO is focusing on differentiated technology strategies for different fields. We also conform with and integrate different the requirements of different international standards to establish quality management processes for medical devices and automotive functional safety that satisfy customer requirements. We satisfied customer requirements and won a number of industry awards. In 2024, AUO even won the "National Quality Awards - Comprehensive Excellence - Business Excellence Award", the top honor in enterprise management quality. The award demonstrated the operational resilience and total quality management in our dual-axis transformation.

#### Promoting a Culture of Continuous Improvement

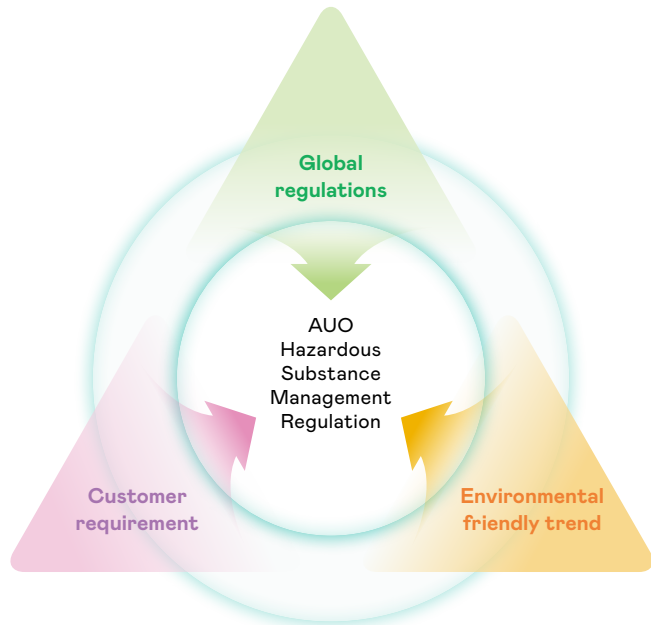
AUO has been actively engaged in continuous improvement activities since 2002 to enhance employees' problem-solving skills and strengthen the Company's quality power. Improvements are systematically carried out in logical steps to establish a common language through the Company for realizing the performance targets of the Company or individual departments. CIP has now been active for more than two decades with more than 500 cases closed annually in the last three years. The Quality Control Circle (QCC) for production line workers and the Systematic Improvement Program (SIP) competitions for engineers for example are regularly hosted to inspire employee participation and enthusiasm. Awards for outstanding projects and the best promotion teams are presented by senior executives. Public events are also held for learning from each other and benchmarks to cultivate a culture of continuous improvement at the Company and boost our competitiveness.

#### Hazardous Substances Management

##### Hazardous Substances Management Policy

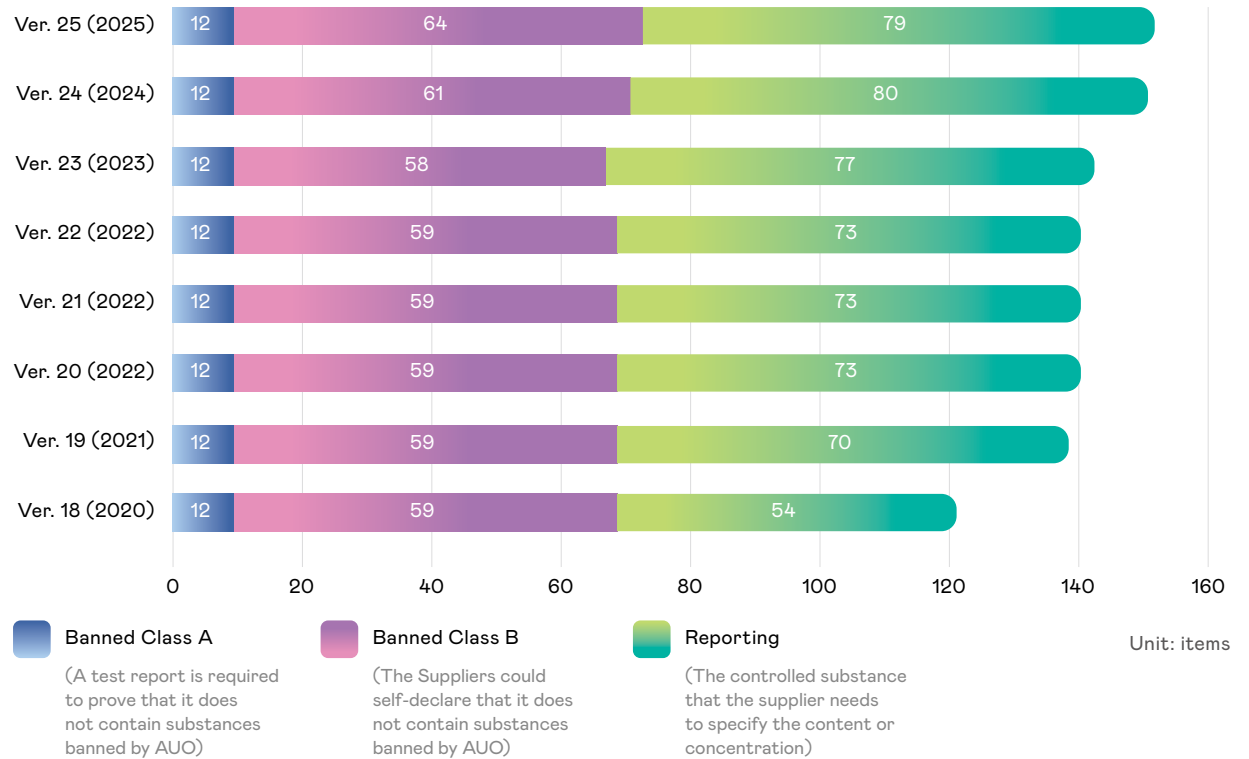
To implement its hazardous substance management policy, mitigate the environmental and ecological impact of its products, and meet international regulations and stakeholder expectations, AUO has established the Green Product Hazardous Substance Management Regulations. Through certification under IECQ QC 080000 (Hazardous Substance Process Management System), the company ensures that all materials comply with international regulatory standards and customer requirements. The 25th revision of the management regulations was completed by AUO in accordance with international regulations and the specifications of key customers in 2024. The updated regulations took effect in 2025 and now lists up to 155 substances for control. It not only encompasses all declarable substances listed in the Material Declaration for Products of and for the Electrotechnical Industry (IEC 62474) but the specifications of all key customers as well.





The AUO Green Product HSF Management Regulations is based on international regulations, customer requirements, and environmental trends. The HSF management policy is also reviewed every year and the contents of the Green Product HSF Management Regulations adjusted if necessary.

AUO Hazardous Substance Management Regulation Revision History



PFAS Reduction Plan

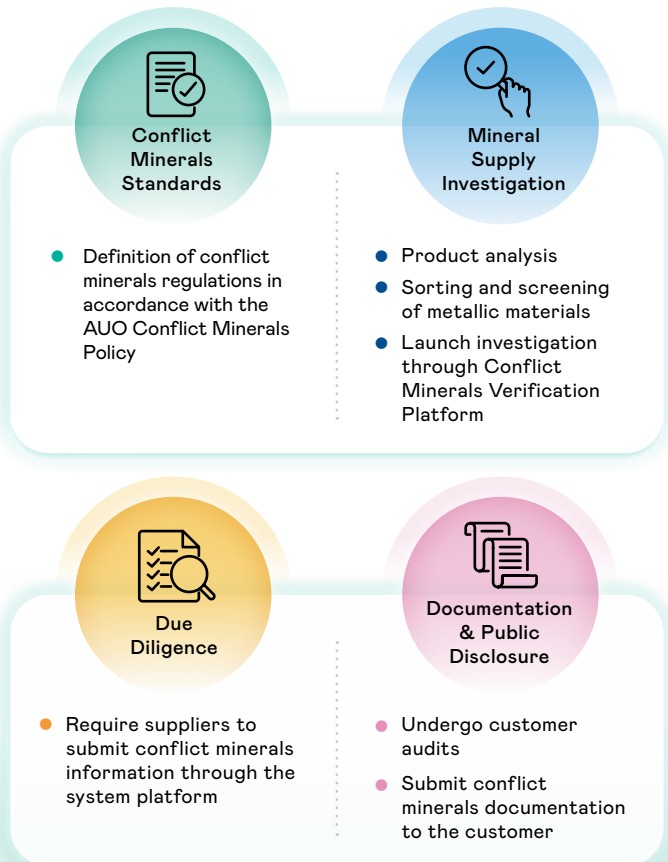
Per- and Polyfluorinated Substances (PFAS) is a synthetic chemical substance whose properties include non-stick, water-resistance, oil-resistance, friction, stability and durability. These “forever chemicals” are used extensively in kitchenware, leather, waterproof clothing, and electronic products. The stability of PFAS also means it is not easily metabolized by the human body. Excessive build-ups of PFAS may lead to cancer, immune system diseases, reproductive anomalies, and fetal development problems. Restrictions or bans on the use of PFAS is now an international trend. Many countries have started introducing laws on PFAS restrictions as well. New restrictions have been proposed by the European Chemicals Agency (ECHA) in 2023 to gradually phase out products containing PFAS. PFAS is a huge family with tens of thousands of known substances. AUO began banning the use of certain more harmful PFAS in 2009 and continued to monitor their usage. AUO’s policy on PFAS ban and its implementation schedule was announced through the HSF Management Regulations in 2024(24th edition). The “All PFAS Free” program on the investigation and validation of alternative materials was also launched at the same time. Joint meetings are regularly convened with Purchasing, R&D, Sales, and Quality Integration to investigate and validate alternative materials. Inventory of alternative materials are also conducted during due diligence by each unit. Inventory of alternate materials found that PFAS Free alternative materials have a low adoption rate at present. EU restrictions on PFAS are still in the drafting stage and the legislative timeframe remains uncertain. Nevertheless, AUO is now developing a phased verification program for FAS Free alternative materials to be prepared for international regulatory requirements. Phase 1 will focus on verifying PFAS alternative materials for Driver IC and color filters with a target completion date of January 1, 2026. AUO will also continue to monitor and make rolling adjustments to our PFAS Free action plan based on regulatory developments and customer requirements. We will ensure that our policy is aligned with international standards and propose the most appropriate solution.

Mineral Oil Monitoring and Management Program

Mineral oil is derived from hydrocarbons. Its waterproofing, lubricating, and non-stick characteristics means it is used extensively in printing ink, lubricants, pesticides, fungicides and preservatives, Mineral oil’s potential carcinogenicity and mutagenicity can have a serious effect on human health, however. Every country is now passing laws that restrict or ban the use of mineral oil. France in particular passed a law in May 2022 that banned the public distribution of packaging and printed materials with mineral oil content. The control limits will become stricter over the years as well. To fulfill our responsibility on environmental sustainability, AUO designated mineral oil as a reportable substance and began monitoring mineral oil usage in 2023. The controls were tightened in 2025 to designated mineral oil as a prohibited substance outright.

## Implement Conflict-Free Minerals

AUO is committed to the fulfillment of social responsibility as well as the respect and protection and human rights. A conflict-free minerals policy has been defined in accordance with the OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas that all suppliers are required to acknowledge and enforce related commitments. To uphold the principle of full disclosure on all substances, AUO provides disclosure on the composition of parts and components through our system platform. In response to customer requirements on conflict mineral survey templates, we can also supply conflict minerals due diligence documentation such as Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) for customers with such requirements to fulfill our obligations on due diligence and full disclosure. AUO is continuing to strengthen our monitoring mechanism and engaging fully with our supply chain partners to enforce conflict minerals-free supply chain management. The collaboration mechanism is also employed to fulfill our social responsibility together.



## Conflict Minerals Risk Management

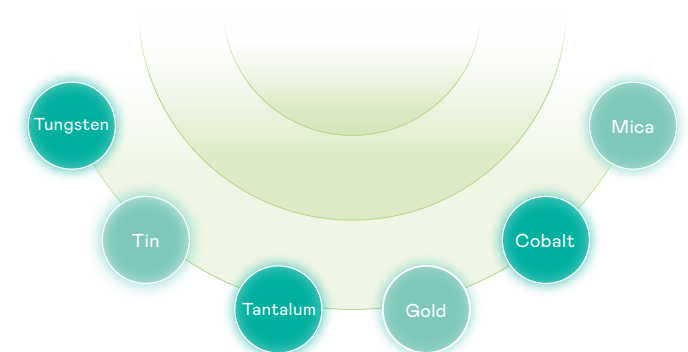
AUO has established a detailed conflict minerals risk management process for identifying conflict mineral risks in the supply chain.

### Three Key Operating Models

<b>Data verification</b>	Products are analyzed and the materials screened to pick out part numbers that contain metal for critical raw material risk management. If a part number is determined as requiring investigation, a conflict minerals investigation e-form is automatically opened by the system. The supplier must conduct an inventory of the conflict minerals supply chain for this product when they receive the form. Once they have filled out the form the data is reviewed by AUO.
<b>Anomaly management</b>	The country disclosed by the supplier as the source of the mineral is assessed after the review of the conflict minerals information is completed. If mineral is sourced from a country that is a high-risk area affected by conflict, then the anomaly management process must be initiated. Discuss countermeasures with the relevant units and conduct risk assessments before dealing with exceptions as resolved.
<b>Material management</b>	Information such as the part numbers and suppliers for incoming materials in the current month are managed through the procurement system. Monitoring reports are generated periodically to track the verification progress of conflict minerals.

### Investigation Findings

Tungsten, Tin, Tantalum, Gold, Cobalt, Mica: In 2024, we investigated 152 suppliers and verified 3,302 part numbers to ensure full compliance with the Conflict-Free Minerals Policy and the protection of human rights and justice. Additionally, specific product investigations were carried out based on customer requirements to assess the implementation of conflict-free mineral policies. As of 2024, AUO has completed product investigations for 91 shipping customers, confirming their adherence to the policy. These efforts will continue in the future to uphold our responsibilities.



## 2.3.2 Customer Service

### Comprehensive Customer Service Journey

AUO strives to provide customers with a comprehensive product and service experience. Systematic management has been used to build a total and precise customer service mechanism. A full product process management system was developed by AUO to effectively manage the needs of key customers worldwide and meet their expectations. Once sales personnel enter the vendor Profile, project name, and related information such as product applications, product format, specifications, and anticipated project unit price into the system platform, all of their colleagues worldwide can use, share, and update similar business information from customers around the world at the same time. Any project changes due to customer discussions can be updated to the system at once to ensure that all colleagues involved are on the same page. The system can also collate all of the information for further analysis in multiple aspects including annualized revenue from customer project, trends in market technology requirements, and revenue and volume. The analyses help managers keep track of the latest developments and assist with their decision-making. At the same time, AUO can also use the customer demand management system and requirement satisfaction system to track short changes in near-term and future customer demand. Production capacity and material procurement can then be adjusted in a timely manner to avoid delivery issues due to part shortages or excess stock.

Material Topics

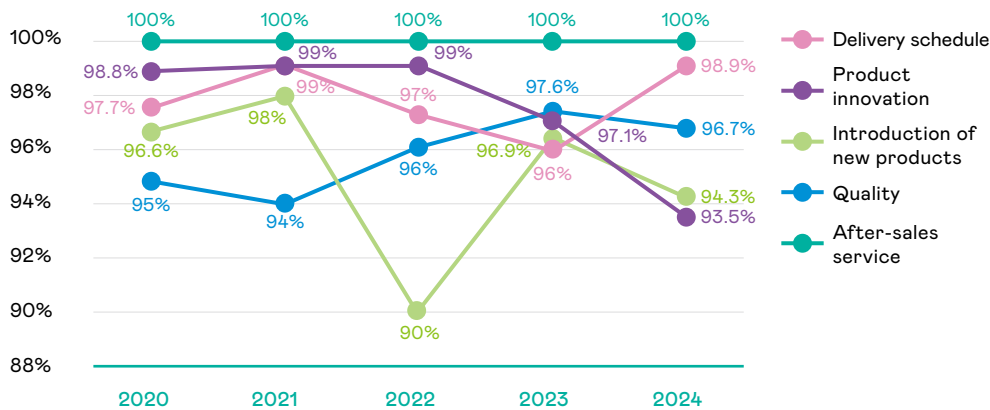
Customer rating satisfaction ratio

### Customer Satisfaction

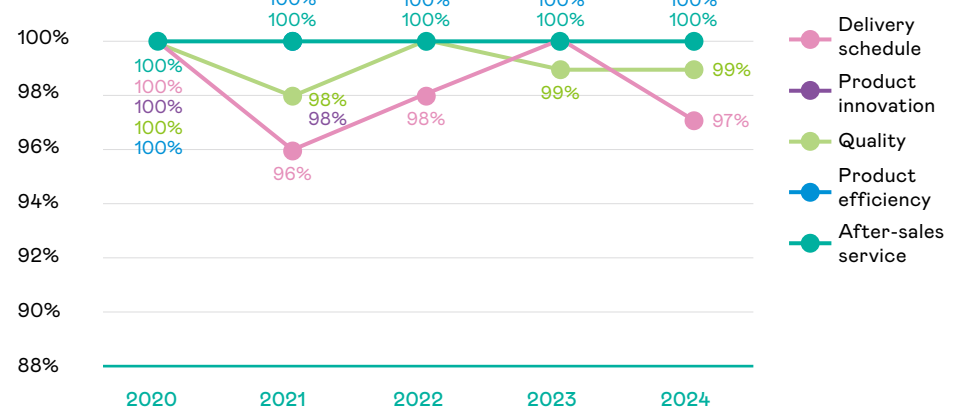
Customer satisfaction surveys are conducted by AUO every year. Areas requiring improvement are personally examined by senior executives during management review meetings before being assigned to the competent units for the proposal and implementation of improvement strategies. In addition to satisfaction surveys, AUO also seeks to make progress through three main aspects of product, business, and quality. Multiple channels are employed to maintain two-way communication with customers through weekly and monthly meetings, Quarterly Technical Reviews (QTR), Quarterly Business Reviews (QBR), Quarterly Quality Reviews, executive meetings, inviting customers to tour AUO product expos, and other ad hoc meetings. More than 50 communication meetings are on average conducted with key customers each year for example. Maintaining a close working relationship and building of customer trust embodies the AUO customer-centric philosophy.

The satisfaction trends of the two business groups of Display and Energy have remained consistently above 90% in recent years. Analysis of the 2024 findings also showed strong customer appreciation of AUO accomplishments in quality and smart management. The Display BG in particular took satisfaction with the delivery schedule, introduction of new products, quality, and after-sales service maintain a positive performance. The Energy BG continued to maintain a high level of strategy for delivery schedule, product innovation, introduction of new products, quality, and after-sales service.

#### Display Business Group



#### Energy Business Group



	2024
Continual Improvement cases	Target 450   Actual 1,148
SPC Completion Rate <sup>Note 1</sup>	Target 80%   Actual 89.02%
Customer Satisfaction <sup>Note 2</sup>	Target 92%   Actual 97.5%

	2023
Continual Improvement cases	Target 450   Actual 879
SPC Completion Rate <sup>Note 1</sup>	Target 80%   Actual 88.49%
Customer Satisfaction <sup>Note 2</sup>	Target 91%   Actual 98.14%

	2022
Continual Improvement cases	Target 450   Actual 763
SPC Completion Rate <sup>Note 1</sup>	Target 80%   Actual 86.37%
Customer Satisfaction <sup>Note 2</sup>	Target 90%   Actual 97.13%

Note 1: Statistical Process Control (SPC) tools are used by AUO to improve ability to monitor anomalies and stabilize the production process. Calculated as "No. of targets completed/Total number of targets \* 100%."

Note 2: Calculated the weighted average "No. of satisfied customers/Total number of customers in satisfaction survey \* 100%" from the five main aspects of satisfaction. The customer satisfaction data coverage rate is defined as "the ratio of targeted survey subjects to those actually surveyed," with a coverage rate of 100% in 2024.

## Customer Return Policy and e-waste management measures

AUO knows that the rapid obsolescence and high scrapping rate of electronic products leave a major environmental impact. We have therefore adopted proactive lifecycle management measures with an emphasis on repair of defective products to facilitate reuse by customers. AUO's professional service team and comprehensive repair process enables the effective repair of defective products to extend their service life. We provide transnational electronic quality and after-sales support services through our global service locations. Customers can use the AUO Customer Service System (CCS) to apply for RMA (Return Materials Authorization) service and arrange for the return, exchange, repair and delivery of products within their warranty period. We also offer paid repair services for products out of warranty to provide customers with more options.

AUO works actively with brand customers to set up RMA service collection points and support suitable repair centers in keeping with our philosophy of putting customer service and quality first. Clear return & replacement conditions/procedure allows customers to gather all defective products within their region. Defective products throughout the region can then be aggregated by the customer and shipped to an AUO support center for sorting. Customer shortfalls can also be met in a timely manner from the inventory of good and refurbished products at local collection points. This not only ensures that there are no disruptions to the customer's product lines or market services, but also reduces transportation costs and related carbon emissions for both parties. AUO operates professional global service centers that accepts RMAs for return. Transparent repair reports are provided to customers so they know exactly the product's status is. Recycled packaging materials are also used during product retrieval and shipping to reduce the environmental burden even more.

To ensure the effective tracking of every RMA, AUO uses six tracking points within the customer service system to record RMA numbers. Convenient and transparent tracking information helps customers keep tabs on their RMA progress, resulting in enhanced AUO engagement with the customer and improved satisfaction.

## Customer Rights Protection and Complaints Procedure

AUO offers a range of complaints channels to ensure that we listen to and pay attention to every customer. If a customer needs to inquire about the health and safety, marketing and labeling, or other issues related to the products and services provided by AUO, or if they wish to make a complaint about related issues, they can go to "[Contact Us](#)" on the homepage or the [AUO Sustainability website](#) to raise the issue. Once a customer e-mail is received, it is sorted and forwarded to the responsible unit for further investigation and communication before case closure. AUO strongly believes that sound communication and effective processing is fundamental to customer trust. In the future, AUO will continue to improve and upgrade our quality of service.

## 2.3.3 Sustainable Products

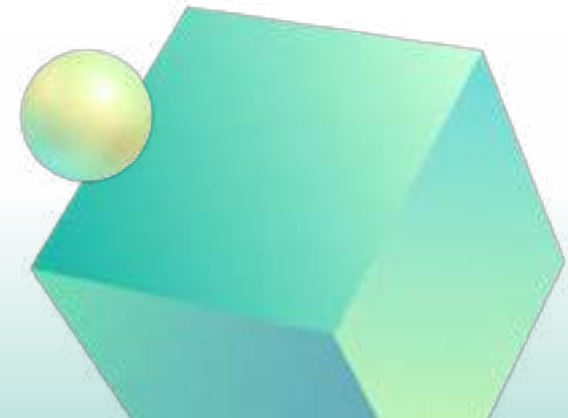
AUO strives to apply pioneering display technologies while also emphasizing resource recycling and product sustainability. We hope to help customers create differentiated product value and provide consumers with environmentally friendly product options. From cooperating with upstream suppliers on incoming material tracing, factory production data management and standard certification procedure, to the product features and circular application for downstream customers, we supply low-carbon, energy-efficient, circular and sustainable products that exert our influence on the market.

## Satisfy Customer Demand for Green Products

### Material Topics

The number of products that provide green information, mainly monitors and notebooks

Global demand for products with low carbon footprint is growing. AUO offers a one-stop total solution for low-carbon footprint products. By working closely with customers on circular materials, low energy consumption and product certification we help brand customers improve their market competitiveness and recognition. In keeping with our customer-centric service philosophy, AUO studies customer requirements and targets to offer customized solutions includes the selection of appropriate recycled material ratios and energy-efficiency technologies by AUO as well as professional discussions and technical exchanges with customers during the cooperation process. In 2024, AUO Display Plus and the AUO Group co-designed the "Green LCD" sustainable product focusing on low energy consumption and use of recycled materials. We entered the SIEMENS Factory Automation Supplier Co-Creation Challenge held by a customer and passed the judging process, demonstrating the ability of the AUO Group to collaborate with customers on green products. In 2024, we offered customers over 250 products that incorporated green technology. At the same time, AUO also reached out to automotive customers in 2024 to provide more than 40 products containing green technologies.





## Material Topics

Shipment volume of special-specification products of energy conservation; Increase the penetration rate of TV LCD panels; Decrease energy consumption of IT Products; Decrease energy consumption of car products

## Low Energy Technology

AUO is applying green think throughout product innovation and application. The three key display technologies of Adaptive mini LED (AmLED), Low Temperature Poly-silicon (LTPS) and Bi-Stable Display Technology have now been applied to high-end smart mobility notebooks to craft energy-saving, lightweight and low-carbon products. These not only reduce energy consumption but also have a smaller environmental footprint to help customers meet their carbon reduction goals. In 2024, AUO shipped 14.43 million pcs of energy-efficient custom-spec products. Geopolitics and the weak economy however saw a significant decline in end-user demand that was reflected in product shipments, so we fell short of our target of shipping 15 million pcs for the year. In the future, AUO will strengthen our gathering and analysis of metrics on market opportunity, penetration strategy, and development through our internal digitized market intelligence system. Advance warning on market changes in product requirements combined with our internal digitized system will ensure that shipping targets are met. We will be able to adjust our market position on the fly as well. In addition, AUO extended our energy-efficiency technology to automotive products and 3.8 million pcs of energy-saving custom-spec automotive products were shipped in 2024.

## ChLC Outdoor Display

The advantages of ChLC technology include low power consumption, high chroma, and environmental friendliness. The image display can take advantage of reflected ambient light and maintain outstanding color saturation even under direct sunlight, making it suitable for all types of demanding outdoor lighting and temperature conditions. Using cholesteric liquid crystal display with no backlighting while using ambient reflected light as the display's light source is extremely energy-efficient when displaying static images (no power consumption if there is no change in image). The image does not disappear if power is cut either. Displays that use ChLC technology can reduce power consumption by over 90% compared to normal LCD displays, making it the ultimate display technology for energy-efficiency.



## Notebook Display Products

LTPS technology with its ultra-narrow bezel and energy-efficiency advantages was applied by AUO to the high-end notebook market characterized by lightweight, narrow bezel, and long standby times. IC design was consolidated to use less materials and make the notebook lighter. A backlight module with high lighting illumination efficiency was also used to reduce energy consumption even more. The improved endurance saves energy, reduces carbon emissions, and provides users with a light & airy experience without compromise on performance and battery life.



## Desktop Display Products

The AHVA3+ new pixel high penetration design and high-efficiency color condenser were adopted in response to the TCO 10.0 display product energy consumption specifications to continue improving product energy consumption. The design was applied in 2024 to 23.9", 28" and 31.5" products with different resolutions. Based on 2021 as the benchmark, desktop display products in 2024 achieved a 25% reduction in energy consumption.



## AmLED for Automotive Products

AUO AmLED uses a proprietary dynamic adjustment technology to deliver colors with high brightness and high contrast. Reliable quality and energy-efficiency provides even more vivid colors with no color bias. AmLED energy-saving products were adopted by 25 new automotive product projects in 2024. The energy consumption of automotive products in 2024 was more than 20% lower than 2021.

Product Carbon Footprint

Environmental impact was assessed from raw materials, manufacturing, distribution and sales, use to disposal. Evaluations of product carbon footprints were introduced as well.



Raw materials

All supplier materials must conform to the AUO Green Product HSF Management Regulations and conform to various international chemical regulations, including EU requirements (REACH), Global Automotive Declarable Substance List (GADSL) and International Electrotechnical Commission (IEC 62474). Additionally, the use of recycled materials is encouraged whenever possible.



Manufacturing

The main source of carbon emissions is energy use. Smart metering systems at each plant gathered and estimated the energy consumption and energy-saving measures for each product based on the production process and capacity to continue promoting the use of renewable energy. Through self-consumption of PV and renewable energy wheeling, green energy was used during the panel production phase to achieve low carbon footprints for green products and satisfy international customers' standards and expectations on green products.



Distribution and Sales

Optimization of transportation and delivery efficiency.



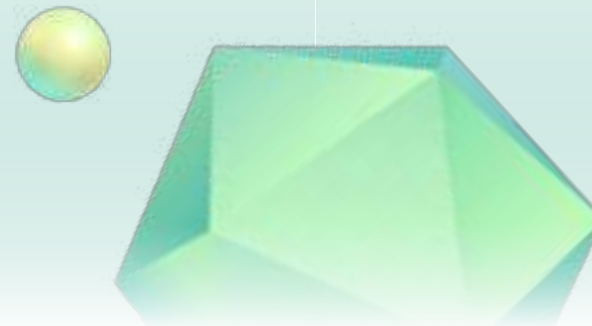
Use

Carbon emissions during product use was estimated. Information such as product type and service life was combined with the product's energy consumption data to calculate all carbon emissions during the product life cycle. Complementary development of low power consumption technology helped to reduce carbon emissions during use.



Waste disposal

The product design makes use of reusable materials to conform with the EU Waste Electrical and Electronic Equipment (WEEE) Directive.



Refinement of Calculation Methodology

AUO began investing in product carbon footprint verification in 2009. An internal calculation method for product carbon footprints was devised in accordance with the ISO 14067 Product Carbon Footprint Standard. Reasonable calculation methodologies were defined for each stage of the product life cycle from raw materials and the actual method was completed in 2022. To quickly calculate product carbon footprints, systematic development was carried out by AUO in 2023 based on established methodologies. The system data was further refined in 2024 to establish a system for the systematic collection of carbon footprint data. Manual calculation and analysis of the carbon emission hot spots for each panel product type were also carried out to make improvements to carbon emission hotspots.

The results of carbon emission analysis for panel products were most obvious for raw materials, electricity used for manufacturing, and product use. For this reason, AUO expanded the introduction of reclaimed materials during the design of product raw materials in 2024. The desktop display module with 50% UL circularity certification was also made available to customers; in terms of electricity use during manufacturing, AUO continued to upgrade our renewable energy consumption with the Renewable Energy Management System (REMS) used to manage renewable energy certificates, and to ensure the uniqueness of certificates during use. In terms of product use, AUO used photo mask design, R&D and trial production to make continuous improvements to products' energy consumption. Reflective surfaces for low-power cholesteric panels were developed to reduce electricity consumption and product carbon footprint.

Material Topics

Shipment volume of products using recycled materials

Circular Materials

AUO is now expanding the use of circular materials beyond IT panels. Current applications include automotive products and vertical solutions. Different levels of circulation are offered for recycled materials such as plastic frames glasses and metal backplates used in our product components for customers to choose from. In 2024, the shipment of displays exceeded 6.47 million pcs, extending to automotive product shipments, which reached 1.2 million pcs. AUO is partnered with value chain partners to expand the influence of the circular economy. We worked with suppliers of front-end processes to validate the introduction of recycled materials, and with brand customers to jointly develop and validate the introduction of renewable materials in optical materials with high quality requirements.

Material Topics

Management innovation of product life cycle; The weight proportion of recycled materials used in special-specification products

Product Certification

AUO implemented green manufacturing within the panel design and also expanded into the ODM/OEM field. For the product's external appearance, we assisted customers with introducing post-consumer recycled Plastic (PCR), helped them obtain the gold label for the Electronic Product Environmental Assessment Tool (EPEAT), and satisfied the growing market demand for green electronic products. The introduction of AUO's green technology helped customers expand their green product market and achieve a win-win outcome.

Material Topics

The products of designated customer, the productivity of promising to use renewable energy

Green Manufacturing

Renewable energy plays a critical role in global sustainability issues. AUO was the first global display maker to commit to using only renewable energy by 2050. AUO took the lead in joining the RE100 global renewable energy advocacy organization. We also extended carbon management to supply chain partners in keeping with our green business philosophy so that we can work together to fulfill the promise of green production in the supply chain.

Alignment with TCO 10.0

TCO is a verification standard for information technology (IT) panel products. The standard not only evaluates an IT product's performance and effect on user health but also considers the social and environmental impact throughout the product lifecycle. Certification is there third-party voluntary verification. It is a type 1 environmental label under the ISO 14024 Environmental Labels & Declarations, and the only global sustainability verification for IT products. TCO used eight aspects as its evaluation indicators including "Product and sustainable information, social responsibility, environmental responsibility, user health and safety, product performance, extension of product life cycle, reduction of hazardous substances, and recovery of materials. A fair, equitable, and trusted baseline was provided for sustainable purchasing avoid greenwashing. In June 2024, TCO released its latest TCO 10.0 principles. AUO also aligned itself with TCCO 10.0 certification to conduct a census on how assembly units treat their customers based on the regulatory requirements of the labor standard. Finally, there is the energy use and advanced deployment for final assembly plants. In 2024, usage was around 20%, and I expected usage to reach 40% in 2025.

Sustainable Materials Course

To foster the sustainable low carbon product design and production capability, the R&D and manufacturing teams underwent education and training. In 2024, AUO expanded the issue to the scope of circular economy. Three courses were conducted for a total teaching duration of 7.5 hours. Course covered circular product design, product carbon footprint and related international regulations. These were used to teach students about circular economy awareness as well as basic calculations. To implement a sustainable low-carbon value chain, AUO not only refined our own sustainable product technology but also set up a supplier product carbon footprint concepts course. The supply chain was also invited to calculate their own product carbon footprints to improve the quality of data for raw material carbon emission factors in AUO products. In 2024, AUO continued to drive supply chain carbon footprint assessments by developing and refining audit forms to improve data entry accuracy. The company conducted evaluations of 10 key upstream suppliers, integrating their data into AUO's proprietary coefficient database. Additionally, AUO provided guidance to suppliers to enhance their carbon emissions calculation capabilities, offered strategic recommendations for emission reduction, and strengthened suppliers' data collection and calculation proficiency.



See Chapter 3 Environmental Sustainability



Helping customers craft carbon-neutral notebooks

AUO used our in-house solar power and renewable electricity wheeling model to supply panels that used 100% renewable energy during the manufacturing process to help a Taiwanese brand-name customer craft their Aspire Vero 16 carbon-neutral notebook.



First AUO panel manufactured with 100% renewable energy - Media report

# 2.4 Responsible Supply Chain

## 2.4.1 Supply Chain Management Strategy

In addition to emphasizing supplier requirements on quality, cost, delivery time, environment, health and safety performance, AUO has been actively promoting a sustainable supply chain policy as well. A sustainable supply chain management process was established by AUO that introduces external standards and automated management systems to ensure supply chain resilience. AUO is continuing to collaborate with supply chain partners to promote carbon reduction, energy conservation, conflict-free minerals, green purchasing and other policies. We believe that sharing, mutual support, inspections, mentoring an in-depth engagement will lead to co-prosperity with our supply chain partners and a boost to the sustainable competitiveness of the supply chain as a whole.

### Supplier Screening

During 2024, AUO established solid trading relationships with 3,751 suppliers around the world and formed a worldwide supply chain partnership network. Suppliers are divided by AUO into seven categories based on type of procurement. These include raw material suppliers, process contractors, waste disposal contractors, equipment and component vendors, human resources contractors, service contractors, and transportation. Raw material suppliers include those that supply glass substrate, chemicals, polarizers, backlight modules, driver ICs, printed circuit boards, plastic parts, and metal parts.

AUO optimized our management further by classifying suppliers along different themes based on environmental initiatives and international competitions. These emphasized actions taken on water conservation, energy conservation, and carbon reduction. At the same time, AUO also identified critical suppliers based on amount of annual purchases and single material sources. These principles were followed to ensure the stability and sustainability of the entire supply chain.

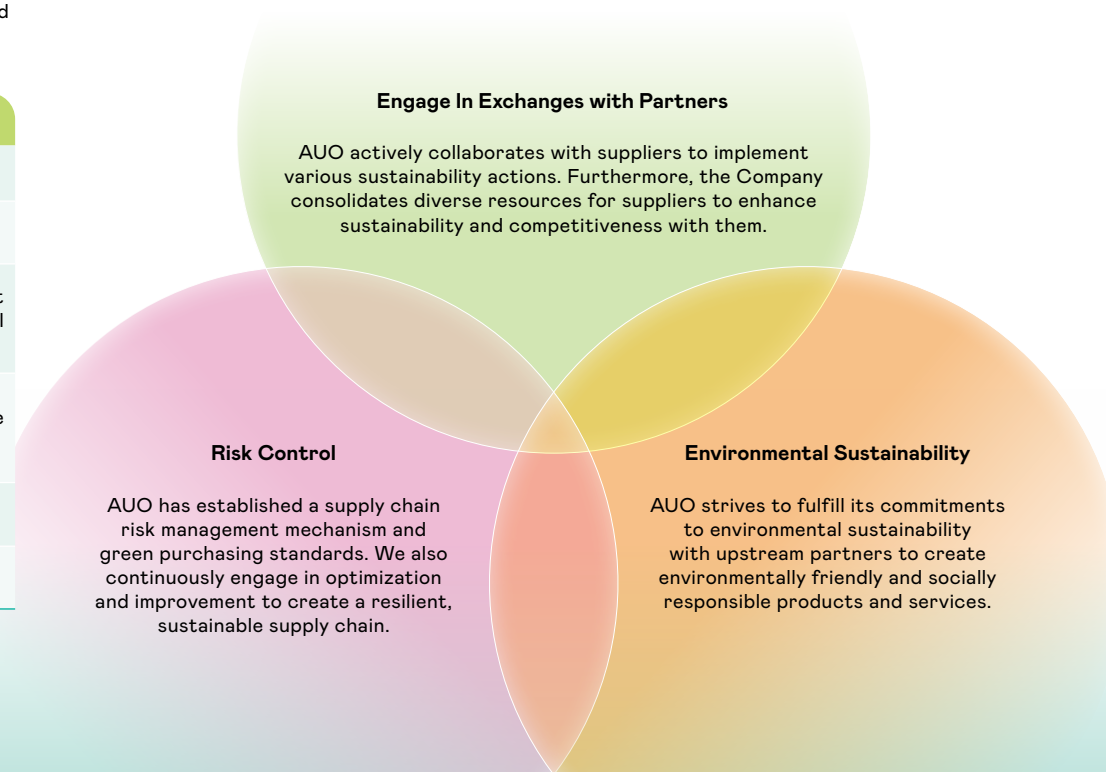
Supplier Category	Number	Definition
Number of suppliers in 2024	3,751	Number of suppliers that traded with AUO in 2024
Number of Tier-1 suppliers	578	Value of annual procurement exceeded NT\$10 million
Number of significant suppliers in Tier-1	23	Key vendors for direct materials, strategic indirect material suppliers and contractors where value of annual procurement exceeded NT\$100 million
Percentage of total spend on significant suppliers in Tier-1	64.34%	Value of procurement with Tier-1 critical suppliers / Value of procurement with Tier-1 suppliers x 100%
Number of significant suppliers in Tier-2	12	Tier-2 Critical Material or Process Suppliers
Number of significant suppliers	35	Tier-1 Critical Suppliers + Tier-2 Critical Suppliers

### Organizational Operations and Management Strategy

The global push on net zero and a fast-changing environment means the construction of a resilient supply chain is crucial to business transformation. The Sustainable Supply Chain Sub-Committee under the AUO Sustainability and ERM Committee is responsible for overseeing the planning and implementation of projects and activities related to supply chain sustainability. All important matters are presented by the Sustainability and Risk Management Committee to the Board of Directors once every six months to ensure the transparency and validity of governance. Close collaboration with the AUO Sustainability and Risk Implementation Committee's overseas chapters (e.g. Suzhou Plant, Kunshan Plant, and Xiamen Plant) for example were formed to promote the development of sustainable supply chains in each region.

In education and training, to enhance the professional knowledge and skills of our buyers on their roles in the supplier ESG program in supply chain departments, AUO launched a series of systemic courses. A total of 18 courses were held in 2024 and total attendance was 1,473 people. The course covered integrity management, TNFD, and social influence analysis to establish their sustainability competency. In addition to the standard courses, AUO also arranged for employees to attend thematic courses to ensure that the knowledge they learned can be applied to every element of supply chain management.

On a strategic level, AUO follows the principle of balanced ESG development in defining concrete supplier sustainability management regulations and targets based on the three aspects of environmental sustainability, risk control, and partner exchange. In addition to establishing a complete supply chain management process, AUO also leveraged digital platforms to introduce comprehensive external standards and automated management to achieve benefits such as management automation, data standardization, and cost optimization to ensure the steady climb in supply chain performance.

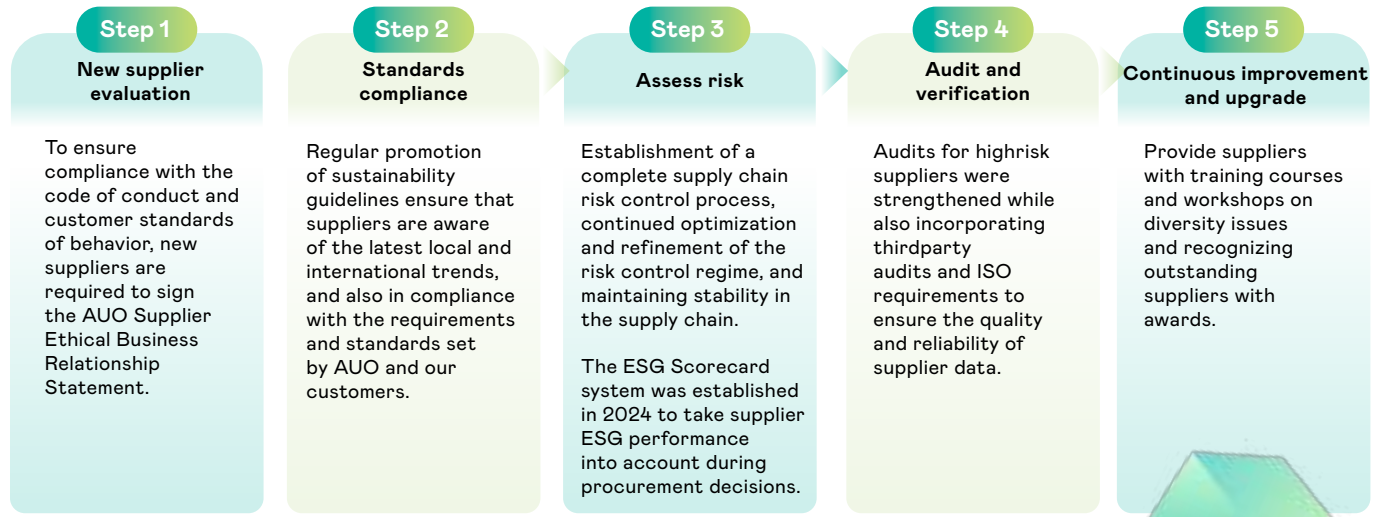




## 2.4.2 Supply Chain Risk Governance

The AUO supply chain management process follows a circular mechanism to ensure continued optimization and improvement at every phase. The process consists of five main stages: New Supplier Evaluation, Alignment with Standards, Risk Assessment, Audits and Verification, and Improvements to Continuous Improvement. AUO has established a SOP for every stage to ensure effective management and strict execution of each measure.

To manage certain issues, AUO actively sets up projects to continue strengthening related management schemes such as packaging recycling, carbon emissions management, and RBA management. In addition, AUO also used the SCM CSR Portal system to realize the digitization of management data as well as making an effective record of the supplier's sustainability performance. Use of the system not only improves risk management performance but also strengthens the transparency and traceability of the supply chain as a whole.



### Step 1 New supplier evaluation

When AUO is selecting a new supplier, all suppliers must undergo a series of management system evaluations. Evaluations encompass production capacity, technological innovation capability, quality, service, financial indicators, and HSF. To ensure supplier competencies and management systems comply with AUO standards, AUO purchasing will conduct systemic audits against potential suppliers. As demand for source sustainability management continues to grow, AUO will add questions on environment, society, governance, and information security to the new supplier self-evaluation questionnaire from 2024 onwards and continue strengthening management requirements of suppliers. In addition, new suppliers must sign the AUO Supplier Ethical Business Relationship Statement to ensure that both parties conform to ethical and regulations on trade.

### Step 2 Standards compliance

#### Sign Statement of Compliance with AUO Supplier/Subcontractor Code of Conduct

All AUO suppliers are required to sign the "Supplier/Subcontractor Code of Conduct" and commit to the abiding by the spirit of the Code. The Code itself is based around the Responsible Business Alliance (RBA) and the Code of Conduct encompasses give key aspects including labor rights, health and safety, environmental protection, code of ethics, and management systems. New elements such as bio-diversity, forest protection, carbon reduction and energy efficiency have also been added, providing a more comprehensive evaluation of sustainability governance at suppliers. At the same time, AUO also made supplier compliance with the Code of Conduct one of key areas of assessment during procurement decisions to ensure that AUO and our supply chain adhere to a high standard on sustainability.

The AUO Supplier/Subcontractor Code of Conduct can be found on the Sustainability website under – Policy and Principles

#### Ethics Awareness

To strengthen supplier awareness on integrity, AUO sends three integrity awareness letters each year to all suppliers that we had business transactions with in the past year. The letters remind suppliers of the need to ensure the fairness, impartiality and transparency of transactions by adhering to contract terms and business ethics. AUO believes that the building of long-term trust is the key to reducing risk and disputes. Trust will also promote cooperation in good faith between both parties and support the development of the supply chain as a whole.

**Step 3 Assess risk**

**Risk Assessment for Key Suppliers**

AUO is actively examining and investigating the countries/regions, industry attributes, and product categories of suppliers for potential risks. Suppliers that require monitoring are selected by AUO based on the value of annual procurement. Annual self-assessment questionnaires are also used to obtain an in-depth understanding of suppliers' ESG risks and controls. High-risk suppliers are picked out by AUO based on these findings and designated for monitoring. Enhanced surveillance and management of these suppliers ensure the stability and sustainability of the supply chain.

Aspect/Method	Evaluation Item
Environmental	<ul style="list-style-type: none"> <li>● Past record of serious injury, death, or property loss due to industrial safety accident.</li> <li>● Past penalties or shutdowns imposed by government units for violation of environmental protection laws and regulations.</li> <li>● Introduction of fire protection, pollution treatment, and EHS systems at the supplier.</li> </ul>
Social	<ul style="list-style-type: none"> <li>● Past penalties imposed by government units for violation of labor, human rights, labor health and safety laws and regulations.</li> <li>● Past incidents of forced labor or employment of child labor.</li> <li>● Level of supplier compliance on labor rights, privacy protection, and ethical standards.</li> </ul>
Governance	Current status of compliance with RBA Code of Conduct, supplier financial indicators, and business continuity management.
Country-specific Risk	Ban on use of materials from conflict minerals countries and U.S. entity list.
Sector-specific Risk	Raw material suppliers with energy intensive, high-carbon production processes and special emission/pollution risks.
Commodity-specific Risk	Sort parts or materials to identify those that contain metals or hazardous substances with special controls.
Business Relevance	Sort by value of procurement and substitutability.

**Outcomes of Critical Supplier Assessment**

A total of 168 critical suppliers were investigated in 2024. In terms of social responsibility, 1 supplier was rated as high-risk, mainly due to the lack of effective management procedures and risk monitoring mechanisms. Regarding environmental safety and health, 6 suppliers (covering 6 facilities) were identified as high-risk, with the main issue being their daily operations involving multiple sources of pollutant emissions. Another 15 companies were listed as high-risk suppliers due to the factors such as the expiration of the audit period or failure to pass the audit in the previous year. A total of 22 high-risk suppliers will be included in on-site audits in 2024, of which 5 high-risk suppliers have obtained the Responsible Business Alliance (RBA) Verified Self-Assessment (VAP) certificate, thus replacing AUO's third-party on-site audits.

Supplier Assessment	Number	Remark
Total number of suppliers assessed via desk assessments	168	
Target number of suppliers assessed via desk assessments	168	Definition: Critical Tier-1 and Tier-2 Suppliers
Percentage of critical suppliers assessed	100%	
Total number of suppliers assessed via on-site assessments	22	Definition: Number of suppliers investigated and found to be required on-site audit carried out by AUO
Total number of suppliers assessed with substantial actual or potential negative impacts	10	
Percentage of suppliers with improvement plans or corrective actions	100%	Improvement action: AUO requires suppliers with deficiencies to propose improvement plan
Percentage of suppliers with substantial actual or potential negative impacts that were terminated	0%	Improvement outcome: Improvements were carried out by all suppliers with no suspensions
Total number of suppliers supported in corrective action plan implementation	10	Improvement action: AUO requires suppliers with deficiencies to show proof of improvement in the current year
Percentage of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%	Improved results: All suppliers have provided evidence of improvement for the current year.

Material Topics

LCM local purchase ratio; LCD local purchase ratio

Local Procurement Management

AUO actively responds to the United Nations Sustainable Development Goals (SDG 12) by upholding the principles of local procurement and local production. Committed to achieving the right-time, right-place procurement strategy. It not only helps reduce management and operating costs, but also creates local employment opportunities and economic development. For liquid crystal modules (LCM) and liquid crystal displays (LCD), AUO has set short- and medium-term local procurement targets. In 2024, the ratio of local procurement for LCM was 76.03% and met the set target; the ratio of local procurement for LCD was 80.29% and did not meet the set target (82.7%). Restrictions on polarizer sourcing forces AUO to depend on non-local suppliers. The ratio of localized purchasing for other materials will be increased in response. To increase the proportion of localized purchasing even more, AUO is convening regular meetings to examine progress in this area. At the same time, AUO will also continue to develop local suppliers in order to increase the proportion of localized purchases and strengthen supply chain resilience.

Material Topics

The number of key suppliers implementing risk management has increased every year

Quarterly Business Review & Supplier Performance Management

A Quarterly Business Review (QBR) is conducted on suppliers by the competent units at AUO every quarter based on the three key aspects of Technology, Quality, and Procurement to ensure continuous improvement and refinement of supplier management. AUO incorporated the ESG Scorecard into the QBR scoring mechanism in 2024 to meet all of environment, social, and governance requirements for sustainable supply chains. Outstanding suppliers will receive better QBR scores in their ESG aspects. Supplier performance in the current quarter and the last four quarters was used to identify suppliers that failed (Grade C) in a single category (procurement, quality management, technology) or their overall score (incl. ESG). In addition to convening a review meeting attended by senior executives from both parties, other options such as suspending the development of new products, adjustment of procurement volume, or removal from list of approved suppliers are also considered by AUO.

At the same time, AUO is also auditing the management processes of critical suppliers to proper risk management. The audit covering ISO certification, business continuity plan, BCP documentation, impact of geographic location, and alert mechanisms ensures that critical suppliers can respond and act in a timely manner to future operating risks. This will help prevent risk-related damage and improve the resilience of the AUO supply chain. 36 vendors have been audited as of 2024. Such measures are aimed at ensuring that critical suppliers are equipped to respond to and prevent losses due to future operating risks in a timely manner, further enhancing the resilience of the AUO supply chain. Suppliers that conducted the RBA audit were given bonuses or deductions to their total QBR score based on the audit findings. . AUO hopes that this will ensure continuous improvement and compliance by suppliers with the requirements of the "AUO Supplier/Subcontractor Code of Conduct."

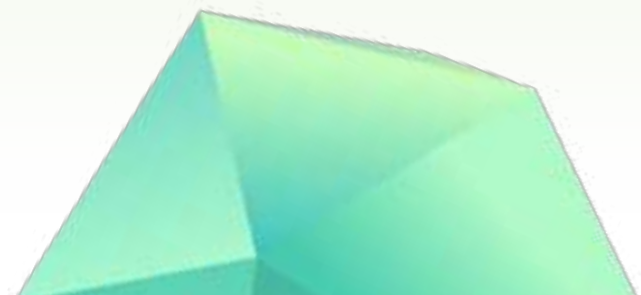
Material Topics

The average score of the key supplier ESG scorecard has increased every year

ESG Scorecards

AUO hopes to encourage the supply chain to conform to the sustainability goals set by AUO through commercial initiatives. The ESG Scorecard was therefore established by AUO with the scores used a reference for collaboration with suppliers. The ESG Scorecard requires suppliers to adhere to environment, social, and governance standards. Topics in the environmental aspect include carbon management, energy management, water management, and circular economy; topics in the social aspect include labor rights, occupational safety, ethics and compliance, and social welfare; topics in the governance aspect include quality and technology, sustainable procurement, and business continuity.

AUO uses the ESG Scorecard to promote the practice of sustainability management and further reduction of operating risks in the supply chain. At the same time, annual reviews and improvement of supplier evaluation criteria are also employed to continue improving the sustainability performance of the supply chain as a whole. AUO expanded the ESG Scorecard initiative in 2024 and set progressive increases in the average scores of suppliers as a management objective. In 2024, a total of 168 suppliers were enrolled in ESG Scorecard. The average score was 9.7% higher than 2023. Suppliers could use the system to compare their performance with that of their peers and thus be motivated to maintain continued progress and growth.



**Step 4 Audit and verification**

**RBA Annual Audit**

Based on survey results, the outcomes of audits in past years, the outcomes surveys in past years, whether RBA VAP certification has been obtained, as well as supplier type and transaction volume, AUO identified 22 suppliers and 25 sites as being required to under the RBA audit in 2024. Among these suppliers 5 had already carried out RBA VAP audit and certification. For the first time in 2024, AUO commissioned a third-party to conduct the audits. The change was aimed at increasing the coverage, credibility, and transparency of our supply chain risk management. For nonconformities identified during the audits, AUO requires suppliers to review their practices and submit to supervision. In a positive development, all suppliers have submitted improvement plans as required and there was no need to terminate any supplier relationships.

Aspect	Priority Nonconformity	Major Nonconformity	Minor Nonconformity	Key deficiencies found	Improvement action
Labor	35.3%	52.9%	5.9%	Employee weekly hours did not conform to the relevant AUO standards	Recruit appropriate manpower based on business situation
	0%	75%	25%	Zero-payment policy for foreign workers did not conform to the relevant AUO standards	<ul style="list-style-type: none"> <li>Ensure that hiring expenses are paid by the employer</li> <li>Definition of regular self-inspection items and timetable for planning of long-term targets</li> </ul>
Health and Safety	0%	0%	100%	Visual identification of response personnel within the site did not conform to AUO standards	Establish visual identification SOP for response and first-aid personnel
	0%	13%	87%	Emergency exist of on-site logistics warehouse did not conform to AUO standards	Definition of regular audit mechanism
	0%	72.7%	27.3%	Environment and accommodation relating to employee health and safety did not conform to AUO standards	Definition of regular self-inspection items
Environmental health and safety	0%	0%	100%	Non-hazardous waste within the site did not conform to AUO standards	<ul style="list-style-type: none"> <li>Establishment of waste disposal procedure</li> <li>Definition of regular audit mechanism</li> </ul>
Supplier Management	0%	100%	0%	Supplier risk self-assessment process and tracking of corrective/preventive measures did not conform to AUO standards	Establishment of risk self-assessment control process and ensuring supplier conformity on regulations

**Material Topics**

Ratio of suppliers with high electricity consumption who have obtained ISO 50001 certificates for energy management systems

**Supplier Introduction and Certification of ISO 14064/ISO 50001**

AUO requires critical suppliers to introduce and obtain certification for ISO 14064/ISO 50001 greenhouse gas inventory and energy management systems. Our goal is to ensure that suppliers can engage in practical and effective management based on international standards in order to reduce their environmental impact and lower their product carbon footprint. As of 2024, 66 critical suppliers have obtained ISO 14064 certification and disclosed their carbon emissions data <sup>Note 1</sup>; 29 energy-intensive suppliers have obtained ISO 50001 energy management system <sup>Note 2</sup> certification, representing 87.88% of all energy-intensive AUO suppliers.

Note 1: Overseas suppliers can substitute with other third-party certification data.

Note 2: The government defines energy-intensive businesses as those that use more than 5,000 kW, the equivalent of 15,000 tons of carbon emissions. AUO defined energy-intensive suppliers as those with Scope 2 emissions of more than 7,500 tons to make it twice as rigorous as the statutory threshold. There were a total of 33 energy-intensive suppliers in 2024. Other third-party certified data can be substituted by overseas suppliers.



## Step 5 Continuous improvement and upgrade

### Material Topics

Supplier Growth Courses; Number of suppliers working together on ESG

### Creating Shared Value Events

AUO hosted four CSR Creating Shared Value events in 2024 on themes such as RBA 8.0 Education and Training, Circular Economy Products and Packaging Design, Earthquake Response Strategy, and tours of Energy Conservation and Plastic Reduction initiatives. 24 sessions have been held since 2019. A total of 259 participants from 73 supply chain partners took part during 2024.

### CSR Conference

AUO is responding actively to the spirit of partnership in the UN Sustainable Development Goals by connecting with upstream and downstream supply chain partners. Since 2019, AUO has held five Supplier Creating Shared Value Conferences to promote exchanges, sharing of information, as well as expand the influence of the value chain. The events have attracted the enthusiastic participation of supplier partners and positive feedback. The theme for the 2024 CSR Creating Shared Value Conference was “Redefining Plastics with AUO” Experts in the field and benchmark enterprises were invited to share their hands-on experience and global trends at the event. Outstanding suppliers were also recognized with awards by AUO.

A supplier creating shared value conference was also held at the Suzhou plant for the first time in 2024 by AUO to strengthen Company’s operational resilience in the Chinese market, strengthen the partnership with local suppliers, optimize the supply chain, understand the local policy and market environments, and boost productivity. The theme of “Building Sustainability with AUO” emphasized the partnership with Chinese suppliers to enhance sustainability competitiveness. The conference was attended by 168 partners from 82 suppliers.

Carbon reduction and plastic restrictions have been attracting significant international attention. AUO responded by inviting 141<sup>Note</sup> suppliers to join in exploring these international issues and developing a response plan. We hope that such cooperation with supply chain partners will result in greater resilience to future challenges and promote the sustainable development of the industry.

Note: Encompasses Taiwan and China sites.



### On-Site Exchange with Suppliers and Sharing of Practical Sustainability Experience

The AUO Facilities team conduct in-depth technical support programs with suppliers to support carbon reduction initiatives in the supply chain. In 2024, AUO conducted on-site exchanges with raw material suppliers in 3 countries on range of topics such as environmental safety, energy-efficient factory, case studies, and management goals to improve the sustainability competitiveness of the supply chain and realize carbon reduction targets.



### Participate in MOEA Large Leads Small Carbon Reduction Program to Promote Low-Carbon Supply Chain

One of the AUO strategies for promoting a low-carbon supply chain is “Introduction of digital platform and planning of carbon reduction pathways.” The goal is to help the AUO supply chain achieve a 20% reduction in its carbon emissions by 2030 through digital technology and environmental protection resources.

In 2023, AUO partnered with the Ministry of Economic Affairs to support the transformation and upgrade of 15 suppliers through the “MOEA Large Leads Small Low-Carbon and Smart Technology Upgrade and Transformation Grants Program for the Manufacturing Industry” so that they can meet the domestic/overseas regulatory and supply chain requirements. The carbon reduction targets planned were also completed by 2024. The program saw AUO leverage its industry experience through practical technologies and mentoring to help suppliers introduce digital energy conservation and carbon management mechanisms. An effective and sustainable low-carbon transformation model was established to help realize the low-carbonization of the entire supply chain.

Unit: Metric tons CO<sub>2</sub>

15 critical suppliers	Scope 1 reduction	Scope 2 reduction	Total carbon reduction
Carbon reduction	228.9	9,734.2	9,963.1



## 2.4.3 Low-carbon Supply Chain

Material Topics

Carbon reduction ratio of key suppliers; The number of key suppliers who have completed the CDP climate change questionnaire has increased every year

### 20% Carbon Reduction by 2030



AUO and 66 critical suppliers issued a joint commitment to realize the goal of a 20% reduction in absolute carbon emissions by 2030 (with 2021 as the baseline) through a four stage process: carbon inventory, target setting, annual decreases, and achievement of ultimate target.

While the market still had not returned to its 2021 peak in 2023, carbon emissions from AUO suppliers still decreased by 25.6% (exceeding the original target of 2%)<sup>Note</sup> compared to the base year. To ensure that these were the result of actual carbon reducing actions at suppliers rather than a product of economic cycles, AUO conducted a carbon intensity survey of bulk materials in 2024. This showed that production intensity overall was also 10.57% lower in 2023. AUO's promotion of energy conservation and carbon reduction did produce results. It also provided proof of supplier partners' efforts on energy conservation and carbon reduction.

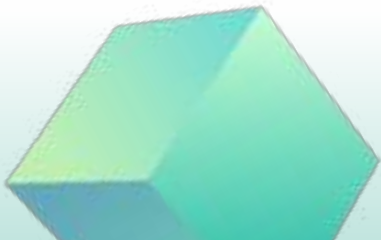
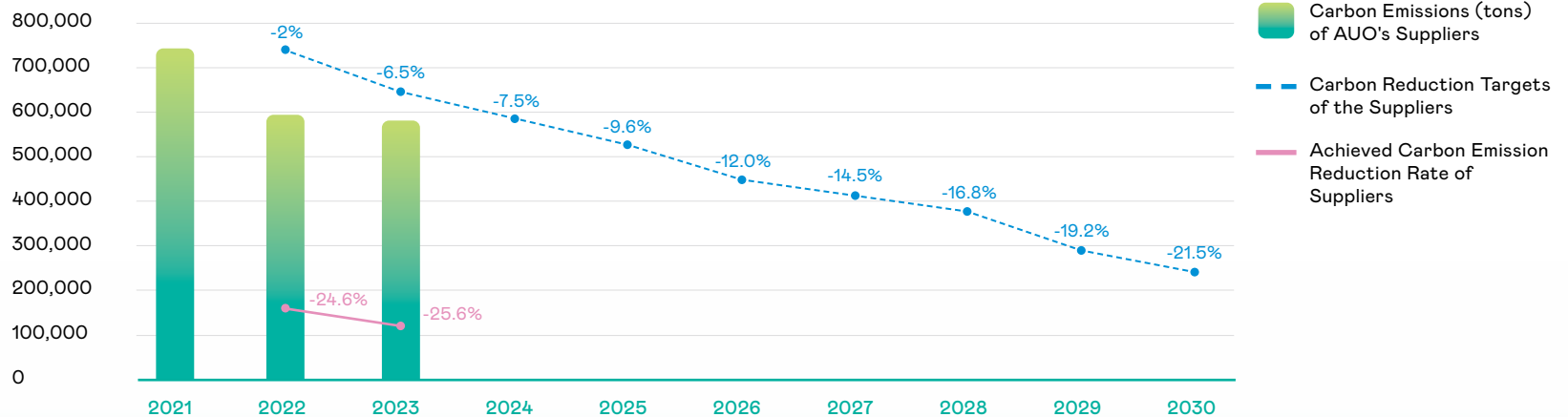
At the same time, AUO encouraged critical suppliers to complete the Carbon Disclosure Project (CDP) climate change questionnaire so that all partners can manage their carbon emissions in a transparent and effective manner. The assessment and disclosure of critical suppliers' environmental impact were used to identify key emission sources and carbon reduction potential. Improvement plans were then tailored for each supplier so that both parties could track their progress and adjust their strategies against the CDP standard. In 2024, a total of 478 critical suppliers took part in the CDP carbon disclosure questionnaire. This not only helped promote carbon reduction action by partners but also supported sustainable developments at AUO and supplier partners.

Note: AUO requires third-party verification for carbon reductions provided by the supply chain before they are compiled by AUO. The AUO supply chain is worldwide and involves many vendors. Limited verification capacity means suppliers are unable to provide verified carbon emissions right away. For this reason, AUO is unable to disclose supplier carbon reduction data for the current year (2024). Only carbon disclosure data from the previous year (2023) is available. The number of vendors identified as critical suppliers was also adjusted so the carbon reduction percentage for suppliers in 2023 was changed (from 27.6% to 25.6%).

#### Critical subjects for carbon reduction management

- Accounts for top 80% of procurement by value
- Critical direct and indirect material suppliers
- Critical tier-2 direct materials

#### Critical supplier carbon reduction pathway and the situation of the achievement



Schedule	Target	Key Task	Outcome
<p><b>Phase 1</b> 2020-2023</p>	<p><b>Carbon Inventory</b></p>	<ul style="list-style-type: none"> <li>Complete ISO 14064 GHG inventory</li> <li>Introduce ISO 50001 energy management system</li> <li>Participate in CDP survey</li> </ul>	<ul style="list-style-type: none"> <li>GHG inventory verification completed by 60 critical suppliers</li> <li>ISO 50001 energy management system introduced at 54.54% of energy-intensive suppliers</li> <li>17 critical suppliers took part in CDP survey</li> </ul> <p>Carbon emissions attributed to AUO as well as each industry's proportion of total emissions by AUO suppliers are calculated based on industry and each supplier production location's proportion of production capacity. Glass was the largest segment with 5 1.09% of AUO emissions, followed by backlight panel/contractors at 12.56%, polarizers at 8.47%, FPC at 5.77%, LED at 4.49%, PCB at 4.02%, and chemicals/LC/Gas at 3.48%. The 7 types of suppliers above accounted for over 90% of AUO supplier emissions and will be targeted for management by AUO.</p>
<p><b>Phase 2</b> 2023-2025</p>	<p><b>Set Target</b></p>	<ul style="list-style-type: none"> <li>Establish carbon reduction targets</li> <li>Strengthen power efficiency and participate in power conservation plans</li> <li>Use sustainable raw materials and develop sustainable products</li> </ul>	<ul style="list-style-type: none"> <li>66 critical suppliers made joint declaration on carbon reduction</li> <li>GHG inventory verification completed by 66 critical suppliers</li> <li>168 suppliers enrolled in ESG Scorecard to encourage supplier investment in energy-saving projects and development of sustainable products</li> <li>ISO 50001 Energy Management System introduced by 87.88% energy-intensive suppliers</li> <li>47 critical suppliers took part in the CDP carbon disclosure questionnaire</li> </ul> <p>AUO required suppliers to set their own carbon reduction targets, base years, and carbon reduction pathways. Suppliers can go to the CSR Portal system and enter the annual carbon emissions data (verified by third-party), annual carbon reduction targets, and total target for 2030.</p>
<p><b>Phase 3</b> 2025-2029</p>	<p><b>Annual Decrease</b></p>	<ul style="list-style-type: none"> <li>Reach carbon peak in 2025</li> <li>Strengthen carbon reduction targets and actions every year</li> <li>Work with supply chain to identify commercial value of carbon reductions</li> </ul>	
<p><b>Phase 4</b> 2030-</p>	<p><b>Target Accomplished</b></p>	<ul style="list-style-type: none"> <li>20% reduction in absolute carbon emissions by 2030</li> </ul>	





# 3 Environmental Sustainability

## Annual Highlights

Net zero action at Company Headquarters: obtain **ISO 14068-1:2023 carbon neutrality certification** and **"Gold-Level" Net Zero Label**

Established framework and division of labor for promotion of plastic neutrality, partnered with value chain to take action plastic reduction. Plastic neutrality efforts in 2024 **reduced plastic use by over 460 tons**

Published first **Taskforce on Nature-related Financial Disclosures (TNFD) report** in 2024

Total power savings reached **183.74 million kWh**, with an annual energy savings rate of 4.72%, marking the highest level in recent years

The usage of green energy is nearly **300 million kWh**, reaching RE 6.67%

The benefits of a circular economy reached **NTD 18.56 billion**

### 3.1 Climate Action

- 3.1.1 Governance & Strategy
- 3.1.2 Climate Risk Management
- 3.1.3 Metrics & Targets

### 3.2 Carbon & Energy

- 3.2.1 Inventory & Mitigation
- 3.2.2 Improve Energy Efficiency
- 3.2.3 Use of Renewable Energy

### 3.3 Water Resource Management

- 3.3.1 Target & Performance
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- 3.3.3 Refinement Projects

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- 3.4.1 Circular Economy Performance
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- 3.4.4 Reuse of Waste

### 3.5 Biodiversity

- 3.5.1 Vision & Progress
- 3.5.2 Plastic Neutrality





# Target and Progress















Achieved



Not Achieved


Material topic	2024 Target	2024 Our action		2025 Target	2026 Target	Responses
Sign the international initiatives-SBT	-	-	By the first quarter of 2024, AUO has achieved the Science-Based Targets (SBT) with 1.5-degrss scenario.	Absolute Carbon Reduction by 25% <small>Note 1</small>	Implementation of the new SBT Path	3.1.1 Governance & Strategy
Number of projects completed the risk assessment and management process	3 cases	Performance: 4 cases	Through the Energy-saving working group (includes TCFD platform), AUO conducts an annual inventory of potential climate risks. In 2024, 4 risk issues were identified, with one being physical risk, and the remaining three being transitional risks. The responsible units then estimate the potential financial impacts and develop management strategies based on these risk issues, preparing in advance to respond to any risks that may arise.	3 cases	3 cases	3.1.2 Climate Risk Management
Manage carbon credits/ acquiring a qualified total amount of carbon credits	>200,000 tons (carbon offset credit)	Performance: 226,000 tons	AUO submitted an offset project application in 2019 and was granted 226,000 tons of carbon credits in 2023.	>500,000 tons (carbon offset credit)	>500,000 tons (carbon offset credit)	3.2.1 Inventory & Mitigation
Annual Energy Savings	4.5%	Performance: 4.72%	To address the introduction of carbon fees and the continuous increase in electricity unit prices, AUO has planned to gradually adjust its factory energy-saving rate targets annually. In 2024, the total electricity savings reached 1.86 billion kWh, with an annual energy-saving rate of 4.72%, marking a record high.	4.5%	4.5%	3.2.2 Improve Energy Efficiency
Number of proposals submitted to annual energy conservation competition	48 cases	Performance: 48 cases	AUO has been organizing proposal competitions since 2008. Encouraging its various plants to develop optimization plans focused on energy-saving technologies, energy management, and water conservation. This initiative inspires employees to continuously explore new opportunities for improvement and innovation. A total of 15 sites took part in 2024. Each site picked 3 representatives and submitted a total of 48 proposals to the annual competition.	48 cases	48 cases	3.2.2 Improve Energy Efficiency
Sign the international initiatives-RE100	-	Performance: RE6.67	Based on the current legal system and market conditions, AUO's sites in Taiwan primarily adopts CPPA, amounting to a total usage of 101.03 million kWh of green energy in 2024. China site expands its rooftop self-consumption solar power plant, generating 62.53 million kWh of self-consumed green energy in 2024. Additionally, they purchase 30 million kWh of green energy certificates. Overall, in 2024, AUO's total green energy consumption amounts to nearly 291.68 million kWh, accounting for a 6.67% RE ratio.	RE10 (executive annual goal)	-	3.2.3 Use of Renewable Energy
Total water consumption by tap water	<64,000 CMD	Performance: 54,662 CMD	AUO continues to focus on three main directions, includes water reduction, water creation, and value chain water conservation, to mitigate operational risks associated with water scarcity.	-	-	3.3.1 Target & Performance
Process water recycling efficiency	93%	Performance: 94.7%	AUO has extensively integrated AIoT technology into its process and facility water intake systems, achieving automation and process optimization. This approach continuously reduces dependence on natural water sources while enhancing the efficiency of process water recycling.	-	-	3.3.1 Target & Performance



Material topic	2024 Target	2024 Our action		2025 Target	2026 Target	Responses
 Proportion of water consumption in Taiwan managed through water network	90%	 100%	In 2020, AUO developed the "POU (Point of Use) Water Network" which enables the integration of external water information, realtime monitoring of equipment operations, and the notification of abnormalities. The water consumption in the Taiwan sites has been 100% managed through the Water Protection Network, resulting in water savings of more than 2.55 million metric tons.	–	–	3.3.2 Management Framework
 ISO 46001 certification compliance rate in Taiwan	100%	 90% <small>Note 2</small>	The ISO 460001 introduced for the first time at Taichung Site 3 by AUO in 2019 and became the first enterprise in Taiwan to obtain ISO 46001 certification. AUO has continuously strengthened internal awareness and emphasis on water resource management and application tools. By 2024, all AUO facilities in Taiwan had been integrated into the management system framework Note.	–	–	3.3.2 Management Framework
 Financial benefits growth rate of circular and clean production technology	110%	 334.72%	AUO has proactively implemented initiatives focused on green products utilizing recycled materials, raw material recovery in manufacturing, waste reduction technologies, and the reuse of eco-friendly logistics packaging. In 2024, these efforts collectively generated a financial benefit of NT\$18.56 billion.	135%	145%	3.4.1 Circular Economy Performance
 Continue to expand the circular economy supply chain (number of suppliers)	58	 85	AUO continues to develop a circular economy supply chain, with all 85 associated suppliers having obtained third-party recycled material certification, achieving a 100% certification rate.	64	86	3.4.1 Circular Economy Performance
 Ratio of recycled materials certification for the circular economy supply chain	>90%	 100%		>90%	>95%	3.4.1 Circular Economy Performance
 Organize annual energysaving and carbon-reduction event	2	 2	AUO fosters employee awareness and action on carbon reduction and plastic waste minimization through initiatives such as the "Environmental Plastic Reduction Month" and engaging events like the Ocean Party.	2	2	3.5.2 Plastic Neutrality 4.2.4 Happy Workplaces 4.5.3 Green Living

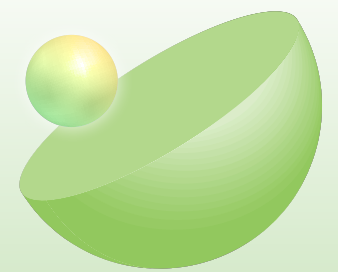
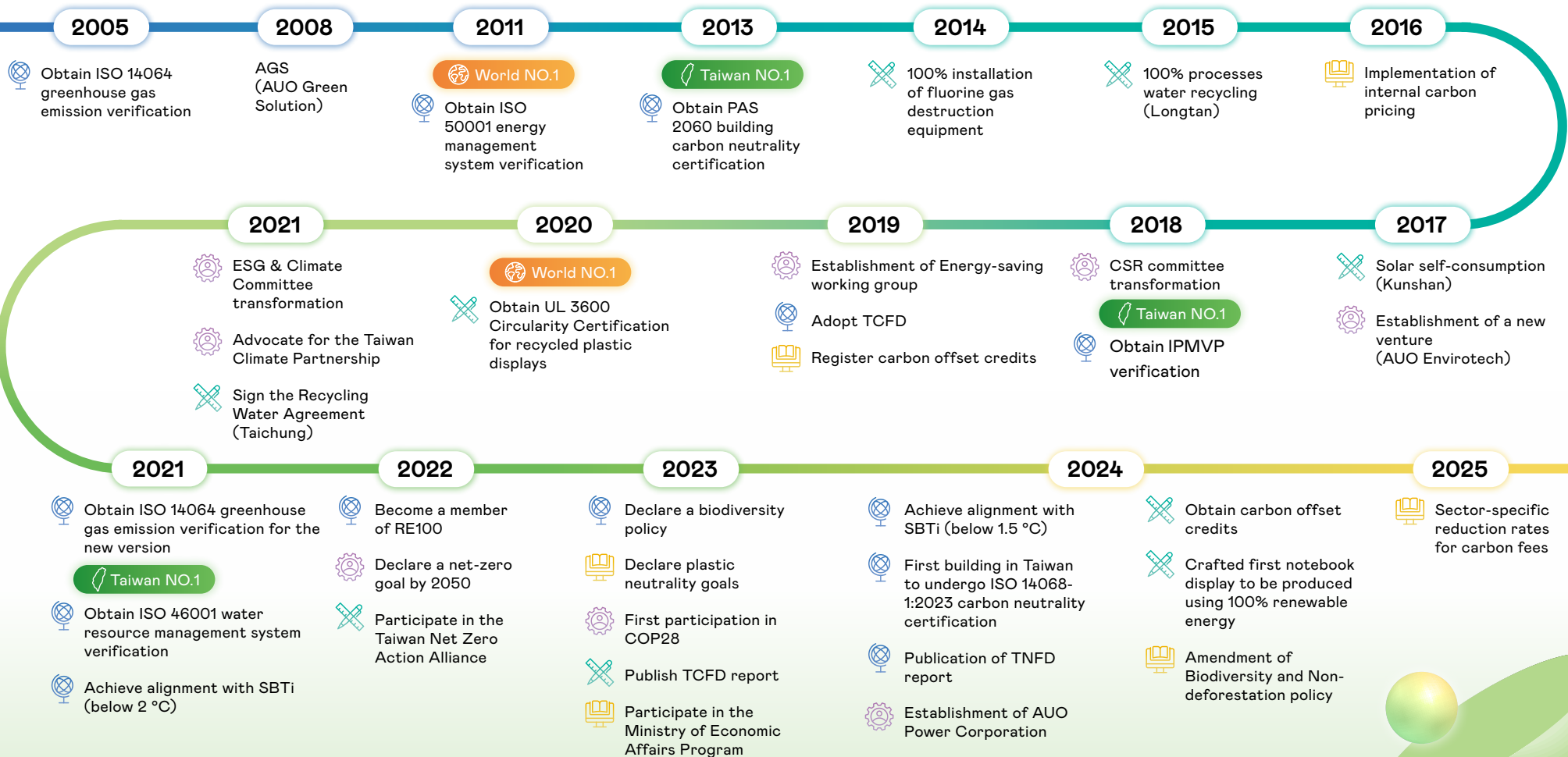
Note 1: Base year is 2018.

Note 2: AUO adopts a flexible operational strategy, closing down the Tainan site, and reallocating the production capacity to other production lines. Therefore, the Tainan site has not implemented the ISO 46001 certification plan.

Material topic	2024 Our action	2024 Target	2025 Target	2026 Target
 Absolute power reduction	This is a newly established goal, the results of which will be disclosed in the 2025 AUO Sustainability Report.	–	204 million kWh	195 million kWh

# 3.1 Climate Action

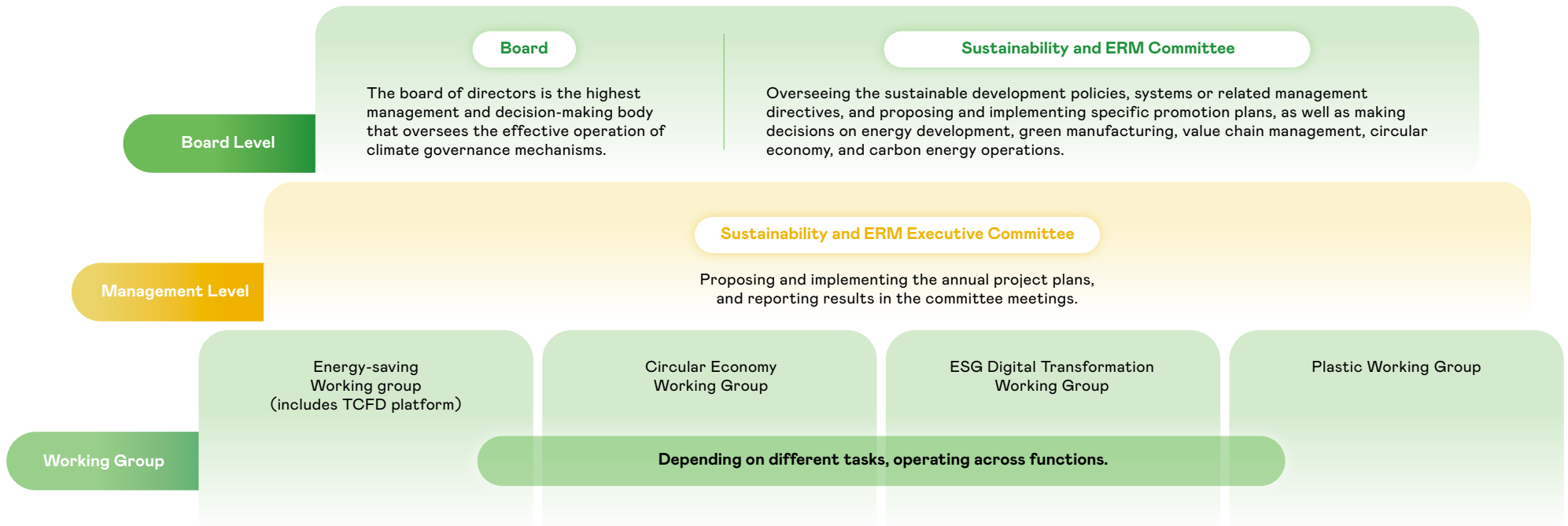
## AUO Climate Action Milestone



# 3.1.1 Governance & Strategy

## Governance Organization

AUO places importance on the governance functions of high-level management regarding climate change. The board of directors, being the highest management and decision-making unit of the company, formulates risk management under climate change based on the company's business strategy and industrial environment, and supervises the effective operation of the management mechanism. AUO includes all significant decision-making topics related to climate risk in the board of directors' report, ensure that the top management organization can lead the Company in responding to the challenges brought by climate change and ensure proper compliance. The Sustainability and ERM Executive Committee is responsible for coordinating sustainability development and climate action, including setting and tracking goals, coordinating resources, and other tasks.



### 2024 Highlights

**Policies and Goals**

- The "Biodiversity and Non-deforestation Policy" was formulated in response to international trends
- Responded to the impacts of carbon fees through pathway for absolute carbon reductions and development of voluntary reduction program

**Accelerating Investments**

- Established AUO Power Corporation
- Purchase of offshore wind power approved by the Board of Directors

**Improving Carbon Management**

- Practicality and effectiveness of carbon management inspected and verified in accordance with the ISO 14068-1:2023 carbon neutrality standard
- Partnered with customer to crafted first notebook display to be produced using 100% renewable energy

**Expanding the Ecosystem**

- Participated in the MOEA "Big Leads Small" program and helped establish model for cooperation on low-carbon transformation
- Joined key suppliers in taking part in the CDP supply chain management program

## Climate Strategy

In 2022, AUO constructed a strategic climate blueprint through six major task platforms, laying a solid foundation for a low-carbon transition. As global ESG continues to evolve, advance preparations were made to ensure alignment with the Company's three pillars of business on compliance and trends. Added "Evaluation and Global Compliance Disclosure Platform" to track and response to key stakeholders' concerns on global operating locations through due diligence and trans-departmental cooperation.

**2024 key achievements of 6 major task platforms**

**Technology**

Recycled materials have now been introduced with no impact on cost for up to 79% of new IT product development projects, or 250 models.

**Green Business**

The AUO Power Corporation established with the approval of Board of Directors to provide more flexibility on future participation in the renewable energy retail market.

**Supply Chain**

47 critical suppliers invited to participate in the supply chain environmental disclosures program of the Carbon Disclosure Project (CDP).

**Digital**

Established digital carbon emissions management platform to expand the scope of Scope 3 emissions management.

**Knowledge**

Through the College of ESG, a total of 82 courses were held, reaching 26,895 participants.

**Brand**

Diverse communication channels employed to promote carbon neutrality and interim progress on carbon neutrality in a demonstration of the Company's commitment to climate action and to build a brand based on sustainability leadership.



**Material Topics** Sign the international initiatives-SBT

## Responding to Climate Initiatives

In 2022, AUO officially became a member of the global renewable energy initiative RE100, and is also the first company in the global display manufacturing industry to commit to using renewable energy completely by 2050. After passing the Science-Based Targets (SBT) for a WB2C warming scenario in 2021, passing the SBT for a 1.5C warming scenario in 2024. AUO is also a founding member of the Taiwan Climate Alliance, and has joined the Taiwan Net Zero Action Alliance initiative, expressing its willingness to work with industry partners to promote carbon reduction actions.

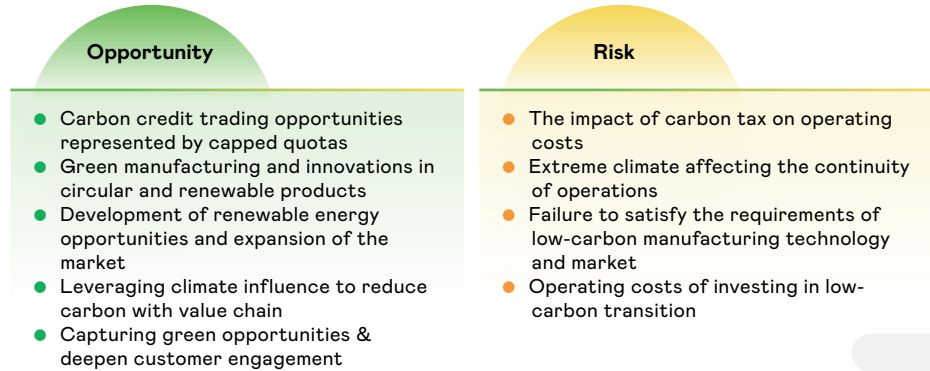
SCIENCE BASED TARGETS	RE 100	TCFD	CDP 台灣氣候聯盟	TANZE 台灣淨零行動聯盟
<b>Key Targets</b>				
Set in a scenario of limiting global temperature rise to 1.5°C, based on the year 2021, the target is to achieve an absolute carbon reduction of 42% by the year 2030.	30% use of renewable energy by 2030 and 100% use of renewable energy by 2050.	Create the TCFD operation management framework to reinforce climate risk and opportunity governance.	Unleash industrial impact and lead Taiwan's supply chain to comply with the international carbon reduction pathway.	Achieved net zero at the headquarters building in 2023, aiming for net zero across all office buildings in Taiwan by 2030, while striving toward organizational net zero by 2050.
<b>Action Taken</b>				
AUO is continuing to move forward on our Phase 1 SBT carbon reduction targets. The targets are also being aligned with AUO commitment to a 30% absolute reduction in electricity consumption and RE30 targets in response to external stakeholder expectations on Scope 3 reductions. AUO remains committed to Phase 2 SBT carbon reduction targets based on the 1.5°C carbon reduction scenario.	Expanded investment in developing renewable power plants for self-generation and self-uses. We are also negotiating Corporate Power Purchasing Contracts (CPPA) and investing in a range of green electricity solutions tailored to local conditions. AUO also took part in the Tai power sandbox flexible wheeling program to enhance matchmaking between renewable energy producers and electricity users. This will help meet the requirements of zero carbon manufacturing and environmental declarations.	Climate-related financial disclosure reports were continuously published to provide external stakeholders with a full picture of governance accomplishments and information relating to climate risk and opportunities at AUO.	Accelerated the promotion of carbon reduction initiatives in the value chain to enhance industry resilience together. Joined critical suppliers on CDP Membership and promotion of ISO 50001 energy management system verification. AUO also took part in the MOEA "Big Leads Small" program and helped establish model for cooperation on low-carbon transformation.	Net zero action at Company Headquarters resulted in ISO 14068-1:2023 carbon neutrality certification. Company achieved absolute reduction of 32% for "emissions from production sites" and was certified as the first benchmark enterprise to receive the "Gold-Level" Net Zero Mark in Taiwan.
		<div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 10px;">  The TCFD report can be found in the <b>Downloads</b> section of the AUO website.                 </div>		<div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 10px;"> <b>First Gold-level Net Zero Label in Taiwan</b> </div>



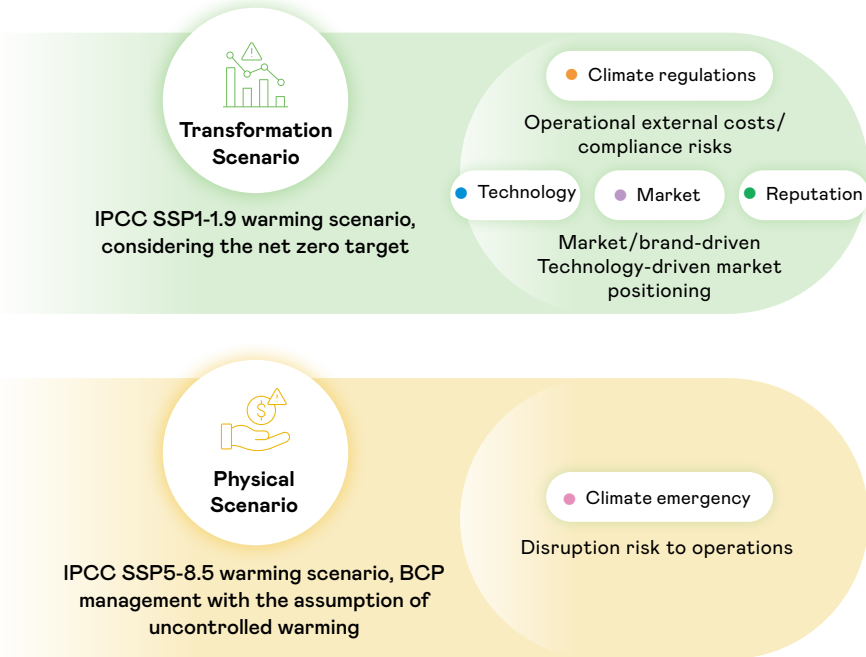
### 3.1.2 Climate Risk Management

In response to the issue of climate change, AUO has adopted strategies of adaption and mitigation. In terms of adaption, they use the TCFD framework to identify the climate risk scenarios across the entire company and implement PDCA cycle management.

#### Key Focus on Climate-related Opportunities & Risk



#### Climate-related Risk Cases Over the Years



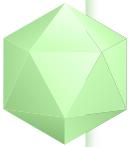
#### Formal Start of the Carbon Pricing Era

The Ministry of the Environment announced three enforcement rules on carbon fees in 2024 and set carbon pricing at 300 NTD per metric tonne during the Carbon Fee Review Meeting. The Carbon Fee Review Meeting recommended that carbon fees of 1,200 ~ 1,800 NTD can be considered beyond 2030.

AUO targets have passed SBTi review and are aligned with the sector-specific targets issued in The Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees by the MOEnv. The goals of external initiatives such as SBTi can not only be used to examine the organizational goals of AUO but also qualify for carbon fee reductions.

AUO has adopted two key strategies in response to the impact of carbon fees in Taiwan:

- 30% reduction in absolute power consumption through the 3030 Project.
- Replace gray electricity with renewable energy after power reduction by 2030.



Year	2019	2020	2021	2022	2023	2024
Increasing the pricing of greenhouse gas emissions	[Orange bar]			[Orange bar]		
Facing litigation risks (legal compliance)	[Orange bar]					
Emission reduction	[Orange bar]					
Strengthening emission reporting obligations				[Orange bar]		[Orange bar]
Low carbon footprint products	[Blue bar]					[Blue bar]
R&D of low-emission technology transformation		[Blue bar]			[Blue bar]	
Failed investment in new technology (infrastructure)						
Market information uncertainty					[Purple bar]	
Changes in customer behavior			[Purple bar]		[Purple bar]	
Rising raw material costs			[Purple bar]			
Increasing external concerns and negative feedback		[Green bar]	[Green bar]		[Green bar]	
Stakeholder concerns and negative feedback						
Industrial Stigmatization				[Green bar]		
Climate system changes: increased rainfall/temperature rise	[Pink bar]			[Pink bar]		
Extreme weather events such as typhoons and floods	[Pink bar]	[Pink bar]		[Pink bar]		
<b>Number of cases</b>	6	5	6	5	6	6



## Management Process

### Identification & Evaluation

During the annual risk identification survey, climate and carbon management related issues are taken into account, with risk classification being conducted according to the TCFD framework. Additionally, climate-related opportunities are reported to the Sustainability and ERM Committee.

### Implementing PDCA management for risk issues:

- Hypothetical risk scenario



- Evaluate the management measures for financial impacts and impact mitigation in each scenario

- Document and report annual outcomes

### Management

High-risk issues are included in the focus risks of the risk identification operation for tracking and managing.

## Risk Management Cases

AUO conducts an inventory of potential climate risks every year and defined 6 risk topics in 2023. In 2024, we began evaluating and managing risk topics including more stringent targets set by international initiatives, concerns over improper development of renewable energy projects, preparation for disclosure through the new type of climate-related financial reports that stakeholders are concerned about, excessive requirements or expectations from brand customers on renewable energy, and not meeting the requirements for low-carbon transition and climate resilience. Listed below are topics with transformation risks that have a significant effect on financial impact and business continuity.

### Case 1. More Stringent Targets Set by International Initiatives

Scenario: Carbon emissions generated during the production process of ICT products did not meet the requirements of green customers.

#### Financial impact:

- Carbon Border Adjustment Mechanism (CBAM): Carbon taxes imposed by export markets will cost AUO an additional 0.2 billion to 0.3 billion NTD each year.
- Introduction of carbon fees in Taiwan in 2025: Carbon fees will cost AUO an additional 0.8 billion NTD each year (No preferential rates).
- Impact on revenue from canceled orders: Transferred orders due to not meeting the expectations of green customers to reduce revenue by 1.4 billion to 5.8 billion TWD per quarter.

#### Response strategy:

AUO is supporting the development of SBTi targets by setting more aggressive carbon reduction targets, improving energy efficiency, optimizing power management systems, introducing energy-saving equipment, and continuing to reduce carbon emissions generated during the production process. An online survey of Taiwanese netizens between the ages of 16 and 60 also found that "over 70% of consumers were willing to pay a higher price for sustainable or eco-friendly products even if they plan to cut spending in response to inflation." The Company therefore has added incentive to monitor developments in renewable energy and to continue increasing the use of renewable energy in the future in order to align with the carbon reduction requirements of global trends and legislation.

### Case 2. Preparation for Disclosure Through the New Type of Climate-Related Financial Reports that Stakeholders are Concerned About

Scenario: Preparation for disclosure through the new type of climate-related financial reports that stakeholders are concerned about.

#### Financial impact:

- Maximum possible fine of 0.22 billion NTD being imposed by the competent authority for false disclosure.
- Lowering of ESG rating or removal as a component stock from sustainable ETFs resulting in failure to meet the criteria for preferential interest rates on syndicated loans may increase the cost of interest rates by up to 0.03 billion NTD per year.

#### Response strategy:

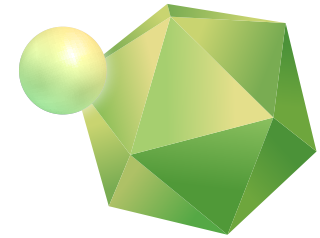
Various measures were taken by AUO to prepare for the disclosure of sustainability information in financial statements/annual reports in accordance with IFRS S1/S2 by 2026.

- Short-term: Participation in FSC seminars, dispatching staff to attend related training courses, discussions with professional accounting firms, and taking related actions.
- Medium-term: Discuss the integration and timetable for trans-departmental integration of information based on domestic/overseas examples of financial statements/annual reports, as well as continuing to monitor legislative changes and related guidelines.
- Long-term: Monitoring of government regulations and legislative progress, optimization of data verification process, and setting up information platform to enhance the accuracy and transparency of data as well as improve management organization and systems.

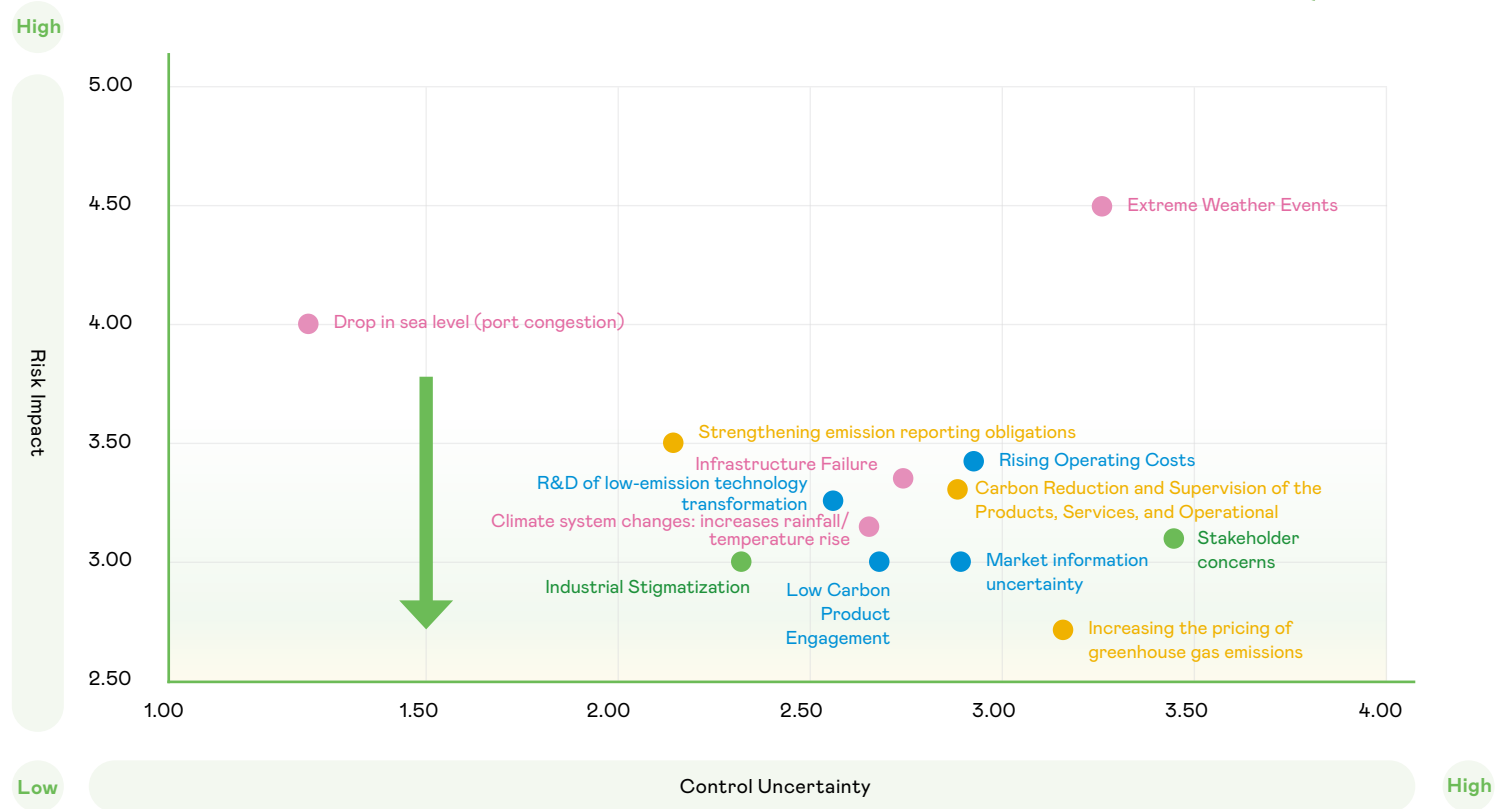
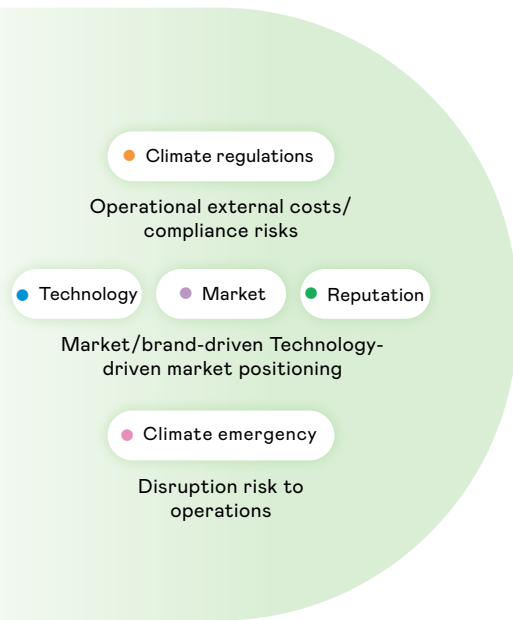
### Climate-related Risk Matrix

Out of the 158 uncontrolled outcomes defined by division-level supervisors, 4 were identified as high risk (2.5%), 64 were defined as moderate risk (40.5%) and 90 were defined as low risk (57%).

The risk matrix translated towards "low-risk" once the controls were applied. Annual inventory and PDCA operations boosted climate risk awareness with "extreme weather" remaining the greatest source of concern.



#### Climate Risk Diagram



Note: Forms with the same category are plotted based on the average results.

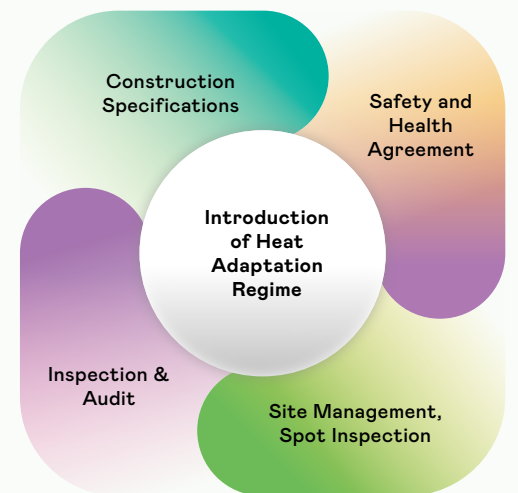
### Climate-related Risk Management

AUO drew on the insights of both internal/external experts and academics to predict the potential business risks to the Company from climate change challenges. The financial impacts were assessed and response strategies drawn up. AUO has worked through the TCFD platform over the years to steadily expand our climate risk management in the corporate operations aspect. We also continued to track the latest developments in global climate issues so that we can prepare early for any risks and take advantage of potential opportunities.

Material Topics

Number of projects completed the risk assessment and management process

Climate-related Risk Issue

Risk Assessment	Aspect	Topic Scenario	Stakeholder	Potential Risk	Impact Time Frame	Financial Impact	Management Approach
Physical Risk	Operations	Business impact on panel industry from long-term increase in temperature	AUO, Customer, Investor	<ul style="list-style-type: none"> <li>Abnormal power supply quality during periods of peak power consumption during the summer</li> <li>Grid vulnerability due to electricity shortages and rising ratio of renewables</li> <li>Operational safety concerns for personnel and vendors in a high-temperature environment</li> <li>Production and transportation problems both on and off-site due to heavy rainfall</li> <li>Water shortage due to extended drought</li> </ul>	Short-term (within 2 years)	High	<ul style="list-style-type: none"> <li>Risk Identification: Impact of higher summer temperatures corresponding to the IPCC SSP5-8.5 temperature increase scenario</li> <li>Improve the energy efficiency of production processes</li> <li>Introduction of energy-efficiency technologies, materials and equipment</li> <li>Development of renewable energy (Hydroelectricity at Houli Site)</li> </ul>
Transformation Risk	Operations	Business, inventory and financial losses due to heat waves	AUO, Investor	All types of new climate insurance plans and products	Medium-term (2 - 5 years)	Low	<ul style="list-style-type: none"> <li>Physical risk management in the workshop</li> <li>Risk management for fires and natural disasters</li> <li>Safety management of processes and equipment</li> <li>Improve the reliability of factory facility systems</li> </ul>
	Market	High-temperature risks of outdoor activities during EPC construction by Energy BU	AUO	<ul style="list-style-type: none"> <li>Impact on power plant construction due to extended high temperatures outdoors</li> <li>Maintenance and power generation performance affected by restrictions on working outdoors due to rising temperatures</li> </ul>	Medium-term (2 - 5 years)	Low	<p>Cycle management for personnel exposed to high temperatures</p> 
		Lack of climate resilience to rising temperatures in key supply chain	AUO, Supply Chain	Pressure on production stability in the supply chain (BCP)	Medium-term (2 - 5 years)	Low	<ul style="list-style-type: none"> <li>Set up disaster alert system (BCP system)</li> <li>Set up alternative transportation routes to mitigate impacts on profitability</li> </ul>

Climate-related Opportunity Issue

Opportunity Type	Aspect	Topic Scenario	Stakeholder	Potential Benefit	Impact Time Frame	Financial Benefit	Management Approach
Energy Source	Operations, Market	Use of low-carbon energy during production and manufacturing, participate in renewable energy investment, operations, and sales	AUO, Energy Customer	<ul style="list-style-type: none"> <li>Reduce the financial cost of carbon fees and taxes through low-carbon production</li> <li>Global green brand customers mandating the use of low-carbon energy in the supply chain</li> <li>Investment in renewable energy businesses to satisfy the imbalanced supply and demand in the current renewable energy market</li> </ul>	Short-term (within 2 years)	Medium	<ul style="list-style-type: none"> <li>Join the RE100 global initiative and progressively increase the ratio of renewable energy usage every year</li> <li>Strengthen participation and engagement with green brand customers to create green business opportunities together</li> <li>Accumulate management experience in energy creation, storage, and EPC <sup>Note</sup> to prepare for the renewable energy market</li> </ul>
Enter Market	Technology, Market	Satisfy the needs of industrial transformation through smart management and low-carbon solutions	Supplier, Customer	<ul style="list-style-type: none"> <li>Invest in smart production solutions, improve customers' energy efficiency, and create opportunities for carbon reduction</li> <li>Invest in carbon management, water, and circular economy ESG solutions to create new ESG business opportunities</li> </ul>	Short-term (within 2 years)	Low	<ul style="list-style-type: none"> <li>Assist value chain partners such as suppliers and customers with their low-carbon and sustainability transition through Go Premium technology</li> <li>Integrate solutions through Go Vertical to create more competitive business groups for the Company</li> </ul>

Note: EPC (Engineering, Procurement, Construction).

### 3.1.3 Metrics & Targets

Indicators	Base Year	Target	Management Approach	Corresponding Chapter
Organizational Carbon Emissions (Scope 1 and Scope 2)	2021	2030 SBT 42% reduction in absolute carbon emissions <sup>Note 1</sup>	<ul style="list-style-type: none"> <li><b>Improve energy efficiency:</b> Continue to promote energy efficiency improvements through ISO 50001 as well as production automation, smart technology, upgrades, and light-assetization</li> <li><b>Use of renewable energy:</b> Use wheeling from power plants established by AUO while continuing to add COOA and I-REC from diverse renewable energy sources</li> </ul>	3.2.2 Improve Energy Efficiency
Indirect Emissions (Scope 3)	2021	2030 SBT 25% reduction in absolute carbon emissions <sup>Note 1</sup>	<ul style="list-style-type: none"> <li><b>Carbon reduction for raw materials:</b> Require suppliers to engage in carbon reduction. A target of 20% reduction in carbon emissions by 2030 is also set for critical suppliers</li> <li><b>Carbon reduction for raw combustibles:</b> Reduce carbon emissions from the development stage of raw combustibles through reduced consumption of electricity and fuel</li> <li><b>Product energy consumption during use:</b> Use improvements to materials and power consumption during the product design phase to help products conform to future Energy Star scenarios on energy-efficiency performance standards</li> </ul>	3.2.1 Inventory & Mitigation
Improve energy efficiency	2021	2030 Reduce power consumption by 30% <sup>Note 2</sup>	<ul style="list-style-type: none"> <li>Continued applying big data to product automation and intelligentization for improving equipment energy consumption in order to improve the energy efficiency of production processes and products</li> <li>Accelerated the development of energy-efficiency technologies with high potential; expanded and prioritized investment in high-yield solutions; used IPMVP <sup>Note 3</sup> to verify actual energy saving performance</li> </ul>	3.2.2 Improve Energy Efficiency
Ratio of Renewable Energy <sup>Note 1</sup>	-	2025 10% 2030 30% 2050 100%	<ul style="list-style-type: none"> <li><b>Short-term:</b> Expand self-generation from rooftop solar; use solar-based CPPA for the initial roll-out of renewable energy</li> <li><b>Medium-term:</b> China sites to achieve RE100 first; Taiwan sites to negotiate for CPPAs with offshore wind power to speed up the adoption of renewable energy. Increase flexibility during use through AUO's energy diversification plan for retail electricity</li> <li><b>Long-term:</b> Invest in diverse renewable energy plans to enhance the resilience and stability of the low-carbon power supply</li> </ul>	3.2.2 Improve Energy Efficiency
Use of reclaimed water	-	2024 14,000 CMD <sup>Note 4</sup>	<ul style="list-style-type: none"> <li>Reclaimed water from the development zone's wastewater treatment plant has been introduced at the Kunshan site to provide a reliable source of water supply for all production processes at the site</li> <li>AUO has signed a contract with Taichung City's Shuinan Water Recycling Center, ensuring a stable water supply of approximately 8,397 CMD starting in November 2024</li> </ul>	3.3 Water Resource Management

Indicators	Base Year	Target	Management Approach	Corresponding Chapter
Use of reclaimed materials	-	2024 Use up to 30% recycled materials by weight in special products <sup>Note 5</sup>	<ul style="list-style-type: none"> <li>Continue to refine the technology for recycled and reclaimed materials while also introducing third-party certification</li> <li>Accelerate the development of technologies to increase recycled materials at no cost, introduce new product projects, and continue to expand the penetration rate of recycled material products</li> </ul>	3.4 Circular & Clean Production
Plastic reduction	-	2030 Plastic neutrality <sup>Note 6</sup>	The goal of achieving plastic neutrality by 2030 has been announced by AUO. The 3R+1 strategy is used to set the implementation approach and targets for the two main categories of production process and employee office life. The strategy will be progressively implemented over multiple years	3.5.2 Plastic Neutrality
Carbon reduction in the value chain	2021	2030 Absolute reduction by 20% <sup>Note 7</sup>	AUO and over 60 critical suppliers have now jointly committed to a target of a 20% in absolute carbon reduction by 2030. The goal will be progressively achieved by carrying different tasks during the Inventory, Target Setting and Implementation Phase	2.4 Responsible Supply Chain

Note 1: Scope encompasses AUO parent and subsidiary companies in Taiwan, China, other parts of Asia, as well as key operating and production sites in the Americas and Europe. Data from AUO Crystal Corp., a subsidiary, is also included for the sake of calculation.

Note 2: Scope encompasses the main business and production sites of the AUO parent in Taiwan and China.

Note 3: International Performance Measurement and Verification Protocol (IPMVP).

Note 4: Only encompasses sites that have introduced the use of reclaimed water. This generally means Taichung site set up by the parent company in Taiwan, as well as the Kunshan site in Kunshan District, China.

Note 5: Special products refer to products produced by AUO.

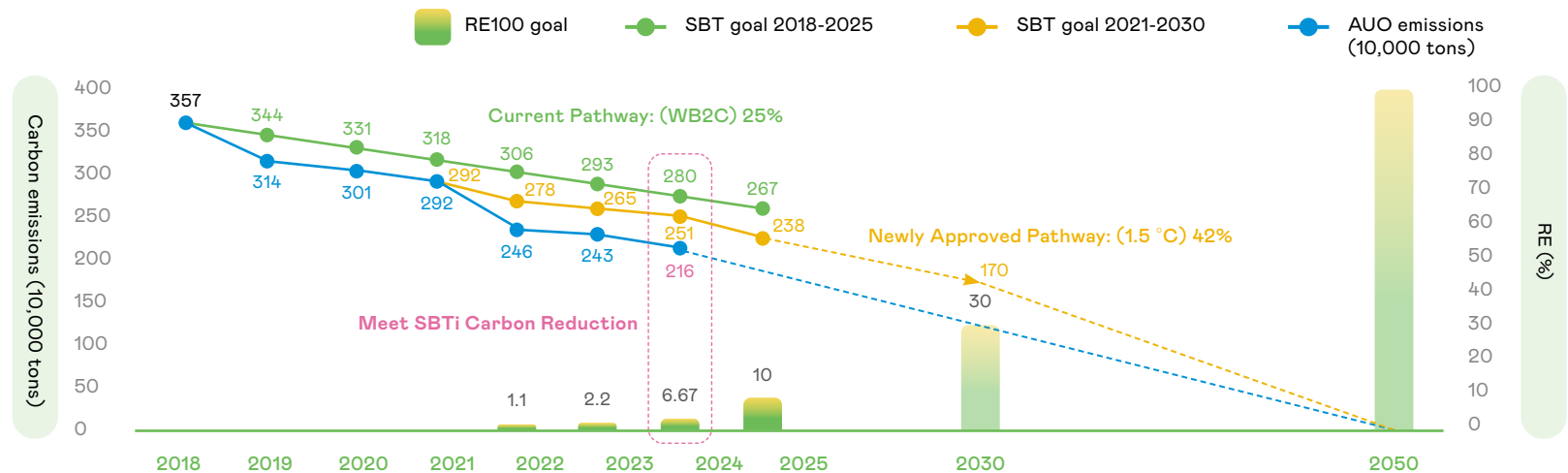
Note 6: The calculation scope only includes data from AUO parent's production sites in Taiwan and China.

Note 7: Scope encompasses suppliers that fall in the top 80% for material purchased by the AUO parent company's key operating and production locations in Taiwan, China, other parts of Asia, Americas, and Europe. These must also be the suppliers for critical tier-1 indirect/direct materials, and suppliers for tier-2 critical direct materials, who had also disclosed to the AUO parent company that at least 90% of the site's production capacity is reserved for AUO.



## Net Zero Pathway

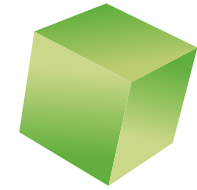
The SBTi Phase 1 carbon reduction target (25% reduction in absolute carbon emission by 2025 with 2018 as the base year) has already been met ahead of schedule in 2022. AUO is now following a vision of a more aggressive low-carbon transformation by proposing a 42% reduction in absolute organizational carbon emissions (Scope 1+2) by 2030 with 2021 as the base year based on the 1.5°C scenario, the reduction target path is the same as the carbon fee industry-specific standards. For indirect emissions (Scope 3), AUO is proposing to conform with the Well Below 2°C (WB2C) target of a 25% reduction in absolute carbon emissions.





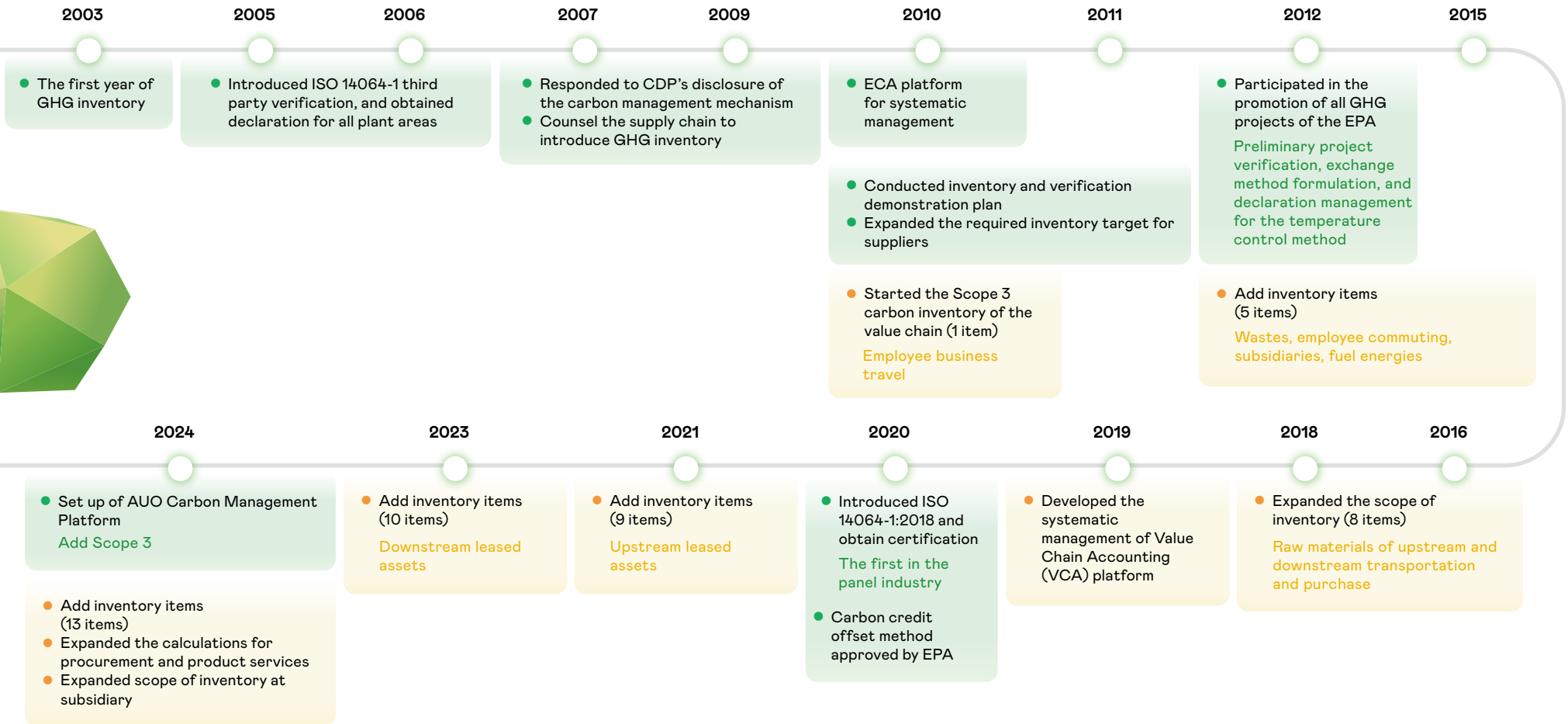
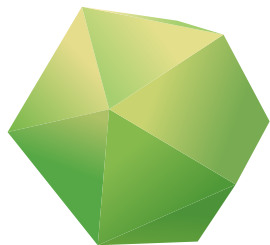
# 3.2 Carbon & Energy

## 3.2.1 Inventory & Mitigation



### GHG Inventory

AUO began inventorying the GHG emissions of our global manufacturing sites in 2003, and introduced the ISO 14064 standard to disclose emissions-related information through external verification. We developed a digital platform internally in 2010 to systematically manage the organization's GHG emissions as a means of managing long-term operational carbon reductions. AUO updated our carbon digital management system in 2024. The system was used to refine the calculation of Scope 3, expand the scope of calculation data, and confirm the applicability of 15 Scope 3 calculation items.



Emissions & Intensity (Scope 1&2)

AUO's GHG emissions in 2024 totaled 2.1648 million tons of CO<sub>2</sub>e, primarily driven by indirect emissions from power consumption, which accounted for 96.89% of the company's total emissions. The remaining 3.11% came from direct emissions, including the use of fluorinated gases in production processes and fuel emissions from utility systems. In 2024, the GHG emissions per unit of input sheet substrate area were 36.59 kgCO<sub>2</sub>e/m<sup>2</sup>, reflecting a 16.95% decrease compared to the previous year.

Other Indirect Emissions (Scope 3)

AUO has established a company-level Scope 3 greenhouse gas inventory and disclosure since 2010 and has expanded the scope of investigation in line with the corporate value chain standards published by the GHG protocol. The latest ISO 14064 standard introduced in 2020. Management of other indirect GHG emissions (formerly Scope 3) was refined in partnership with third-party verification. 15 categories were confirmed by AUO in 2024 using the materiality screening principle. This year, Emissions from Processing of Sold Products was also added as well. The 13 items applicable to AUO were all inventories. Another 2 items were determined to be no longer applicable. AUO used the carbon management data system to refine its Scope 3 calculations. For example: Compared to last year example, for upstream transportation emissions, the system collected and processed the itinerary details of shipping locations and AUO receiving locations to produce a more realistic outcome. This year, waste removal and disposal services were able to connect to management system and calculate the carbon emissions for wasted at overseas manufacturing plants. In addition, AUO also conducted a more comprehensive inventory of purchased products and services. All materials purchased for direct use were included in the inventory as well.

2 Materiality Selection Principles



Data collectability



The data calculation method is reliable or representative

Indirect GHG Emissions from Products Used by the Organization (Upstream)

Unit: tons

Item	Applicability	2024	2023	2022
a. Purchased products and services	✓	930,953.50	825,778.96	472,378.32
b. Fuel and energy related activities	✓	412,424.88	447,726.93	402,996.91
c. Wastes generated during the production process	✓	22,201.30	1,687.10	18,126.84
d. Capital goods	✓	463,972.76	163,597.90	-
e. Upstream leased assets	✓	0	-	242.72
<b>Total</b>		<b>1,829,552.44</b>	<b>1,438,790.89</b>	<b>893,744.79</b>

a. Purchased products and services: Based on AUO's previous product carbon footprint inventory, the calculation scope includes direct materials purchased for production at AUO's manufacturing sites, focusing on upstream greenhouse gas emissions from their production processes. The assessment covers 11 categories of direct materials: glass, polarizers, liquid crystal, metal backplates, light guide plates, process thinners, developers, aluminum etchants, process strippers, photoresist, and PFCs. Indirect materials, capital goods, and other non-production-related procurement items are excluded from this calculation.

b. Fuel and energy related activities: The calculation scope includes upstream indirect emissions from the fuels and energy used in AUO parent company under Scope 1 and Scope 2 emissions.

c. Wastes generated during the production process: The calculation scope includes GHG emissions resulting from the transportation and treatment of waste generated during AUO's manufacturing operations.

d. Capital goods: AUO reviewed the process of asset identification, assessed the feasibility of collecting carbon emission data, and determined the assets to be included in the annual inventory with asset identification numbers. In 2023, this project was incorporated into the Category 3 inventory scope. Emissions from office-generated municipal waste disposal were excluded, as well as emissions from items processed through recycling and reuse. Following GHG Protocol recommendations, these exclusions prevent double counting.

e. Upstream leased assets: Since AUO maintains operational control over its leased office spaces, these locations are included in Scope 1 and Scope 2 emissions calculations. However, this item has no emissions recorded.

## Indirect GHG Emissions Generated by Transportation

Unit: tons

Item	Applicability	2024	2023	2022
f. Upstream transportation emissions	✓	166,477.55	639,882.00	3,092.71
g. Downstream transportation emissions	✓	13,920.46	25,539.61	31,004.97
h. Business travel	✓	1,423.10	978.92	1,051.32
i. Employee commuting	✓	17,537.92	13,342.18	21,764.02
<b>Total</b>		<b>199,359.03</b>	<b>679,742.71</b>	<b>56,913.02</b>

## Indirect GHG Emissions from the Use of the Organization's Products (Downstream)

Unit: tons

Item	Applicability	2024	2023	2022
j. Investment process	✓	32,033.11	37,147.04	53,828.04
k. Processing of products sold	✓	40,810.70	–	–
l. Use of products sold	✓	2,422,521.74	2,742,763 <sup>Note</sup>	–
m. Final processing of products sold	✗	–	–	–
n. Downstream leased assets	✓	106,758.04	14,873.54	–
o. Franchise	✗	–	–	–
<b>Total</b>		<b>2,602,123.60</b>	<b>2,794,783.58</b>	<b>53,828.04</b>

f. Upstream transportation emissions: AUO calculates the GHG emissions generated by the transportation of direct materials purchased for production, from the supplier's shipment location to the company's receiving plant, as well as the transportation of semi-finished products between AUO facilities and external contractors. Emissions from upstream transportation of indirect materials, capital goods, and other non-production-related items are excluded.

g. Downstream transportation emissions: The calculation scope includes GHG emissions from the transportation of products manufactured at AUO's production facilities (including outsourced factories) to the customer's designated delivery location.

h. Business travel: The calculation scope covers GHG emissions from business travel conducted through AUO's travel reimbursement system. Individual emissions are assessed based on the mode of transportation used, including airplanes, high-speed rail, rental cars, personal vehicles, and taxis.

i. Employee commuting: The calculation scope covers GHG emissions generated by employee commuting within Taiwan on workdays, including transportation emissions from shuttle buses between plant areas. Emissions from the commuting of overseas employees are excluded from this assessment.

j. Investment process: The calculation scope includes wholly-owned subsidiaries of AUO Group, such as BHTC, AUO Crystal, M.setek, AUO Display Plus, Talenda, Jector, Rise Vision, DentLabX, AUO Digitech, AUO Megalnsight, Aedgetech, AUO Envirotech, Yo-pei, Space4m., AUO Care and AUO Education Service.

k. Processing of products sold: The calculation scope covers the estimated emissions from products shipped from AUO's manufacturing facilities during the inventory year, based on their processing into final products at the customer's end.

l. Use of products sold: The calculation scope covers the estimated emissions generated during the usage phase of IT panel module products shipped from AUO's manufacturing facilities in the inventory year.

m. Final processing of products sold: AUO is not an end-product manufacturer and does not have access to information on end-consumer waste disposal, making this item not applicable.

n. Downstream leased assets: The calculation scope covers carbon emissions resulting from energy consumption in downstream assets leased by AUO during the inventory year, primarily leased office buildings. Emissions from non-building-type leased assets are excluded from this assessment.

o. Franchise: AUO has no franchise.

Note: As the primary energy-consuming and emission-generating component during the use phase of display products, the display module has been identified by AUO as a focus of extended producer responsibility. In 2023, AUO established a methodology to estimate emissions from the use phase of display modules and subsequently underwent supplementary verification under ISO 14064.

## Reduction Target & Achievement

In response to SDG 13 Climate Action, AUO proposed a carbon reduction goal in 2018 of achieving a cumulative reduction of 6.5 million tons of carbon emissions based on the life cycle. As of 2024, the cumulative reduction of carbon emissions has reached 13.29 million metric tons, achieving and exceeding the target in advance.

	Organizational	Product	Supply Chain	Raw Materials
<b>Approach</b>	<b>Scope 1+2</b> <ul style="list-style-type: none"> <li>Based on the SBT WB2C scenario set an absolute carbon reduction target</li> </ul>	<b>Scope 3</b> <ul style="list-style-type: none"> <li>Evaluate the carbon emissions of the whole life cycle according to the PCR<sup>Note</sup> of various products</li> <li>Based on the carbon emission intensity during product use, 100% of the shipped products are converted into carbon reduction in the baseline year (2017)</li> </ul>	<b>Scope 3</b> <ul style="list-style-type: none"> <li>Set the target to reduce carbon emissions by 20% by 2030</li> <li>Regularly collect and monitor the suppliers' carbon reduction status through the SCM CSR Portal</li> </ul>	<b>Scope 3</b> <ul style="list-style-type: none"> <li>Minimize the use of raw materials</li> <li>Increase the recycling rate of raw materials</li> </ul>
<b>2024 Achievements</b>	<ul style="list-style-type: none"> <li>Indirect energy carbon reduction by 11.16%</li> <li>Absolute reduction YoY -10.83%</li> <li>Intensity reduction YoY -16.95%</li> <li>Introduced renewable energy at 6.67%</li> </ul>	<ul style="list-style-type: none"> <li>Reduced carbon emissions by 1.43 million tons annually through product shipping combinations and energy-saving design</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating the expansion of the supply chain to actively participate in energy conservation and carbon reduction, achieving an annual carbon reduction of 380,000 tons.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced carbon emissions by 210,000 tons compared to the base year through raw material</li> </ul>

**SBTi Initiative: Absolute Carbon Reduction Performance**

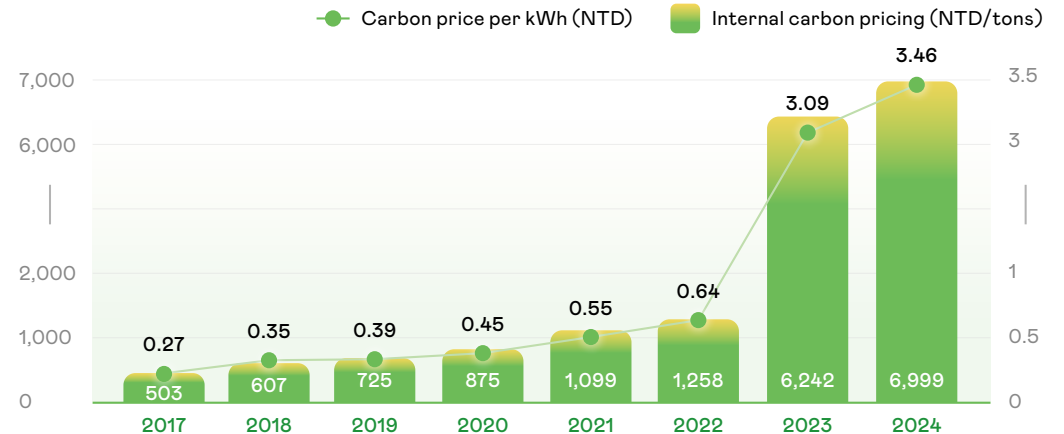
	Scope 1	Scope 2	Scope 3: Absolute Carbon Reduction Management																				
<b>Scope 1</b>	<ul style="list-style-type: none"> <li>Total emissions: 67,400 tons (YoY +0.90%)</li> <li>Direct emission source reduction management has reached its limit, with production capacity increasing by 7.35% compared to last year</li> </ul>	<ul style="list-style-type: none"> <li>Total emissions: 2,097,500 tons (YoY -11.16%)</li> <li>Total electricity consumption: 4.37 billion kWh (YoY -3.47%)</li> <li>Renewable electricity consumption (including certificates): 0.292 billion kWh (YoY +191%)</li> <li>Electricity savings rate: 4.72% (YoY +4.3%)</li> </ul>	<table border="1"> <thead> <tr> <th>Item</th> <th>2021 (Base year)</th> <th>2024</th> <th>Reduction compared to the base year (%)</th> </tr> </thead> <tbody> <tr> <td>Purchased products and services</td> <td>115.14</td> <td>93.10</td> <td>19.14</td> </tr> <tr> <td>Fuel and energy related activities</td> <td>47.93</td> <td>41.24</td> <td>13.96</td> </tr> <tr> <td>Use of products sold</td> <td>313.17</td> <td>242.25</td> <td>22.65</td> </tr> <tr> <td><b>Total emissions</b></td> <td><b>476.24</b></td> <td><b>376.59</b></td> <td><b>20.92</b></td> </tr> </tbody> </table>	Item	2021 (Base year)	2024	Reduction compared to the base year (%)	Purchased products and services	115.14	93.10	19.14	Fuel and energy related activities	47.93	41.24	13.96	Use of products sold	313.17	242.25	22.65	<b>Total emissions</b>	<b>476.24</b>	<b>376.59</b>	<b>20.92</b>
Item	2021 (Base year)	2024	Reduction compared to the base year (%)																				
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<b>Total emissions</b>	<b>476.24</b>	<b>376.59</b>	<b>20.92</b>																				

Unit: tons

Note: Product Category Rules (PCR).

## Internal Carbon Pricing

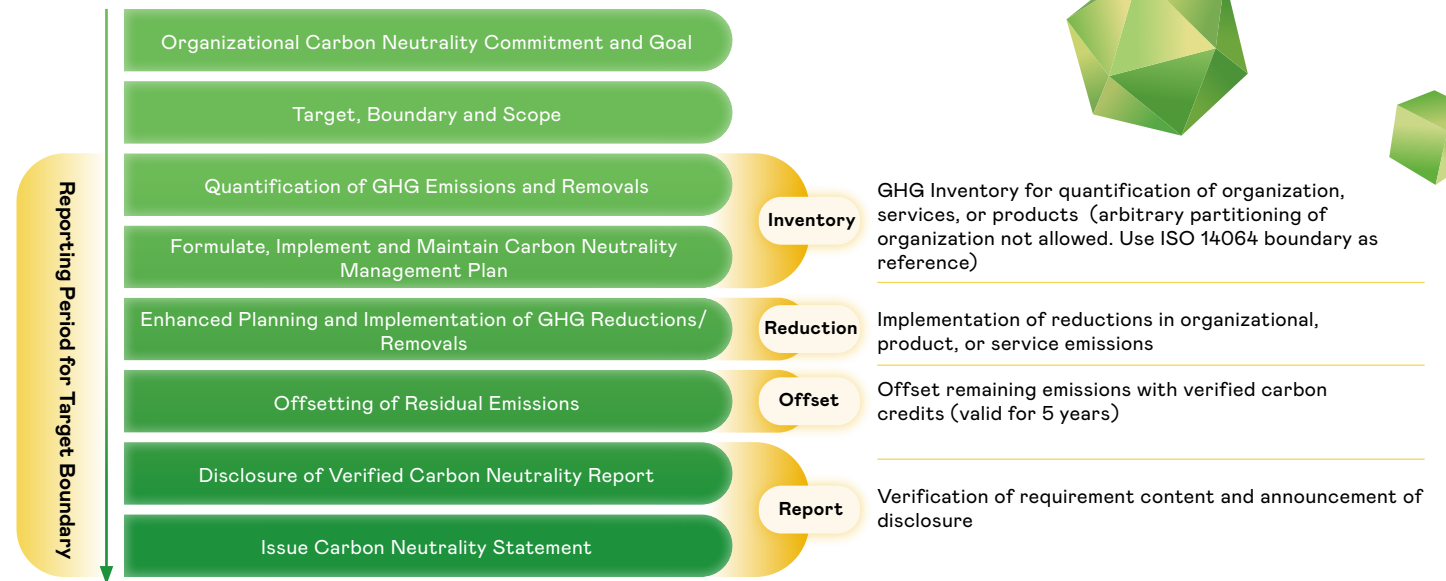
Since the Paris Agreement came into effect in 2016, AUO has been promoting an internal carbon pricing mechanism, monetizing the carbon costs derived from external climate control policies into the company's internal carbon price. In order to be closer to the future development scenario of carbon reduction path in the manufacturing industry, AUO adjusted our internal carbon pricing methodology in 2023, incorporating the costs of the energy supply market and the impacts of public sector policies into its estimation factors to close to reduction costs in Scope 2. In 2024, we announced an internal carbon price of NTD 6,999 relative to an external carbon emission cost of NTD 3.46 per kilowatt-hour. AUO applied the implicit price principle to green manufacturing and energy-efficiency investments, and for cost-benefit analysis of renewable energy purchases. Furthermore, it serves as a reference for the company's strategic and financial planning, enabling AUO to more accurately assess the carbon reduction costs of future manufacturing activities under the net-zero pathway, and to accelerate investments in decarbonization.



## Management and Actions towards Carbon Neutrality

Low-carbon transformation is picking up steam around the world. Organizational and product actions on implementing net zero in the value chain and carbon neutrality statements are becoming more frequent. The lack of concrete standards or guidelines meant that many unverified carbon neutrality and net zero initiatives are now being labeled as having high green risk. To avoid the distortion of well-intentioned low-carbon actions, the International Standards Organization issued the ISO 14068 Carbon Neutrality Standard in 2024. Concrete requirements and rules included: formulation and execution of carbon neutrality management plan, as well as disclosure of carbon neutrality management reports. The MOENV also issued the Guidelines for Corporate Carbon Neutrality requiring companies to comply with the three core principles of: Emissions inventory, reduction, and offset. Companies' claims must also be supported by full, concrete, correct and public information. In 2024, AUO used obtained carbon credits for ISO 14068 certification of carbon neutrality of the GRC building.

### Execution of the ISO 14068-1:2023 carbon neutrality management process by the organization



### Achieving Carbon Neutrality at AUO Headquarters

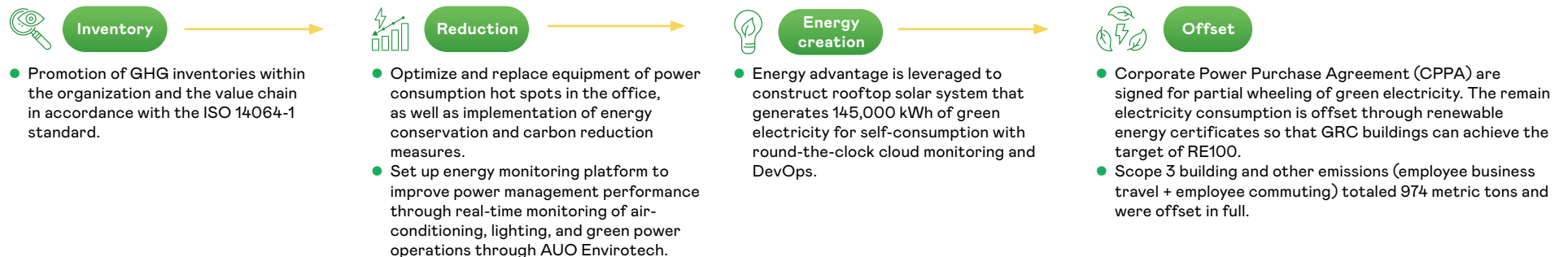
AUO is committed to sustainable practices and has obtained ISO 14068-1:2023 carbon neutrality management certification. We were also the benchmark enterprise to achieve "Carbon Neutral Building <sup>Note\*</sup>" certification, demonstrating AUO's alignment with international standards and our pragmatic approach to GHG management. Quantification, reduction, and removal are emphasized to accomplish the goal of carbon neutrality. AUO has also pledged to achieve the same goal at all office locations in Taiwan by 2030.

AUO has pledged to make the AUO Technology Center (ATC) a carbon neutral building in 2013 based on the PAS 2060 standard and Taiwan's "Guidelines on Carbon Neutrality Implementation and Statement." In 2023, the AUO Global Research Center (GRC) adhered to the carbon neutrality principles of "emissions reduction then offset" and used the four-step process of "inventory, reduction, generation, offset" to achieve ISO building carbon neutrality certification and conform to international standards.

Note: Building carbon neutrality refers to the emission scope of the "building." That is, it refers to emissions generated by the operation of the AUO GRC Headquarters building.



First business in Taiwan to achieve building carbon neutrality





### 3.2.2 Improve Energy Efficiency

The key resolution to “triple the world’s installed renewable energy generation capacity, and double rate of energy efficiency by 2030” passed by the COP 28 was consistent with AUO’s net zero strategy. Having worked for many years on carbon reduction, the bulk of carbon emissions (98%) at AUO now consists of indirect emissions from electricity (Scope 2). For this reason, particular emphasis is given by AUO to improving energy efficiency and accelerating the adoption of renewable energy.

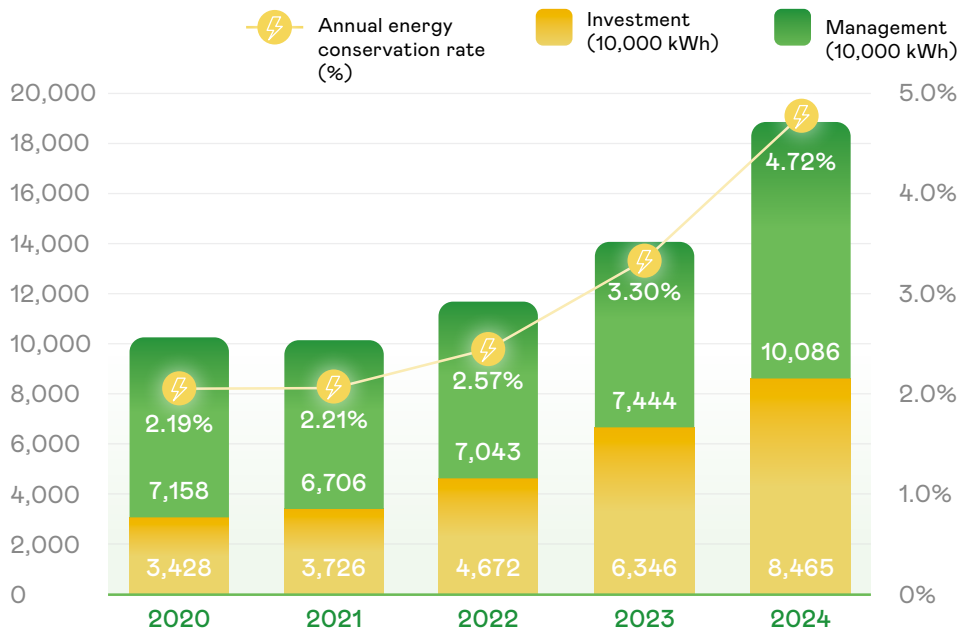
Material Topics

Annual Energy Savings

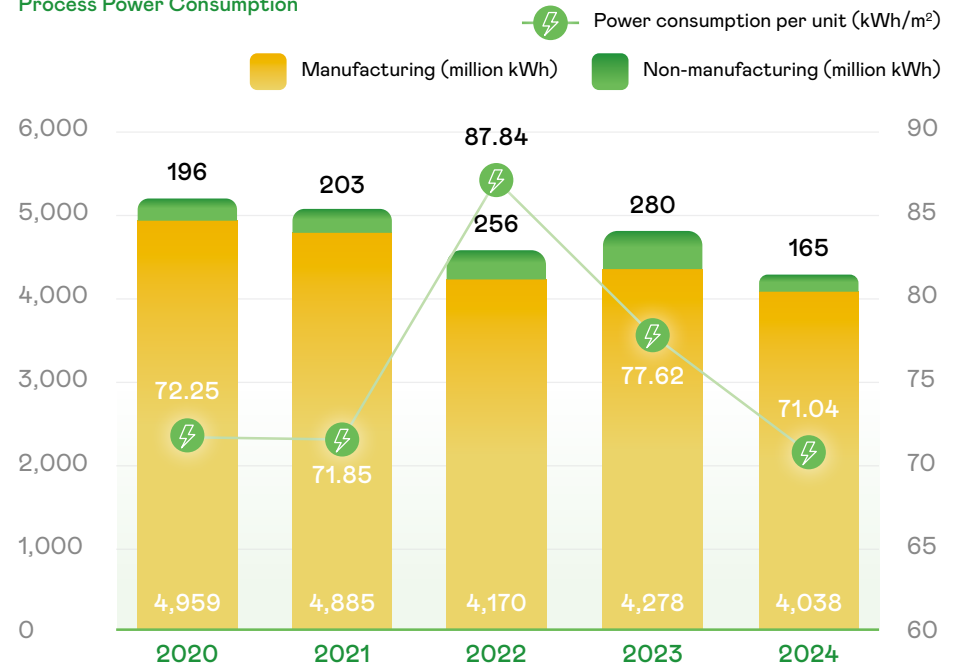
#### Electricity Usage & Management

AUO began setting progressively higher energy-efficiency targets for plants due to the introduction of carbon fees and rising electricity rates. Total electricity savings in 2024 amounted to 185,510,000 kWh which translated into annual savings of 4.72%, a new record. In terms of energy management, AUO adhered to the ISO 50001 energy management system standard by implementing energy management with continuous improvement. Employees were also encouraged to submit proposals for energy savings through competitions and public recognition. In 2024, AUO employees suggested 1,213 energy saving solutions. 54% of total energy savings came from refinements to manufacturing management at our sites while the remainder came from investment in equipment improvements. Total investments amounted to 0.7 billion TWD. In terms of measurement and verification, up to 79.5% of data were estimates based on measured results with higher accuracy. In 2024, total global power consumption of AUO was 4.04 billion kWh, with process power consumption accounting of 3.87 billion kWh. AUO is continuing to introduce new measures to improve energy efficiency. Due to the potential for drastic changes in future production conditions and capacity, the 3030 Project will be implemented through the Carbon Energy Group at AUO to identify more effective energy-saving proposals.

#### Annual Energy Savings



#### Process Power Consumption



AUO is continuing to make improvements to energy management. In addition to allocating funds for capital expenditures on electricity savings, we also secured subsidies through the MOEA Performance Guaranteed program to reduce investment costs and undertake ongoing energy-efficiency projects. In 2024, 8 energy-efficiency measures obtained energy-efficiency subsidies for the purchase of high-efficiency air compressors, variable frequency vacuum pumps, and inverters. One of the subsidies went to AUO’s first-ever hydroelectric power generation project. Total investments amounted to 52.03 million NTD and annual electricity savings of 5,930,000 kWh were verified upon completion.

## Energy-Saving Strike Force

The “Energy Saving Strike Force” was set up and the “3030 Project” launched at AUO’s manufacturing operations unit in early 2023 to accelerate the realization of RE100 targets and improve energy utilization. A phased target of reducing energy consumption by 30%<sup>Note</sup> by 2030 was set. Vertical and horizontal collaboration within factory units will hopefully generate synergies that accelerate and amplify energy savings. The energy-saving technologies accumulated by the 3030 Project will be introduced into new fields as well to become competitive green solutions.

Note: Based on the Company’s annual power consumption in 2021.

## 3030 Project Roadmap

The 3030 Project platform and system uses a “Themed Project Strategy” to push for the replacement of energy-intensive equipment, direct use of gas and electricity in the workshop, and ongoing acceleration of planned energy-efficiency projects over the next three years to boost the momentum for energy-savings within the Company. The program is helping to boost annual yields from energy-efficiency initiatives.

## Target Achievements on 3030 Project

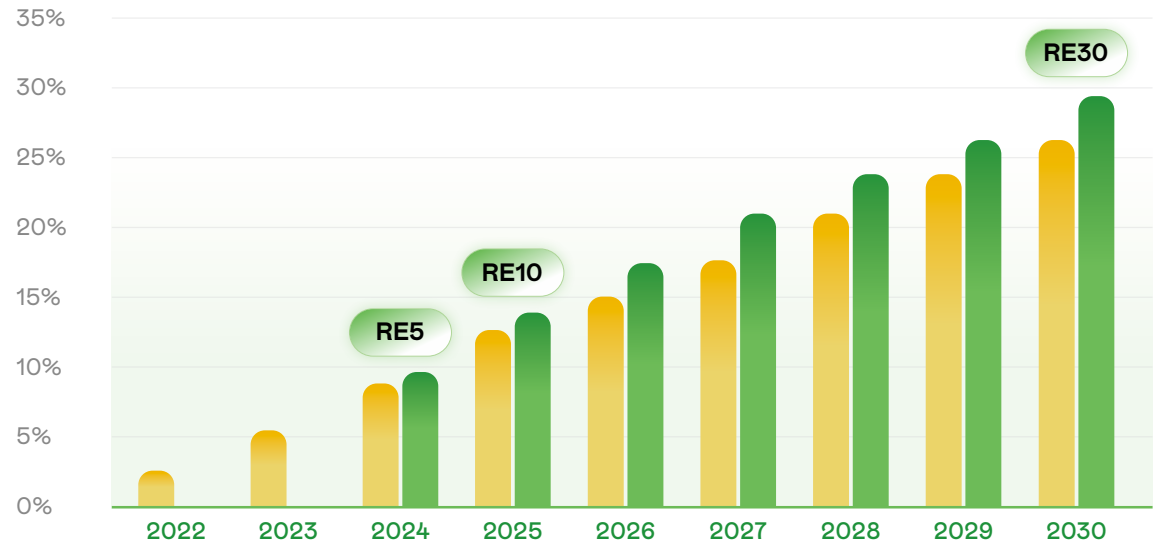
For electricity used during production and manufacturing, AUO defined and re-inventoried energy-intensive equipment into 11 types of electricity usage. Energy-efficiency projects involving Compression Dryer Air (CDA) system reduction, Compressor replacement, separation of high and low voltages, high-efficiency chiller, Spatial electricity use -Fan Filter Unit (FFU), Spatial yellow light LED lamps, as well as Manufacturing equipment - UV LED lamps, heated air exchange for ovens, chiller modification, inverter modification, thermal cladding of equipment were created on the 3030 Project platform. The electricity saving projects were implemented, tracked, and money invested towards R&D. The PDCA management model was also applied. The International Performance Measurement and Verification Protocol (IPMVP) was followed to ensure that tangible electricity savings were achieved. In 2024, electricity savings from combining energy-saving techniques with direct and indirect electricity use at each factory exceeded 4.5% and surpassed the 3.5% originally planned.

## Future Plans for the 3030 Project

AUO will continue to strengthen development and application of energy-saving methodologies by focusing on four key axes in 2025.

Themed Project Strategy

Power Saving Rate in Original plan  
Advance Promotion to Increase Power Saving Rate



### 1st Axis

#### Energy-Saving Strike Force

- Project Acceleration between 2024 ~ 2026
- Inventory new opportunities through electricity usage map
- Continued refinement of energy-efficiency management

### 2nd Axis

#### Energy-intensive/Themed energy-efficiency projects

- Optimization of spatial and equipment electricity usage
- Structural change in supply for CDA with high and low pressure systems

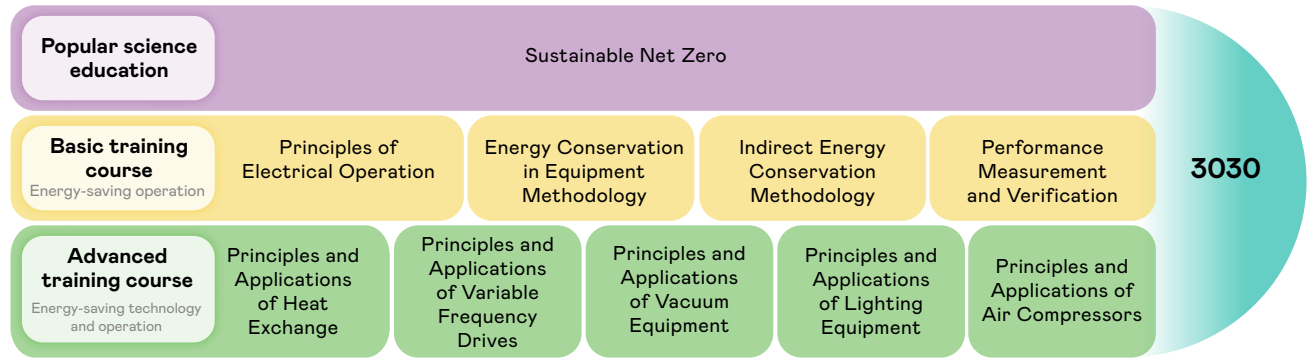
### 3rd Axis

#### Development of energy-efficiency techniques

- Horizontal development of energy-efficiency techniques

### 3030 Project Education and Training

AUO designed and introduced a three-tiered system of popular science education, basic, and advanced training courses for promoting energy-efficiency management. The popular science education course introduced basic concepts in net zero and sustainability to raise the environmental awareness of employees; the basic course covered four main topics including the operating principles of spatial electricity use, energy-efficiency methodology for equipment, energy-efficiency methodology for indirect electricity usage, and yield measurement & verification to help employees master energy-efficiency tips and processes; the advanced course is divided into a theory and application phase. Employees were encouraged to think about energy-efficiency of on-site equipment by emphasizing the technical principles involved, as well as sharing of past examples and discussion of pain points. The training has been attended by 6,126 times (1,901 employees) since 2023. 285 employees also took part in project implementation and 193 in project verification. The training not only enhanced the professional knowledge of AUO employees but also inspired innovative thinking on energy-efficiency that will provide continued support for sustainable development goals at AUO.



### 2024 Highlights

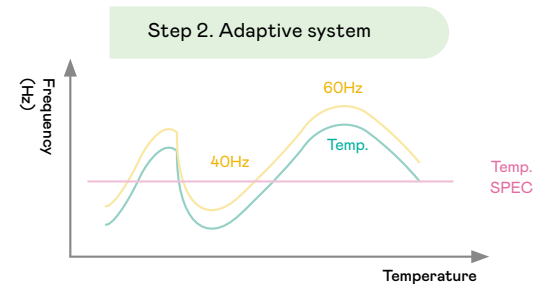
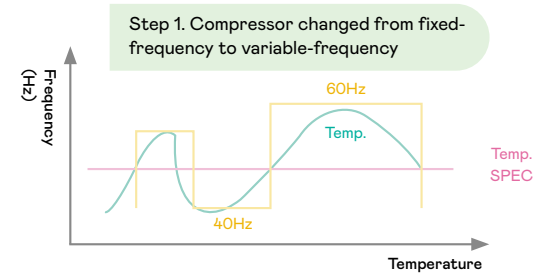
#### Introduction of Energy-Efficient Air Compressors

The Compression Dryer Air (CDA) system accounts for a large part of electricity used by factory facilities. Efficiency has slowly degraded over the years so that it is now below the design pressure and deviates from compressor performance curve. AUO began planning their replacement with high-performance, energy-efficient compressors. At Taichung site for example, 6 units were replaced in 2024 improving efficiency by at least 17%. The initiative was one of the reasons why AUO won a silver award at the “6th National Enterprise Environmental Protection Awards.”



#### In-House Development of Pump Compressor Inverter for Physical-Chemical Vapor Deposition

An energy consumption inventory found that pump compressor accounted for the largest share of electricity usage and was one of the most energy-intensive machines in the factory. AUO assessed that the best way to save power was to change the fixed-frequency pump compressor to a variable-frequency energy-efficient model. A variable frequency energy-efficiency box was there developed by an in-house team. The upgrade reduced power consumption to 42% and is expected to save 989,000 kWh each year once implemented. Development and testing were completed in 2024 so it will now be rolled out to each site.



#### Dry Etcher Replacement of Conventional Chilled Water System with Pure Water Coolant

Dry Etcher equipment used during panel production requires very precise temperature control to reduce process variability due to the amount of heat being generated. Small chillers were traditionally used for temperature control. Temperature was raised and lowered by combining refrigerated AC principles combined with compressors and heaters, a very energy-intensive approach that increased carbon emissions. The modified solution developed by AUO replaced conventional chilled water systems with pure water coolant. Temperature control became so efficient and precise that energy-intensive equipment such as the compressor and heater could be turned off completely. The high-performance chiller reduced electricity usage by 69.8% and this translated into annual savings of 70,700 kWh per set. Development and testing were completed in 2024 so it will now be rolled out to each site.

Material Topics

Number of proposals submitted to annual energy conservation competition

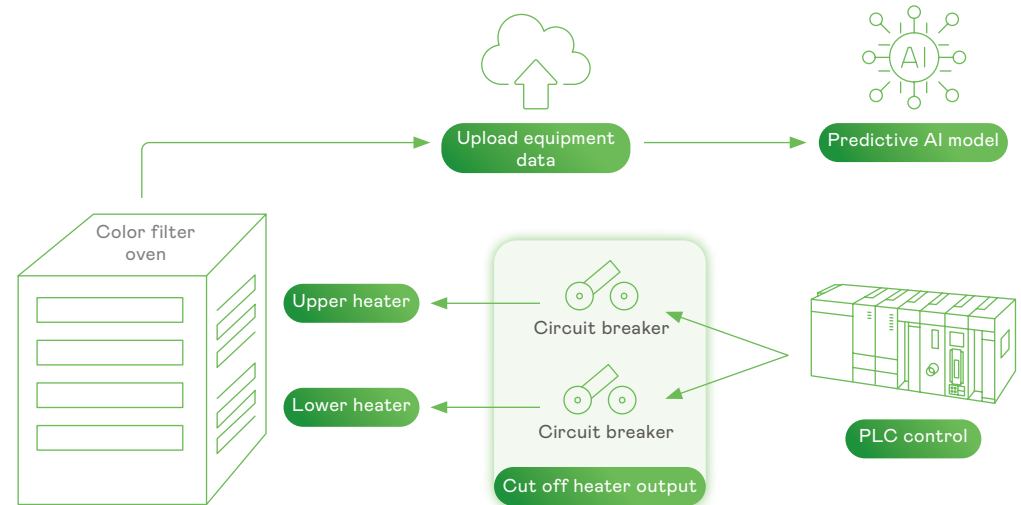
### Proposal Competition

The AUO Green Production (GP) team has been working on energy efficiency, water efficiency, environmental indicators, and reduction in raw materials since 2008. A competition for proposals also encourages the participation of teams from each site. The competition has received 258 proposals since 2019. The competition encourages each plant to submit smart proposals in three areas: energy-efficiency, water creation, and circularity. Employees from each site are invited to rate each other's proposals to promote the exchange of innovative thinking. Winning proposals are picked by the heads of Manufacturing units and publicly recognized during the annual conference. AUO even injected the sustainability mindset into the rewards by partnering with Sunnyfounder, the citizen power plant company, to present solar panel options to the winning team in each aspect. The linkage to green energy made the prize more meaningful. A total of 15 sites took part in 2024. Each site picked 3 representatives for the three aspects mentioned above and submitted a total of 48 proposals to the annual competition.

### Case Highlights from the Proposal Competition

#### Longtan Site - Temperature Prediction for Color Filter Oven

There are many heating processes in the factory. Most of the heat is converted from electricity making these processes very energy-intensive. The oven used for Color Filters (CF) for example operates by converting electricity into heat. Data analysis found that the equipment routinely ran too hot (more than 5 °C hotter than the process temperature) resulting in wasted energy consumption. Machine learning was applied to the operating parameters from the oven by the team to obtain the over-heating interval. The oven's programmable logic controller (PLC) was then adjusted to turn off the heating system when approaching that interval to save electricity. The modification saved 82,000 kWh per year at Longtan Site.



#### Taichung Site 2 - Optimization of Photolithography Machine Temperature Control Unit (TCU) Parameters

There are many heating processes in the factory. Most convert electricity into heat making these processes very energy-intensive. The photolithography machine's exposure quality requires precise control of glass temperature so it must be equipped with a freezer unit. An investigation found that the machine was equipped with both a compressor and a heater capable of producing cold and heat at the same time. Reducing the temperature difference between them will save energy. Variable- and fixed-frequency freezers were studied by the team to optimize the equipment without changing the blower temperature. After pre-cooling was used to improve the heating method for the fixed-frequency freezer, the compressor speed became uneven. Adjustments had to be made to the Proportional-Integral-Derivative (PID) controller) to ensure that the temperature compensation algorithm could make adjustments in real-time. The improvement generated cumulative power savings of 303,609 kWh in 2024 since it was introduced at Taichung Site 2.

## Energy Saving Solutions at Overseas Sites

### Suzhou Site - Energy-Efficiency Upgrade to Coolant Pump of Compressed Dryer Air (CDA) System

The Compression Dryer Air (CDA) coolant pump at the factory has been in service for more than 20 years. Performance has gradually degraded resulting in higher energy consumption. The site planned to upgrade to high-efficiency pumps that will reduce electricity usage by approximately 38,900 kWh a year.

### Suzhou/ Xiamen Site - Energy-Efficient Variable Frequency Fan Filter Unit (FFU)

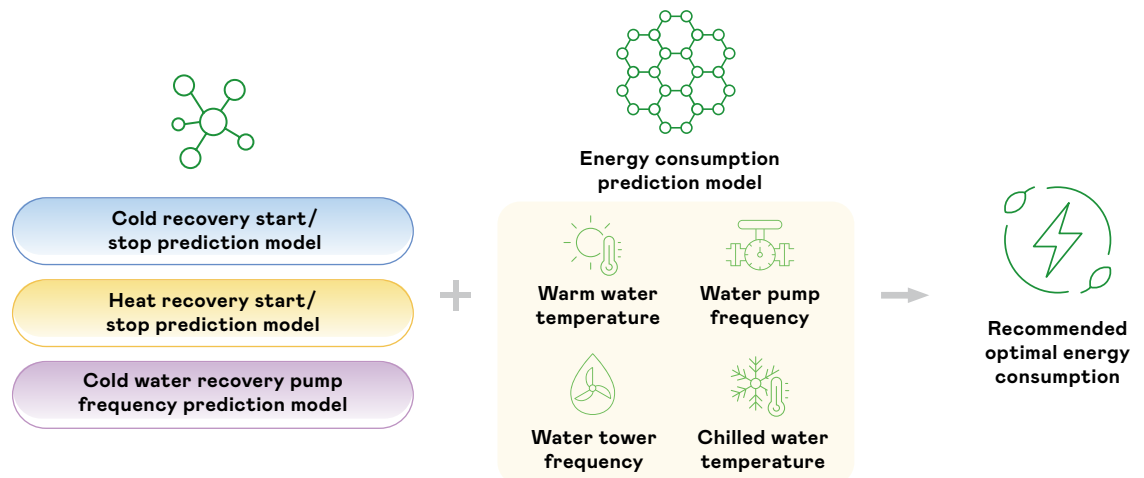
Remote monitoring and start/stop speed adjustment functionality was not available when the site was built, resulting in high energy consumption during Fan Filter Unit (FFU) operations. The filters had not been replaced for a long time as well and the pressure drop increased FFU's energy consumption too. The plant replaced the fixed-frequency FFU with variable-frequency units. Low pressure-loss filters and remote control fitted so that operating frequency and filter pressure drop could be reduced based on demand in the production area. Electricity savings of 1,275,000 kWh was achieved across the Suzhou and Xiamen sites in 2024.

### Kunshan Site - Optimization of Photolithography Process Logic to Improve Energy Efficiency

The Kunshan Site now has 2 parallel production lines equipped with 4 ovens that must all be turned on when running at full capacity. The 4th oven's idle time was lower than the tick down so the site analyzed the operator factors for the oven. The main factor affecting the production tact time was determined to be the programmable logic of the robotic conveyor system which led to the robot being left idle for some of the time. Once the robot picking logic was optimized, Tact time could be increased and one oven shut down to save energy. The modification saved 455,000 kWh per year at Kunshan Site.

### Kunshan Site - Optimization of Thermal Recovery Operations for High-Temperature Air Conditioner

The electricity usage of the high-temperature chiller system has continued to climb over the years as production capacity, plant floor area and the greenhouse effect all continued grow. It now accounted for 18% of the site's total electricity usage making it the second most energy-intensive system of factory facilities. The special climate (extreme cold) at the Kunshan Site meant the cold and heat recovery modes of the chiller system were greatly mismatched, resulting in higher electricity usage. The site constructed a prediction model for optimizing the energy consumption of the high-temperature chiller. External climate conditions were used to simulate different combinations of parameters and their corresponding energy consumption to generate the optimal frequency and heat recovery flow for the coolant recovery pump. A system was also developed in-house for database access, model training, model prediction, and UI interface visualization to realize self-adaptive optimization of equipment operations. The upgrade reduced electricity usage at Kunshan Site by 10.9% and this translated into annual savings of 427,500 kWh per set.

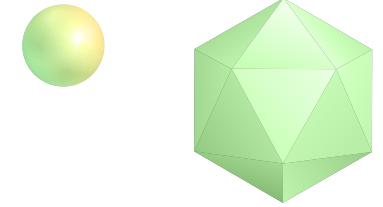




### 3.2.3 Use of Renewable Energy

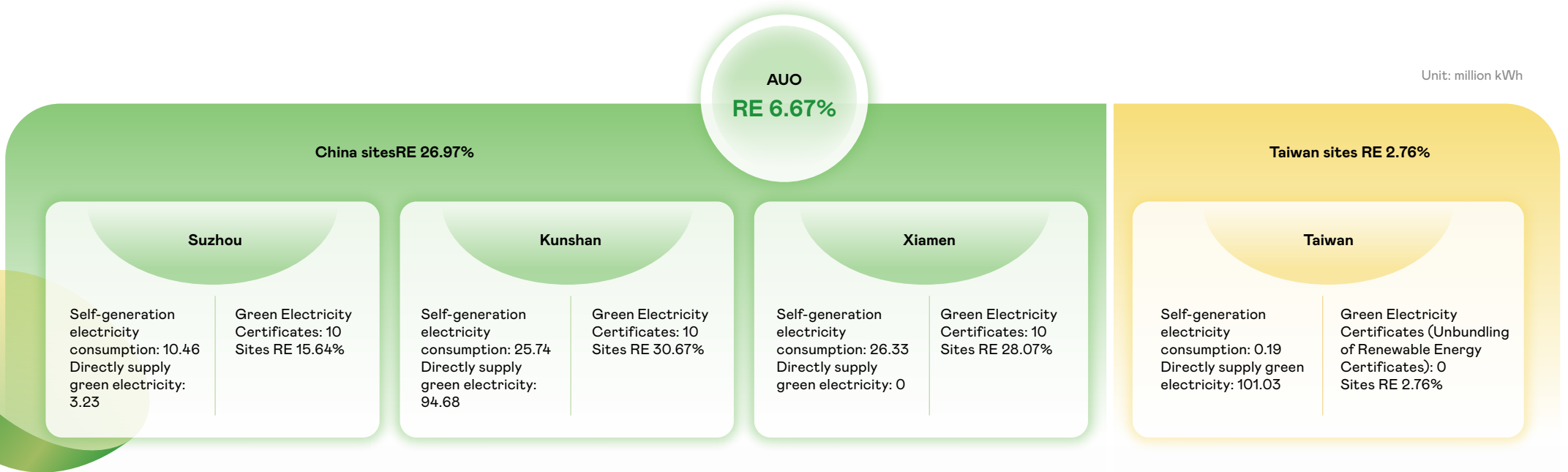
Material Topics

Sign the international initiatives-RE100



#### Installed Capacity & Generating Capacity of Renewable Energy

As part of the process for realizing RE100 targets, AUO followed RE100's recommendations by prioritizing self-generation and self-use for meeting organizational needs, followed by the signing of Corporate Renewable Power Purchase Agreements (CPPA). Purchase of I-REC is only used if land constraints, policy environment or other conditions make self-generation/self-consumption or electricity trading impossible. Current market conditions under the existing regulatory regime means that CPPA is mostly used by our Taiwanese sites. The contracts were carefully assessed and took multiple factors into account including the contract installed capacity, electricity supply time-line, electricity rates, and related contract fulfillment conditions. As of 2024, AUO has signed contracts for 232 MW of solar power that are now being progressively connected to the grid and used wheeling in accordance with the terms of their contract. In 2024, AUO used 101,030 MWh of green electricity. Additionally, direct renewable energy purchase plans were introduced at China sites this year with direct supply of green electricity proposed in the annual contract with the power company. Directly supply green electricity in 2024 amounted to 97,910,000 kWh. Installed capacity of rooftop solar power for self-generation and self-consumption remained the same. A total of 62,530,000 kWh in green electricity was self-consumed in 2024. AUO also went on to purchase 30,000 MWh in green electricity certificates (GECs) verified by China's National Renewable Energy Information Center. Generally speaking, AUO's total green electricity consumption amount to nearly 2,916,800 MWh, equivalent to a renewable energy ratio of 6.67%.



#### Green Electricity Policy Engagement: Sandbox Project for Flexible Distribution

This year marked the third year since AUO signed on to the RE100 initiative. Though the overall market and energy policy remained quite challenging, AUO continued to develop different renewable energy sources and conduct contract negotiations with many vendors. The AUO energy team actively took part in the Taipower "Green Electricity Sandbox Project" to trial flexible wheeling and small purchases of green electricity in order to meet the demand for flexible distribution of green electricity to a single company with multiple electricity accounts. Dynamic adjustment of green electricity distribution ratios each month enabled the flexible allocation of limited environmental benefits. Distribution from multiple suppliers to multiple users under this program also helped build up experience on projections and wheeling for green electricity management platforms. A solid foundation was therefore built for a future green electricity market with diverse power companies. AUO also helped government agencies develop a low-carbon upgrade roadmap for the industry as a whole.

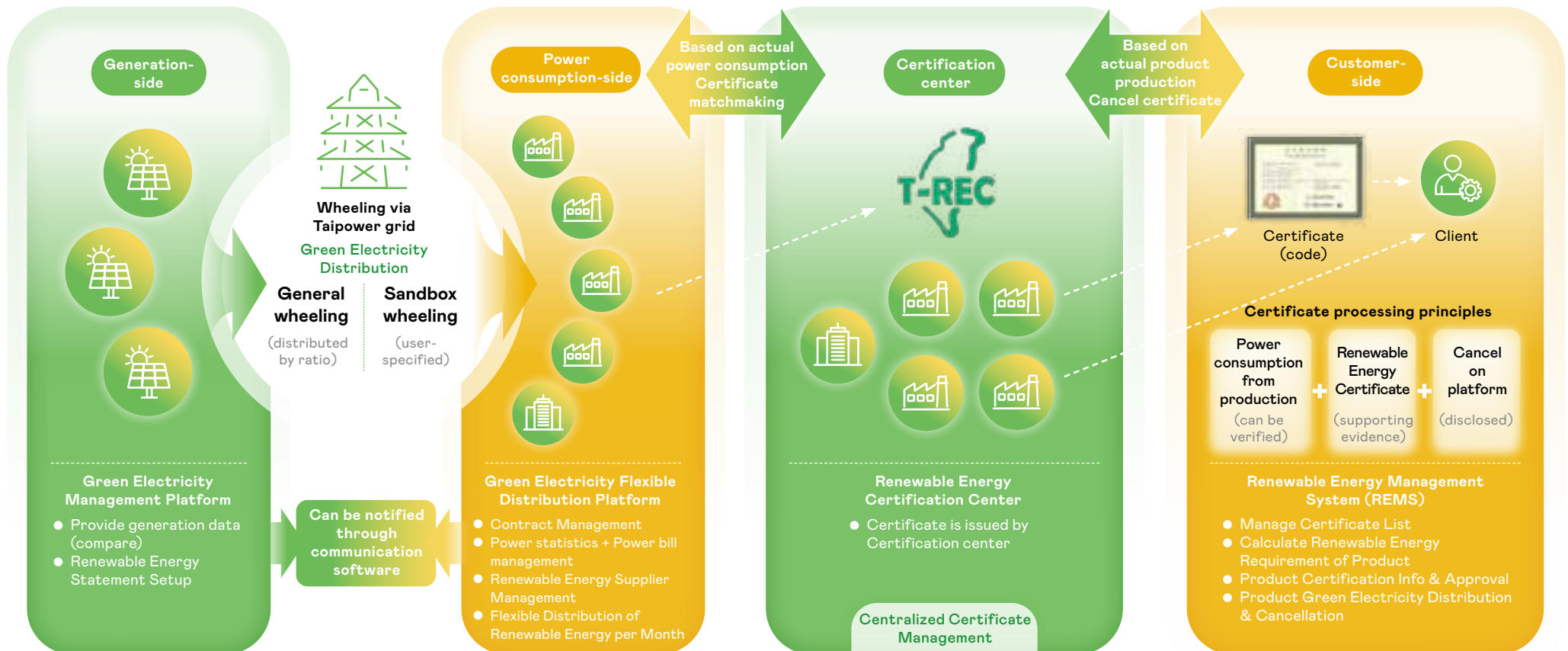
## Green Electricity Management Platform

A high proportion of green electricity is required to satisfy RE goals. Management of Corporate Renewable Power Purchase Agreement (CPPA) at AUO became increasingly complex as a result. Such agreements include general wheeling, sandbox flexible wheeling, small volume green electricity wheeling, and the MOEA "Green Leasing Program." Parties to the agreement also expanded beyond general developers to green electricity sellers with scattered sites. Green electricity management is currently geared towards renewable energy certificates derived from power generation and user sites. A suitable management platform is needed for systemic management of contracts, green electricity wheeling volumes, and energy certificates.

### Wheeling Volume and Certificate Management by Green Electricity Management Platform

The effective management of green electricity generation and usage data, dynamic tracking of operations at all power generation sites, as well as monitoring of statistics on wheeling of green electricity to sites not only requires an energy purchasing team that can track power generation efficiency but also the streamlining of financial reconciliation and settlement operations. At the same time, the platform must consider how green electricity will be used for carbon reduction and communicate with the customer to this end. Renewable energy certificates are used to verify the electricity requirements of products during the production process. The information will provide crucial evidence to satisfy future customer requirements on product carbon footprint or carbon neutrality statements.

### Total Process and System Platform for Green Electricity and Certificate Usage at AUO



# 3.3 Water Resource Management

AUO has always embraced a practical approach with continuous improvement in water management. Targets set by the GP team are combined with digital tools to upgrade performance per unit of water. A comprehensive water resource risk management mechanism is also used to ensure water security. In keeping with the spirit of treasuring natural resources, AUO strives our reliance on natural water supplies and increase our process water recycling rate so that we can make the best use of water resources.

## 3.3.1 Target & Performance

### Material Topics

Total water consumption by tap water;  
Process water recycling efficiency



AUO Water  
2025

To support SDG 6 “Clean Water and Sanitation”, AUO made “Water Conservation and Creation” one of the goals of CSR EPS 2025. A water conservation and creation target of “Work with the value chain to combat the threat of water shortages and conserve up to 100,000 CMD in tap water” was set for 2018 ~ 2025. In 2024, AUO exceeded the target with cumulative water savings of 278,000 CMD. AUO is working actively to develop water sources. Water creation technologies mastered by AUO to date include zero process water discharge, rainwater recovery, and introduction of reclaimed water. Future water usage targets will expand from tap water withdrawals to total water withdrawals<sup>Note</sup> for continuous improvement.

Note: Encompasses water sources at all sites including tap water, ground water, rainwater, and reclaimed water.

### Water Consumption Conditions in 2024

In 2024, total water withdrawal at AUO amounted to 54,662 CMD<sup>Note</sup>. AUO strives to reduce water consumption and engage in reuse. Potential improvements are inventoried and new measures introduced every year. With AUO 2025 as our guide, AUO is reducing the potential operational impacts of water shortages through the three strategies of “Water Reduction, Water Creation, Water Conservation in the Value Chain.”

Note: Scope in 2024 added tap water consumption for Hsinchu Office, Mabuville, and Vietnam site.

### Water Reduction

AUO drew on our many years of experience in smart manufacturing to integrate Artificial Intelligence of Things (AIoT) technology into the water withdrawal systems of our production processes and factory facilities. The automation and optimization of equipment serves to realize continued decreases in reliance on natural water supplies and improve the recycling rate of process water.

Decreased by  
**3.9%**

Tap water withdrawal

Unit is Cubic Meters  
per Day (CMD)

**94.70%**

Production water  
recycling rate

Calculated as Recycled Process  
Water/Consumption at Point of  
Use (POU)

Decreased by  
**0.3%**

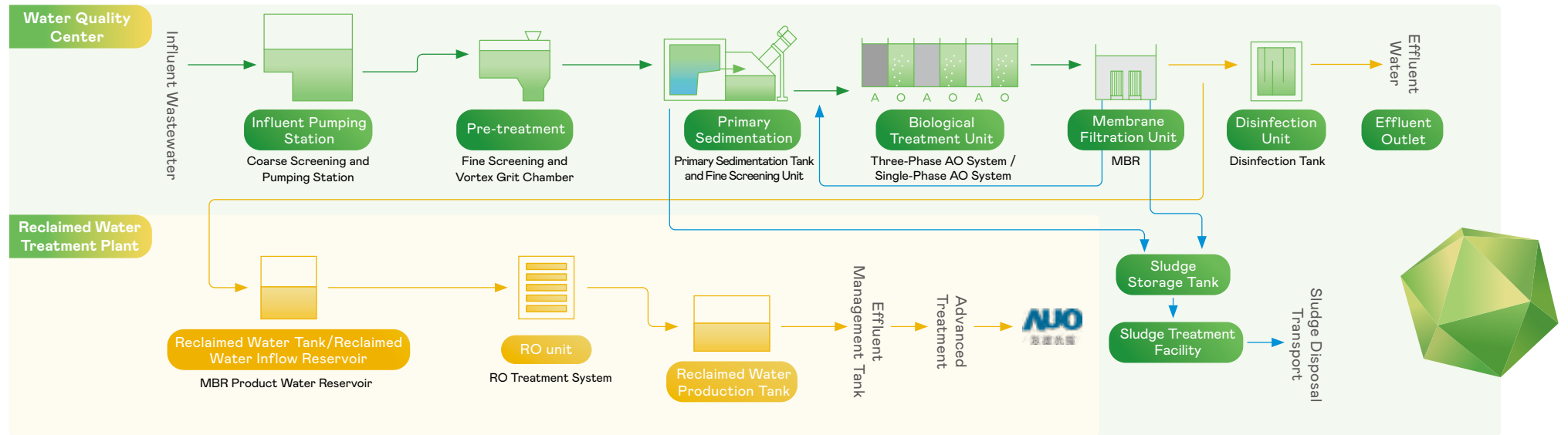
Calculation of water  
use intensity

Calculated as Production Water  
Use/Chip Surface Area (m<sup>2</sup>)



## Water Creation

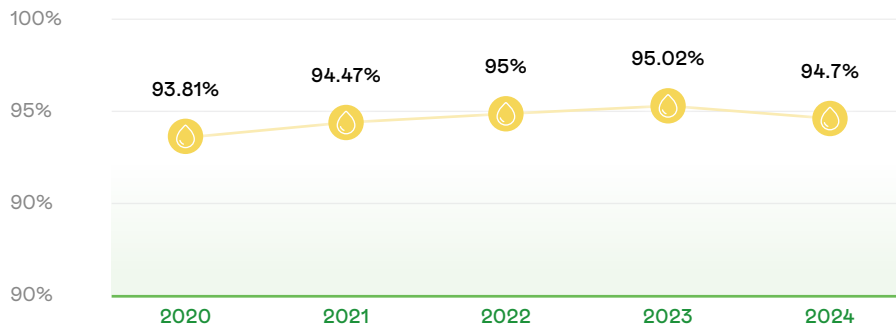
A contract was signed by AUO and Taichung City's Shuinan Water Recycling Center in 2021, supply of water commenced in November 2024 and reduced water withdrawals from natural resources at Taichung Site by 520,638 metric tons. Mitigation of water depletion ensured the stable supply of domestic water.



## Supplier Water Saving

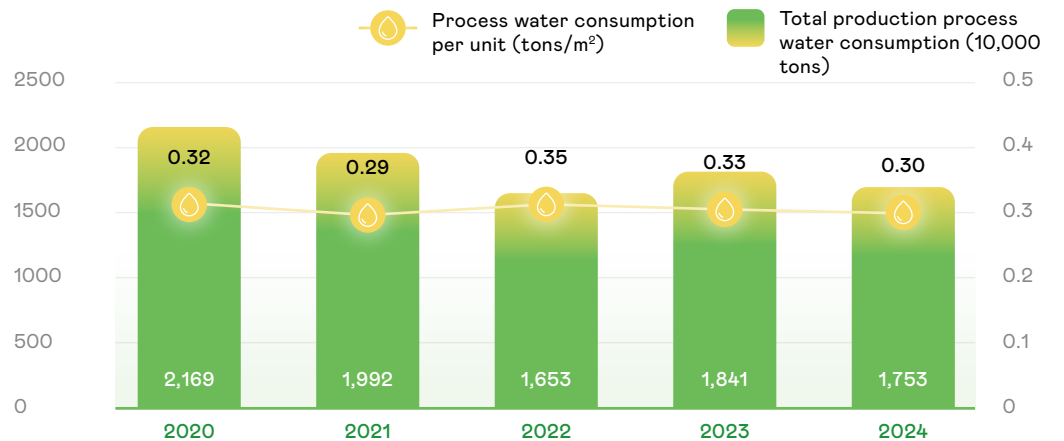
To increase value chain awareness on water conservation and their ability to adapt to risk, AUO began recruiting suppliers to join us in promoting water conservation measures in 2016. AUO is more than happy to share our resources with suppliers that respond to the water conservative initiative. These included sharing practical experience on water resource management through supplier inclusive growth courses, organizing internal experts to provide on-site counseling at supplier sites, assisting with testing for blind posts in water use, and offering of improvement advice. Since 2018, 17,712 CMD in tap water savings have been achieved so far.

Process Water Recovery Rate



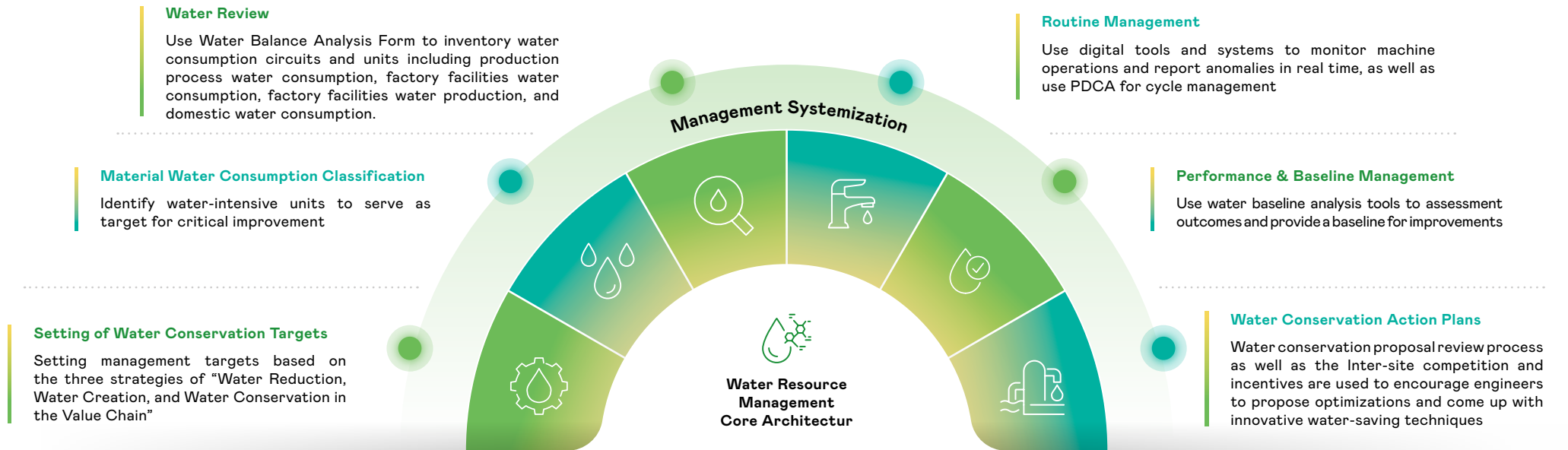
For the 2024 water consumption data, please refer to the section on overview on Water in this Report.

Total Production Process Water Consumption



### 3.3.2 Management Framework

A hydrological center platform was set up by AUO in accordance with the ISO 46001 efficiency management systems standard to implement the setting of water conservation targets, classification of material water usage, water use review, routine management, performance management, water conservation action plans and other management measures.



**Material Topics** Proportion of water consumption in Taiwan managed through water network

#### Expansion of POU Control at Taiwan Sites

The "Point-of-Use Water Use Safety Net (POU)" was developed by AUO in 2020 with the pilot system installed at Taichung Site 3. POU can automatically trawl for external water supply data and monitor all water use nodes in the factory including the level of water tanks and ground water to ensure the stability of the water supply. When combined with the reporting of water consumption data from machines, the GP team can establish the actual effectiveness of individual water-saving improvements and make further improvements to equipment variance. 100% of water withdrawals at Taiwan sites are now monitored via POU. Total water savings in 2024 amounted to 873,070 tons.

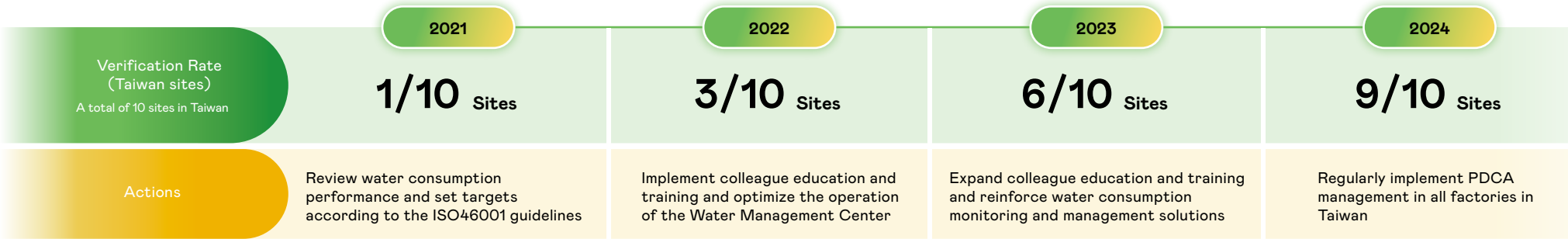
**Material Topics** ISO 46001 certification compliance rate in Taiwan

#### Implementation and Roll-out of ISO 46001

AUO is continuing to monitor international standards in order to actively introduce new management systems and establish management systems that are practical and rigorous. The ISO 46001 water efficiency management system was introduced for the first time at Taichung Site Phase 3 by AUO in 2019 and we became the first enterprise in Taiwan to obtain ISO 46001 certification. In keeping with the spirit of ISO 46001, AUO continued to enhance internal awareness on the importance of water management and application tools. Education and training were carried out for cadre personnel at each site along with the development and optimization of the trans-site hydrological center smart management platform. All Taiwanese sites were included in the scope of the management system in 2024. The PDCA management cycle employed by AUO includes establishment of water performance targets, action plans, monitoring and analysis, periodic review and review mechanism. These are complemented by reduction, substitution, and reuse strategies as well as AI smart applications to achieve optimal water resource management.



To enhance water management and raise employee awareness on the importance of water resources, AUO trained 204 ISO 46001 cadre in 2024 to support the promotion of water-saving activities at each site. The Green Manufacturing team (GP) for example hosted the GP Proposal Challenge. Outstanding cases submitted to the Challenge were used company-wide training through the AUO Learning System (ALS). A total of 3,087 engineers were assigned training. 3,069 engineers completed the training for a completion rate of 99.4%.



Note: AUO adopts a flexible operational strategy, closing down the Tainan site, and reallocating the production capacity to other production lines. Therefore, the Tainan site has not implemented the ISO 46001 certification plan.

### Risk Adaption

Water is an indispensable element during panel product. AUO used the TNFD disclosure framework <sup>Note 1</sup> to combine the LEAP assessment method <sup>Note 2</sup> with the ENCORE assessment tool <sup>Note 3</sup> to confirm the dependencies of the value chain and its impact hot spot list. The Data analysis was conducted on the WRI Aqueduct water risk structure <sup>Note 4</sup>, the WWF Water Risk Filter <sup>Note 5</sup> and the National Climate Change Science Report. Assessment includes self-review (100% manufacturing site) as well as the activities and interactions of upstream suppliers and downstream customers in the value chain. Water risks and opportunities were identified and the assessment outcomes incorporated into the annual risk identification process for tracking and management.

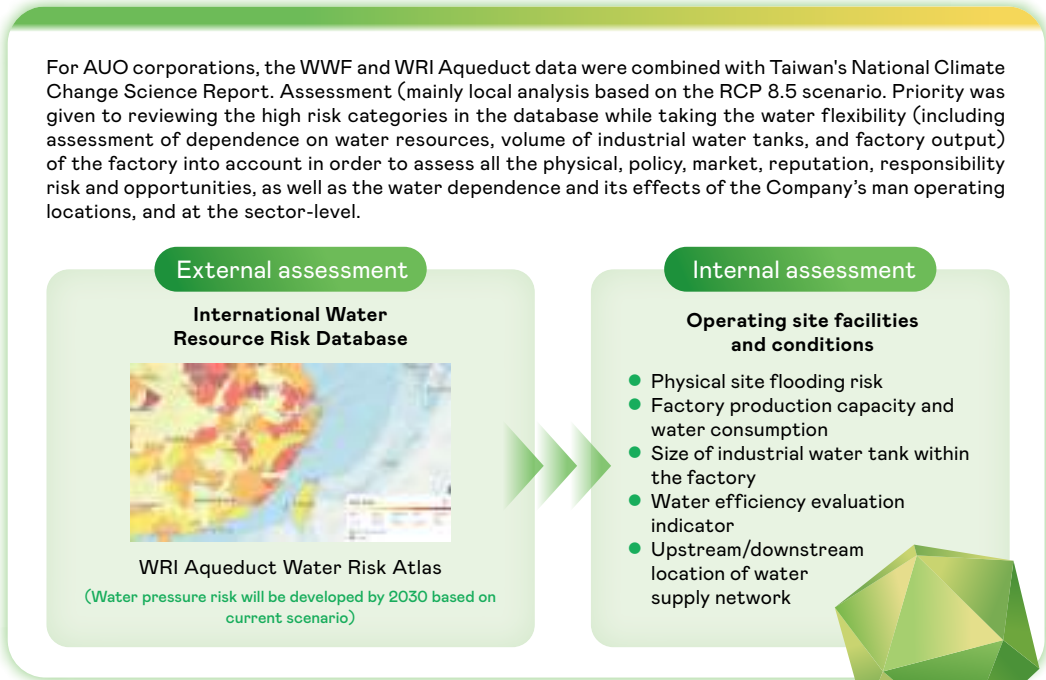
Note 1: Within the Taskforce on Nature-related Financial Disclosures (TNFD) the nature-related financial disclosures working group revealed the four core elements of "governance, strategic, risk and impact management, indicators and targets." 14 information disclosures were proposed for the four main core elements.

Note 2: TNFD contains more diverse nature-related risks so the LEAP assessment method was proposed to help businesses and financial institutions analyze self-related risks following the four steps of Locate, Evaluate, Assess, and Prepare.

Note 3: Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) is an assessment tool used for screening natural capital risk. First launched in 2018 as a collaboration between Global Canopy, NEP FI, and UN Environment Programs - World Conservation Monitoring Centre (UNEP-WCMC), it is mainly used to help businesses and financial institutions show how businesses and financial institutions understand their own economic activities, and the dependence on nature of each department and their production process. The tool is often used in TNFD, SBTN, GRI and other corporate assessment/disclosure frameworks as a tool for citing business reports.

Note 4: WRI Adequate is a water resource risk structure published by the World Resources Institute (WRI). The purpose of the tool is to convert complex hydrological data into intuitive indicators on water-related risks. The data from the base year can provide a full overview of water-related risks including base water pressure, base water consumption, and changes between age groups. This is of utmost importance for understanding the long-term trends in water risk, assess the cumulative impact of human activity on water resources, as well as the formulation of a long-term water resource and management strategy.

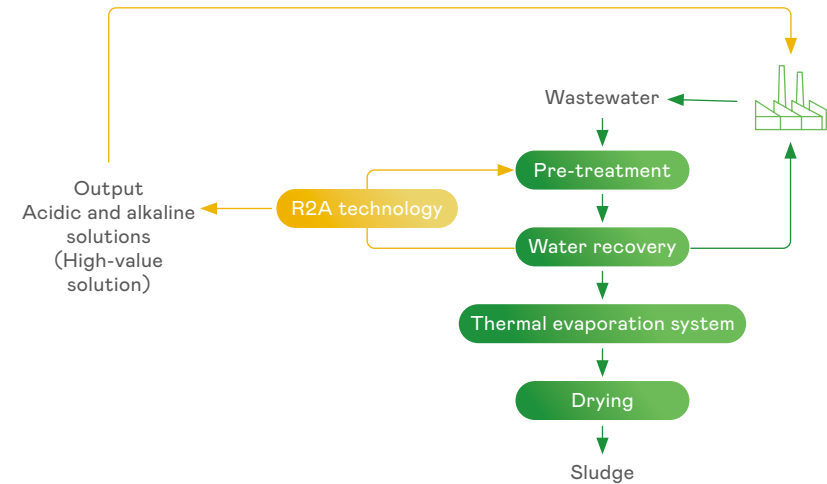
Note 5: Water Risk Filter was developed by the World Wide Fund for Nature (WWF) for in-depth analysis of corporate water risk exposure. Risks included physical risk, supervision risk and reputation risk. Businesses receive help on what actions to take to solve water risks. Business flexibility is also increased and a contribution made to future sustainability.



### 3.3.3 Refinement Projects

#### Longtan Site - Recovery to Acid and Alkaline (R2A)

Full process water recovery system was activated at sites in 2016. Some of the highly concentrated wastewater must be treated in the thermal evaporation system resulting in high energy consumption. The final drying process tended to generate waste containing mixed salts that increased the cost of removal as well. Research found that salt degradation and ionic conversion technology could effectively convert highly concentrated acidic/alkaline wastewater into hydrochloric acid and lye. After degradation, the treated wastewater is recovered for reuse. Additional front-end RO water recovery amounted to 13,140 metric tons/year. The acid and alkaline solutions produced by the conversion value are high-value resources that can replace the solutions used in wastewater treatment so dosing costs are reduced as well. The ions in the water can be used to reduce sludge production and operating costs. Once the technology is introduced in the future, operating costs should be reduced by 65%. Carbon reductions are expected from reduced dosing and less transportation of solids. Annual carbon reductions may reach 856 metric tons CO<sub>2</sub>e.



#### Taichung Site – Color Filter Automatic Regulation of Developer Balancing System and Cell Washing Machine

Developer equipment used during the color filter production process as well as the washing equipment in the Cell process all use water supplied directly by factory facilities. The water is then cycled through different process cavities. Flow rate was adjusted manually and could not be controlled precisely so supply tended to be greater than demand. Electronic ratio valves were introduced to stabilize the water flow. Inverter controllers were also added to the pumps and combined with PLC to automatically adjust the flow through the water supply equipment. Once the technology was introduced at the Taichung Site in Taiwan and should save 64,387 metric tons of process water each year.

#### Hsinchu Site - Extension of the Regeneration Cycle for Multi-Media Filter

The ultra-pure water system contains 4 Multi-Media Filter (MMF) units. These were originally regenerated and reused at fixed intervals. After extensive use, some MMF were found to initialize their regeneration procedure before reaching the threshold value and this led to higher water usage. The site proposed to monitor the ultra-pure water output quality (TOC Spec<50ppb) and set different regeneration cycles based on water quality. Once the technology is introduced at Hsinchu Site, the regeneration cycle can be extended by 3%. In 2024, this reduced water withdrawals by 400 metric tons and less chemicals needed to be used.

#### Kunshan Site - Cancellation of Washing Process for Designated Products

To prevent byproducts from the front-end process leaving marks on the product surface (e.g. chalk dust and other fragment), Kunshan Site carried out water-intensive pre-washing of automotive and notebook display products. Research and examination of product yield found that residual byproducts left by the process on the product surface did not affect product yield so the pre-washing process was eliminated. Once canceled, this should save 44,820 metric tons of process water each year.

# 3.4 Circular & Clean Production

## 3.4.1 Circular Economy Performance



### Strategy & Organizational Operations

In response to SDG 12, AUO has set a goal to achieve a circular economy growth rate of 135% by 2025, based on 2017. AUO formed the Circular Economy Working Group to create a cross-functional operation model and set 3 strategic goals including products, manufacturing, and supply chains. In addition, AUO established comprehensive monitoring indicators such as source reduction, product circularity certification, and increased material recycling rate, as well as reduced process waste. AUO has also extended its circular action to its partners and implemented projects such as packaging material recycling, R&D of recycled material technology, and process material recycling to realize the Company's belief in achieving the common good with the environment, as well as generate more green business opportunities by allying with value chains.

**Material Topics**

Financial benefits growth rate of circular and clean production technology; Continue to expand the circular economy supply chain (number of suppliers); Ratio of recycled materials certification for the circular economy supply chain

### 2024 Achievements

In 2024, AUO began actively rolling out green products that use recycled materials to all kinds of display products and these made a significant contribution to revenue. The recovery of process materials on the manufacturing side, waste reduction technology, and the use of green logistics packaging materials generated 18.56 billion NTD in financial benefits.

**CSR EPS 2025 Goal – Circular Production**

Under the goal of "achieving a 135% circular economy growth rate by 2025, based on 2017", the financial performance growth target for 2024 was set at 110%. The actual achievement was 334.72%, significantly exceeding the target.

Note 1: High Density Polyethylene (HDPE).  
 Note 2: Low Density Polyethylene (LDPE).  
 Note 3: Expanded Polyethylene (EPE), "E" represents foam materials.  
 Note 4: Polyethylene Terephthalate (PET).

**Green Product**

Display products are continuing to use recycled plastics, glass and metals. Product penetration and recycled content are being increased as well. More than 250 new models of projects were introduced in 2024 to generate 13.29 billion NTD in revenue for the year.

**Green Manufacturing**

The outcomes from ongoing initiatives on circular reuse of manufacturing materials, the recycling of developer and stripper fluids, sludge reduction, water recycling and reduction, and waste reduction during 2024 translated to 4.38 billion NTD.

**Green Supply Chain**

AUO continued to promote the recycling of packaging at customers and suppliers. In 2024, cumulative savings from recycling that avoided repeated purchasing of new packaging materials amounted to 0.9 billion NTD.

**2024 Highlights**

- AUO completed the development of circular recycled products such as the desktop solution with 50% recycled materials containing a high proportion of recycled metals and optical-grade recycled plastics. Third-party verification was completed at the same time.
- Recycled materials such as HDPE<sup>Note 1</sup> / LDPE<sup>Note 2</sup> / EPE<sup>Note 3</sup> / PET<sup>Note 4</sup> began to be introduced for product packaging.
- Circular recycled plastics were introduced in whole products for the casing and stand of desktop monitors. The use of circular recycled plastics could help customers with obtaining EPEAT certification.
- Refinement of zero discharge system with total wastewater recovery - Recovery to Acid and Alkaline (R2A) technology for hypersaline solutions: AUO continued to explore ways of making further improvements in zero discharge and energy consumption. Highly concentrated acidic and alkaline wastewater was converted back into alkalis and acids for recovery and reuse. Sludge reduction was also investigated.
- To establish a circular economy supply chain, 100% of the 85 related suppliers have now obtained third-party recycled materials certification.
- Recycling rate of supplier packaging reached 97.5%.

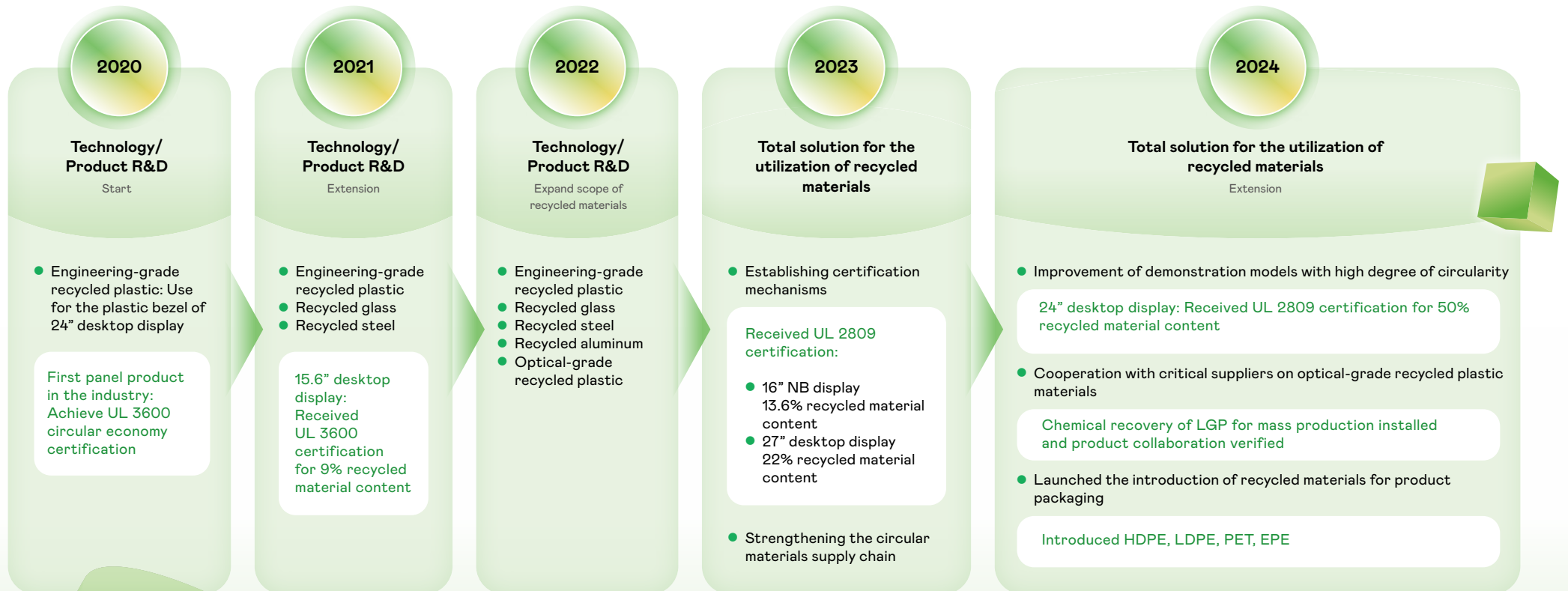
For more information on Green Manufacturing, please refer to the sections 3.4.2 Wastewater and Pollution Management, 3.4.3 Air Pollution Management, and 3.4.4 Reuse of Waste in this Report.

For more information on the Green Supply Chain, please refer to section 2.4.3 Low-carbon Supply Chain in this Report.

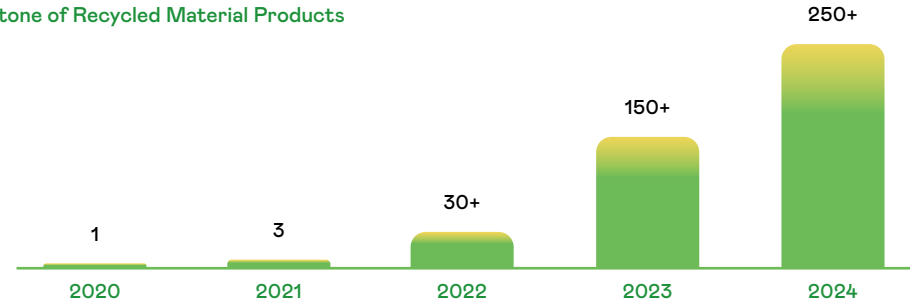
### Increase in Penetration of Circular Products

AUO is continuing to promote sustainable products. In response to resource depletion, environmentally hazardous waste, and the trend towards low-carbon products, new products are designed to use recycled circular materials as much as possible. The feasibility of product circularity is constantly being assessed as well. AUO is working actively to expand the use of recycled materials in products without significant increases in cost. In 2023, we applied recycled materials to desktop displays, notebook displays, public displays and other products. More than 250 product models have now introduced a certain ratio of recycled materials including plastics, metals, and glass.

### Milestone of Recycled Material Products



Milestone of Recycled Material Products



### 3.4.2 Wastewater and Pollution Management

AUO is continuing to promote the development of intelligent control technologies to enhance the overall energy efficiency of wastewater treatment systems. The collection and analysis of precise water resource data enabled the effective optimization of water recycling rates within the site. The amount of process wastewater generated was also significantly reduced, reducing the impact on the environment and water bodies. AUO also held itself to higher standards than required by law. Precision management was implemented for wastewater based on their specific properties. Continuous monitoring system was used to track every treatment stage to ensure that every operation complied with strict management objectives. Third-party testing is also regularly conducted to verify that all emissions met statutory standards. Every effort is made to realize the goal of reducing our environmental impact.

#### Improvement Projects

##### Huaya Site - Expansion of Wastewater Treatment Bio Reactor

To reduce the carrier consumption and ineffective aeration area of wastewater treatment units, AUO collaborated with the ITRI in 2024 to add a bio reactor to the wastewater treatment unit. The addition of a fixed-bed basin to the fully-suspended mixed basin boosted average aeration while reducing the aeration volume. At the same time, the fixed-bed structure significantly increased microorganism adhesion and reproduction, boosted the contact reaction rate between the wastewater and microorganisms, and raised the microorganism content and concentration of the carrier. Utilization of dissolve oxygen was improved as well resulting in greater removal of ammonia nitrogen from the wastewater <sup>Note</sup>. In 2023, the Huaya Site discharged 51.16 metric tons of ammonia-nitrogen wastewater. In 2024, this decreased to 47.44 metric tons for a 7.28% reduction in annual ammonia-nitrogen wastewater discharge.

Note: This refers to the amended Effluents Standard issued by the MOENV on December 18, 2024. Ammonia-nitrogen controls were introduced, effective immediately.

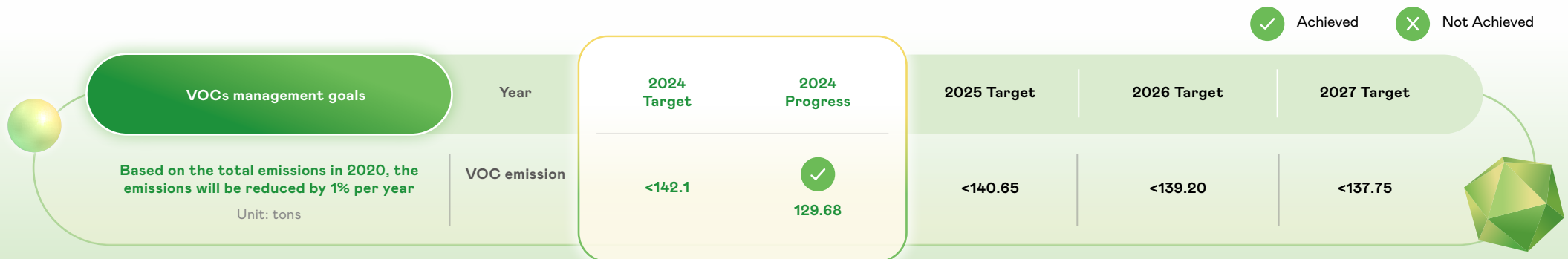
##### Houli - Upgrade to Waterjet Precision in Aluminum Etching Machine

Houli Site modified the glass panel conveyor device for the aluminum etching machine in 2022 with the addition of waterjet rollers. The air knife was also upgraded at the same time. By improving etching fluid recovery during the etching process, fluid replenishment and waste liquid discharge could be reduced. In 2024, the site continued to focus on source reduction in response to more stringent regulatory requirements <sup>Note</sup>. Another set of waterjet rollers were added to the existing etching machine to reduce the loss of aluminum etching fluid. The modifications effectively reduced the machine's etching fluid consumption and by extension, the total phosphorous concentration in the discharge water. In 2023, the Huaya Site discharged 423.24 metric tons of phosphorous in wastewater. In 2024, this decreased to 310.86 metric tons for a 26.55% reduction in annual discharge of phosphorous in wastewater.

Note: This refers to the amended Effluents Standard issued by the MOENV on December 18, 2024. Total phosphorous controls will take effect as early as January 1, 2027.

### 3.4.3 Air Pollution Management

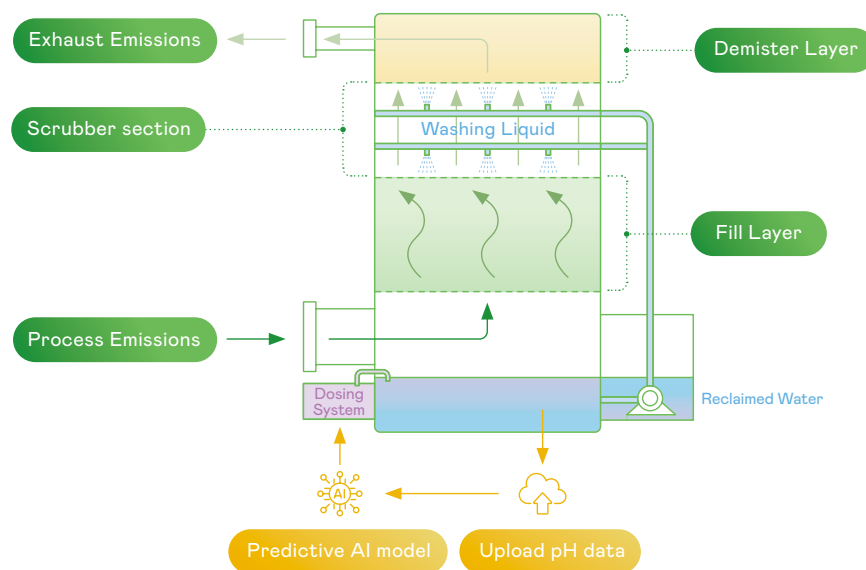
Comprehensive prevention and management measures have been adopted by AUO to combat air pollution. For prevention, process emissions are separated for treatment based on their composition and nature using the most practical technology available to effectively reduce our environmental impact. Big data analysis modeling is applied by AUO to optimize the operation of the prevention equipment and improve the consistency of pollution prevention operations. Internal and external air pollution monitoring are also periodically conducted to keep track of equipment's operating status and comply with regulatory requirements. In terms of management, Volatile Organic Compounds (VOCs) management targets have been set by AUO. The VOCs Continuous Emissions Monitoring System (CEMS) was introduced to enforce air pollution reduction through real-time monitoring of equipment status and rapid confirmation of target pollutant emissions.





**Hsinchu Site - Improving the Stability of pH Control for Alkaline Emissions**

In the wet scrubber for alkaline emissions, the pH value of the circulant liquid sprayed into the Raschig Ring area gradually increased over time. A suitable amount of acidic solution with a pH value between 5 and 8 must be added for effective washing of emissions. To improve the operational stability of the wet scrubber, bleach must also be periodically added to disinfect the circulant liquid and this makes pH control more difficult. To establish a complete and effective disinfection mechanism for the wet scrubber, AUO collected pH value data from the wet scrubber then introduced an intelligent control system to optimize the dosing rate. Oscillations in the pH value of the circulant liquid was also moderated to ensure efficient treatment of exhaust. The initiative reduced washing costs and the risk of shutdowns while maintaining control over the pH value. The amount of acidic solution used each month was reduced by around 400 kg and dosing rate was also reduced by 38.64%.



**Huaya Site - Source Pre-treatment for Highly Concentrated Acetic Acid**

Process emissions are separated by AUO with acidic emissions directed to wet scrubbers for treatment to ensure that emissions complied with the relevant regulatory standards. The Huaya Site continued to strengthen its emissions prevention measures in 2024. Source management was used to conduct an in-depth analysis of process characteristics at the site to pinpoint processing units that generate highly concentrated acidic emissions. Early collection and treatment of these emissions effectively reduced the generation of highly concentrated acidic emissions and reduced the load on wet scrubbers. The initiative improved the pH trends in the wet scrubbers and reduced NaOH dosing by 218.64 metric tons a year.

**Taichung Site - Replacement of Zeolite Rotor in Regenerative Thermal Oxidizer (RTO)**

The exceptional absorption properties of Zeolite are used for the effective capture of organic materials in emissions. The Zeolite rotor is a piece of air pollution control equipment that was designed specifically for effective treatment of Volatile Organic Compounds (VOCs) in emissions. Once the Zeolite becomes saturated, it is regenerated through heating at high temperatures in the oxidizer. Captured VOCs are converted into Carbon Dioxide and water vapor, reducing the amount of VOC emissions. Pollution control equipment are monitored in real-time by AUO using continuous monitoring equipment. To ensure the stable operation and high performance of pollution control equipment, the Taichung Site carried out a voluntary replacement of the Zeolite Rotor Concentrator in 2024 that improved treatment efficiency by 98.2%, reduced VOCs emissions by 5.6 metric tons for a reduction of 45%.

**3.4.4 Reuse of Waste**

Waste recycling, reuse, and reduction are important to AUO. The 3R approach (Reduce, Reuse, Recycle) is prioritized. Rethink was also adopted to promote the development of waste management and the circular economy. Incineration or landfill is only used as the last resort to ensure the effective utilization of environmental resources. AUO has implemented target management by defining indicators for "Total Output of Non-recycled Waste" and "Total Output of Non-recycled Hazardous Waste." The two indicators are used to periodically review progress on waste output and recycling. Changes in waste output are monitored and the data used to improve the ratio of resources that are recycled. The reduction of unnecessary waste means less impact on the environment. For risk management, AUO is continuing to implement a total waste management process at all Taiwan sites that covers the four stages of waste planning, production, storage, and removal. Automated systems are used to monitor waste-related abnormalities. Waste contractor audits (documents, field operations) are also organized every year. Auditing focuses on high-risk vendors to ensure their compliance. This in turn ensures that waste is recycled or properly disposed of, reducing the burden on the environment.

The enforcement of management concepts is also important to AUO. An environmental impact assessment is conducted every year in accordance with the “Environmental Consideration Identification Process. In 2024, UL 2799 Zero Waste to Landfill certification was conducted at the Houli Site in 2024 and achieved a Gold-level certification. The certification demonstrated AUO’s commitment to waste reduction and recycling. UL 2799 Zero Waste to Landfill certification will be conducted at the Suzhou Site in 2025 to improve our international competitiveness and realize environmental sustainability. AUO knows that reducing the waste landfill rate is a top priority in waste management for the Company. Dust disposal contractors were therefore introduced to boost recycling and reduce landfills. A total of 212.75 metric tons were removed for reuse in 2024. For education and training, the teaching materials for orientation training for new hires was reviewed. Proper sorting and treatment at the source and plastic reduction in the production process were both strengthened to reduce waste output. Additionally, AUO hosted 37 education and training sessions at Taiwan and China sites. The sessions were attended by AUO employees and contractor partners. The benefits of carbon neutrality were introduced during these meetings along with the sharing of ways to reduce plastic production.

Waste management target	2024 Target	2024 Progress <sup>Note 1</sup>	2025 Target	2026 Target	2027 Target	
<b>Total volume of non-reusable waste</b> Unit: tons	<8,700	 6,044.37	<8,500	<8,300	<8,100	 Achieved
<b>Total volume of hazardous unrecusable waste <sup>Note 2</sup></b> Unit: tons	<3,400	 1,946.70	<3,300	<3,200	<3,150	 Not Achieved

Note 1: The data was added together then rounded up to the second decimal, achieving second place.

Note 2: AUO primarily generates hazardous waste including etching waste liquid (from the etching process), photoresist waste liquid (from Array and Cell processes), mixed solvent waste (from all processes), etc. All of these waste types are recycled or disposed of through legal methods such as reuse or incineration.

### Houli Site – UL 2799 Zero Waste to Landfill Certification

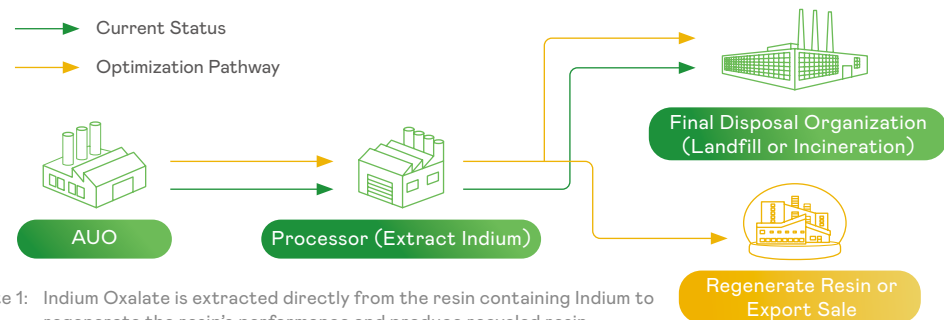
In 2024, the AUO Houli Site became the first factory in Taiwan to obtain UL 2799 Zero Waste to Landfill certification and receive Gold-level certification <sup>Note</sup>. This reflected the decreased independence of AUO on the limited amount of space available for landfills. Waste pollution on the environment was also reduced and the circular economy put into practice. The waste contained 19 types of reusable resources including waste glass, waste empty barrels, waste aluminum hydroxide, waste solvents, and waste resin. UL 2799 Zero Waste to Landfill certification will be conducted at the Suzhou Site in 2025 to improve our international competitiveness and realize environmental sustainability.



Note: Gold-level UL 2799 Zero Waste to Landfill certification requires a waste conversion ratio of 99%.

### Taichung/Houli Site - Reuse of Resin Containing Indium

Indium Tin Oxide (ITO) etching fluid is used for etching the surface of the glass substrate during the production process. Waste etching fluid containing Indium is sent to the wastewater treatment process where Indium Oxalate in the wastewater is captured using the resin absorption tower. When the resin is fully saturated (with Indium Oxalate) it must be replaced. Resin containing Indium cannot be reused once it is processed by outside contractors. AUO worked with contractors regenerate the resin’s performance <sup>Note 1</sup> and produce Indium ingots <sup>Note 2</sup> through two recycling processes. Special approval (including pilot trial) was obtained in June 2024. Official removal commenced in September and total of 20.46 metric tons were removed in 2024.



Note 1: Indium Oxalate is extracted directly from the resin containing Indium to regenerate the resin’s performance and produce recycled resin.

Note 2: Indium ingots are produced from extracted Indium Oxalate.

# 3.5 Biodiversity

## 3.5.1 Vision & Progress

AUO recognizes and responds to the importance of global biodiversity, ecosystems, and conservation of forests and the natural environment. In 2023, we published the "AUO Biodiversity, Ecosystems, and Zero-deforestation Policy" in response to the "Kunming-Montreal Global Biodiversity Framework" and the international community's call to halt biodiversity loss. The Policy outlines AUO's commitment to biodiversity, underpinned by a set of policy instruments include avoiding, reducing, and restoring the impact of our business operations, while promoting a transition toward nature-positive outcomes. In addition, we starting with our own operations and collaborating with value chain partners to conduct plastic reduction action. Looking ahead, our longterm nature strategy aims to have a net positive impact on biodiversity by 2050.

For the AUO biodiversity policy, please refer to the [AUO Sustainability website - Policy and Principles section](#)

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**Assess & Disclose**  
Refer to and follow relevant international disclosure frameworks such as GRI Guidelines, SBTN Guidance and TNFD and disclose relevant information to external stakeholders

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**Stakeholder Communicate/Respect the Rights**  
Stakeholder partnership cultivation, environmental impact assessment public hearing

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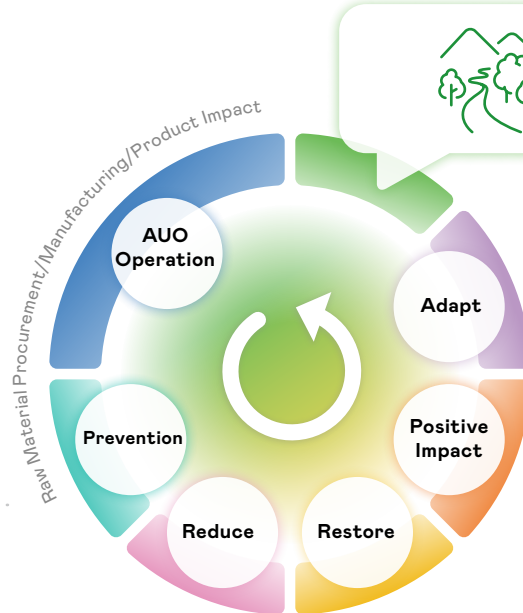
**Prevention**

  - Raw Material Procurement: Promote Green Purchasing
  - Facility Operations: Assess Environmental Impact
  - Product Impact: Comply with Regulatory Requirements and Actively Adopt Green Certifications, such as EPEAT, WEEE, and RoHS


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**Reduce**  
Environmental regulations, such as water discharge standards, air pollution control, etc.




**Foster positive impacts on biodiversity, fulfill a living in harmony with nature**

- 

**Adapt**


  - AUO has 4 factories that have received the LEED certification
  - Apply TNFD in risk management

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**Positive Impact**  
Environmental education promotion, supplier response

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**Restore**

  - Internally: in case of significant impacts caused by photovoltaic power plants, make efforts to carry out on-site environmental restoration or off-site compensation
  - Externally: promote tree planting and participate in ecological

### Disclosure of Nature-related Information: Publication of first TNFD

AUO Corporation recognizes and aligns with the globally shared vision of achieving nature positive. Following the release of the TNFD v1.0 framework in September 2023, we have committed to acting as a TNFD Adopter, and released the first TNFD report in 2024 through identifying, assessing, and disclosing nature-related dependencies, impacts, risks, and opportunities. Along with TNFD's published recommendations and guidance, this report also outlines the nature-related issues identified using TNFD's LEAP (Locate, Evaluate, Assess, and Prepare) approach. In addition to the TNFD Recommendations, AUO also adopts the recommendations from Science Based Targets Network (SBTN) and the World Business Council for Sustainable Development (WBCSD) to continue promoting internal research and evaluation through transparent disclosures. The planning and implementation of AUO's pledge on biodiversity policy served to facilitate living in harmony with nature, strengthen AUO's own climate response, and boost the resilience of biodiversity.

## Biodiversity Dependence & Impact Assessment

### Prioritized Evaluation of Natural Elements and Locations

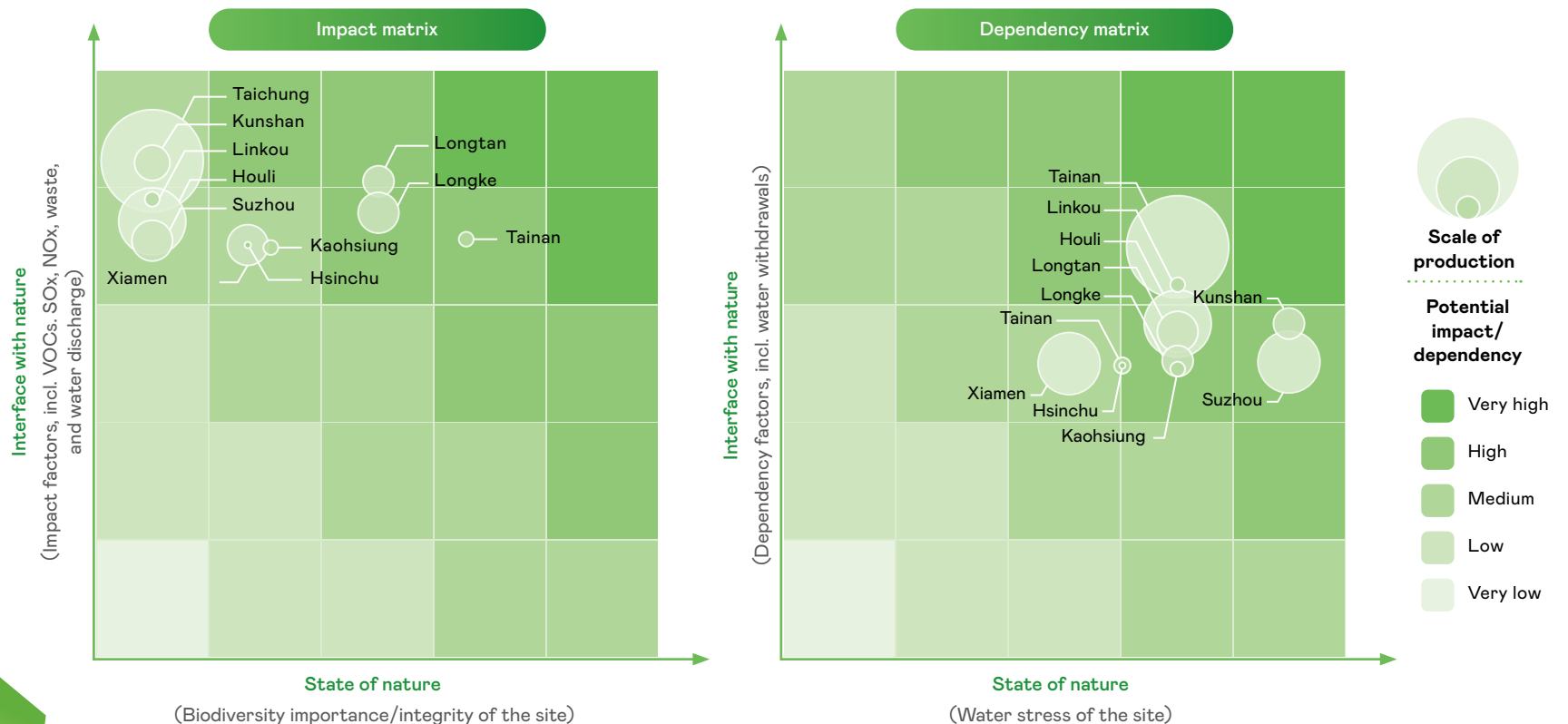
Nature-related impacts and dependencies are quite broad and varied in scope. To identify the natural functions to assess first, AUO used the ENCORE database to establish the sector-level nature factor hot spots for its own commercial operations and that of the value chain. This was used to construct a sector-level natural elements hot map. The ENCORE results were used by AUO to take the characteristics of actual production operations into account. The sector-level resources of ENCORE were combined with AUO's own self-management and value chain to identify "Pollutant", "Waste" and "Water Withdrawal" as key nature-related impacts and dependencies that should be evaluated first.

Considering the characteristics of our business activities, AUO selected our global manufacturing sites as the prioritized locations among all the asset types within our own operation. As for the value chain, based on data availability, AUO prioritized the identification of 31 site-level locations representing upstream suppliers that collectively account for the top 66% of annual procurement value.

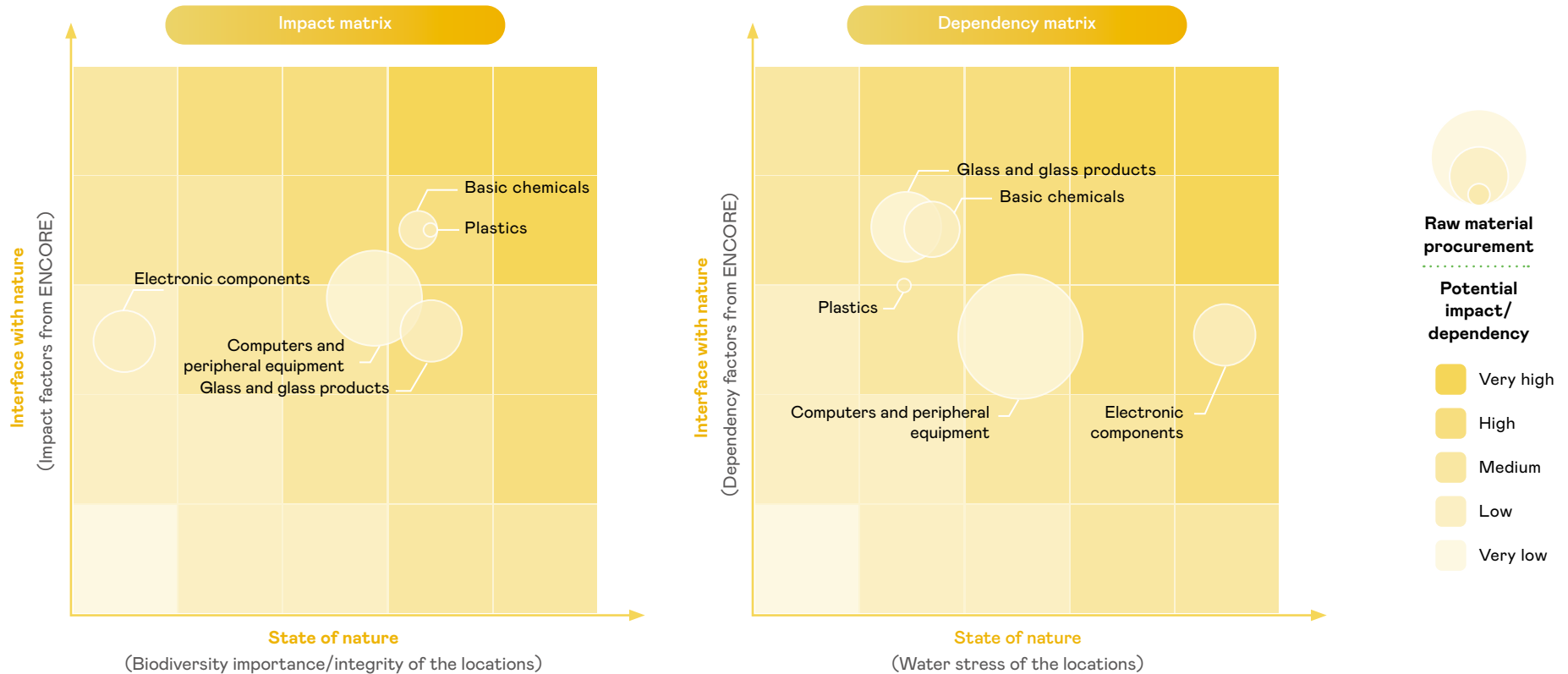
The identification results showed that despite nearby ecologically sensitive regions important to biodiversity, no AUO site overlapped with the sensitive area. The Tainan, Kaohsiung, Longtan, and Longke Sites however were all located within 10 km of the neighboring Sicao Wildlife Refuge, Yong-an's Wetlands of Importance, as well as the Water Quality and Quantity Protection Area at Shimen Dam. Routine AUO operations not only comply with local environmental regulations but also adhere to even stricter internal standards to alleviate our burden on the local environment and ecology, and to avoid impacting on local biodiversity in a significant way.

### Evaluate & Assess

Once the high-priority natural factors were taken into account and the site to be assessed has been confirmed, AUO compiled and standardized all the activities with environmental impact each site (including Volatile Organic Compounds (VOCs), Sulfur Oxides (SOx), Nitrogen Oxides (NOx), industrial waste, water withdrawal, and water discharge), then incorporated them into the identification and assessment model. The correlation between specific impacts and dependency factors at each location could then be defined. The natural impact and dependency matrix for AUO production sites and key supply chain categories was then drawn.



Analysis of the natural impact and dependency matrix found in terms of natural impact, the local area around AUO’s Longtan, Longke and Tainan Sites rated relatively high on biodiversity and ecological sensitivity. These were therefore identified as locations with high potential impact. In terms of dependencies, most of the manufacturing locations were rated as having high water resource dependency, indicating high demand for water resources. Most were located in areas with relatively high water stress as well. A similar process was adopted by AUO for identifying supply chain impacts and dependencies. Suppliers in the same product category were consolidated into a single group to arrive at five main supplier groups (namely computers and peripherals, electronic parts and components, glass and its products, chemical raw materials, and plastic raw materials). After taking the location and production characteristics of key suppliers into account, the supply chains for chemical raw materials and plastic raw materials were found to rate higher in terms of potential natural impact. In terms of dependencies, most suppliers in the electronic parts and components supply chain were located in regions with extremely high water stress.



**Prepare & Action**

AUO is responding to nature-related impacts, dependencies, risks and opportunities by continuing to roll-out various operational measures. AUO is also engaging in proactive and extensive cooperation with stakeholder partners to realize the goals of reducing nature-related risks and increasing related opportunities. The AR<sup>3</sup>T (Avoid, Reduce, Restore & Regenerate, Transform) framework is also being used by AUO to promote nature-related measures and actions. For Avoid, AUO is responding to air/water and pollutant issues by continuing to introduce and upgrade technologies and processes for pollutant prevention, treatment and monitoring; for Reduce, AUO is reducing water-related impacts by reducing the water usage of production processes, optimizing the water recovery efficiency of production processes, and increasing the use of reclaimed water. For industrial waste, AUO is reducing the amount of non-recyclable waste generated during the production process, increasing the ratio of circular recycled materials used in products, adding recycled material suppliers that have third-party verification, setting plastic neutrality targets, and working with value chain partners to promote the plastic reduction vision and reduce waste-related impacts; for Restore & Regenerate, AUO has long conducted ecological surveys along the banks of Xiaoli River near the Longke Plant and organizes vine eradication programs. We partner with the local community to remove invasive Mikania Vine growing along the banks of Xiaoli River; for Transformation, AUO hosts the Green Party to promote tree planting and forestation. A million trees have so far been planted in collaboration with the Forestry Bureau. AUO also hosted the Ocean Party coastal clean-up event to boost environmental awareness on marine waste. There is also the AUO Water Resource Gallery, a government-certified environmental education facility that offers a variety of learning channels about water resources to promote environmental education. In the future, AUO will continue to explore different actions and opportunities, avoid and reduce investments with natural impact, focus on the restoration and regeneration of ecosystems around our sites, and make the promotion of nature positive developments our vision for future transformation.

For more information about Social Engagement, please refer to section 4.5.3 Green Living in this Report



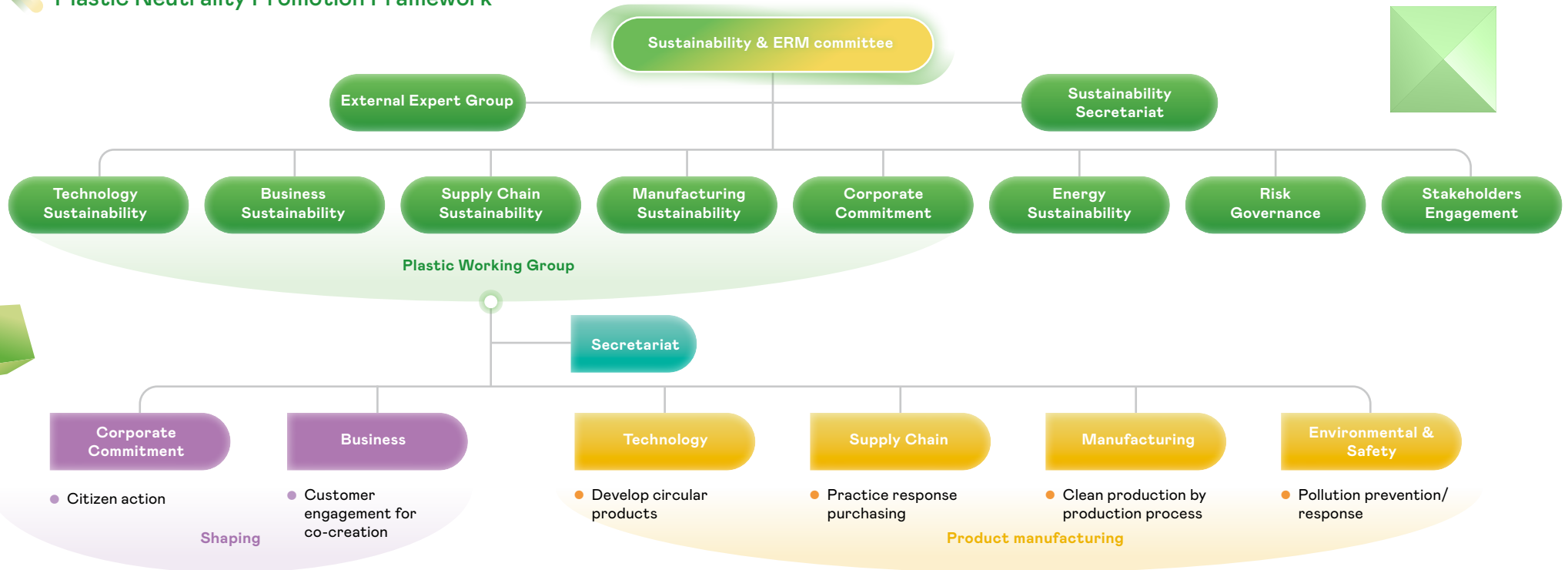
### 3.5.2 Plastic Neutrality

AUO supports international interest in biodiversity and the “Kunming-Montreal Global Biodiversity Framework” Many research reports indicated that one of the key threats to biodiversity is plastic, a material that is used extensively in everyday life. For this reason, AUO made the decision to take part in plastic reduction action. We also hope to lead by example and persuade the rest of the industry to take the issue of plastics seriously. AUO has declared 2023 to be “Plastic Reduction Year Zero.” Year 2023 was set as the base year for achieving the goal of “Plastic Neutrality” by 2030. The “3R+1” strategy (Replace/Reuse, Reduce, Recycle, Rethink) was adopted by AUO to promote plastics reduction across the board and a trans-unit plastics working group set up to oversee plastic reduction tasks. At the same time, AUO also showcased plastic reduction accomplishments with value chain partners at the annual Supplier Creating Shared Value Conference. In the future, AUO will continue to expand its cooperation with value chain partners on plastic reduction initiatives and reduce the environmental impact of plastics.

AUO has been implementing its plastic neutrality initiative for a year, but the impact of individual departments’ efforts has not been fully reflected in overall effectiveness. In 2024, AUO reassessed its strategy, actions, and performance evaluation methods to enhance management mechanisms, improving policy transparency and feasibility. Through data analysis, AUO refined data sources to ensure accuracy and traceability, identifying key influencing factors positively correlated with performance. Based on these insights, AUO established subsidiary management indicators for departments to enhance precision in performance evaluations. Additionally, AUO developed a plastic neutrality rate calculation methodology, ensuring scientific alignment and effective measurement of its progress in plastic reduction.

To ensure effective implementation of its plastic neutrality policy, AUO established a Plastic Working Group to oversee project progress and performance tracking, with monthly evaluations to assess effectiveness and adjust strategies accordingly. AUO also strengthens internal education and communication, fostering employee awareness and engagement in plastic reduction, making neutrality a shared commitment across the company. Through refinement measures, AUO seeks to maximize its impact on sustainable development. Moving forward, AUO will monitor global trends and adapt strategies to maintain steady progress in plastic reduction efforts.

#### Plastic Neutrality Promotion Framework



## Division of Labor and Strategic Planning of Promotion Unit

AUO is responding to the Global Plastics Treaty by working to reduce the use of disposable plastic products. "Plastic Reuse" and "Use of Recycled Plastics" have now been adopted as the primary strategies for realizing the goal of plastic neutrality. AUO is also collaborating with upstream and downstream partners to re-manufacture waste plastics into plastic products used by AUO. In 2024, AUO conducted another comprehensive inventory of the production process. Implementation direction and how the results should be presented were explicitly defined for plastic neutrality.

### 2024 Plastic Neutrality Accomplishments

Supplier Packaging Materials	Production and Manufacturing	Plastic Packaging for Shipping	Requisition of Indirect Materials for Supplier Packaging and Production & Manufacturing	Plastic Packaging for Shipping
<b>Recycled Amount</b>	<b>Waste reduction for Indirect Materials</b>	<b>Amount of Recycled Direct Materials</b>	<b>Amount of Recycled Material Introduced</b>	<b>Amount of Recycled Direct Material Introduced</b>
13,364 tons	465.6 tons	1,880.97 tons	91 tons	169.16 tons

### Supply and Manufacturing Aspects

#### Supply Chain Sub-committee

**Promoter**

Plastic materials gateway

Promotion strategy

Improve

- Improve recovery volume/rate of plastic packaging

#### Manufacturing Section

**Promoter**

Decision-maker for plastic materials control

Promotion strategy

Improve

- Improve potential for recycling of waste plastics
- Improve recovery volume/rate of renewable plastic

Reduce

- Reduce consumption of plastics during production and the amount of plastic waste generated

#### Environmental Safety Sub-Committee

**Promoter**

Waste plastic gatekeeper

Promotion strategy

Improve

- Upgrade resource collection and recycling channels

#### Supplier Packaging Materials

Key actions

Packaging material recovery program  
Cooperation on recycled packaging

#### Indirect Materials

(Packaging used between AUO dabs and production consumables)

Key actions

Waste reduction for inter-fab packaging waste  
Waste reduction for consumables  
Internal recycling into indirect materials  
Introduction of recycled plastics

#### Waste plastic

Key actions

Waste as a resource  
Increase waste recovery

Circular reuse within AUO

Enters other recycling system and applications

### Product Aspect

#### Direct material

(Packaging for shipping from AUO to customer)

#### Business Sub-Committee

Key actions

Customer alignment and packaging optimization

Project collaboration

#### Technology Sub-committee

Key actions

Introduction of recycled plastics and expansion of penetration

### Employee Action Aspect

#### Corporate Care Sub-committee

**Promoter**

Promoter of plastic reduction culture

Promotion strategy

Reduce

- Improve recovery volume/rate of waste plastic packaging
- Fostering a plastic reduction atmosphere at AUO

Reduce

- Reduce the consumption of domestic plastics



## In Manufacturing: End-to-end Management Approach

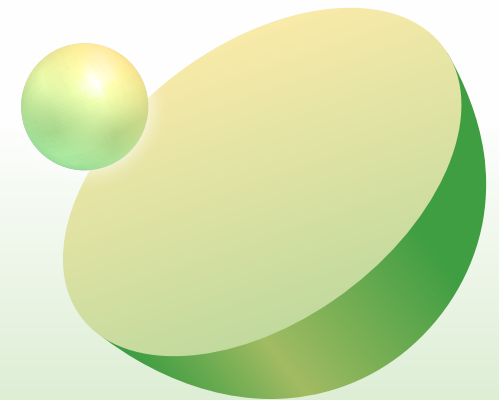
Phase	Management Approach	Action Taken	2024 Key Outcome
<p><b>Start</b></p> <p>Procurement and Supply</p>	<p>As the gateway for AUO's plastic materials, the Supply Chain Department plays a key role in managing plastic interlayer materials for production and packaging materials for transportation. AUO aims to increase the use of recycled plastics and improve the recycling and reuse rate of plastic packaging through targeted initiatives.</p>	<p><b>Supplier Packaging Recycling Project</b></p> <p>AUO began collaborating with suppliers on the packaging recycling project in 2018. Recycling covered 5 common plastic materials including trays, collection bins, pallets, partitions, and plastic bottles. Non-plastics (such as paper cartons and metal packing boxes) were included for recycling as well. A common example is plastic trays and pallets. 12,700 tons were recycled and reused in 2024. AUO conducted long meetings with suppliers to discuss recycling targets and plans. Storage space was provided by AUO to set up on-site collection points to facilitate the collection, sorting, cleaning, and repeated use of packaging. AUO also coordinated the requirements of the Transport, R&amp;D, QC, and Production departments to minimize supplier demand for plastic packaging while maintaining the same costs, quality, and production efficiency. Packaging that with plastic reduction potential must also be identified.</p> <p><b>Supplier Partnership to Introduce Recycled Plastics into Packaging Materials</b></p> <p>In 2024, AUO worker with suppliers to introduce recycled materials into trays used for packaging. Testing and verification for addition of 60% recycled materials was completed successfully and is expected to enter general use in 2025.</p> <p><b>Supplier Partnership Project to Introduce Recycled Materials for Product Packaging</b></p> <p>AUO began investing in the development and validation of technology for adding recycled materials to product packaging. As of 2024, rEPO <sup>Note 1</sup>, rEPS <sup>Note 2</sup>, rEPE, rPET, and rHDPE/ rLDPE have all been verified and confirmed to be compliant. AUO expects to continue product packaging for shipping in 2025. The product categories involved will include cushion packaging, tray, spacers, and sacks.</p>	<p>Plastic Packaging Average recycling rate <b>95.8%</b></p> <p>Tray average recycling <b>96.5%</b></p> <p>Amount of recycled materials used for product packaging <b>&gt;100 tons</b></p>
<p>Manufacturing</p>	<p>The Manufacturing Department is the main user and decision-maker for plastic consumables and waste. AUO focuses on reducing plastic use in production and improving recyclability. In 2024, a full review of plastic usage was conducted, launching recycling projects based on 3R principles to build an internal plastic circular system.</p>	<p><b>More than 80 proposals on reduction were proposed in 2024</b></p> <p><b>Promote Reduction of Incoming Polarizer Packaging Materials</b></p> <p>The application of the polarizer is a critical step during the panel Cell production process. Appropriate internal and external packaging must be adopted by the supplier to ensure the incoming quality of polarizers. AUO partnered with suppliers promote packaging consolidation measures and remove some of the plastic partitions. Incoming packaging for polarizers used in NB and Monitor products were successfully introduced in 2024. The amount of polarizer trays, PS screens, Tetrapaks, and static partitions used were reduced.</p> <p><b>Reduced use of cling-film and packing tape</b></p> <p>When products are shipped and transported between Taiwan and China sites, cling film, edge boards, and packing tape are to protect the glass against falls and accidents during transportation. Packaging removal, alternative materials, and simplified packaging were all validated by AUO to reduce the use of disposable cling film.</p> <p><b>Thinner plastic packaging for product shipment</b></p> <p>Anti-static bags were usually used as packaging material to protect the product panels during the modular stage. The bags were then scrapped once they reach the customer. It can be considered a disposable plastic bag. AUO used anti-static bags looking to verify reductions in thickness (original thickness of 0.055mm, and reduced to a 0.25 mm (55% decrease). We not only reduced the weight of anti-static bags but also reduced the use of raw plastics at the source.</p> <p><b>Amount of Consumable Recycled Materials Requisitioned and Introduced by Manufacturing</b></p> <ul style="list-style-type: none"> <li>● Introduction of PP/PET packing tape made from recycled materials when transporting products between sites, or packaging products for shipping.</li> <li>● Introduction and use PE recycled garbage bags on the production line and in the office.</li> <li>● The cling film, adhesive walk mat, and filter core are still being verified.</li> </ul>	<p><b>Cumulative plastic reductions at the source &gt; 400 tons</b></p> <p>Reduced amount of plastics used in polarizer packaging <b>&gt;100 tons</b></p> <p>Reduced use of cling-film and packing tape <b>&gt;50 tons</b></p> <p>Reduced use of anti-static packaging <b>&gt;30 tons</b></p> <p>Usage of recycled packing tape <b>&gt;190 tons</b></p> <p>Usage of recycled garbage <b>&gt;20 tons</b></p>

Phase	Management Approach	Action Taken	2024 Key Outcome
<p><b>End</b></p> <p>Waste generated in operations</p>	<p>The Environmental Safety Department manages plastic waste, including non-recyclable composite plastics that were previously sent to landfill. AUO focuses on refining classification and expanding resource recovery. Through process optimization and source-level sorting, the recyclability of plastic waste is enhanced.</p>	<p><b>Waste Polarizers Recycling</b></p> <p>Between 2023 and 2024, AUO switched to Solid Recovered Fuel (SRF) as the disposal method for the 112.5 tons of polarizers produced by our sites. The polarizers were handed over to qualified vendors and used as an alternate fuel for coal in their boilers to offer an enhanced circulation model.</p> <p><b>Aluminum and plastic separation</b></p> <p>Most raw materials at AUO are packaged in aluminum foil bags to protect high-precision materials against contamination. Aluminum foil bags are an aluminum-plastic composite that can only be disposed of through incineration or landfill. After extensive testing with vendors that share our ideals on plastic reduction, an aluminum-plastic separation technique was successfully developed by AUO. The technology is now used by contractors to assist AUO with foil recovery. A total of 287.3 metric tons was recovered between 2023 and 2024. The recovered aluminum bars and recycled plastic pellets could all be re-manufactured into other products to realize the resource cycle.</p>	<p>Reuse of recycled aluminum foil <b>287.3 tons</b> <sup>Note 3</sup></p>

Note 1: Polyolefins (PO).

Note 2: Polystyrene (PS).

Note 3: Scope of calculation encompasses only Taiwan sites.



Material Topics

Organize annual energy saving and carbon-reduction event

### At Office: Encouraging Rethink on Plastic Reduction

#### Redefining AUO Life Values through Plastics

HR plays an important role in promoting the AUO plastic reduction culture. In addition to implementing plastic reduction during the production and manufacturing processes, AUO also worked to raise sustainability awareness among employees. AUO knows that plastic reduction can only be truly realized by changing people’s behaviors. An inventory of employee life was conducted and advocacy initiatives launched in three main aspects: “Living Space”, “Circular Recycling” and “Awareness Shaping.” We strove to incorporate plastic reduction ideals into everyday life, while also joining forces with industry partners and social enterprises to develop innovative solutions such as waste plastic recycling technology. The planning of online activities, physical exhibitions, interactive games, and used goods market all served to foster the spirit of citizenship among all employees so that sustainability action can be put into practice.



Living Space

Plastic PET bottles that make up the bulk of plastic waste in employee work areas was targeted for reduction. These included the introduction of circular cups, reducing the sale of bottled beverages, as well as the elimination of disposable cutlery and plastic packaging. Dormitories and guest houses actively promoted smart eco-friendly machines for PET recycling and laundry detergent refills in the place of single-use supplies. Employees were able to participate in environmental action with ease.

To foster a sustainable Christmas atmosphere at the end of 2024, AUO joined forces with foreign employees to craft a sustainable Christmas tree out of old magazines and newspapers. The “Virgin Forest” motif along with the ideals of “Regeneration” and “Reuse” were used to communicate Christmas well-wishes. Christmas was therefore not just a festive atmosphere but also communicated AUO’s respect and protection of the environment.



Circular Recycling

The 888.6 kg of waste (release film) on-site was re-manufactured into practical everyday items like the eco-friendly garbage bag. Eco-friendly folding umbrellas, clothing, and sandals made from recycled PET bottles were also released as well. Waste paper from the disposal of confidential documents within the site were re-manufactured into toilet paper, while waste wood from pruning was turned into compost. All of these merchandise made from recycled materials were made available to company employees to purchase. In this way, the value of “Plastics” was realized and made a part of people’s everyday life.



Awareness Shaping

All the sites in Taiwan and China are actively planning internal and external plastic reduction activities. In addition to their efforts on plastic reduction action, artistic clothing was also made from re-manufactured plastic waste. Fun interactions were also designed to inspire more rethinking and to uphold the spirit of “Plastic reduction is life; plastic reduction is an art.”





### Taiwan Site - GRC SPACE Infinity: SDGs Merchandise Shop

In 2022, AUO crafted the first "SPACE Infinity -SDGs Merchandise Shop" was set up by AUO at ATC Headquarters. The introduction of sustainable merchandise aligned with SDGs hoped to provide social entrepreneurs and enterprises with a platform for greater exposure. This would communicate the possibilities of sustainable living to employees and promote responsible consumption. More than 950 portions were sold during 2024. A new branch was set up by AUO in the same year in a brand new space at the GRC Headquarters Building where all of the shelves were made from circular recycled materials. The store not only sells AUO circular recycling products but also introduced local merchants and selected eco-friendly merchandise. The store not only promoted great taste but also helped realize responsible consumption at every level in life. Shown next to the merchandise are their production process and the materials used. Knowing the background story made AUO employees treasure the merchandise even more and make a conscious effort to reduce the generation of plastic waste in their lives.



### Taiwan Site - Environment & Plastic Reduction Month

Even as climate change continues to worsen, AUO is working hard on issues such as energy-efficiency, carbon reduction, and environmental protection. The "Environment and Plastic Reduction Month" event was hosted from Earth Day in April, 2024, through to World Environment Day in June. Employees were invited to join in practicing plastic and carbon reduction actions during everyday life.

The "One-Day Environmental Action Experience" for example was launched to encourage employees to become involved in environmental action through different aspects in their lives. Examples include carrying eco-friendly cutlery while away from home to avoid using disposable plastics; eating more plant-based foods and less meat; DIY conversion of old clothing and bags for reuse. Changes in lifestyle helped embed environmental awareness and behavior in everyday life.

In addition, employees could also use personal electronic passports to accumulate carbon reduction action points every day. Example activities included donation of used goods, riding electric motorcycles (scooters), participating in the carbon reduction market, and the 21-day carbon reduction challenge. Employees could help watch over our shared environment by actively participating in all kinds of carbon reduction initiatives at work.

Total participation in the Environment and Plastic Reduction Month reached 51,060 and included more than 40 clubs. Plastic reduction at the source and low-carbon diets helped realize the ideals of net zero green living and carbon reduction. Tangible action was taken to do their part for planet Earth.

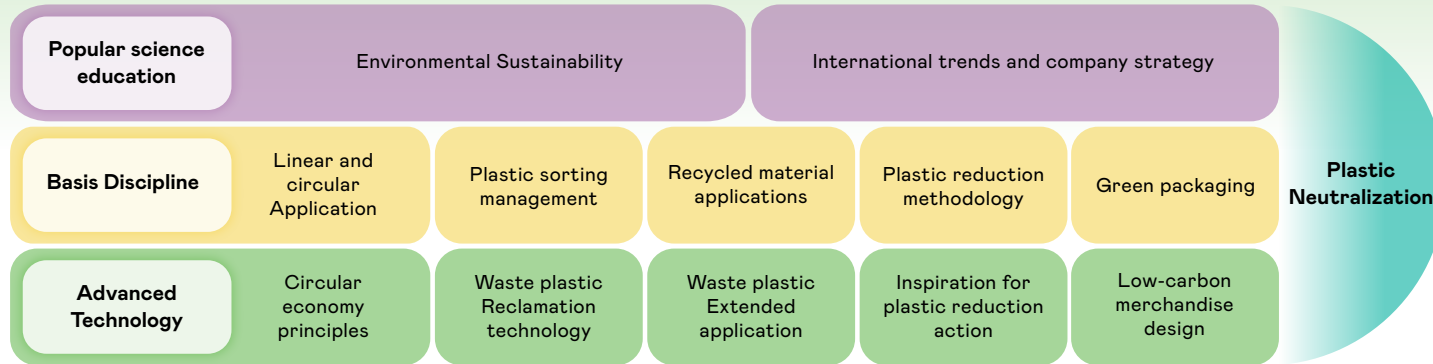


Good product donation activities were held at GRC factory for the second time to share resources in a friendly way

### Plastic Reduction Education and Training

Additionally, to raise the plastic reduction awareness of the plastics working group and all on-site employees, the Manufacturing and Environmental Safety departments began organizing exchange visits involving outside units with exceptional recycling performance in 2023. A total of 26 sessions have so far been held with 230 participants. In 2024, this was taken even further by hosting a series of training courses on plastic reduction. The training courses were organized into three levels, namely popular science education, basic discipline, and advanced technology. A total of 122 people took part for an attendance rate of 92%. In the future, common courses for all employees are planned for the College of Sustainability at the AUO Academy to reinforce the plastic reduction awareness of AUOers and work together with AUO to put plastic reduction into action.

#### Training Map

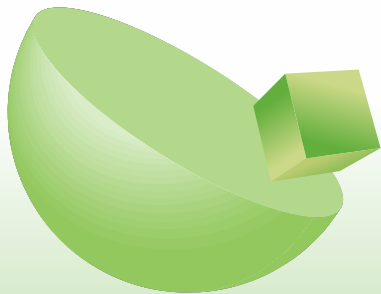


#### Diverse Teaching Methods

Teaching with both physical and electronic materials



Online Synchronous Courses



# 4 Inclusive Growth

## Annual Highlights

Strengthened employee engagement and communication by fully implementing the "Safety Ledger" internal communication channel, successfully addressing over 4,500 employee care and support cases in 2024.

Actively fostering a versatile and resilient workforce by launching the first cross-disciplinary collaborative learning platform, accumulating 9,589 instances of self-directed learning.

Strengthening local community engagement: jointly launched the Central Taiwan Science Park educational shuttle bus program, expanding reach to 7 nearby schools and 652 students.

Introduced the first DEI (Diversity, Equity, and Inclusion) training program, fostering a workplace culture that embraces diversity and inclusion.

Integrated sustainability recognition into the annual Q12 employee survey, achieving an employee sustainability engagement score of 84.27%.

Implemented an enhanced Family Care and Support Program to help employees balance career growth and family life.

### 4.1 Human Rights Protection

### 4.2 Talent Attraction & Development

- 4.2.1 Talent Distribution
- 4.2.2 Diversity & Inclusion
- 4.2.3 Remuneration & Benefits
- 4.2.4 Happy Workplaces

### 4.3 Talent Development

- 4.3.1 AUO University
- 4.3.2 Performance Management & Career Development

### 4.4 Health & Safety

- 4.4.1 Health Care
- 4.4.2 Safe Workplace

### 4.5 Social Engagement

- 4.5.1 AUO Foundation
- 4.5.2 Charity Care
- 4.5.3 Green Living
- 4.5.4 Popular Science & Environment Education
- 4.5.5 Cultural Preservation



















## Target and Progress
















Achieved



Not Achieved

Material topic	2024 Target	2024 Our action		2025 Target	2026 Target	Responses
 Overall salary level compared to the industry standard <small>Note 1</small>	Top 25%	 Performance: Top 25%	AUO participates annually in international market compensation surveys. In 2024, the median salary and average employee compensation expenses for full-time employees in non-managerial positions both ranked within the top 25% among publicly listed optoelectronics companies, demonstrating AUO's industry-leading compensation competitiveness.	Top 25%	Top 25%	4.2.3 Remuneration & Benefits
 Q12 Annual Employee Survey Coverage Rate	81%	 Performance: 84%	To understand employee sentiment, AUO conducts the Q12 employee engagement survey annually. In 2024, more than 30,600 indirect and direct employees across AUO's global sites completed the survey, achieving a coverage rate of 84%. The average engagement score across four dimensions (basic needs, management support, team cooperation, learning growth) reached 86.82%. Additionally, 85.6% of respondents reported feeling happy and expressed willingness to recommend AUO as a place to work. AUO uses the survey results to guide improvements in organizational management and HR policies, with the aim of continually enhancing employee engagement.	82%	85%	4.2.4 Happy Workplaces
 Q12 annual questionnaire communication channels survey on employees' recognition of the company and work <small>Note 2</small>	80%	 Performance: 86.82%		80%	80%	4.2.4 Happy Workplaces
 Percentage of employees who experience happiness and are willing to recommend others to participate	78%	 Performance: 85.6%		79%	79%	4.2.4 Happy Workplaces
 Learning passport assignment completion rate	>95%	 Performance: 98%	AUO employs quarterly automated reminders and tracking mechanisms to ensure the implementation and execution of courses by the college and the education committee.	>95%	–	–
 Improve the participation of all employees and enrich the knowledge energy through multiple innovative techniques	24,000 Participants	 Performance: 26,895 Participants	Through the Sustainability Academy under AUO University, the company systematically offers a wide range of thematic courses to enhance employee awareness and practical capabilities in sustainability. In 2024, a total of 82 sessions were held, including courses on trends, general knowledge, fundamentals, and advanced topics, with a cumulative participation of 26,895 employees.	25,000 Participants	28,000 Participants	4.3.1 AUO University
 Internal promotion rate for executive and professional positions	>80%	 Performance: 88%	AUO places great emphasis on internal training and development. A dual-track system is implemented to regularly promote outstanding talent into managerial and professional roles. In 2024, the internal promotion rate for these positions reached 88%.	>80%	–	4.3.2 Performance Management & Career Development

Material topic	2024 Target	2024 Our action		2025 Target	2026 Target	Responses
 Indirect staff job rotation rate	>30%	 29%	AUO values internal talent mobility and has designed mechanisms for talent development and job rotation. In 2024, the departmental job rotation rate among indirect staff was 29%. The company will continue encouraging employees to consider rotation after becoming proficient in their current roles.	>30%	–	4.3.2 Performance Management & Career Development
 Regular follow-up visit rate for personnel with three-hypers	85%	 70.02%	AUO prioritizes employee health by monitoring individual health risk indices monthly and closely following up with employees at high risk of cardiovascular and metabolic diseases. In 2024, the regular follow-up rate was 70.02%. The company will continue to raise health awareness through the Wellness Center.	85%	–	4.4.1 Health Care
 Major accident	0 cases	 0 cases		0 cases	–	4.4.2 Safe Workplace
 Frequency of disabling injuries (FR)	AUO <0.2	 0.32	The occupational injuries that occurred in 2024 primarily involved sprains/strains, slips/falls, and cuts/crush injuries. AUO has implemented improvement measures based on leadership, awareness, discipline, and environmental factors. The company also utilizes digital recognition systems to alert for unsafe behaviors and conditions, ensuring effective execution to meet safety performance targets.	<0.2	–	4.4.2 Safe Workplace
	Contractor <0.2	 0.32		<0.2	–	4.4.2 Safe Workplace
 Number of industrial safety accidents	<15 cases	 6 cases	AUO continues to promote a positive safety culture and steadily implements various occupational safety and health improvement projects. In 2024, AUO achieved positive progress in occupational accident management.	<15 cases	–	4.4.2 Safe Workplace
 Number of traffic injuries	<115 cases	 116 cases	AUO will enhance defensive driving training and promotion to raise awareness of traffic safety among employees.	<115 cases	–	4.4.2 Safe Workplace

Note 1: In the Taiwan Stock Exchange's public information observatory, the median salary of full-time employees who do not hold managerial positions is in the top 25% of the same industry.

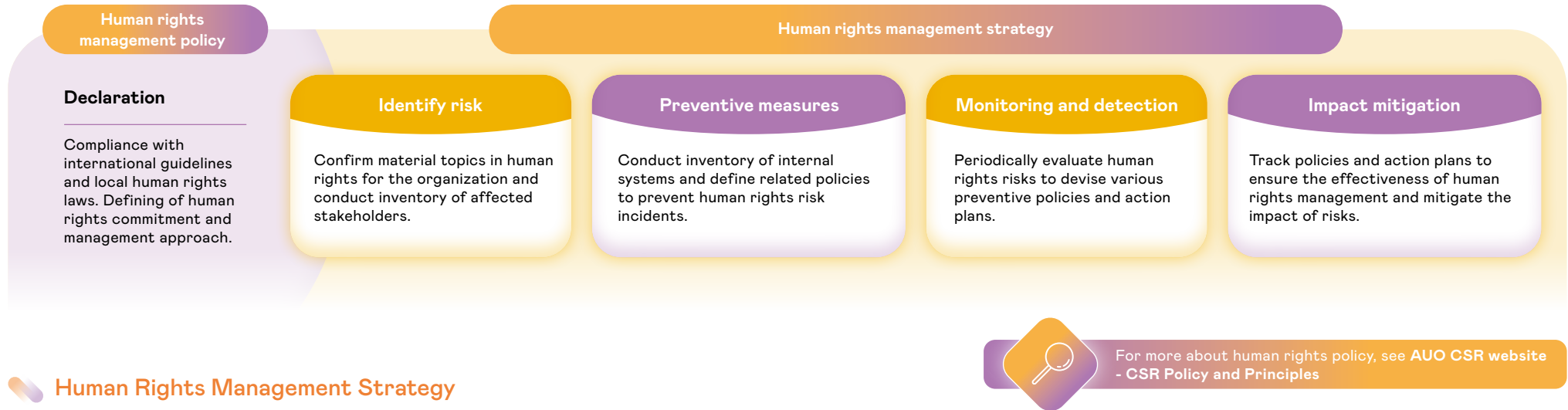
Note 2: To avoid inconsistencies in the definition of recognition rate and CSR EPS, the original target for this issue disclosed in 2023 has been redefined and reset as the Q12 annual employee survey, average recognition degree of employees in four aspects (basic needs, management support, team cooperation, learning growth), and a new target for response coverage rate has been added.





# 4.1 Human Rights Protection

AUO is committed to promoting and protecting the inherent fundamental rights of all individuals. The company strictly complies with the laws and regulations of all regions where it operates. In 2006, AUO established its Human Rights Management Policy by comprehensively referencing international standards such as Social Accountability 8000 (SA8000), the Global Sullivan Principles, and the UN Guiding Principles on Business and Human Rights. AUO also referred to the Proposal for a Directive on Corporate Sustainability Due Diligence issued by the European Commission, as well as the Responsible Business Alliance (RBA) Code of Conduct. Based on these guidelines, AUO conducts human rights due diligence and has established a four-stage human rights management cycle to mitigate the impact of human rights risks on business operations and eliminate violations or infringements of human rights.



## Human Rights Management Strategy

### Identify Risk

AUO focuses on 12 human rights issues and work together with employees, subsidiaries, suppliers, contractors, local communities, and other stakeholders to promote and protect human rights. Through interviews, human rights risk assessment surveys, RBA audits, etc., AUO grasps the stakeholders' concerns and responses to human rights risk issues in order to provide resources and assistance in terms of advocacy, trainings for all employees on discrimination or harassment in the workplace, seminars, and other aspects of human rights governance.



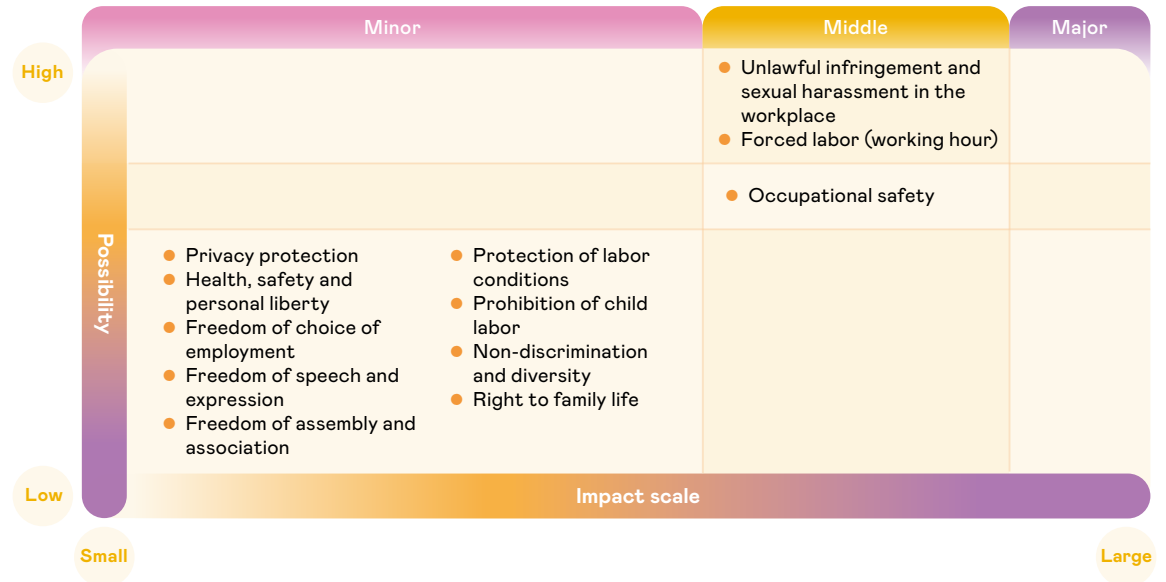
AUO Human Rights Focus Areas and Risk Survey

Stakeholder	Affected Targets	Human Rights Issues (Level of Concern)		Risk Survey	
				Annual Survey	Audit and Grievance Channels
All AUO Employees	All employees Female employees Persons with disabilities Migrant workers Underage workers/interns Research and development substitute military service	<ul style="list-style-type: none"> <li>Privacy Protection</li> <li>Health, safety and individual liberty</li> <li>Occupational Safety</li> <li>Freedom of Employment</li> <li>Freedom of Speech and Expression</li> <li>Freedom of Assembly and Association</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Labor Conditions</li> <li>Employment of Child Labor/Juveniles</li> <li>Forced Labor</li> <li>Non-discrimination, Diversity and Inclusion</li> <li>Right to Family Life</li> <li>Sexual Harassment and Workplace Discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Internal mental health &amp; stress survey</li> <li>Annual unlawful conduct inventory</li> <li>Internal DEI survey</li> <li>Human rights risk questionnaire</li> <li>Q12 Employee engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>Internal grievance channels</li> <li>Labor inspections</li> <li>Compliance reviews</li> <li>RBA audits</li> </ul>
Subsidiaries	All employees Female employees Persons with disabilities Migrant workers Underage workers/interns	<ul style="list-style-type: none"> <li>Privacy Protection</li> <li>Health, safety and individual liberty</li> <li>Occupational Safety</li> <li>Freedom of Employment</li> <li>Freedom of Speech and Expression</li> <li>Freedom of Assembly and Association</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Labor Conditions</li> <li>Employment of Child Labor/Juveniles</li> <li>Forced Labor</li> <li>Non-discrimination, Diversity and Inclusion</li> <li>Right to Family Life</li> <li>Sexual Harassment and Workplace Discrimination</li> </ul>	Human rights risk questionnaire	<ul style="list-style-type: none"> <li>Internal grievance channels</li> <li>Labor inspections</li> </ul>
Tier 1 Supplier	All employees Female employees	<ul style="list-style-type: none"> <li>Privacy Protection</li> <li>Occupational Safety</li> <li>Forced Labor</li> </ul>	<ul style="list-style-type: none"> <li>Non-discrimination, Diversity and Inclusion</li> <li>Sexual Harassment and Workplace Discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Supplier risk assessment</li> <li>Human rights risk questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>RBA audits</li> <li>Regular supplier meetings/ad hoc project meetings</li> <li>Media monitoring</li> <li>Grievance mailbox</li> </ul>
Outsourcing vendors and contractors	Female employees Underage workers/interns	<ul style="list-style-type: none"> <li>Privacy Protection</li> <li>Occupational Safety</li> <li>Forced Labor</li> </ul>	<ul style="list-style-type: none"> <li>Protection of Labor Conditions</li> <li>Non-discrimination, Diversity and Inclusion</li> <li>Sexual Harassment and Workplace Discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Outsourcing vendors/contractors risk assessment</li> <li>Human rights risk questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>RBA audits</li> <li>Regular/ad hoc meetings</li> <li>Media monitoring</li> <li>Grievance mailbox</li> </ul>
Neighboring Communities	Communities around major operation sites	<ul style="list-style-type: none"> <li>Right to Family Life</li> <li>Sexual Harassment and Workplace Discrimination</li> <li>Pollution and Chemicals <sup>Note</sup></li> </ul>		Human rights risk questionnaire	<ul style="list-style-type: none"> <li>Air, wastewater, and carbon emission monitoring</li> <li>Media monitoring</li> <li>Factory complaints hotline</li> <li>Regular on-site visits</li> <li>Irregular community engagement events</li> </ul>

Note: In consideration of the direct impact of manufacturing operations on surrounding communities, AUO includes local residents as stakeholders. Given the unique nature of the issues that concern local communities, AUO aims to take a comprehensive approach by identifying and addressing potential emerging issues through stakeholder interviews and discussions. Therefore, these concerns have been incorporated into the stakeholder engagement process.

## Human Rights Risks Matrix

AUO conducts human rights risk assessments for stakeholders and plans to carry out a human rights risk survey every two years. In 2023, the survey was extended beyond all employees to include risk identification for new business relationships. The risk assessment scope was expanded to cover group subsidiaries, and—by referring to the scope of AUO’s RBA audits—it also included subsidiaries, Tier-1 suppliers, outsourcing vendors, contractors, and local communities. Furthermore, considering the direct impact of site operations on neighboring communities, local residents were also included. In addition to the 12 key human rights issues identified by the industry, AUO strives to take a comprehensive view of potential emerging issues. A total of 591 responses were collected through stakeholder-completed human rights risk surveys. In addition to the survey results, a comprehensive risk assessment was conducted using other channels, including the results of internal and external RBA audits in 2024, compliance with labor regulations, and internal grievance mechanisms. This assessment further referenced AUO’s material issue risk calculation, using two dimensions - “likelihood of occurrence” and “scale/scope of impact”—to identify the risk level of each human rights issue. No critical risks were identified across the issues of concern. Moving forward, AUO will implement preventive measures targeting secondary risks to mitigate or avoid potential human rights risks and impacts in its operations.

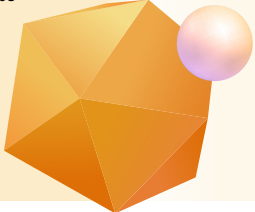


### Preventive Measures

Based on the results of the Stakeholder Risk Matrix, AUO implemented preventive measures in 2024 to address three identified secondary risks: unlawful infringement and sexual harassment in the workplace, forced labor—working hours, and occupational safety. Internally, AUO leverages relevant policies and clearly defined grievance procedures to prevent human rights incidents. For the supply chain, AUO reinforces human rights protections based on the Responsible Business Alliance (RBA) Code of Conduct by enhancing awareness, training, and audits.

Human Rights Policy	Non-sexual Harassment	Occupational Safety and Health	Employee Selection, Training, Employment and Retention	Supply Chain Human Rights Management
<p>Guided by the Human Rights Policy, AUO has established:</p> <ul style="list-style-type: none"> <li>Employee Handbook</li> <li>Work Rules</li> <li>Recruitment/Employment Procedures</li> <li>Sexual Harassment Prevention Measures</li> <li>Measures to prevent unlawful infringement in the performance of duties</li> <li>Employee Communication Policy</li> <li>Complaint Procedures</li> <li>Sustainability Policy</li> </ul> <p>The above policy documents explicitly declare the protection of employee rights, including compliance with legal requirements, employment freedom, humane treatment, prohibition of improper discrimination and harassment, and safeguarding employees’ right to make complaints. An advocacy for 3 important human rights issues is conducted annually.</p>	<p>A “Sexual Harassment Prevention Policy” and “Workplace Violence Prevention Policy” has been established along with a dedicated sexual harassment/Non-sexual harassment grievance mailbox. Any reported or suspected cases of sexual harassment/ Non-sexual harassment are investigated by the “Sexual Harassment Complaints Committee” or “Nonsexual harassment Complaints Committee”. To protect the rights of the complainant, strict confidentiality is maintained during the investigation process and the matter is handled in confidence. Corrective or disciplinary action taken in case of discriminatory behavior or harassment.</p>	<ul style="list-style-type: none"> <li>Create a safe and healthy work environment through the collaboration of the HR, Wellness Center, ESH and other units.</li> <li>Preventive planning and supervision of unlawful infringement in the workplace as well as providing employees with counseling services on physical and mental health.</li> <li>Strengthen strategic planning on protective measures in the workplace, conduct risk assessment as well as education and training in the workplace, and the provision of necessary protective measures.</li> <li>Provide open channels of communication, establish complaints channels and publish the complaints procedure, and conduct investigation into open cases.</li> </ul>	<ul style="list-style-type: none"> <li>AUO employees undergo annual human rights policy (Training on Workplace Discrimination and Sexual Harassment.) awareness and training courses for new hires and management.</li> <li>Established system to manage reasonable work hours and implementation of management level review mechanism.</li> <li>Migrant workers are provided with a bilingual explanation on the employee protections afforded by the AUO Sustainability Policy and RBA Code of Conduct when they start work. New hires do not have to pay any expenses. They are not punished if they choose to resign or end their contract. Employees are also guaranteed freedom of movement in the workplace, dormitory, and any other company premises. Compulsory overtime is also prohibited.</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers are required to sign the “Supplier/Contractor Code of Conduct” declaring their commitment to the protection of human rights. Suppliers must also participate in the annual CSR risk assessment and CSR supplier audit to help AUO track human rights risks.</li> <li>Letters are sent to suppliers to raise their awareness on human rights topics each year. Suppliers codevelopment events are organized as well on CSR management practices including analysis of the RBA Code of Conduct and labor human rights legislation.</li> </ul>
Internal			External	

Annual Education Outcomes

	AUO Human Rights Policy	Trainings on Workplace Discrimination and Sexual Harassment		RBA Code of Conduct			Supplier Co-Prosperity Program
Stakeholder	Global employees	Employees in Taiwan	Junior management	Employees in Taiwan	Internal	External	Attended by <b>150</b> participants 
Outcome	Over <b>35,500</b> global employees received training (including sexual harassment and unlawful infringement awareness), with a <b>99.55%</b> course completion rate and <b>100%</b> post-course test pass rate.	Awareness seminar: <b>17</b> sessions	Self-inspections were completed by <b>1,242</b> managers Risk inventory completed by <b>129</b> units	Obtaining the RBA VAP Certification: Longtan site – <b>Gold</b> Longke and Taichung sites – <b>Silver</b> (perfect scores in the Social category)	<b>7</b> audit sessions	<b>58</b> audit sessions	

Monitor, Detection and Mitigation of Impact

AUO values the opinions and rights of our employees. A range of communication channels are used to improve labor rights such as the complaints or suggestion system, and Audit Committee's Mailbox. The freedom and confidentiality of employee feedback are also assured through the strictest possible personal information protection regulations and the "AUO Personal Information Protection Management Regulations." Labor-management meetings are regularly convened as well to guarantee employees' right to organize and collective bargaining. We promote healthy and constructive labor management relations. To reduce the business impact of human rights risks on AUO, the supply chain, and our partners, appropriate mitigation and compensation measures are established by AUO based on the outcomes of human rights risk assessments. These measures apply to AUO Headquarters, global operational sites, and subsidiaries—including 11 manufacturing bases (headquarters included) and 15 business locations. Preventive measures and improvement plans are formulated based on the degree of risk for each issue with regular follow-ups on implementation outcomes. In 2023, AUO completed a human rights risk assessment using a risk matrix analysis. No critical risk issues emerged in 2024. However, AUO identified three secondary risk issues—unlawful infringement and sexual harassment in the workplace, forced labor—working hours, and occupational safety—impacting two key stakeholder groups: all employees and suppliers. AUO has therefore established targeted monitoring, detection, and impact mitigation strategies for each. In the event of a human rights violation involving employees, AUO follows internal procedures for mediation and negotiation, applying disciplinary actions in accordance with company work rules. For suppliers, contractors, and outsourcing partners, AUO reserves the right to terminate or cancel contracts or partnerships and seek punitive damages for breach of agreement. In the future, AUO will maintain open channels of communication with stakeholders. We will require our supply chain and partners to follow the rules and work together to set the highest standard in human rights governance.

Subject of Special Concern	Human Rights Issue	Mitigation Measure <sup>Note 1</sup>	Remediation Actions	2024 Targets	2024 Incidents and Implementation Status	2025 Targets
All AUO Employees	Sexual Harassment and Workplace Discrimination	<ul style="list-style-type: none"> <li>Provision of effective complaints channels (e.g. sexual harassment grievance mailbox, dedicated case worker) to protect employees against infringement at work. Protection mechanism also established to protect employees against retribution after a complaint is made.</li> <li>Protective measures to protect employees from unlawful infringement such as physical, verbal, or psychological abuse and sexual harassment in the workplace.</li> </ul>	<ul style="list-style-type: none"> <li>Take action in accordance with "Sexual Harassment Prevention Policy" and "Workplace Violence Prevention Policy".</li> <li>Provide employee assistance programs, including but not limited to psychological counseling.</li> <li>Impose disciplinary actions (e.g., job reassignment or dismissal) on perpetrators depending on the severity of misconduct.</li> <li>Launch workplace harassment prevention training for supervisors in collaboration with legal advisors in 2024.</li> <li>Issue 3 company-wide announcements on workplace infringement and harassment awareness in 2024.</li> </ul>	100% closure rate for related cases	Total of 6 workplace infringement or harassment cases in 2024, all closed.	100% closure rate for related cases
	Forced Labor - Working Hours	<ul style="list-style-type: none"> <li>Managed working hours in accordance with local labor laws; established internal reporting systems to remind department heads and flag potential overtime. Employees who reported actual overtime would be given appropriate compensation.</li> <li>Regularly reviewed working hours to detect potential violations and prevent involuntary overtime through multiple grievance channels.</li> <li>Performed health risk stratification for medium- and high-risk employees. Medical staff would actively follow up in cases of overtime.</li> </ul>	<ul style="list-style-type: none"> <li>Provide compensation for overtime in accordance with internal regulations, stop involuntary overtime immediately, and restore employee rights.</li> <li>Conduct RBA audit and investigation. For minor infractions, set deadline for corrective action and offer compensation.</li> </ul>	Total cases of overtime and working for more than 7 consecutive days <sup>Note 2</sup> : 0 cases	There were four cases of excessive working hours causing labor disputes in 2024, all closed.	Total cases of overtime and working for more than 7 consecutive days: 0 cases

Subject of Special Concern	Human Rights Issue	Mitigation Measure <sup>Note 1</sup>	Remediation Actions	2024 Targets	2024 Incidents and Implementation Status	2025 Targets
All AUO Employees	Occupational Safety	<ul style="list-style-type: none"> <li>General labor health education and training must be conducted every year along with periodical evacuation drills; workplace monitoring is commissioned every six months.</li> <li>Promotion of the Four Labor Health Protection Plans.</li> <li>Management procedure for corrective and preventive measures was established to ensure immediate response and improvement on defects identified during inspections, problems reported by employees, and defectives found during audits by competent authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Protective hardware added based on process requirements and management plans established to enhance health and safety education for personnel.</li> <li>Strengthened education and regulations on the wearing of protective equipment by employees on the shop floor, and enforcing supervisor inspections of protective equipment worn by employees.</li> <li>The main cause of work-related injury leave is traffic accidents. Education on traffic safety precautions was strengthened to reduce traffic accidents during commutes and business trips.</li> </ul>	<ul style="list-style-type: none"> <li>100% completion rate for trans-site RBA audit</li> <li>Annual frequency of disabling injuries &lt; 0.2</li> </ul>	<ul style="list-style-type: none"> <li>Completed all 9 internal audits scheduled for 2024.</li> <li>2024 Frequency of Disabling Injuries 0.32</li> </ul> <div style="border: 1px solid orange; border-radius: 15px; padding: 5px; display: inline-block;">  For improvement measures, see 4.4.2 Safe Workplace                 </div>	<ul style="list-style-type: none"> <li>100% completion rate for trans-site RBA audit</li> <li>Annual frequency of disabling injuries &lt; 0.2</li> </ul>
	Sexual Harassment and Workplace Discrimination	<ul style="list-style-type: none"> <li>Ensure suppliers provide effective grievance channels (e.g., sexual harassment mailbox, designated personnel) to prevent workplace harm and establish protection mechanisms to ensure no retaliation after complaints are filed.</li> <li>Conduct annual audits in accordance with RBA standards to ensure compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate cases in accordance with legal procedures; provide support measures including, but not limited to, psychological counseling.</li> <li>Conduct awareness and training on sexual harassment and unlawful infringement.</li> </ul>	100% case improvement and closure rate	0 related non-conformance findings in 2024 RBA audits.	100% case improvement and closure rate
Suppliers	Forced Labor - Working Hours	<ul style="list-style-type: none"> <li>Conduct annual audits in accordance with RBA standards to ensure compliance with labor laws regarding working hours.</li> </ul>	<ul style="list-style-type: none"> <li>Request improvements in scheduling systems and increase manpower.</li> <li>Promote legal compliance training to meet Labor Standards Act requirements.</li> </ul>	Total cases of overtime <sup>Note 3</sup> : 0 cases	5 overwork-related non-conformance findings in 2024 RBA audits.	Total cases of overtime: 0 cases
	Occupational Safety	<ul style="list-style-type: none"> <li>Require all suppliers to sign the "Supplier Code of Conduct" and comply with AUO's risk management standards.</li> <li>For high-risk key suppliers, require mitigation plans for potential risks and deficiencies identified in audits.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the volume of hazardous materials stored to within regulatory limits.</li> <li>Ensure implementation of emergency drills and fire safety system management.</li> <li>Strengthen the classification and storage of chemical substances</li> </ul>	100% case improvement and closure rate	12 non-conformance cases in 2024 RBA audits, all rectified.	100% case improvement and closure rate

Note 1: Human rights mitigation measures apply to AUO Headquarters, global operational sites, and subsidiaries—including 11 manufacturing bases (headquarters included) and 15 business locations. These were disclosed in the 2023 AUO Human Rights Due Diligence Report and are updated every two years. The next human rights due diligence survey is scheduled for 2025, with the updated report to be released in 2026.

Note 2: Article 36(1) of the Labor Standards Act stipulates that employees must have two days of rest within every seven-day period: one regular day off and one rest day. The arrangement should ensure at least one day off every seven-day period, and employees must not work for more than six consecutive days.

Note 3: Article 30 of the Labor Standards Act stipulates that normal working hours may not exceed 8 hours per day and 40 hours per week. Article 32 stipulates that total working hours, including overtime, may not exceed 12 hours per day. Monthly overtime must not exceed 46 hours, or 54 hours with union or labor-management agreement, and no more than 138 hours over a three-month period.



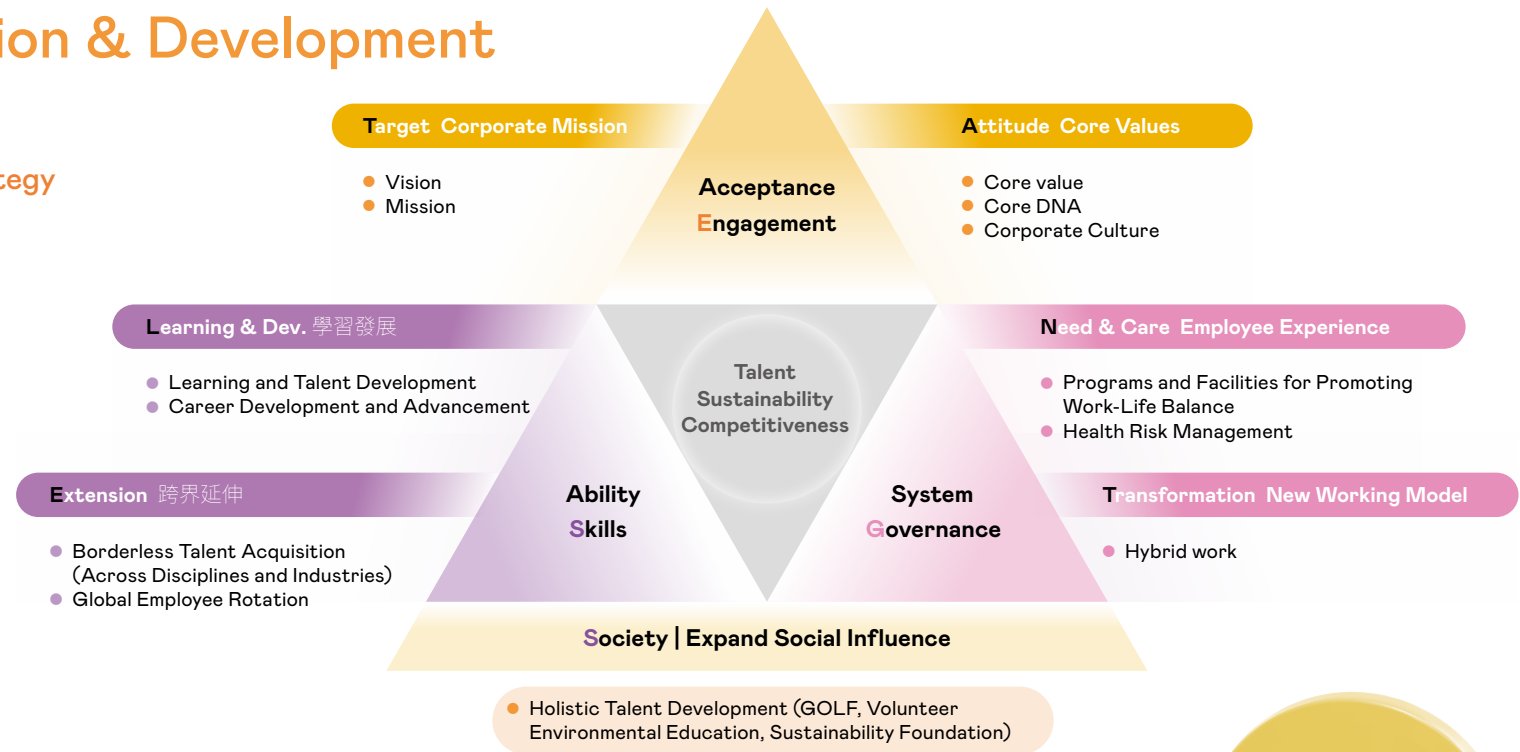


# 4.2 Talent Attraction & Development

## 4.2.1 Talent Distribution

### AUO Talent Sustainability Strategy

In the face of challenges posed by an aging population and declining birth rates, companies must ensure access to sufficient talent capable of addressing various issues. It is critical to assess whether the workforce possesses the necessary expertise and capabilities to continuously respond to evolving market trends. To realize the concept of talent sustainability, AUO has been promoting its "ESG-TALENTS" strategy, focusing on three key strategic areas and seven core action plans to cultivate a fertile environment for talent development. By building a friendly workplace, fostering a diverse and inclusive culture, and offering broad career development platforms, AUO enables employees and the company to thrive and grow together in a sustainable manner.



### A Friendly Workplace that Enables Sustainable Talent Development, AUO Recognized by HR Asia and 104 Job Bank as a Top Employer

AUO places strong emphasis on talent sustainability, upholding a people-centric philosophy to create a caring and friendly work environment, foster a diverse and inclusive culture, and establish a career development platform that supports long-term employee growth. To support employees at different stages of life, AUO introduced the "Family Care and Support Program", which goes beyond statutory requirements by offering extended marriage and maternity leave, as well as industry-first initiatives such as paid parental leave and companion leave in the tech manufacturing sector. The company also actively promotes a DEI (Diversity, Equity, and Inclusion) culture and facilitates mutual growth between employees and the company through its Global Development Program (GDP). These initiatives have not only increased employee engagement but have also earned AUO several accolades, including the 104 Job Bank Best Employer Award, HR Asia's 2024 "Best Companies to Work for in Asia", and the DEI Award.

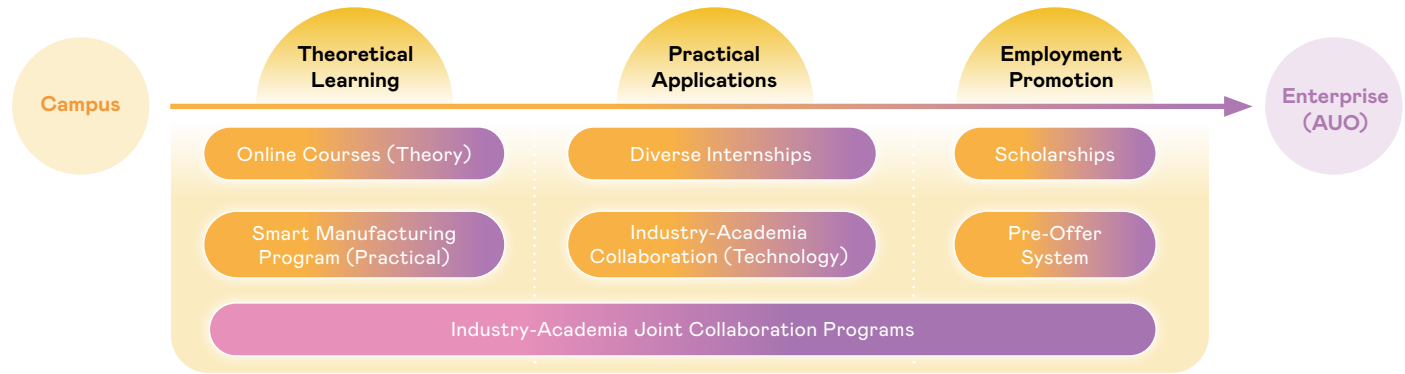
Recognition of AUO's excellence in sustainable talent development)

### Global Recruitment Policy

AUO has a global workforce of 37,262 people spread across locations in Asia, Americas, and Europe. Aligned with its global expansion strategy—such as the acquisition of Germany-based BHTC and the establishment of a new plant in Vietnam—AUO has built overseas teams and recruited local talent, while also striving to attract multinational talent in Taiwan to further enhance global competitiveness. In support of its dual-axis transformation and three strategic pillars—Smart Mobility, Vertical Integration, and Display Technology—AUO focuses on recruiting "ACE" talent, namely professionals with expertise in Advanced display technology, Car and mobility solutions, and Expertise in vertical applications.

## Youth Development

In alignment with its globalization and talent sustainability strategies, AUO actively promotes a variety of talent cultivation programs to enhance the employability of young students. From academic studies to entering the workforce, AUO has designed professional training programs that integrate industry practices and offers diverse internship opportunities to help students gain hands-on experience. Through scholarship initiatives and early hiring programs, AUO bridges the gap between education and employment, enabling students to secure job offers upon graduation.

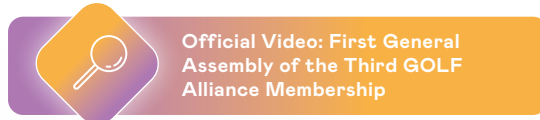


### Gap of Learning & Field (GOLF)

The GOLF (Gap of Learning & Field) Alliance was co-founded by AUO, Compal Electronics, and Wistron Corporation, and has since expanded to include 110 academic and corporate members (53 enterprises and 57 universities). Through the GOLF Alliance, more than 600 online courses are made available, allowing students to overcome the limitations of traditional learning environments and engage in self-directed learning anytime, anywhere via the alliance’s digital platform. This significantly broadens their professional knowledge and exposure to real-world business scenarios. To date, the platform has accumulated 23,022 student registrations. Learning roadmaps are designed based on corporate requirements for talent development, focusing on cultivating three core competencies: Workplace soft skills, Cross-disciplinary learning ability, and Industry-specific expertise.



In 2024, the GOLF Alliance launched a course evaluation mechanism to enhance the effectiveness of talent development. A Curriculum Evaluation Committee was formed, consisting of nine distinguished instructors from the optoelectronics, semiconductor, and ICT industries, as well as benchmark educators recognized by the Ministry of Education for excellence in digital teaching materials. The committee conducts comprehensive reviews from multiple perspectives, including: Curriculum content and structure, Instructional methods and course design, Design and integration of teaching media, and Student satisfaction based on feedback questionnaires. These efforts aim to ensure that course planning effectively addresses the goal of narrowing the gap between academia and industry. By integrating real-world industry cases with classroom learning, courses are designed to progress from basic to advanced levels, allowing students to systematically absorb professional knowledge. In 2024, the “Most Popular Course Award” was presented to AUO Corporation as a model of excellence, recognizing its outstanding contribution to corporate education. Recommendations from expert evaluations will serve as reference for continuous curriculum improvement. Through joint efforts from alliance companies, the GOLF platform continues to improve the quality of its online courses. By advancing digital learning and fostering innovative applications, the alliance aims to co-create a sustainable talent development ecosystem, achieving a win-win outcome for both industry and academia.



### AUO × NTUT Smart Manufacturing Program

In response to the rapid advancement of AI, AUO has partnered with National Taipei University of Technology (NTUT) to co-develop a Smart Manufacturing Program designed to align students with emerging industry trends. The curriculum covers topics such as the Internet of Things (IoT), big data, artificial intelligence, and automation technologies, while also emphasizing green manufacturing practices with a focus on energy efficiency and sustainability. The program consists of both formal and micro-courses and includes a hands-on factory-based training course titled “Process Equipment Theory and Practice.” This course enables students to gain practical knowledge ranging from manufacturing processes, equipment structures, and key components to real-world applications. As of 2024, 32 students have completed the program, enhancing their technical skills and laying a strong foundation for future developments in smart and sustainable manufacturing.



Diverse Internships

**A+ Summer Internship Program**

#Cross-disciplinary #Short-term Experience

The A+ Summer Internship Program is now in its 21th year and has successfully cultivated nearly 1,300 outstanding students. This two-month program reflects AUO's commitment to diversity and inclusion, offering rich cross-functional project experiences within a cross-cultural and supportive environment. Interns from around the globe are welcomed, and each participant is paired with a mentor to help them adapt to the workplace. Activities such as factory tours and display technology exhibitions are arranged to deepen students' understanding of the industry. AUO strives to help every intern discover their unique value and potential, continuing its commitment to sustainable global talent development.



**A Pro Semester Internship Program**

#Software Focus #Long-term Practical Experience

Since its launch in 2019, the Smart Manufacturing Semester Internship has provided students with project-based, hands-on experience in collaboration with universities. In response to AUO's dual-axis transformation strategy, the program was rebranded in 2024 as the A Pro Semester Internship, expanding its scope to include software-related fields such as automotive applications and IT. The program emphasizes four core features: Enhanced workplace experience, Practical, hands-on training, Strengthened technical capabilities, and Clear project objectives. To date, AUO has provided 116 internship projects through this program, enabling students to apply their knowledge in real-world settings. The experience fosters creativity and potential, helping them build a solid foundation for future careers while co-creating value alongside AUO.



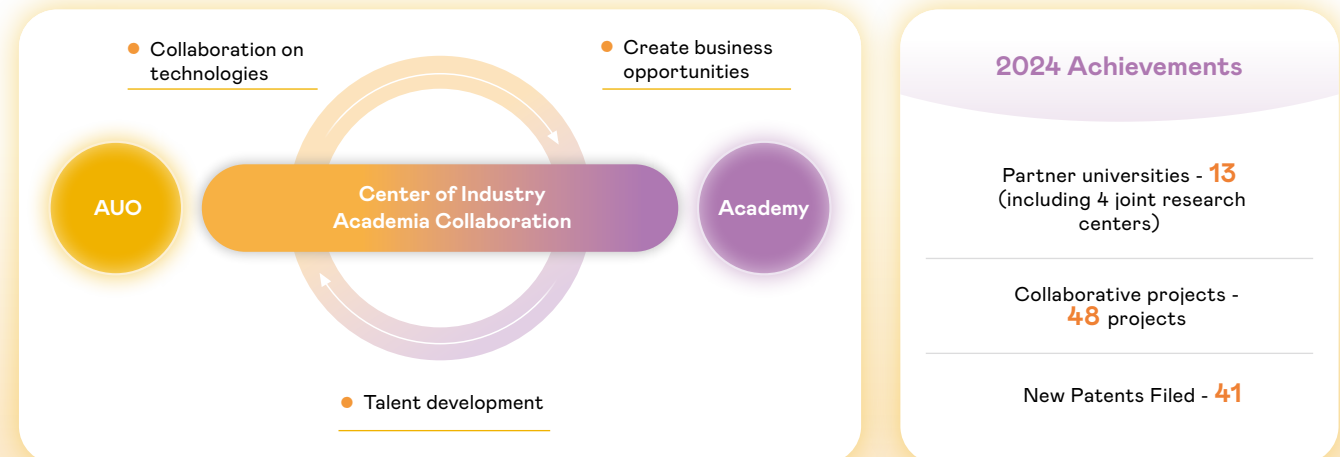
**Industry-Academia Collaboration**

The Center of Industry-Academia Collaboration was established in 2019 and has continued to partner with quality universities around the world to build local Industry-Academia-Research Ecosystems, introduce talent, technology and business opportunities, and accelerate the realization of company strategies. The Center not only promotes long-term, in-depth industry-academia collaboration but also helps students connect with the industry. By providing opportunities for practical involvement in project research and development, fostering the employability of young talents.



International Intern - Met from Haiti

"It was like a transformative journey. And I learned the importance of adaptability, cultural openness, and teamwork, I would say. And it's something that's definitely worth trying."



**2024 Achievements**

Partner universities - **13**  
(including 4 joint research centers)

Collaborative projects - **48** projects

New Patents Filed - **41**



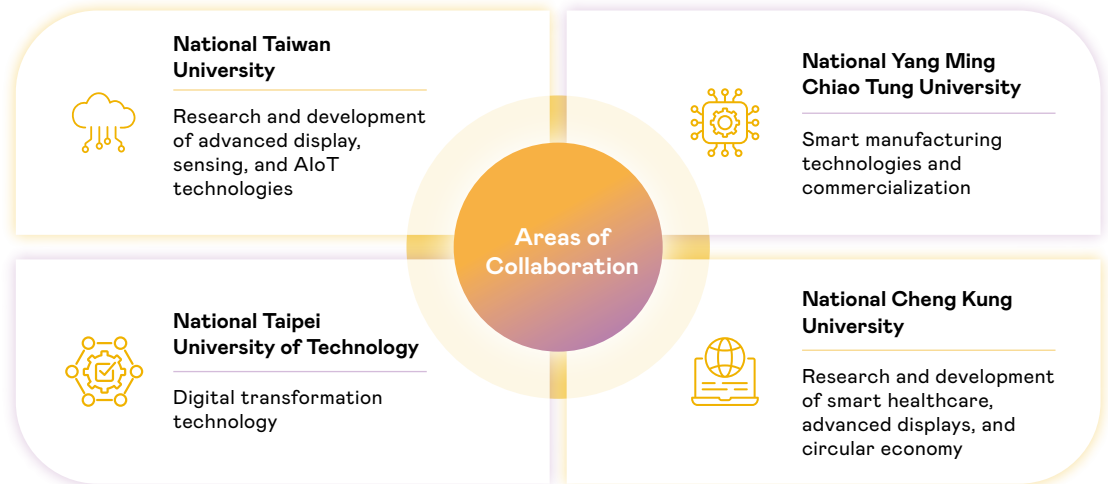


**Suzhou – AUO Huadong Industry-Academia Center**

Established in 2022, the AUO Huadong Industry-Academia Center leverages the research capabilities of partner universities and AUO’s expertise in real-world application to integrate academic knowledge with practical experience. This collaboration fosters innovative approaches to talent development and promotes the localization of research outcomes. The Center partners with six universities to jointly cultivate industry-ready professionals, enabling the co-creation and sharing of resources while building a robust ecosystem for industry-academia collaboration. In terms of talent development, the Center launched the A+ Elite Engineer Program, focusing on ten key topics such as intelligent manufacturing and smart factory integration. On the technical front, five collaborative R&D projects have already been successfully implemented. Meanwhile, AUO continues to explore diverse opportunities in industrial digital transformation, laying the groundwork for long-term value creation.

**Joint Research Center**

AUO has established Joint R&D Centers in collaboration with four top-tier universities, promoting the complementary application of theory and practice, as well as the exchange of knowledge and technology, to cultivate advanced R&D talent needed by the industry.

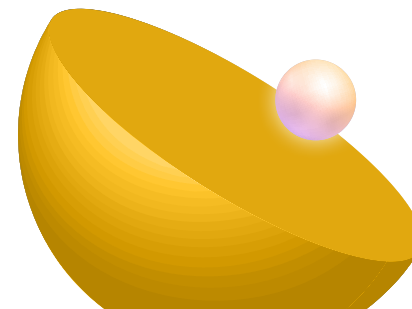


**Industry-Academia Joint Collaboration Programs**

AUO has long been committed to supporting diverse development opportunities for students by offering programs that help vocational and technical students connect with the industry early on. Through active promotion of industry-academia initiatives, AUO collaborates with National Chin-Yi University of Technology and vocational high schools in a tripartite partnership. Activities such as information sessions and factory tours help students gain a deeper understanding of AUO’s industry-academia training resources and comprehensive support for daily life. In 2024, a total of 54 students from Kaohsiung, Tainan, Nantou, Changhua, and Hsinchu officially joined the program. By integrating on-the-job training with academic education, students are able to build practical skills while working toward their bachelor's degrees.

**Talent Development Scholarship**

To foster innovative and industry-ready talent, AUO offers scholarship programs specifically for master’s and doctoral students. Since 2015, the program has supported 63 outstanding students from 13 universities, including 19 PhD and 44 master's students. In addition to financial support that helps alleviate their burden and allows them to focus on their studies, the program also provides internship opportunities and a “pre-offer” system to enhance workplace readiness and support future employment.

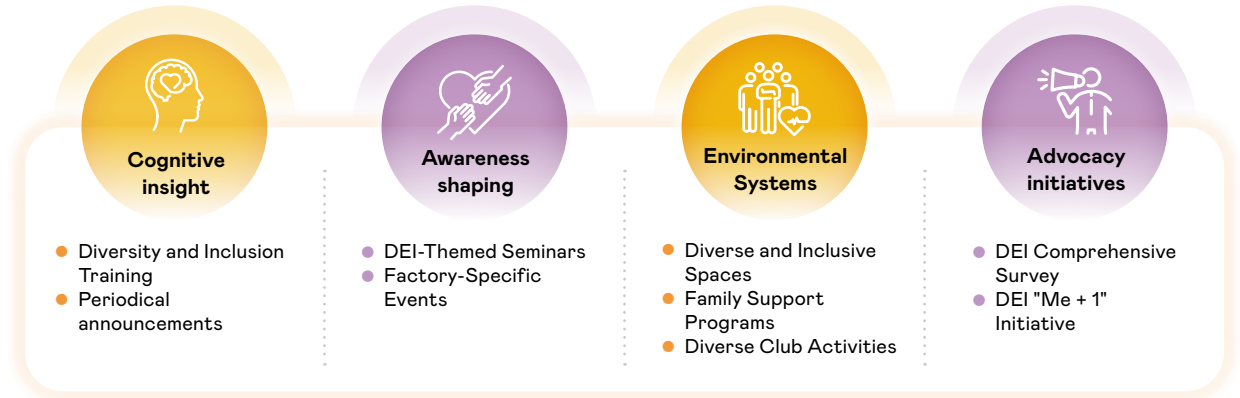


## 4.2.2 Diversity & Inclusion

AUO is committed to creating a diverse, equitable, and inclusive workplace culture while providing a safe and healthy working environment. The company ensures fair development opportunities for all employees, empowering them to realize their full potential and creativity. This approach strengthens employee engagement and loyalty, fostering a deep sense of belonging and a collaborative environment where employees grow together with the company—embodying AUO’s values of diversity and inclusion.

### Shaping of DEI Culture

AUO recognizes that cultivating a diverse talent pool is essential to sustainable business development. The company embeds the values of Diversity, Equality, and Inclusion (DEI) into its corporate culture and practices. In line with AUO’s globalization strategy, the company recruits diverse talent across its international locations, providing a global platform to broaden employee perspectives and career opportunities. AUO upholds a policy of non-discrimination in hiring and promotion, regardless of gender, ethnicity, language, religion, or other differences. By fostering an open and inclusive atmosphere, the company encourages mutual respect and learning among employees, thereby enhancing team cohesion.



### Cognitive Insight

To deepen employees’ understanding of DEI culture, AUO launched a DEI e-newsletter that integrates current social issues and highlights trending DEI topics, helping employees relate to the concept of diversity and inclusion through everyday perspectives. In 2024, AUO also introduced its first DEI training course, focused on raising awareness of unconscious bias. The program aimed to equip employees with the ability to recognize and respond to biases, applying this awareness in both professional and personal contexts to help foster an inclusive workplace. To date, over 15,000 employees have completed the training.



Speak Up, Stand Tall: Stop Discrimination On the Spot

Uncover the Unseen: Reflect on Your Implicit Biases

Ask More, Know More: Curiosity Drives Clarity

Embrace Diversity, Unlock Possibility



## 2024 DEI Month

Respect Differences, Thrive Together — Let DEI Shine Bright

### DEI Starts With You and Me

### Practice DEI in 3 Steps — Walk the Talk With Me

#### See the Spectrum

Understand diverse lives — go beyond bias, embrace empathy and curiosity



Join [DEI Month](#) — Explore Diverse Events and Meet AUO’s DEI Champions

#### Strive for Equality

Support Justice with Your Choices — Spend and Give for a Fairer World



Support [AUO’s Sustainability Scholarship and Dream Project](#) — Let Giving Create a Lasting Impact

#### Foster Inclusion

Belonging for All — No Matter Who You Are, You Have a Place Here



Join [AUO’s DEI Initiative](#) — Inclusion Begins at Work and Flows into Life



## Awareness Shaping

Demonstrating its strong commitment to cultivating a diverse and inclusive culture, AUO expanded its DEI Month in 2024 with the theme "Respect Differences, Embrace Inclusion". A total of 8 events were held, with both in-person and online participation exceeding 1,900 views. The initiative emphasized a top-down approach to shape organizational awareness while encouraging bottom-up engagement and dialogue—further embedding DEI into AUO's cultural DNA.



### DEI-Themed Seminars

As part of the 2024 DEI series, AUO invited transgender Key Opinion Leader (KOL) Prosecutor Chen Han-Chang (aka Lakulaku) to deliver a talk focused on understanding the LGBTQ community. Sharing personal experiences of self-exploration, identity, and navigating workplace and family life as a transgender individual. The seminar guided employees from DEI awareness toward empathy and respect through authentic storytelling.



From overcoming cancer to building a life with a same-sex partner, employee shared her profound DEI experiences and personal story.



The "Filipino Master Chef Competition" saw foreign employees prepare their favorite traditional dishes—showcasing not only culinary skills, but also Filipino culture, promoting cross-cultural exchange between Taiwan and the Philippines.

### Factory-Specific Events

To help employees recognize that DEI is present in their everyday work environment, AUO extended the 2024 DEI Month activities to various factory sites. Through these events, employees were invited to share their personal journeys as "DEI Spotlight Figures"—including stories about working abroad, surviving cancer, and launching second careers later in life. A total of seven sessions covered topics such as gender, ethnicity, aging, cross-cultural experiences, and intergenerational dialogue. These activities encouraged mutual support and inclusion, highlighting the AUO team's diversity and resilience.

## Environmental Regime

AUO believes that a well-rounded and inclusive environment and support system can strengthen employees' sense of identity and belonging. To promote inclusivity in the workplace, gender-inclusive restrooms have been installed at various factory sites, providing a safe and comfortable environment for all users while reinforcing the message of diversity and inclusion. In terms of employee welfare, AUO goes beyond legal requirements to offer enhanced leave policies and subsidies. These benefits support employees through major life milestones, from marriage and childbirth to childrearing and family caregiving, ensuring comprehensive care across all stages of life.

### Unpaid Parental Leave or Leave of Absence

AUO accommodates employees undergoing a major change in their role or experience a major accident. Employees that have been with the company for six months become eligible for unpaid parental leave. They may also apply for an unpaid leave of absence due to military service, serious injury or illness, taking care of a relative of first-degree, or other personal reasons. AUO will automatically contact employees to check on how they have fared 90 days before their unpaid leave is scheduled to expire and arrange or them to return to their original unit and position. Related training courses are also provided to help employees re-adapt to the workplace.



For the unpaid parental leave or leave of absence data, please refer to the [section on overview on Parental Leave](#) in this Report

### Family Support Programs

Starting July 2024, AUO launched an enhanced Family Care and Parenting Support Plan, empowering employees to care for loved ones without worry, cherish precious family moments, and thrive in both career and personal life.



see [4.2.3 Remuneration & Benefits](#)



Diversity Club Activities

AUO has diverse clubs around the world including sports, arts and culture, and philanthropy. Employees are encouraged to enrich their lives outside of work. We established 15 migrant worker clubs to encourage migrant workers to socialize with each other. We also provide community resources to help them settle into their life and work in Taiwan more quickly.

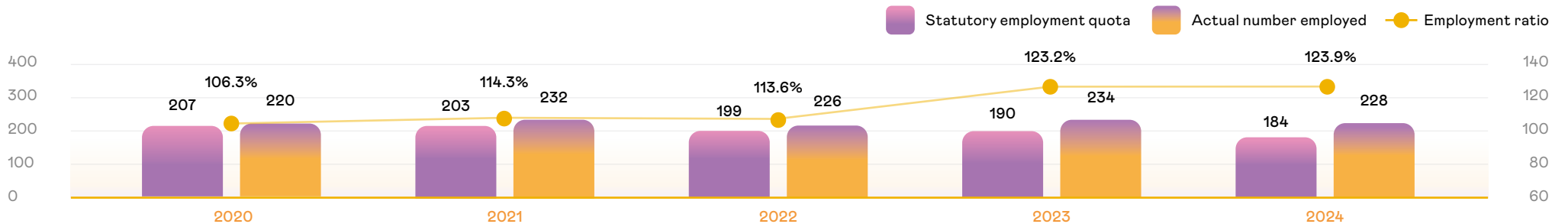
Advocacy Initiatives

To better understand employees' awareness and recognition of DEI, AUO launched its annual DEI Grand Survey to identify employees' needs for an inclusive workplace. The findings inform the planning of targeted activities aimed at enhancing employee understanding and literacy in DEI. In 2024, over 15,000 employees participated in the survey, with a 90% recognition rate for the company's DEI efforts - an increase of 2% from the previous year. Furthermore, more than 14,300 employees expressed willingness to join AUO's DEI initiatives, contributing to the creation of a more inclusive and supportive work environment.



Hiring of Disabled Employees

Staying true to its core values of people-first and social responsibility, AUO is committed to providing equal recruitment opportunities and diverse job openings for underrepresented groups. Since 2008, AUO has actively responded to the government's employment policy for persons with disabilities by identifying and redesigning suitable roles—including panel repair and access control positions—to better accommodate individuals with physical or mental disabilities. The company also implements appropriate assistive tools to support employees in performing their duties effectively. AUO has consistently exceeded its legally required hiring quota for persons with disabilities, and since 2021, has received the Hsinchu City Outstanding Employer Award for exceeding the statutory employment target for four consecutive years.



Migrant Worker Support

As AUO expands its global business footprint, migrant workers have become indispensable partners in the company's operations. Upholding its people-centered management philosophy, AUO is committed to offering comprehensive living support services, including housing, medical care, and mental health resources, to ensure that migrant workers can work with peace of mind in a foreign country. In addition, AUO encourages migrant workers to actively pursue career development opportunities, providing training and promotion pathways that allow them to grow professionally and realize their personal potential. This not only fosters a stronger sense of belonging but also cultivates a more harmonious workplace culture—creating a win-win environment for both employees and the company.

### Zero Recruitment Fees for Peace of Mind and Employment Stability

AUO is committed to safeguarding employment rights for migrant workers. Since 2019, the company has implemented a “Zero Recruitment Fees and No Prepayment” policy, covering all fees from overseas placement service charges and regulatory fees prior to arrival, to domestic service and legal fees after arrival in Taiwan—with all expenses fully borne by AUO. To ensure that migrant workers are never required to pay or advance any costs throughout the process, AUO proactively conducts internal newcomer care services and annual audits of labor service providers. In 2024, AUO successfully passed client audits and received multiple recognitions under the RBA Validated Assessment Program (VAP), validating its efforts toward ethical labor practices.

### Leveraging Cross-Border Talent for Sustainable Careers

AUO believes that corporate sustainability is rooted in talent sustainability and robust career development. Adopting a people-centric approach that treats the workplace like a second home, AUO has created a supportive environment conducive to long-term retention. In 2024, 69% of migrant workers renewed or returned upon contract completion. In line with the Ministry of Labor’s “Long-term Retention of Migrant Workers,” AUO reinforced its strategy of valuing local and international talent equally, retaining long-serving migrant workers as key trainers and fully integrating long-term promotion systems to ensure the passing down of valuable experience. In 2024, a total of five migrant workers earned internal technical certifications, and two received external awards. Recognizing the strong link between global strategy and international talent, AUO has prioritized global career pathways for key migrant personnel - in 2024, 12 migrant workers transferred to overseas facilities in Vietnam, extending sustainable career development across borders.

### Care from the Heart: Creating a New Vision of “Home”

AUO is deeply invested in the holistic care of migrant workers, aiming to cultivate a sense of belonging beyond work. Across Taiwan, AUO provides dormitories with per-person living space that is twice the legal standard, along with on-site bilingual staff, dedicated nurses, and international convenience store services - ensuring accessible communication, health consultations, and daily necessities. Tailored Chinese language materials are provided for first-time migrant workers to accelerate their adjustment, along with annual domestic travel subsidies to enrich life in Taiwan. In 2024, 88% of workers completed Chinese courses, and domestic travel covered six counties, with a 57% participation rate. AUO currently operates three self-owned dormitories across Taiwan, offering diverse recreational facilities such as cooking studios, karaoke rooms, music rehearsal spaces, and basketball courts, encouraging cultural and team-based exchanges. In 2024, AUO hosted three inter-club events, including dessert and sports competitions, promoting deeper integration and community-building among workers.



The 2024 International Friendship Week highlighted diversity by presenting a world map featuring AUO's international workforce composition



Employees explored traditional attires from colleagues' home countries to gain deeper insight into various cultures

### International Friendship Week: Fostering an Inclusive Workplace

Since launching the “Philippine Culture Festival” in 2017, AUO has continued to promote global diversity in the workplace in line with its internationalization strategy. In 2024, AUO held International Friendship Week, showcasing its global business presence and multicultural workforce—including employees from the Philippines, Vietnam, Indonesia, India, Malaysia, South Korea, the United States, and the Netherlands. Through exhibitions of cultural artifacts from different countries, the event fostered cross-cultural understanding, communication, and inclusion in the workplace. A total of 12 themed exhibitions were held in 2024, drawing over 10,000 interactions and participations through immersive displays and surrounding activities.

### Women in Leadership

AUO is committed to gender equality and fair career development by fostering a diverse and inclusive workplace where all employees can realize their full potential. In 2024, women accounted for 34% of the total workforce and 28% of global management positions. AUO actively promotes the advancement of women in technology, working to build an equitable and inclusive environment across the industry.

### Supporting Career Development and Building an Inclusive Leadership Pipeline

AUO believes that diverse leadership brings broader perspectives and voices, contributing to more comprehensive decision-making and better addressing the needs and expectations of stakeholders. Since 2023, AUO has incorporated gender ratio monitoring for management roles into its quarterly personnel review meetings, helping departments track progress and establish equitable career development pathways. This initiative reflects AUO’s continued commitment to respecting and supporting gender equality in leadership and creating more opportunities for women to grow professionally. AUO has also set concrete targets for the proportion of female managers to demonstrate its active engagement and accountability.

Ratio of Women in Each Category		2023	2024	2026 Targets
Management	Senior Management <sup>Note 1</sup>	9%	7%	10%
	Middle Management <sup>Note 2</sup>	13%	16%	15%
	Junior Management <sup>Note 3</sup>	29%	29%	30%
	Overall Management	28%	28%	30%
Overall Workforce		34%	34%	34%
Revenue Generation Unit <sup>Note 4</sup>		26%	33%	25%

Note 1: Senior management are managers in the two grades below CEO.

Note 2: Middle management are managers three to four grades down from the CEO.

Note 3: Junior management are managers who oversee non-management employees directly.

Note 4: Revenue generation units include business units, technology R&D units, and production units.

## 4.2.3 Remuneration & Benefits

### Material Topics

Overall salary level compared to the industry standard

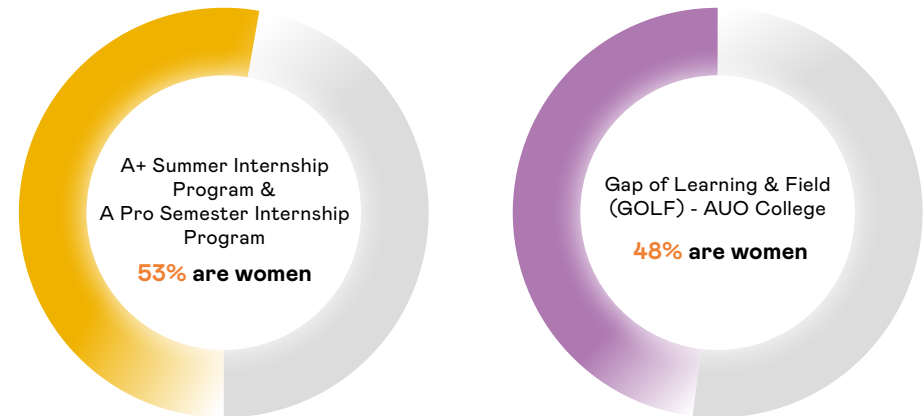
### Ensuring Competitive and Performance-Driven Compensation

#### Proactive Setting of Remuneration

- 1 AUO participates in international market salary surveys annually and considers local cost of living to ensure competitive compensation across regions. Salary adjustments are based on market benchmarks for each role and individual performance. In addition, annual compensation analyses are conducted by employee grade, job category, and gender to monitor pay distribution. Any irregularities are addressed accordingly.
- 2 Since 2022, AUO has been selected for inclusion in the “Top 100 High Compensation Index” for three consecutive years, reflecting its excellence in compensation practices.
- 3 According to data from Taiwan’s Market Observation Post System (2023), AUO ranks within the top 25% among listed optoelectronics companies in terms of the median and average salary expenses for full-time, non-managerial employees—demonstrating AUO’s leading compensation competitiveness within the industry.

### Empowering Women in Technology and Promoting an Inclusive Industry Environment

AUO supports the cultivation of female talent in technology through internships, competitions, and online industrial training programs in collaboration with academic institutions. Key initiatives include the A+ Summer Internship Program, A Pro Semester Internship Program, and the GOLF alliance, which aim to bridge the gap between academia and industry while nurturing outstanding female professionals. AUO is a long-term partner of “Girls in CyberSecurity (GiCS).” We provide internship opportunities to student that excel during competitions and encourage women to enter the information security technology field.



#### Performance-Driven Incentive Programs

AUO has developed flexible short-term incentive programs based on corporate business goals, team and individual performance, and job roles. These programs are designed to motivate employees to deliver exceptional performance and align their contributions with the company’s operational outcomes, fostering shared success.

#### Strengthening Retention Through Long-Term Incentive Plans

- 1 **Long-Service Bonus:** In recognition of the continued contributions of frontline employees, AUO offers a long-service bonus to production-line partners who have been with the company for over one year, encouraging stability and long-term commitment.
- 2 **Equity Incentive Plans:** To attract, motivate, and retain key talent, AUO implements long-term equity incentive plans based on individual contributions and performance. These plans reinforce employees’ alignment with the company’s long-term goals and foster sustained engagement.



## Comprehensive Benefits Planning as a Reliable Pillar for Employees

### Multi-Dimensional Insurance Plans



#### Companyfunded Group Insurance

#### Comprehensive Protection and Promotion of Green Transportation

In addition to traditional coverage such as life insurance, accident insurance, and medical insurance, AUO expanded its insurance scope in 2024 to include accidents that may occur while using public transportation. This not only enhances overall safety protection for employees but also encourages the use of public transit to reduce carbon footprints, contributing to environmental sustainability.



#### Unpaid Leave/ Expatriate Coverage

#### Holistic Support During Key Career Milestones

AUO provides all-round support and protection at critical stages of employees' careers to ensure peace of mind. For example, employees on extended medical leave due to illness or injury continue to be covered under group insurance plans, safeguarding their health and well-being. During business trips or overseas assignments, employees are protected by dedicated travel insurance coverage, ensuring that they feel fully supported by the company even while working abroad.



#### Dependents Insurance

#### Safeguarding Employees' Families and Enhancing Quality of Life

In recognition of the importance of family health and safety, AUO offers high-quality and affordable voluntary group insurance plans for employees and their families. Nearly 50% of employees have chosen to enroll themselves and their dependents in these plans, reflecting strong confidence and trust in the company's insurance system.



#### On-site Service

#### On-Site Insurance Services for Immediate Support

To ensure that employees can receive timely assistance with insurance-related inquiries, AUO collaborates with insurance providers to offer on-site service stations. These allow employees to consult professional staff in the event of unexpected incidents or questions, and to access immediate support and claims services when needed.

### Working Hours Policy that Prioritizes Employee Rights

To safeguard the physical and mental well-being of employees, AUO has established a working hours policy stipulating that employees shall not work for more than seven consecutive days, daily working hours shall not exceed twelve hours, and monthly overtime shall not exceed forty-six hours (excluding force majeure or exceptional circumstances). In addition, AUO has implemented management and monitoring mechanisms such as digital dashboards, regular working hours review reports, and abnormal working hours alerts. These tools support supervisors in monitoring team attendance in real time and providing timely care and assistance to employees when needed. Regarding overtime arrangements, when business needs require employees to work beyond regular hours, AUO offers flexible options such as overtime pay or compensatory leave. The company ensures that overtime wages are paid in accordance with legal requirements, fully protecting employee rights. For leave management, in addition to legally mandated annual leave, employees may apply to extend the validity of their unused leave based on personal needs, providing greater flexibility. Any unused annual leave will be compensated in accordance with applicable labor laws. AUO is committed to promoting work-life balance by reducing the potential risks of prolonged working hours through real-time management systems and flexible arrangements for overtime and leave. The company firmly believes that a fulfilling and balanced work environment enables employees to thrive throughout their careers.



## Stable and Reliable Retirement Security System



### Pioneering the Employee Stock Ownership Trust Program

Since 2010, AUO has implemented the Employee Stock Ownership Trust Program, offering a matching contribution of 100% to 150% of the employee's monthly stock purchase amount. This initiative not only encourages saving habits but also helps employees plan financially across short-, medium-, and long-term horizons, contributing to a secure retirement. The program has received strong employee support, with over 80% of eligible employees in Taiwan participating as of the end of 2024.



### Sufficient Protection through Retirement Pension Contributions

For employees under the legacy pension system, the company contributes 2% of monthly salary to a retirement reserve account with the Bank of Taiwan, with annual actuarial assessments conducted by certified actuaries to ensure adequate funding. For employees under the new pension system, AUO contributes 6% of monthly salary to each individual's pension account with the Bureau of Labor Insurance, in full compliance with relevant retirement regulations and systems.

## Family Support Programs Centered on Employee Well-Being

### Comprehensive and Thoughtful Employee Support Programs

AUO places great importance on the key milestones in every employee's life. When employees undergo transitions in life roles, the company provides all-around support and care to help them take care of their families, alleviate their burdens, and feel the company's blessings and support at pivotal life moments.



### Employee Care and Family Support Programs to Assist Life Transitions and Growth

To meet the evolving needs of employees at various life stages, AUO has designed a range of subsidies and benefits covering childbirth, parenting, and marriage, reflecting the company's sincere care and commitment to growing alongside employees. For example, in response to national pro-birth policies and in consideration of employees' family needs, AUO has provided a parenting allowance of NT\$3,600 per child annually since 2022 for employees raising children aged 2 to 6, helping to reduce the financial burden of childcare.



### Flexible Unpaid Leave Options to Help Employees Balance Work and Family

To support employees in managing life transitions or unexpected events, AUO offers flexible unpaid leave options. Employees may apply for parental leave without pay in accordance with legal provisions or choose to take a temporary leave of absence due to military service, major illness or injury, the need to care for immediate family members, or other special circumstances. This approach reduces conflicts between work and family or personal development, allowing employees to focus on their families during critical moments while maintaining long-term career continuity. As of 2024, retention rates following parental leave are strong, with 70% of male employees and 86% of female employees returning to work.



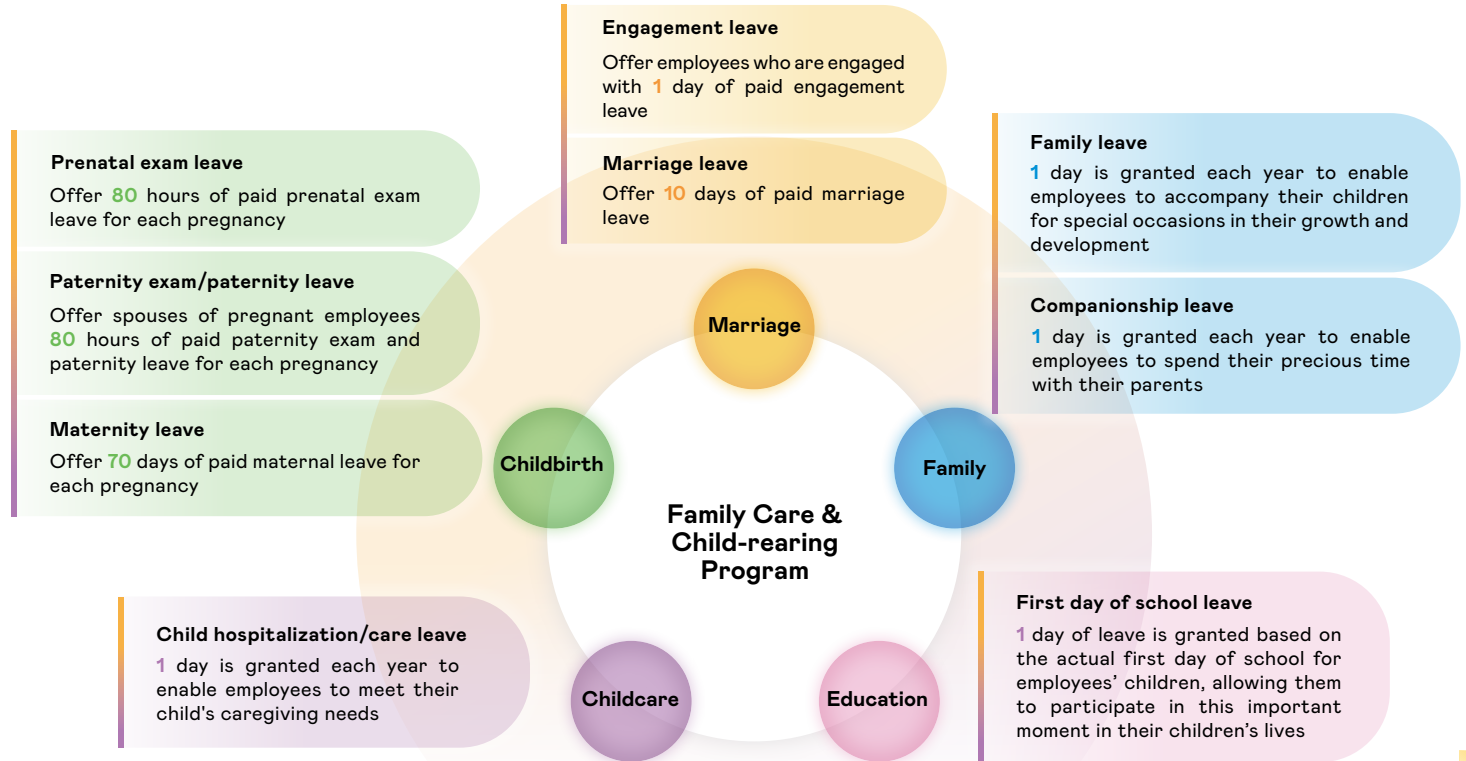
### Preferred Childcare Providers and Partner Merchants to Enhance Quality of Life

AUO collaborates with high-quality childcare service providers to offer professional care and exclusive discounts for employees with parenting needs. This support helps employees thrive in the workplace while enjoying a fulfilling family life.

### Leave and Attendance Policies Surpassing Legal Requirements

To promote sustainable talent development and support employees throughout all life stages, AUO introduced the “With Heart, With You” family care and child-rearing program in 2024, offering a suite of benefits that exceed statutory requirements. In addition to providing extra recovery leave during childbirth, the company also introduced paid parental leave, allowing employees to be fully present during key moments in marriage, childbirth, parenting, education, and companionship.

To support a flexible work-life balance, AUO has implemented flexible working hours. Without compromising work performance or team collaboration, employees may adjust their work schedules based on personal needs. This people-centered policy fosters a supportive work environment, helping employees effectively balance demanding jobs and family responsibilities. Moreover, AUO encourages employees to give back to the community by offering one day of paid volunteer leave per year. Employees are invited to participate in volunteer activities to spread kindness and contribute to society, achieving personal fulfillment while balancing work and family.



### 4.2.4 Happy Workplaces

AUO proposed the “WE CARE Program” to promote workplace welfare based on the spirit of a people-centric approach and holistic care. The Program aims to foster a safe, healthy, and friendly 5-star happy workplace. “WE” in WE CARE represents “We at AUO and Wellness.” CARE represents the four aspects of Culture, Activities, Renew, and Environment. The Program promotes the goal of physical, mental, and spiritual wellbeing and balance for all AUOers. At the same time, we also hope to spread the WE CARE mission to our stakeholders and work with our value chain partners to safeguard health and safety in happy workplaces.

#### We Care

##### Culture Culture Shaping

Exceed statutory requirements to foster an inclusive culture for holistic, safety, physical, mental and spiritual balance



##### Activity Special Activities

Hosting of art, cultural and health promoting activities to deliver total employee care



##### Renew Innovative Actions

Intelligent systems and digital tools were used to continue delivering employee benefits in response to the challenges of COVID-19 as well as the trends in mobility and AI technology



##### Environment Environmental Design

Upgrading facilities throughout the Company from the employee experience perspective



## Culture Culture Shaping

### Labor-Management Relations Management

AUO practices open and transparent labor-management communications by enforcing constructive, two-way communication mechanisms. Labor unions have been established in Suzhou, Xiamen, Kunshan, Singapore, and Vietnam. For employees “not in a union or not covered by collective bargaining agreements” and “not at a unionized operating location”, their working conditions and terms of employment are determined in accordance with the requirements of local labor legislation, labor contracts, work rules, or statutory labor-management bargaining channels. In Taiwan, the “Regulations for Implementing Labor-Management Meeting” has been formulated based on Article 83 of the Labor Standards Act and policies announced by the Ministry of Interior to ensure that labor-management conferences are held on a quarterly basis at each plant for negotiation and discussion of labor-related issues. All employees can make recommendations to the Company through labor and management representatives. The quarterly labor-management meetings provide labor representatives with a clear picture of the Company’s latest material business information, human resources situation, and labor-related communication topics. These promote the establishment of harmonious labor-management relations and cooperation between labor and management.

#### Material Topics

Q12 Annual Employee Survey Coverage Rate; Q12 annual questionnaire communication channels survey on employees’ recognition of the company and work; Percentage of employees who experience happiness and are willing to recommend others to participate

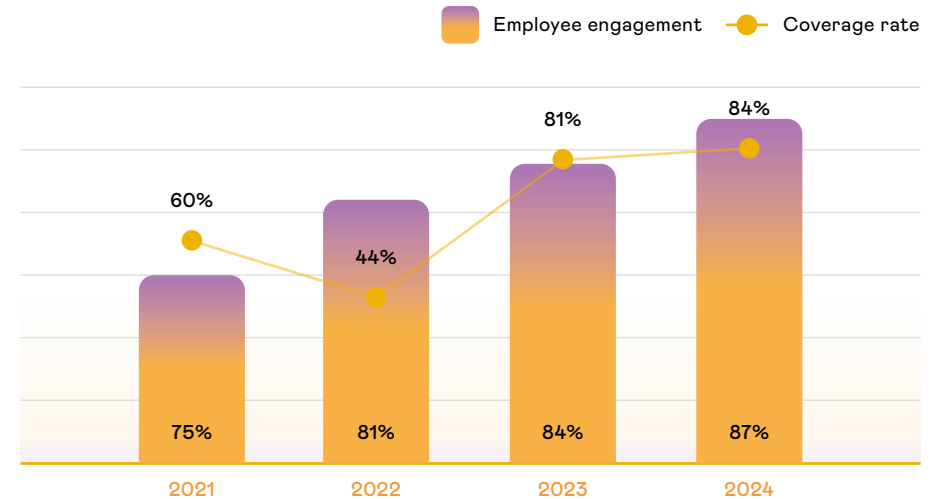


#### Q12 Employee Engagement Survey

To strengthen internal communication and drive cultural and behavioral transformation, AUO conducts an annual employee engagement survey based on the Gallup Q12 framework. In 2024, the survey was expanded to include questions on sustainability recognition, encompassing employee well-being, health, and organizational connectedness. The objective is to assess the strength of employee engagement and retention intent, enhance workplace friendliness, and inform improvements in management practices to increase employee alignment with corporate goals. In 2024, more than 30,600 indirect and direct employees across AUO’s global sites participated in the survey, achieving a response rate of 84%<sup>Note</sup>. Results were analyzed across demographic groups including age, gender, and job type. On average, employees reported an 86.8% positive response rate across four key dimensions: basic needs, management support, teamwork, and learning and growth. Additionally, 85.6% of respondents expressed feeling happy at work and a willingness to recommend AUO as a great place to work. In Taiwan, new questions measuring sustainable engagement were introduced in 2024, resulting in a sustainable engagement score of 84.3%. Data from the survey is also provided by AUO to each site and the relevant units. Measures are taken to strengthen weaknesses such as employee experience, education and training, and department communications. These improvements are also tracked to provide a reference for optimizations to organization management and the Company’s human resources policy.

Note: Coverage rate is the response rate.

#### Employee engagement in the 4 aspects



#### Open Channels of Communication

AUO works actively to establish a positive relationship with employees. Employees can provide their feedback through a variety of channels. They can also expect to be heard and receive a response. The case closure rate in 2023 was 100%. Employee relations specialist are stationed at each site and random telephone surveys are conducted to check on employees’ physical and mental well-being. During times of business transformation, AUO emphasizes smooth internal communication to support alignment and mutual collaboration. In addition to quarterly business briefings for managerial staff - communicating corporate goals and key initiatives—AUO also organized four inter-level dialogue sessions in 2024. These in-person forums allowed employees to engage directly with executives in open, face-to-face discussions. Such initiatives aim to deepen employee connection with the company, amplify employee voices, and support the continued development of constructive communication mechanisms.



For AUO’s internal communication channel statistics, please refer to the section on overview on Internal Communication Channel in this Report

### Activities Special Activities

#### Feast of Life

Feast of Life is AUO's exclusive oasis for the soul - a chance to pause amidst a fast-paced work life and recharge with positive energy. Centered around four core themes - Contemporary Art, Social Care, Cultural Creativity, and Think Big - the Feast of Life delivers a series of inspiring lectures each year. In 2024, building on the brand's essence of "Passion X Persistence" and echoing AUO's new slogan "Tap into the Possibilities", the program embodied the spirit of innovation through action. It also aligned with the UN's Sustainable Development Goals (SDGs) by inviting speakers who have broken boundaries and embraced innovation in their fields. Highlights included: Taiwan's Sheng Wu Jhou Puppet Troupe, which brought traditional puppetry onto the global stage, Joanne Missingham, Taiwan's top female Go player, who is actively promoting Go culture, and Olympic gold medalist Lee Yang, one half of Taiwan's legendary badminton duo, who made history by defending their Olympic title. These captivating life stories, paired with vivid visuals, transported audiences into the heart of each journey and left them deeply inspired. A total of 19 in-person lectures attracted over 3,610 attendees, with every session packed to capacity and receiving glowing feedback. AUO encourages its people to turn inspiration into action, unleashing even greater energy and creativity to shape the company's next chapter.



#### Taiwan

The Sheng Wu Jhou Puppet Troupe brought a full-scale traditional stage setup into AUO's plant and displayed intricately crafted puppets. Under the vivid storytelling of troupe leader Wang Ying-Chun, the age-old art form was given new life and charm.

Rifat Wu, the beloved Turkish expat who calls Taiwan home, shared his remarkable life story. With the venue transformed into a vibrant Turkish setting complete with local delicacies, employees felt as if they had traveled abroad in an instant.

Jin Ye Taiwan Roadside Banquets Culture Studio, the third generation of a famed traditional banquet catering family from Neimen, recreated the festive atmosphere of a Taiwanese wedding banquet. Accompanied by mouth-watering photos of signature dishes, employees were treated to a feast for the senses.

The "Lin-Yang" duo clinched a gold medal for Taiwan at the 2024 Paris Olympics, becoming the first men's doubles team to successfully defend their badminton title. On site, Lee Yang shared the powerful story of how sweat and tears shaped his journey to gold, then joined employees for a fun badminton mini-game—instantly energizing the crowd and lighting up the atmosphere.





**Kunshan**

AUO Kunshan's "Feast of Life" centered on the theme "Green Living: Step Up and Take Action," featuring two main events - sustainability education sharing and a collaborative environmental exhibition. Environmental educator Ms. Ni Huan was invited to deliver a keynote on sustainable living, while the exhibition brought together partners such as Green Light Year, Tzu Chi Foundation, and the Lucheng Environmental Volunteer Service Society. Five themed booths were set up, covering topics including superconducting magnetic levitation, ecological composting, biodiversity science, handmade eco-soaps, and floral crafts. A total of 185 employees took part in this immersive green lifestyle experience.

**Xiamen**

AUO Xiamen's "Feast of Life" opened with a moving concert by Against the Light, Xiamen's first visually impaired band. Through instruments, vocals, spoken word, and a cappella, the performance embodied AUO's DEI spirit, offering employees an unprecedented immersive concert in complete darkness - a powerful and touching musical experience.

**AUO Clubs**

AUO encourages employees to voluntarily form clubs to pursue hobbies and interests outside of work. These clubs not only enrich employees' leisure time but also help foster meaningful friendships and strengthen team cohesion. Each year, AUO's Taiwan sites host a themed Club Expo to recruit new members and showcase the year's achievements. The 2024 year-end expo featured the theme "A Sustainable Christmas," with 60 clubs participating across various sites in Taiwan. The events included musical performances, handmade DIY exhibits, interactive games, food tastings, and movie recommendations. The venue was decorated using upcycled and sustainable materials, bringing sustainability into everyday life. Taking place during the festive season, the lively and heartwarming club performances celebrated both community spirit and sustainability.

**AUO Sports Season**

In 2024, AUO launched the "AUO Fun & Fearless Sports Season," with both in-person and online activities attracting a total of 2,580 participants. The season featured various themed events including: Stretching Masters: Warm-up training sessions, Tech Masters: Inter-site connected running challenges, Running Masters: Large-scale site-wide runs, Fun Masters: Team-based obstacle games, Basketball Masters: Regional exchange matches, Online Masters: Mileage tracking competitions and so forth. These events encouraged employees to show their fun and fearless spirit through sports, drawing enthusiastic participation and promoting health, energy, and camaraderie.



2024 Club Expo: A Festive and Fun-filled Celebration



1,000 "Running Masters" demonstrated AUO's passion for fitness



Cooperation and team spirit in action through kickball tournaments





### AUO Family Day

After a five-year hiatus, AUO Family Day returned in 2024 under the theme “ONE (Play) Together,” uniting employees and their families across the AUO Group. As AUO continues its globalization and group integration efforts, Family Day serves as a platform for connection and celebration under the “One AUO” vision. Over 16,000 employees and family members joined in this joyous event. Highlights included a main stage with vibrant performances and activity zones designed to entertain both adults and children while creating memories that are exclusive to AUO employees. International club performances highlighted AUO’s commitment to DEI and multiculturalism, while long-serving employees and AUO Award winners were honored publicly - allowing families to share in the pride and recognition. The event also featured interactive environmental education booths and ESG-themed challenge games to promote science education and the concept of net-zero sustainability. Special Family Day eco-gifts - such as reusable drink carriers and towels made from recycled PET fabric - were prepared to reinforce sustainable living. One AUO, One Team, One Family - creating joyful, inspiring, and memorable moments together.



Delivering sustainability knowledge through interactive ESG booth, AUO celebrates long-term commitment and shared achievements



Daily growing with AUO

### Kunshan

The 2024 AUO Kunshan Site Family Day brought together over 1,000 employees and their families for a joyful celebration filled with laughter and love. The festivities were preceded by a Low-Carbon Living online quiz campaign, which engaged employees in sustainability knowledge, achieving a participation coverage of one-third of the workforce. The event featured a dedicated ESG zone, showcasing AUO’s initiatives in sustainable living, biodiversity, and green energy. One highlight was the first-ever inventory of 39 distinctive species identified within the Kunshan site’s natural environment. The hands-on planting experience utilized ecological compost produced on-site, offering a tangible demonstration of closed-loop sustainability. Through carefully curated activities, the Family Day shared the vibrancy and sustainability culture of AUO Kunshan with employees and their loved ones.

### Xiamen

The 2024 AUO Xiamen Site Family Day was held on a grand scale, attracting more than 4,000 employees, family members, and invited guests. The event featured five major sustainability-themed booths, four eco-crafting zones, and a variety of interactive environmental games. In addition to promoting sustainability awareness, the event encouraged attendees to join plastic reduction initiatives. The event also incorporated four intangible cultural heritage projects and two booths dedicated to rural revitalization, with 1,500 sets of organic fruits and vegetables distributed as gifts—supporting local green agriculture alongside employees. The choice of venue was equally meaningful: the Family Day was held in Shantou Village, a traditional southern Fujian residential community preserved during the construction of AUO Xiamen. Local villagers were invited to perform traditional Minnan arts, embodying AUO’s philosophy of “treating neighbors as family” and fostering community harmony.

## Renew Innovative Actions

### Digital Welfare Communication Platform

AUO launched the AUO Club to promote a friendly communication and interaction culture. In addition to responding to employee questions in a timely manner, event information is also pushed out to employees through LINE, a popular service. This ensures that company messages can be delivered to employees right away to foster a positive atmosphere for interactions and communication. In 2024, AUO Club was integrated into internal events such as Family Day, with more than 18,500 employees having joined the platform. Moving forward, AUO will continue expanding user adoption and optimizing the digital communication experience, increasing visibility of employee benefits and reinforcing a culture of friendly, open communication.

## Environment Environmental Design

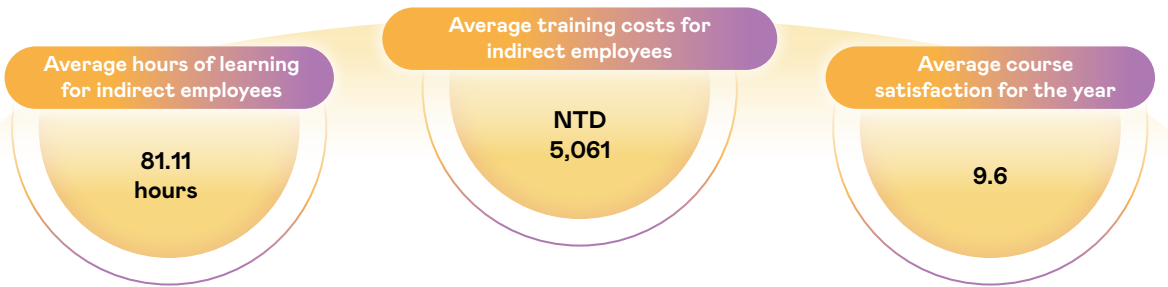
### AUO Gallery

AUO values a balanced work-life experience for employees, regularly hosting diverse events such as Family Day, sports competitions, and Sunshine Day. Memorable moments from these activities are captured and curated into exhibits displayed at the AUO Gallery. These exhibits showcase not only employees’ dedication to excellence at work but also their commitment to living fully, nurturing family bonds, and embracing teamwork. By sharing these moments, AUO aims to inspire every viewer and amplify the positive impact of meaningful experiences in daily life.



# 4.3 Talent Development

AUO places strong emphasis on employee growth and capability development. In addition to providing holistic, high-quality and diverse learning opportunities that enhance employees' professional competencies and long-term employability, AUO aligns career development roadmaps with organizational strategy and individual needs to support international competitiveness. A structured mentoring program is also in place to support onboarding and accelerate the integration of new hires. Internally, AUO leverages its corporate teaching resources to strengthen employees' technical ability, leadership capabilities, and executional effectiveness, advancing the company's ongoing value transformation. Externally, AUO extends training resources to the broader community, fostering talent development and amplifying the impact of its inclusive growth philosophy across the industry.



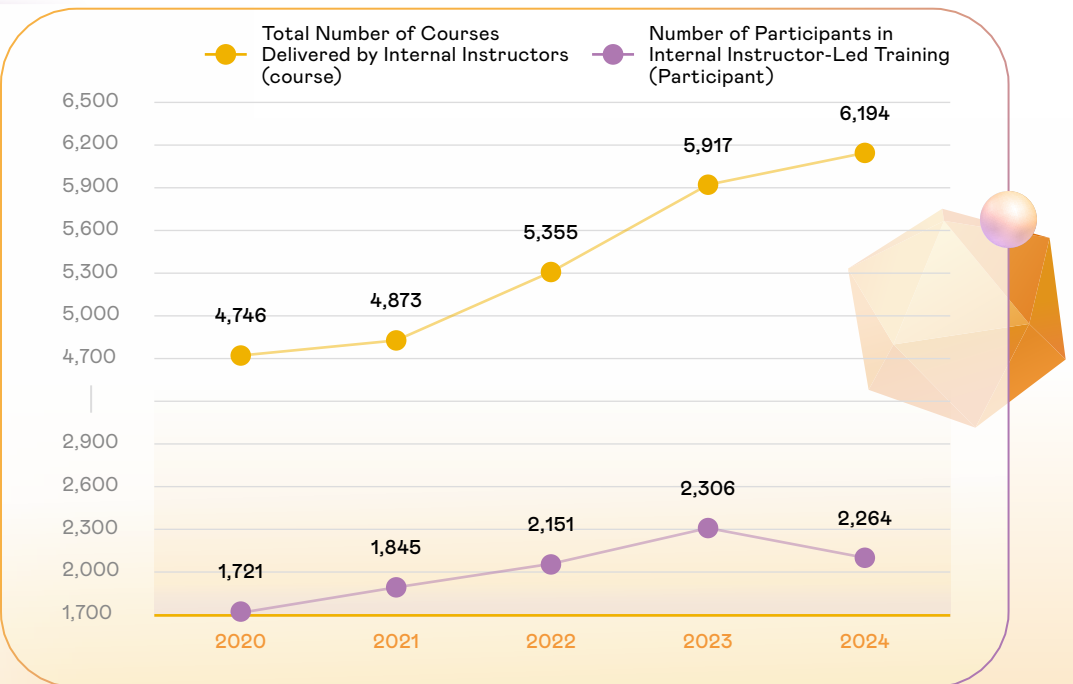
## 4.3.1 AUO University

AUO University focuses on the cultivation and development of talent for supporting the company strategy of biaxial transformation. Guided by its mission of cultivating talented all-rounders and business managers, AUO University provides AUOers with a diverse range of comprehensive in-service training and self-guided learning channels. AUO University consists of the College of Science, College of Engineering, College of Leadership, College of Liberal Arts, College of Future, College of ESG, College of Business. The seven colleges devise training roadmaps based on their target talent to provide training courses on general research and innovation, smart manufacturing, leadership, general education and specialization, future technologies, sustainable development, business management and marketing. Each department also sets up its own Training Executive Committee (TEC) responsible for the implementing professional training within the department. Each TEC also develops its own training roadmap to assist employees with enhancing their professional knowledge and skills. To ensure the effective implementation of education and training management strategy, the Academic Affairs Center of AUO University convenes education and training meetings at regular intervals to review the implementation status and performance metrics for all training. Measures are taken to improve and optimize each course for assurance of outcomes and quality. Leveraging AUO University as a platform, AUO has also established an Industry-Academia Center aligned with the company's transformation strategy. Through academic cooperation roadmaps across various colleges, AUO identifies technological development goals and collaboration needs, then matches them with abundant resources from higher education institutions, thereby increasing the value of knowledge and technology exchange between industry and academia.

### AUO Teacher's Day: AI-Powered Teaching, Unlocking Infinite Possibilities

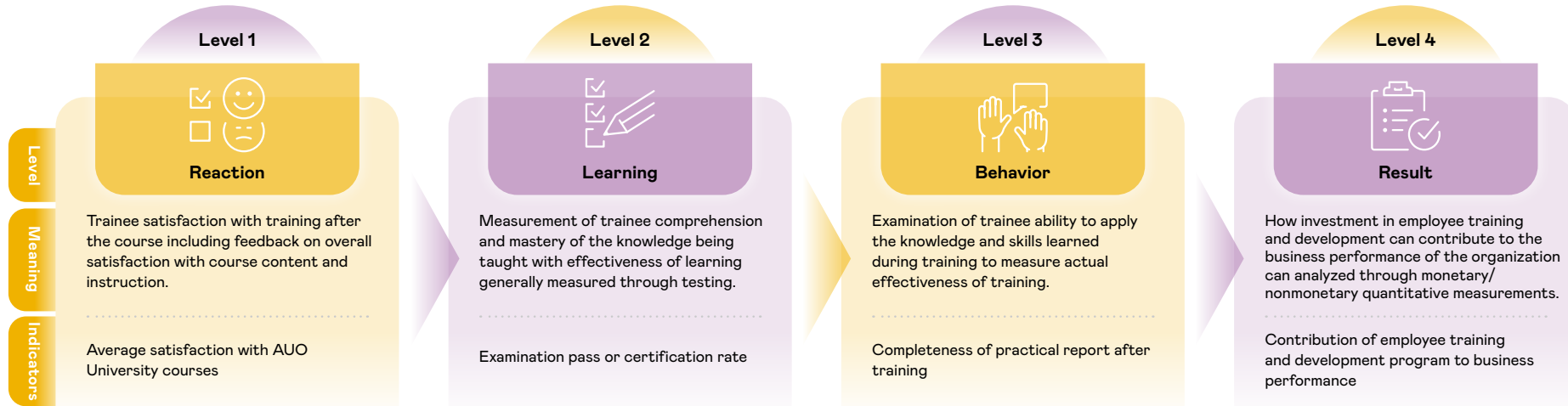
AUO believes that internal instructors are not only knowledge transmitters, but also key drivers of team development and contributors to the company's continued competitiveness. Moving forward, AUO will further strengthen its internal instructor development strategy to realize the corporate vision of sustainable talent development. In 2024, the total number of internal training sessions delivered increased by 277, demonstrating more efficient curriculum planning by internal instructors and broader coverage of employee learning needs. This in turn enhances the depth of training and the impact of knowledge transfer.

The 2024 Teacher's Day event was themed "AI-Powered Teaching, Unlocking Infinite Possibilities." AUO invited digital learning expert Mr. Lien Yu-Jen to explore how AI technology can be integrated into instructional design. The lecture focused on using AI tools to improve lesson preparation efficiency, enrich teaching content, and enhance interactivity. These approaches help internal instructors broaden their instructional vision and create diversified, high-efficiency teaching models. This not only optimizes employee training effectiveness, but also highlights AUO's innovative strength in combining technology with education. Through these efforts, AUO's internal instructors have become key enablers of organizational knowledge transfer and cross-departmental learning.



## Evaluating the Business Benefits of Employee Development

AUO sets course performance evaluations and completion mechanisms based on the learning objectives of courses. The four levels of training evaluation from the Kirkpatrick Model are used to evaluate and verify the effectiveness of training in terms of Reaction (survey metrics), Learning (test results), Behavior (practical report), and Results (project outcome). In 2024, average satisfaction with AUO University courses was 9.6 (out of 10). Most of the basic and advanced specialization courses reached the Learning and Behavior levels to have a positive effect on the business interests of the Company.



### Employee Development Case 1: Programmable Logic Controller Development Program

**Programmable Logic Controller (PLC) Development Program**

<b>Content</b>	In alignment with the advancement of automation in the practice factory, this training program focuses on the architecture of Programmable Logic Controllers (PLCs) and programming languages, combined with simulation software for hands-on exercises. Participants are trained to analyze and simulate PLC designs and applications, fostering expertise in automation control and laying a solid foundation for smart manufacturing. Through this program, trainees apply acquired knowledge and skills to real-world projects, effectively enhancing work efficiency and production performance.	
<b>L1 Reaction Assessment</b>	Average course satisfaction was 9.79 (out of 10)	With the PLC development course as an example
<b>L2 Learning Assessment</b>	100% qualification rate after completion of training. Average test score was 95.5	With the PLC development course as an example
<b>L3 Behavior Assessment</b>	100% completion of practical report after training	With the PLC development course as an example
<b>L4 Results Assessment</b>	Quantification of contribution to business performance from investment in employee training and development program: Total benefits were in excess of NTD 7.11 million <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <ul style="list-style-type: none"> <li>● Cost savings through self-directed machine retrofitting: NTD 2.7 million</li> <li>● Energy cost reduction: NTD 2.21 million</li> </ul> <ul style="list-style-type: none"> <li>● Labor time savings: NTD 170,000</li> <li>● Downtime reduction and productivity improvement: NTD 2.03 million</li> </ul> </div>	

Employee Development Case 2: Systematic Improvement Program

Systematic Improvement Program (SIP)

<p><b>Content</b></p>	<p>To continue strengthening quality and competitiveness, AUO is continuing to promote SIP aimed at continued cultivation of employees' problem-solving and continuous improvement ability. Engineers and technicians were invited to use the DMAIC <sup>Note 1</sup> logic system to engage in problem solving. The establishment of a common lexicon throughout the Company will facilitate the realization of Company or departmental targets.</p>	
<p><b>L1 Reaction Assessment</b></p>	<p>Average course satisfaction was 9.7 (out of 10)</p>	<p>With SIP - Problem Analysis/Solving Procedure in Practice and Application Course as an example</p>
<p><b>L2 Learning Assessment</b></p>	<p>Average test score was 97.4 and 88% qualification rate after training</p>	<p>With SIP - Problem Analysis/Solving Procedure in Practice and Application Course as an example</p>
<p><b>L3 Behavior Assessment</b></p>	<p>100% completion of practical report after training</p>	<p>With SIP - Problem Analysis/Solving Procedure in Outstanding Project Competition as an example, based on judging of site competition/preliminary competition/quarterfinals/finals</p>
<p><b>L4 Results Assessment</b></p>	<p>Quantification of contribution to business performance from investment in employee training and development program:</p> <ul style="list-style-type: none"> <li>Improved optical performance: Brightness non-uniformity of the 55" a-Si TFT-LCD panel was reduced from 0.18% to 0.10%</li> <li>Lower defect rate: Spot defect ratio <sup>Note 2</sup> improved by 0.04%, decreasing from 0.17% to 0.13%</li> <li>Reduced scrap ratio: FMA Spot Defect <sup>Note 3</sup> was lowered by 0.93%, from 2.67% to 1.83%</li> <li>Eliminated dark-state light leakage: IPS OC dark-state light leakage rate <sup>Note 4</sup> was successfully reduced to 0%, achieving optimization in both product design and manufacturing processes</li> <li>Enhanced process efficiency: Dry Etch PM equipment recovery process efficiency <sup>Note 5</sup> was improved by 77%, significantly enhancing production throughput</li> </ul> <p>Note 1: Define, Measure, Analyze, Improve and Control.                  Note 2: Spot Defect Ratio is one of the key indicators for assessing panel quality in the display industry. It is primarily used to evaluate the proportion of defects on a display panel, including hotspots, dead pixels, and abnormal color spots, ensuring that the product meets quality standards. A lower ratio indicates higher panel quality, with fewer defect points.                  Note 3: Fine Micro Area Spot Defect may result from factors such as process contamination, photomask anomalies, uneven etching, or electrostatic damage, leading to display panels failing to meet shipping standards. A higher defect ratio indicates a greater number of scrapped units due to process abnormalities, negatively impacting production yield.                  Note 4: The IPS OC Dark-State Light Leakage Defect Rate is a key metric for evaluating the proportion of backlight non-uniformity or light leakage occurring when an IPS (In-Plane Switching) panel displays a black screen. This indicator is particularly critical for high-end displays, professional image processing equipment, and gaming monitors, as excessive light leakage can affect screen uniformity and contrast ratio.                  Note 5: Dry Etch is a critical etching technology in both display and semiconductor manufacturing processes. It is primarily used in the fabrication of display panels such as TFT-LCD, OLED, and Micro LED, where plasma or ion beams selectively remove material to form precise circuits and patterns. PM refers to Preventive Maintenance. The efficiency of the equipment recovery process directly impacts production yield, equipment utilization rate, and process stability.</p>	

AUO University Training Program Highlights

The AUO University tailors the focus of talent training and developments in organizational culture to the Company's business strategy and mission goals. To help employees break free from the limitations of single-domain expertise, AUO has established dedicated cross-disciplinary learning zones. These zones encourage exploration and development of knowledge and competencies across multiple domains, fostering continuous professional growth in diverse fields. In support of global business expansion and overseas market development, AUO strengthens the cultivation of international talent. Meanwhile, by deepening digital learning strategies and promoting innovative applications, the company enhances employee work efficiency and teamwork, accelerating its journey toward value transformation.



### Cross-Disciplinary Learning: Empowering Growth and Creating Win-Win Outcomes

AUO actively promotes the "Cross-Disciplinary Learning Zone" initiative to cultivate employees with versatile skillsets and adaptability. The zone offers themed courses and encourages voluntary participation, providing an open and resource-rich learning platform. Through this initiative, employees can upskill by exploring areas beyond their current roles, thereby expanding and elevating their competencies. In addition, AUO promotes cross-departmental collaboration and job rotation to build practical cross-functional capabilities and drive internal talent and knowledge flow.

From the employee perspective, cross-disciplinary learning broadens their professional horizons and expands career development pathways. From the corporate perspective, enhancing employees' cross-domain insights strengthens organizational agility and innovation capacity. The Cross-Disciplinary Learning Zone features eight key themes: International Business Acumen, Cross-Cultural Skills, Sustainability, End-to-End Processes, Work Efficiency, Digital Technology, Display Technology, and Quality Manufacturing. A total of 84 courses were made available, with 4,595 instances of self-directed learning recorded within the first month of launch. By the end of 2024, this number had grown to 9,589 self-directed learning instances, with International Business Acumen, Digital Technology, and Work Efficiency being the most popular topics. These figures reflect AUO's company-wide commitment to cultivating cross-functional talent and advancing its M2M (Move to Market) strategy. Looking ahead, AUO will continue to advocate for a cross-disciplinary learning mindset, laying a solid foundation for the sustainable development of both employees and the organization.

### College of Liberal Arts: Effective Communication

To accelerate AUO's global expansion, the company is dedicated to cultivating a culture of efficient meetings through structured meeting management and effective communication strategies. From clear goal-setting to practical meeting techniques, employees are provided with professional guidance and resources tailored to various meeting scenarios, aiming to enhance meeting effectiveness across the board. These efforts ensure that every discussion yields tangible results and value. Whether in cross-time-zone virtual meetings or in-person sessions, seamless connectivity enables uninterrupted collaboration. This not only improves operational efficiency but also fosters the exchange of innovative ideas and knowledge sharing, fueling the company's ongoing growth. In addition, team members are encouraged to voice suggestions and feedback, continuously optimizing meeting processes so that every participant can contribute to their fullest potential.

### College of Business: Training of Internationalized Talent

As part of AUO's global business expansion and overseas investment strategy, multiple language courses are offered for expatriate and foreign employees for the effective improvement of communication efficiency, express our respect for multiculturalism, promote the successful of transnational collaborations, and boost international competitiveness.

#### English Training Programs

AUO tailors tiered hybrid English training to workplace needs — empowering 4,503 employees with a 9.7 satisfaction rating by end of 2024. Comprehensive business English courses cover presentations, meetings, socializing, and emails — enhancing real-world communication skills for all staff. Executive speech coaching strengthens leadership impact on global stage. Through tiered hybrid training, AUO elevates employees' English proficiency, boosting cross-border teamwork and supporting global business expansion — striving for excellence in an increasingly competitive world.



#### German Language and Cultural Training

Aligned with AUO's global operations, AUO University embraces "Diversity and Inclusion" as a core value, actively promoting cross-cultural training with a focus on two key competencies: cross-linguistic communication and cross-cultural adaptability. 2024 marked the launch of AUO's German Language and Culture Program. In its first year, the program successfully trained 693 seed employees, with plans for continued expansion to foster deeper intercultural awareness. For cross-linguistic communication, AUO offered a 30-hour beginner German language course to help employees acquire basic conversational skills and improve communication efficiency with international teams; for cross-cultural adaptability, a 2-hour German culture seminar was conducted to enhance employees' understanding of effective collaboration across diverse cultural contexts and to promote workplace harmony.

### College of Future: Generative AI Learning Community

In 2023, AUO's Future Academy initiated the foundational phase of Generative AI training for all employees, focusing on conceptual understanding and hands-on introductory instruction. Beginning in 2024, the program entered its second phase, establishing AI learning communities through a hybrid approach of online coaching and offline practical application.

Seed employees from various departments share real-world applications, followed by offline hands-on development courses to deepen learning. To meet the unique needs of each department, 26 project-based GPT systems were developed to embed AI into daily work routines and reshape operational processes. These seed employees then cascaded their knowledge across departments to expand the program's benefits. According to internal surveys, 82% of participants reported improved work efficiency through digital empowerment. Future Academy leverages structured training to enable employees to move from learning to action, advancing organization-wide AI adoption and enhancing overall productivity.





## Material Topics

Improve the participation of all employees and enrich the knowledge energy through multiple innovative techniques

## All in ESG

Through its Sustainability Academy, AUO has designed a modular training blueprint to enhance employees' awareness and practical capabilities in sustainability. Courses are tailored to different target groups and span from emerging trends and general education to foundational and advanced training modules. In 2024 alone, the academy organized 82 training sessions, including global risk trend analysis, ESG micro-lectures, key unit empowerment programs, and sustainability impact workshops, with a cumulative 26,895 training participants. Now in its third year, the Sustainability Academy continues to align with evolving global trends through systematic and diverse training offerings, positioning itself as a central platform for sustainability education within the company. It also fosters collective recognition and proactive engagement in sustainable development initiatives across the organization.

### Foresight Competency: Global Risk Trends

AUO organizes annual risk and trend briefings as preparatory training prior to enterprise-wide risk assessments. Delivered by external experts, these sessions provide macro-level perspectives on global developments and equip AUO's leadership with insights to identify a broad spectrum of risks and opportunities.



### Basic Competency: Key Unit Empowerment

Under AUO's strategic value transformation, sustainability has become a crucial driver of new business opportunities. The Sustainability Academy designs customized training for key units - such as business groups, R&D, quality, EHS, supply chain, and HR. Such an arrangement helps to strengthen the connection between sustainability issues and departmental strategic goals, and to enable practical application in daily operations.



### Professional Competency: Sustainability Impact Workshops

AUO employs a Sustainability Impact Assessment framework to identify how business operations affect external stakeholders. Through interactive workshops, employees deeply engaged in sustainability initiatives are invited to share insights and perspectives. These workshops help refine the company's impact evaluations while also promoting effective cross-functional dialogue on sustainability topics.



### AUO Sustainability Literacy Survey

To continuously track the effectiveness of sustainability literacy development among employees, AUO revamped its approach in 2024 by integrating the Sustainability Academy curriculum into the assessment process. The survey incorporated educational video content to enhance visual engagement, followed by post-course quizzes to gauge employees' perception of AUO's sustainability efforts, as well as their levels of behavioral adoption and willingness to engage in sustainable practices. In 2024, the survey was administered to all employees, with 11,060 participants completing the assessment. The average score was 80.06. Among respondents, 8,061 employees had participated in company-led social engagement activities, indicating a high level of involvement in community initiatives. Additionally, 10,431 employees reported engaging in sustainable behaviors in their daily lives, and provided positive feedback. These actions included reducing the use of disposable utensils, using reusable cups on campus, and purchasing seasonal organic ingredients, demonstrating how AUO employees incorporate sustainability into everyday routines and actively support the company's broader sustainability initiatives.

### 2024 Huadong Sustainability Workshop

AUO has extended its sustainability management initiatives to its manufacturing sites in mainland China. AUO held the Huadong Sustainability Workshop, where the Chief Sustainability Officer presented global sustainability trends and AUO's sustainability strategy. General Managers from the Suzhou and Kunshan plants also shared best practices and achievements in sustainability implementation, deepening participants' understanding of AUO's commitment and guiding principles in sustainable development. The workshop included a recognition session to honor employees who made outstanding contributions to sustainability efforts. In addition, AUO organized roundtable discussions that brought together experts from the Suzhou municipal government and AUO's leadership, facilitating meaningful public-private dialogue on sustainability issues and fostering mutual learning across sectors.



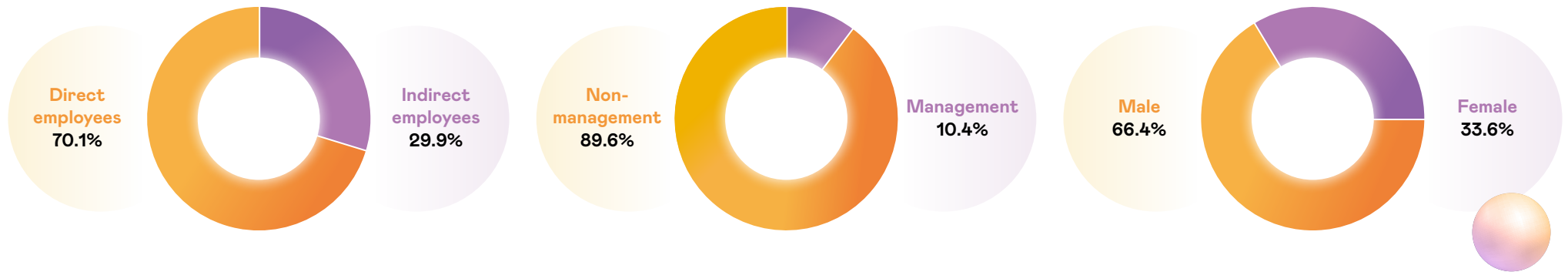
## 4.3.2 Performance Management & Career Development

### Performance Management System

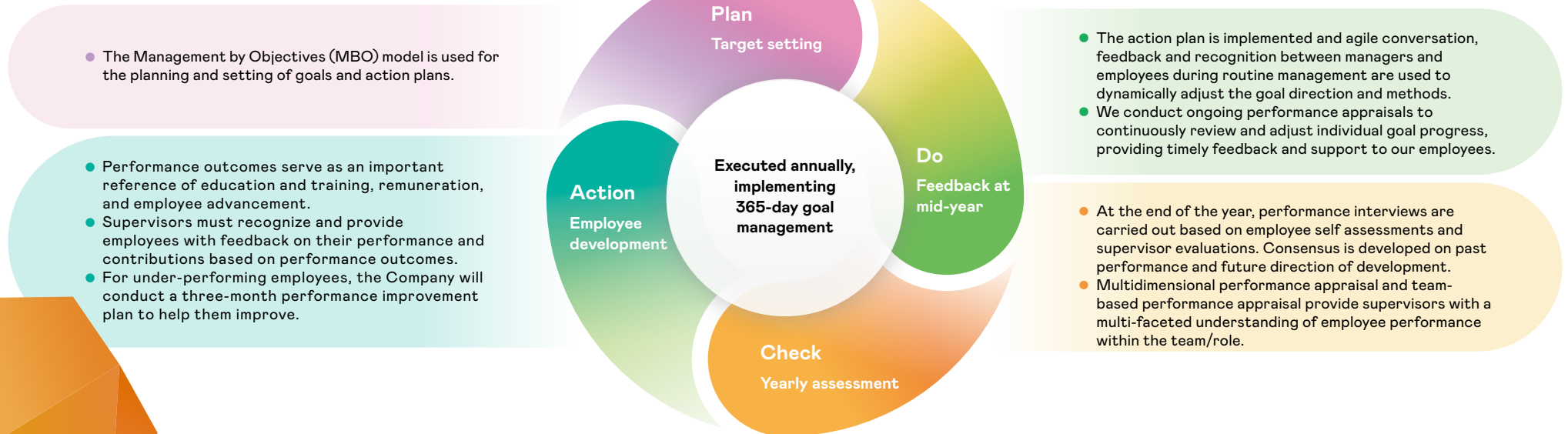
AUO’s performance management system is built on two core principles: supporting business growth and ensuring sustainable talent development. Each year, strategic business goals are cascaded down into team and individual key performance indicators (KPIs). A continuous PDCA performance management cycle—which includes real-time feedback, on-going appraisal, biannual performance evaluations, performance reviews, and follow-up actions—is implemented to foster open, two-way communication, allowing managers to promptly understand and respond to employee needs. Performance evaluation results serve as a critical foundation for decisions related to talent deployment, compensation and rewards, and training, thereby supporting the positive development of talent and enabling employees to fully utilize their strengths.

#### Distribution of Routine Performance and Employee Categories

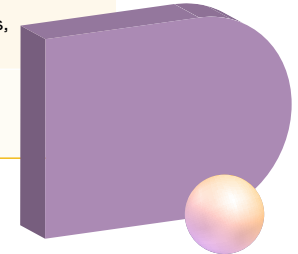
100% of global permanent employees that completed the performance management cycle in 2024.



#### PDCA Performance Management Cycle



Method	Stakeholder	Frequency	Implementation Approach
Management by Objectives (MBO)	All AUO Employees	Once per year	<ul style="list-style-type: none"> <li>Concrete targets for each level/unit are rolled out hierarchically base on the annual business strategy.</li> <li>Managers and employees jointly discuss and set individual work goals and development plans based on unit targets.</li> </ul>
Multi-dimensional Evaluation		Twice per year	<ul style="list-style-type: none"> <li>Diverse evaluation criteria: core competencies and goal achievement.</li> <li>Diverse evaluation targets: input may be gathered from cross-functional collaborators, invited by both employees and managers.</li> </ul>
Team-based Evaluation		Twice per year	<ul style="list-style-type: none"> <li>Feedback is provided based on relative performance within the team. and a bell curve distribution is applied to identify high-potential talent.</li> </ul>



**Material Topics** Internal promotion rate for executive and professional positions; Indirect staff job rotation rate

### Diverse Career Development Channels

Internal talent mobility is important to AUO. We respect and balance employee career needs against the company’s business requirements to provide diverse options for career development. Employees are encouraged to enhance their specialization, broaden their global and functional perspectives, and explore more possibilities in their career journeys.

#### Deepening Expertise: Structured Development of Leadership and Professional Talent

AUO has designed a career development blueprint based on job responsibilities and complexity levels to systematically cultivate organizational leaders and professional experts, supporting continuous employee growth at every stage.

#### Job Grade Promotion Mechanism

Employees who demonstrate proficiency in their current roles are given opportunities to expand their responsibilities and take on more challenging and accountable tasks.

#### Dual-Track Promotion Mechanism

For high-performing talent, AUO offers dual career paths in both managerial and non-managerial tracks, providing employees with clear and structured career development options. According to 2024 statistics, the internal promotion rate reached 88%, which not only fosters employee growth but also helps retain key talent.

#### Expert Recognition Program

Employees are encouraged to pursue continued excellence in technical domains. Outstanding technical professionals are identified and honored through a formal recognition system.

These mechanisms are reviewed quarterly by the Personnel Review Committee to assess employees’ career plans and rotation status, ensuring the right talent is placed in the right positions and enabling growth aligned with individual strengths and organizational needs.

#### Broadening Horizons: Promoting Talent Mobility and Development

AUO promotes task rotations to facilitate knowledge transfer and nurture cross-disciplinary, globally competitive talent. These efforts drive comprehensive employee development and align with the company’s sustainable development goals. In 2024, the rotation rate for indirect employees reached 29% <sup>Note</sup>, and the Internal transfers accounted for 74% <sup>Note</sup> of total recruitment demand. These stats reflected AUO’s commitment to providing employees with diverse development opportunities and a wide array of career paths.

Note: Rotation rate for indirect employees is calculated based on inter-departmental transfers. Intra-departmental task adjustments are also implemented to broaden and deepen employees’ professional capabilities.

## Talent Mobility and Development Integration Plan

### Global/Group Talent Development Program (GDP)

- AUO actively promotes a global career development initiative to cultivate globally mobile talent and build an international career platform. This structured program continuously nurtures a global talent pool to meet the evolving demands of the market.
- In 2024, AUO expanded two-way talent exchanges between headquarters and overseas locations, including assignments between Japan, the United States, and Taiwan. Based on business needs and employee development goals, the company arranged international rotations and training programs lasting from three months to two years. These assignments provide cross-disciplinary, cross-border experiences and help cultivate a global mindset, thereby enhancing employees' international competitiveness.



**Connection**  
(Local Touch)

Strengthening cross domain connections to establish cross industry networks.

**Culture**  
(ONE AUO Thinking)

Familiarizing oneself with headquarters culture to enhance organizational identity.

**Commerce**  
(Move to market)

Enhancing business capabilities and technological trends to cultivate a global perspective.

### Job-bid

- AUO has established a cross-country and cross-group job mobility platform that offers transparent job vacancy information. This promotes horizontal development for outstanding talent and ensures a fair and open environment for career advancement by offering employees more diverse growth opportunities.

### Flexible Benefits Plan and Supporting Management Mechanism for International Assignments

- In 2024, a total of 220 employees participated in global assignments. Whether deployed individually or accompanied by family, AUO provides comprehensive support and care throughout the process.



#### Advance Preparations for Expatriate Assignments

Arrangement of advance preparations such as health exam, shipping of personal belongings, environmental inspection, and visa services.



#### Expatriate Care and Support

Entitlement to expatriate group insurance and SOS emergency overseas medical assistance services.



#### Expatriate Talent Rotation Mechanism

Rotation mechanism is activated at end of assignment for planning of career development upon return.



#### Essential Subsidies for Living in a Foreign Land

Regular inspection of local standard of living to design expatriate stipend as well as accommodation, transportation and telecommunications subsidies that maintain the quality of life.



#### Expatriate Assignments Accompanied by Family

Provide family stipends, children's education subsidies, and family housing to support home-building in a foreign land.



In 2024, AUO organized 13 social gatherings for expatriate employees at its China facilities, including activities such as Spring Festival calligraphy writing, Dragon Boat Festival rice dumpling making, Christmas luncheons, and expat lunch meetups. These events allowed employees and their families living abroad to experience the warmth and familiarity of traditional holidays even while away from home.

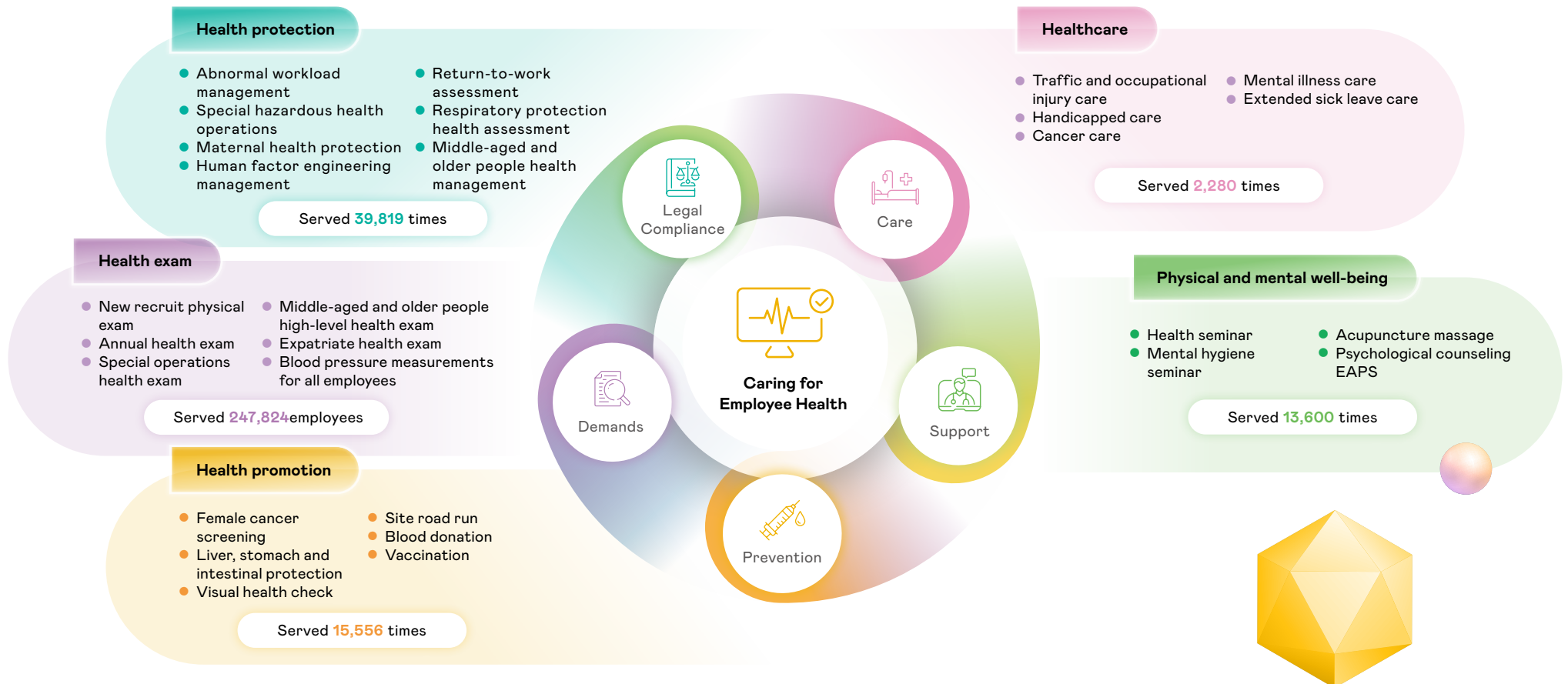
# 4.4 Health & Safety

## 4.4.1 Health Care

Employees' physical and mental well-being are among AUO's most valuable assets. Guided by a people-centered philosophy, AUO is committed to creating a friendly and healthy workplace. In alignment with the UN Sustainable Development Goal (SDG) 3: Ensure healthy lives and promote well-being for all at all ages, AUO has developed a range of health promotion programs tailored to employees of different age groups and needs. With collaborative efforts from the Wellness Center, Human Resources Center, Environmental Safety and Health teams, and departmental supervisors, AUO strives to build a comprehensive support system that nurtures physical, mental, and spiritual well-being, while continuously enhancing employee health.

### Caring for Employee Health


The "Holistic Healthcare Plan" was devised by AUO based on the three principles of Healthy Environment Building, Health Risk Management, and Protection of At-risk Groups. The application of health big data and introduction of hospital resources allow all employees to monitor their own health and improve well-being through a wide variety of activities. In 2024, the program focused on five key dimensions: Health Screening, Health Promotion, Health Protection, Health Care, and Mind-Body Balance.





## Maternal Health Care for Employees

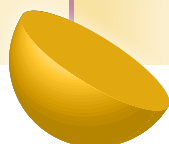
AUO provides support for women during reproductive phases in response to the increasing severity of declining birth rates. In addition to existing healthcare services during pregnancy and after childbirth, AUO continued in 2024 to offer comprehensive and considerate support during the preconception phase, ensuring full coverage for employees planning to start a family.

Pregnancy Preparation Phase	Pregnancy and Childbirth Phase	Postnatal Recovery Phase	Maintenance Phase and Healthcare
<ul style="list-style-type: none"> <li>● Fertility Planning Seminars</li> <li>● Provide the latest information on food and health education during pregnancy preparation</li> <li>● Signing of agreement with domestic artificial insemination institutions</li> </ul>	<ul style="list-style-type: none"> <li>● Provision of guidance during pregnancy by professional nurses and prenatal health assessment by occupational medicine specialist</li> <li>● Evaluate on-site hazards and ensuring the safety of the workplace</li> <li>● Flexible working hours and employees given the choice of working at nearby sites</li> <li>● Epidemic prevention talisman for pregnant women</li> <li>● Pregnancy gifts and joining employees in welcoming new babies</li> </ul>	<ul style="list-style-type: none"> <li>● Provision of postnatal health advice by nurses</li> <li>● Postnatal health assessment by occupational medicine specialist</li> <li>● Flexible breastfeeding hours and friendly breastfeeding spaces</li> </ul>	<ul style="list-style-type: none"> <li>● Provision of better-than-statutory healthcare</li> <li>● Female-only health exams (breast ultrasound, mammography, pap smear, gynecological ultrasound, gynecological cancer blood tests) that can be performed on-site</li> <li>● No-gap subsidies on regular breast ultrasounds for women on shift work</li> </ul>
<p>Pregnancy assistance seminars attracted <b>222</b> employees</p>	<p>Pregnancy/postnatal maternal health consultation services were used <b>164 times</b>                      Female-only health exams conducted for <b>2,337 people</b>                      Female health consultation services used by <b>440 people</b>                      Breast ultrasound for women on shift work conducted for <b>69 people</b></p> 		

## Expatriate and Business Travel Health Management

In the post-pandemic era, with the continual mutation of various bacteria and viruses and the emergence of infectious diseases across different regions of the world, AUO maintains vigilant monitoring of environmental health conditions in employee travel destinations. This is achieved through Medical Alerts issued by International SOS, enabling real-time health risk assessment and timely dissemination of preventive measures for business travelers.

Medical Information	Enhancement of personal health protection	Health Care for Expatriates and Travelers
<ul style="list-style-type: none"> <li>● Periodic distribution of International SOS service information to all expatriates and business travelers</li> <li>● Online briefing session held at the newly established Vietnam site to introduce International SOS services</li> </ul>	<ul style="list-style-type: none"> <li>● Distributed pandemic prevention kits to 1,005 traveling employees</li> <li>● COVID-19 vaccination for 1,876 people</li> <li>● Flu vaccination for 1,546 people</li> <li>● 490 employees in Taiwan sites received rapid testing due to abnormal health symptoms</li> </ul>	<ul style="list-style-type: none"> <li>● 43 cases of routine expatriate care provided</li> <li>● 1 case of follow-up for abnormal medical exam results in expatriate</li> <li>● 2 cases of medical emergencies involving expatriates triggered International SOS emergency assistance and return to Taiwan for continued treatment</li> </ul>



Material Topics

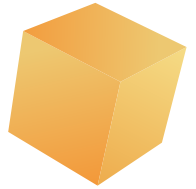
Regular follow-up visit rate for personnel with three-hypers

### Cardiovascular and Cerebrovascular Disease High-Risk Care

The average age for AUO employees is 41 so all kinds of chronic illnesses are beginning to surface. AUO pays close attention to employees at high-risk of neuro-cardiovascular disease and issues the risk index for overall employee health every month. Employees are encouraged through the Wellness Center to lower their risk index through exercise, weight loss, and their diet. Annual increases in the return visit rate for personnel with neuro-cardiovascular (three-hypers) anomalies was also set as a target to enhance employee health awareness and reduce the risk of disease. In 2024, the follow-up rate was 70.02%, a 0.53% decrease compared to 2023. Analysis indicated that the decline was due to employee turnover, difficulties in contacting shift workers, and misunderstandings of physicians' advice. To improve follow-up participation, AUO implemented a "Three Highs Health Management Project", applying the PDCA (Plan-Do-Check-Act) management cycle to monitor and improve employee health. Status updates are regularly shared with senior management to ensure continuous optimization of health management measures.

#### Neuro-cardiovascular disease support in 2024 <sup>Note</sup>

No. of neuro-cardiovascular disease cases	5,854
Total frequency of return visits	4,099
Return visit rate	70.02%
No. of people with neuro-cardiovascular disease	10



Note: The scope is Taiwan sites.

#### In Support of World Sleep Day

With the rapid advancement of technology, modern individuals are constantly surrounded by 3C (computer, communication, and consumer electronics) products and inundated with information at all hours, which inadvertently increases psychological stress. This has led to a noticeable rise in sleep deprivation and sleep disorders. Analysis of the 2023 employee health check-up questionnaires revealed that over 51% of employees reported insufficient sleep, while 5% frequently experienced insomnia, highlighting the urgency of addressing sleep-related issues in today's society. In response, AUO aligned with World Sleep Day in the first half of 2024 to raise employee awareness of sleep and its related challenges. Quality sleep is critical to both physical and mental health, and it serves as the foundation for improved work efficiency and overall quality of life. A variety of activities were held, attracting 1,350 participants. Employees with severe conditions were referred to pulmonary or otolaryngology specialists for further treatment. Through these diverse initiatives, AUO aims to help employees overcome sleep-related problems.

## 4.4.2 Safe Workplace

Guided by a people-centric philosophy and in compliance with its policies on environmental safety, water resources, and energy, AUO spares no effort in fostering a safety-first culture. Through risk control and comprehensive employee participation, the company is committed to building an intrinsically safe work environment. In 2024, all global manufacturing sites continued to operate under the ISO 45001 Occupational Health and Safety Management System, covering 97.9% of employees <sup>Note 1</sup>. AUO ensures all stakeholders thoroughly understand their occupational health and safety rights and responsibilities through training, awareness campaigns, and drills. This approach effectively mitigates potential risks and fosters a secure work environment where employees and partners can thrive together. Additionally, AUO's Taiwan sites obtained verification under the Taiwan Occupational Safety and Health Management System and were awarded the CNS 45001 certification <sup>Note 2</sup>. Through the implementation of the PDCA (Plan-Do-Check-Act) cycle in the management system, employees are supported and required to comply with all relevant safety management protocols.

Category	Number of people covered by management system <sup>Note 1</sup>	Total number of AUO employees	Ratio
Employees	36,481	37,262	97.90%
Contractors <sup>Note 3</sup>	1,923,280	1,923,838	99.97%

Note 1: Non-manufacturing sites are not included in certification scope. This includes the Singapore site (decommissioned in 2024), the Slovakia site (restructured as a repair center), as well as the overseas offices in Europe, the U.S., Japan, Korea, and local offices in Taipei and Kaohsiung. The Vietnam site was newly added in 2024.

Note 2: Taiwan sites include Huaya, Longtan, Longke, Hsinchu, Taichung, Houli, Tainan, and Kaohsiung.

Note 3: Contractor data is based on site entry person-times.

Site	ISO 45001 Issue Date	ISO 45001 Expiry Date	CNS 45001 Certified
Corporate HQ / Taiwan Sites <sup>Note 2</sup>	2024/05/11	2027/05/11	✓
Kunshan Site	2024/05/10	2027/05/09	✗
Suzhou Site	2023/03/04	2026/03/03	✗
Xiamen Site	2023/04/07	2026/03/12	✗
Vietnam Site	2024/03/15	2027/03/14	✗

AUO, through its ISO 45001 Occupational Health and Safety Management System, has established internal procedures to develop an Environmental, Health, and Safety (EHS) Risk Assessment System. Centered around the Occupational Safety and Health Committee, the system promotes full participation across all employees, enabling more comprehensive hazard identification and risk assessment. For items deemed to pose unacceptable high risks, priority is given to the use of engineering controls, substitution, or elimination - adopting best available technologies for improvement. In 2024, a total of 278 management plans were proposed under this framework. In addition, department supervisors focus on the next-highest risk items using the Job Safety Analysis (JSA) observation method to drive improvements, aiming to enhance workplace safety and prevent occupational injuries and diseases.

ISO 45001 Management: Focus Cases

1

Establishment of Automated Chemical Dosing System

Previously, operators manually carried bucketed chemicals to refill at the dosing inlet of the equipment, posing risks of chemical contact or inhalation. This was improved by introducing a central automatic dosing system, eliminating personnel exposure.

Before Risk Value <small>Note 1</small>	After Risk Value <small>Note 1</small>
228	128

2

Upgrade of Chemical Spill Emergency Response Measures

In cases of chemical splashes, on-site emergency showers were used for immediate treatment. To ensure timely notification of support personnel, an automatic alert device was installed through engineering improvements. The system integrates with AUO's self-developed LINK App, which sends push notifications to on-call smartphones, significantly improving emergency response efficiency.

Before Risk Value <small>Note 1</small>	After Risk Value <small>Note 1</small>
192	128

Job Safety Analysis (JSA): Focus Cases

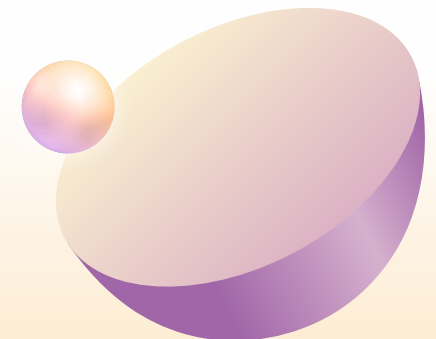
1

Poor design of the leak containment tray under equipment failed to effectively collect liquid, preventing the leak detector from responding in time, resulting in substrate scrap and circuit board short-circuits. The improved design includes a catchment tank with an appropriate drainage slope and enabling timely detection.

2

Empty boxes (approx. 15.2 kg) or trays (approx. 7 kg) previously required manual lifting and stacking, which could cause lower back strain from repeated handling. A polarizer replenishment lifting platform was introduced to replace manual operations, reducing ergonomic risks.

Note 1: Risk Value (R) = Severity (S) × Probability of Occurrence (P) × Effectiveness of Risk Control (C), as defined in AUO's Hazard Identification and Risk Assessment Procedure.



## Safety Culture

Since 2012, AUO has implemented the Safety Lifesaving Clause to regulate and safeguard employees from engaging in hazardous operations without proper training or certification, while empowering them to refuse any tasks that violate this clause. In 2024, digital tools were employed to monitor and remind employees of their adherence to the clause, with electronic bulletins reinforcing the importance and meaning of these safety standards. In 2024, the Safety Lifesaving Clause was further strengthened by linking it to both organizational and individual performance metrics. AUO also extended safety culture into employees' homes, emphasizing family connections to reinforce a shared commitment to zero workplace injuries. Through a range of cultural activities and training programs, unsafe behaviors were proactively addressed to prevent accidents. For equipment and facilities in operational environments, AUO not only ensures full regulatory compliance but also commits to exceeding legal requirements. AUO continues to deepen employee and business partner awareness of safety policies, working collaboratively to uphold the Safety Lifesaving Clause and ensure a safe working environment for all.

### Extending Safety Culture Beyond the Workplace

AUO considers safety as an important risk management objective. To achieve the safety risk management goals, it aims to further promote a safety culture by fostering safety awareness, organizing safety competitions, and implementing corresponding incentive measures in conjunction with safety objectives. To cultivate a safety-first mindset beyond the workplace, AUO encourages employees' families to understand the company's safety standards and expectations. By fostering safety awareness at home, family members can offer ongoing support and reminders, reinforcing employees' attentiveness to safety in all aspects of life. This interconnected approach helps to holistically shape a culture of safety that extends beyond the worksite.

### Safety ABC Competition

In 2024, AUO promoted its safety culture through positive thinking, peer support and safety partnerships, and performance-based incentives and career advancement. With top-down leadership by supervisors setting examples and bottom-up engagement from employees reinforcing self-governed practices, all team members were empowered to recognize potential workplace risks. This approach also fostered greater safety awareness and enabled employees to both prevent incidents and mitigate their impact. This effectively enhanced the execution of risk management. During the 2024 Safety ABC competition, AUO recognized: 72 supervisors for their proposals in job safety analysis (JSA); 127 outstanding safety officers for their positive attitude toward safety, and selected 48 exceptional supervisors who exemplified positive leadership in safety practices. Teams and individuals that excelled in risk management effectiveness were also acknowledged. High-performing teams and individuals were further rewarded through performance evaluations and promotion opportunities.



### Positive Thinking Supervisor Selection

The promotion of positive thinking has injected new impetus into the AUO team towards a safety culture in 2024. Excellent supervisors who set an example in their own fields not only lead the AUOers to cultivate positive thinking, but also replace blame with encouragement and punishment with rewards, actively creating a safe working environment full of support and motivation.

### Employee Mutual Assistance and Safety Partners

There are total 4,593 cases of concern, 55 cases of minor injuries, and 4,457 safety reports were filed in 2024 through the Safety Passbook App which encouraging colleagues to care for each other, immediately remind hidden dangers when they are discovered, embody the spirit of mutual assistance in safety, and make each other a safe safety partner. Electronic publicity materials are provided through colleagues' smartphones in the form of comics, and lucky readers are drawn regularly every month to give small rewards. In 2024, a total of 12,347 colleagues actively participated.



## Employee Participation and Communication

AUO places great importance on employee participation and consultation. In compliance with occupational safety and health regulations in each region, employee representatives are elected to participate in the operations of the Occupational Safety and Health Committee. These representatives are involved in revising safety and health work regulations, investigating incidents, and conducting workplace environment monitoring. Labor-management meetings also provide a platform for discussing disciplinary measures and methods for electing labor representatives. AUO emphasizes the importance of safety communication in its Environmental, Occupational Health and Safety, Water Resources, and Energy Policy. Multiple communication channels - such as the General Manager’s mailbox, internal communication mailboxes, labor-management meetings, and the Safety Ledger - are used to collect employee feedback and enhance communication mechanisms. In 2024 <sup>Note 1</sup>, AUO handled a total of 4,610 <sup>Note 2</sup> safety-related communication cases, achieving a 100% resolution rate. Each site has established an Occupational Safety and Health Committee in accordance with legal requirements. These committees, composed of management and employee representatives, continuously work to improve workplace safety and ensure proper implementation of management practices.

Note 1: Offices not located within factory sites (e.g., offices or service centers in Europe, the U.S., Japan, Korea, as well as the Taipei and Kaohsiung offices) are not included in the statistics.

Note 2: In 2023, only 15 cases were recorded. The increase in 2024 is due to the full-scale rollout and adoption of the “Safety Ledger” communication platform, which was launched in 2023. A total of 4,593 care and concern cases were received through the Safety Ledger in 2024, while 17 cases were submitted through existing communication channels, resulting in a total of 4,610 communication cases.

### Material Topics

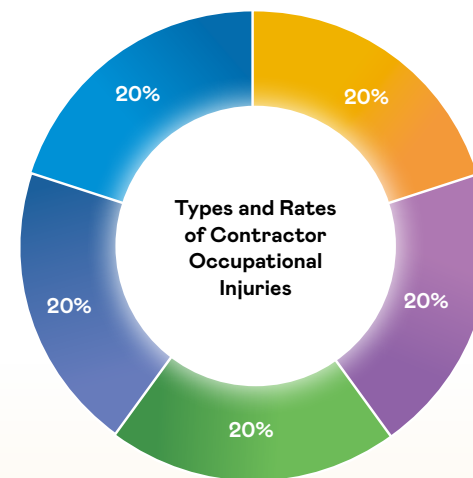
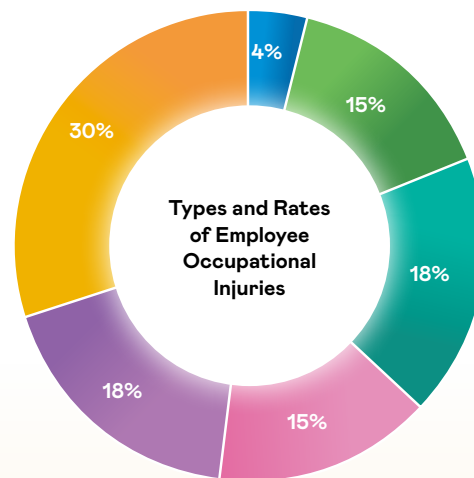
Major accident; Frequency of disabling injuries (FR); Number of industrial safety accidents; Number of traffic injuries

## Health and Safety Indicators

With a vision of achieving zero occupational accidents, AUO has established a number of self-managed indicators, including: Number of major occupational accidents <sup>Note 1</sup>, Employee disabling injury frequency rate (FR), Contractor disabling injury frequency rate (FR), Number of occupational safety incidents, and Number of traffic-related disabling injuries. In 2024, relevant stats are as follows: Employee disabling injury FR: 0.32, Contractor disabling injury FR: 0.32, and Traffic-related injury cases: 116. These figures did not meet our annual targets. Upon analysis, it was found that a higher proportion of disabling injuries occurred during non-production activities or company-sponsored events <sup>Note 2</sup>. AUO has implemented corresponding corrective actions and is committed to achieving better management results in 2025 to ensure the safety of all employees and contractors.

**2024 Occupational Injuries**

- Serious Occupational Accidents **0 cases**
- Frequency of disabling injuries (FR) **0.32**
- Industrial safety accidents **6 cases**
- Traffic injuries **116**
- Frequency of disabling injuries for contractor **0.32**



- Slipping/falling
- Pinching/rolling/crushing
- Bashing/hitting
- Spraining/bruising
- Stabbing/scratching/cutting
- Falling
- Others

Note 1: Definitions for "serious occupational accidents" and "industrial safety accidents" are based on AUO’s internal classification system, which considers the type of incident, number of people affected, and severity.

Note 2: “Company activities” include events such as sports days, recreational competitions, and similar gatherings.

see [Prevention and Improvement of Occupational Injuries and Disasters & Contractor Safety Management in 4.4.2 Safe Workplace](#)



## Prevention and Improvement of Occupational Injuries and Disasters

With the continued promotion of a positive safety culture, AUO has steadily advanced various occupational safety and health improvement projects. As a result, in 2024, the employee disabling injury frequency rate (FR) was 0.32, and both major occupational accidents and workplace safety incidents were effectively reduced. The number of major occupational accidents and safety incidents met AUO's internal self-management targets. For those areas where targets were not met, control measures have been formulated and implemented based on root cause analysis to ensure continuous improvement.

To achieve its internal self-management targets, AUO launched the proactive "Safety<sub>abc</sub> Zero<sub>2</sub>" Project, which engages department heads at the division level and above in its organizational operations. The project addresses four major dimensions—leadership, awareness, discipline, and environment—to eliminate unsafe behaviors and conditions through digital identification and alerts. To realize the vision of zero occupational injuries, AUO continues to expand its use of intelligent assistance and digital management tools to strengthen safety observations and feedback mechanisms. Real-time reviews and rolling evaluations of leading indicators are conducted to proactively reduce potential workplace risks and protect employee safety.

### 2024 Occupational Safety Risk Management Project Implementation Status

#### Management Projects



#### Machinery Interface Risk Management Project



#### Powered Transport Equipment Safety Improvement Project



#### JSA and Work-at-Height Risk Prevention Project

#### Projects

Assessed contact risks at machinery interface areas, identifying 139 high-risk hazard points. In 2024, 129 improvements were completed using Job Safety Analysis (JSA) and hazard awareness training. Remaining improvements are scheduled for completion in 2025.

Analyzed past incidents using the "Man, Machine, Material, Method, and Environment" approach to establish preventative measures.

Applied JSA observation techniques to comprehensively assess areas over 2 meters high with potential fall risks due to work requirements. Risks were identified through workflow breakdowns and hazard recognition, followed by plant-wide confirmation, improvement requests, and self-management practices.

#### Result of Project Execution

- Houli Site: Incomplete Interlock

When personnel entered a restricted zone, the robotic arm would stop, but the conveyor belt remained in motion. After improvement, all machinery in the zone halts upon entry, ensuring personnel safety.

- Taichung Site 1: Interlock Failure on Equipment Linkage

The linkage device included an X-ray electrostatic eliminator, but interlock function was found incomplete. After improvement, the eliminator shuts down immediately when personnel enter the restricted zone.

- Suzhou Site: Improper Equipment Reset

A camera module capable of rotating at various angles could still operate when the safety gate was open. After redesign, the camera now only activates once the gate is securely closed.

#### Man

Implemented biannual retraining and evaluation system by responsible units

#### Machine

1. Set maximum speed limits based on vehicle types
2. Added safety belt interlock reminders

#### Material

Established tire wear level indicators as replacement standards

#### Method

Standardized inspection focuses and techniques by integrating checklist items across departments

#### Environment

Marked pedestrian-vehicle separation lines, added turning point alerts, and improved operational lighting

- Climbing Fall Risk

Added mobile ladders to reduce the risk of falling from heights exceeding 2 meters.

- Maintenance Fall Risk

Introduced aerial work platforms for tasks performed above 2 meters to reduce risk of falling during maintenance.



## Contractor Safety Management

In 2024, a total of five occupational injuries occurred among contractors, including one serious occupational accidents <sup>Note</sup>. The disabling injury frequency rate (FR) was 0.32. To effectively reduce occupational risks among contractors, AUO has implemented three key strategies with clear objectives and action plans.

In line with the Occupational Safety and Health Administration’s Guidelines for the Safety and Health of Middle-aged and Elderly Workers, AUO compiled key risk considerations for aging workers and guided contractors in independently conducting work fitness assessments. These assessments have been incorporated into the “Pre-Contract Hazard Notification Form”, which is now a required element. In addition, through physical coordination meetings, contractors’ overall risk awareness has been significantly strengthened.

To mitigate fall-related risks, AUO enforced strict controls and audits on the use of A-frame ladders in 2024. Each ladder must display clear markings, and non-stoppable steps must be sealed off to prevent missteps. For frequently used, taller A-frame ladders, AUO is gradually introducing mobile platform ladders as a safer alternative. These improvements not only reduce the likelihood of accidents but also lessen the physical burden on workers, thereby improving operational efficiency.

AUO is reinforcing the importance of proactively identifying and preventing environmental hazards. Key areas of focus include slippery surfaces, inadequate lighting, and insufficient workspace safety. A Hazard Notification Checklist has been established, ensuring that all contractors and site supervisors understand the required safety measures prior to beginning work. The effectiveness of toolbox meetings is also being improved. Furthermore, AUO leverages various communication channels—such as plant video walls, cultural corridors, and group messaging platforms—to enhance contractor engagement and trust, thereby building a safer, more collaborative working environment.

Note: Definitions for “serious occupational accidents” is based on AUO’s internal classification system, which considers the number of people affected, and severity.



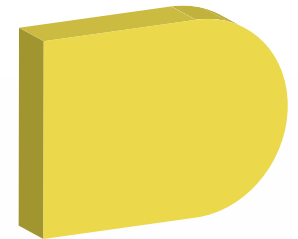
### Contractor Education and Training Course

A total of 1,454 sessions were held and attended by 39,354 contractors

Qualification training  
944 sessions

Supervisor training  
237 sessions

AUO safety officer training  
273 sessions



# 4.5 Social Engagement

## Social Investment in 2024

✔ Achieved
 ✘ Not Achieved

Category	Item	2024 Target	2024 Accomplish	2025 Targets
Cash (NTD)	AUO Sustainability Scholarship	8 million	✔ 9.48 million	8 million
	Fund for Wish Program	Transitioning into a capacity-building program for social innovation organizations	✔ 4.1 million	3 million
	Sustainable Agriculture Alliance – vegetables, fruits and rice	11 million	✔ 15 million	11 million
Time	Volunteer Service - Taiwan	8,000 Hours	✔ 12,138 Hours	8,000 Hours
Activity	Green Party	Transitioning into ecological conservation activities	✔ <ul style="list-style-type: none"> <li>• 1,761 person-times</li> <li>• 35.59% reduction in Mikania micrantha settlement rate</li> </ul>	1,500 participants
	Ocean Party	Clearing 2.5 tons of marine waste	✔ Clearing 2.89 tons of marine waste	Clearing 2.5 tons of marine waste or 300 participants
	Popular Science Education - Solar Science	4,600 person-times	✔ 11,618 person-times	4,600 person-times
	Environmental Education	4,200 person-times	✔ 16,007 person-times	4,200 person-times

### 4.5.1 AUO Foundation

In 2019, AUO established the AUO Foundation with the aim of fostering four main volunteer categories, including charity, culture, green initiatives, and education. By collaborating with stakeholders, the foundation works on key actions to protect the natural ecology, promote popular science and environmental education, drive cultural innovation, and address public welfare concerns.





**Charity volunteer**





**Green volunteer**





**Education volunteer**





**Cultural volunteer**



## 4.5.2 Charity Care

### Sustainability Literacy Scholarship

AUO has been inviting employees to donate a day's pay to scholarships since 2006. Over NT\$170 million have been raised to date for scholarships that benefited more than 46,000 students. Starting in 2016, AUO organized the Dada Magic Science Camp, inviting scholarship recipients from junior high schools to participate in science-based educational activities free of charge, fostering an early interest in science. In 2020, AUO partnered with Teach for Taiwan (TFT) to promote the Campus Sustainability Literacy Program, aligning with SDG 4 – Quality Education. The program integrates Taiwan's 2019 Curriculum Guidelines (108 Curriculum) to cultivate students' sustainability literacy. Led by teachers, students engaged in diverse learning projects such as community visits, hands-on activities, and environmental surveys. These initiatives aim to foster students' problem-solving abilities and non-cognitive skills, encouraging application in everyday life and developing leadership, self-confidence, and a sense of achievement.



Students in the Campus Sustainability Literacy Program presented their project outcomes through interactive, scenario-based designs



In 2024, AUO volunteers were invited to participate in the program for the first time

### AUO Sustainability Education Exhibition

In 2024, AUO hosted the Sustainability Education Exhibition, inviting teachers and students from the Campus Sustainability Literacy Program to showcase their learning projects. The exhibition also featured AUO's science education curriculum and campus documentation in multimedia formats. In addition, family-oriented education seminars were held. For the first time, AUO volunteers were invited to participate in the campus program and shared their experiences during the exhibition, enhancing employee understanding of AUO's commitment to promoting sustainability literacy education.

#### 2024 Accomplishments



- More than 1,800 employees participated
- Over NTD 9.48 million donated to benefit nearly 1,800 students
- The School Sustainability Literacy Cultivation Program produced 13 research projects and benefited more than 400 students

### Wish Program

AUO has implemented the Dream Fulfillment Program for 22 consecutive years, supporting over 130 social welfare and social innovation organizations in realizing their public welfare missions. The program has delivered more than 12,000 dream gifts and raised over NT\$27 million through the Dream Fulfillment Fund. In 2024, AUO collaborated with 12 nonprofit organizations to align with the United Nations Sustainable Development Goals (SDGs), focusing on diverse social issues including support for underprivileged groups, rural education, animal conservation, and international relief efforts. AUO also partnered with Zeczec, Taiwan's largest crowdfunding platform, to offer professional training that enhances fundraising capacity. The initiative actively engaged both AUO employees and the broader public to foster a society of shared prosperity and sustainability.

#### 2024 Accomplishments

##### Christmas presents

- Raised 631 presents <sup>Note</sup>
- Benefited 15 institutions

##### WISH Foundation

- Raised NTD 4.1 million in donations
- 12 NPO took part

AUO Foundation:  
The Wish Express



Each year, AUO volunteers travel to remote schools such as Hsin Kwang Elementary School to personally deliver Christmas gifts to children. Despite the cold weather, the volunteers' enthusiasm remains unwavering.



At the 2024 AUO Green Party Festival, beneficiary organizations of the Dream Fulfillment Fund were invited to join the festivities. AUO Foundation Chairman Paul Peng presented certificates of appreciation in recognition of their contributions to social welfare.

Note: Each present was valued at around NT\$500.



## Charity Club Services

7 charity clubs were progressively established at AUO sites from 2013 onwards to fulfill the mission of social care. Volunteers from the sites were recruited to mentor disadvantaged children on a long-term basis. Wilderness and coastal clean-up events were also held to protect the environment. In addition, the WOW SAX Saxophone Band, composed of AUO senior executives, has been a longstanding supporter of the Naluo Tribe in Hsinchu County. Through public street performances, the band has helped raise funds for the construction of an all-weather sports court in the tribe. The group participates annually in the Naluo Tribe Music Festival, using music as a medium to foster the preservation and transmission of tribal arts and culture. In 2024, AUO's public service clubs recorded 344 volunteer participations, contributing a total of 1,058 service hours.



### Suzhou: Cultivating a Culture of Public Welfare

AUO's Suzhou site actively encourages employees to participate in volunteer activities and has long been committed to public welfare projects. In cultivating a deeply rooted culture of community engagement, AUO Suzhou promotes three core initiatives: "Small Acts of Kindness, Practiced Daily," "Branded Philanthropy, Creating Memories," and "Eco-Charity, Linking Ecology."

#### Green Volunteers

In 2024, AUO Suzhou launched the Green Alliance to raise employee awareness of environmental protection and boost participation in ESG-related activities, while also expanding collaboration with external partners to amplify social impact. Approximately 45 volunteers joined green initiatives, participating in activities such as river cleanups, flower field planting, botanical science outreach, and environmental awareness campaigns.



#### Safety Volunteers

To reinforce AUO's safety culture, AUO Suzhou has stationed Safety Volunteers at factory entrances since 2012. These efforts have enhanced traffic safety across the Suzhou campus, reducing incidents and ensuring the well-being of employees and the general public. In 2024, a cumulative total of 7,954 volunteer shifts were recorded, with 7,954 total service hours.



#### Book Café Volunteers

AUO Suzhou's Book Café volunteers dedicate their break times to maintaining a quality reading environment for colleagues. In 2024, they contributed 332 volunteer sessions totaling 822.5 hours of service.



#### Small Acts of Kindness, Practiced Daily

Since 2020, AUO Suzhou has promoted a monthly donation program to support public welfare. As of 2024, 112 employees had participated, contributing a cumulative NT\$499,392 in donations.

#### Branded Philanthropy, Creating Memories

Since 2017, AUO Suzhou has held the annual "99 Charity Mart" for eight consecutive years. In 2024, the event drew 470 participants and raised NT\$71,742 for charitable causes.

#### Eco-Charity, Linking Ecology

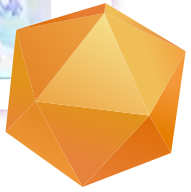
Upholding the philosophy of harmonious coexistence between humans and nature, AUO Suzhou launched the "One Mu of Eco-Rice Field" ecological conservation initiative. In 2024, AUO Suzhou and its employees jointly adopted 10.4 mu (approx. 6,933 m<sup>2</sup>) of rice fields to contribute to ecological sustainability.





**Xiamen: 99 Charity Mart & "One Mu of Eco-Rice Field"**

Since 2017, AUO Xiamen has held the "99 Charity Mart" initiative for eight consecutive years. In 2024, the campaign raised NTD 29,336 in donations. In line with the company's commitment to harmonious coexistence between humans and nature, AUO actively engages in ecological conservation. It co-established the Fuhui Life Protection Ecological Park and launched the "One Mu of Eco-Rice Field" initiative, encouraging employees to participate in the adoption of ecological rice fields. In 2024, AUO Xiamen and its employees jointly adopted 5.1 acres of rice fields, supporting the positive development of ecological public welfare.



### 4.5.3 Green Living

AUO supported the spirit of SDG 13 "Climate Action", SDG 14 "Life Below Water" and SDG 15 "Life on Land" by promoting the "Green Party" series of mountain and sea initiatives. Planting of forests and ocean/coastal clean-ups served as the starting point for protecting the natural ecosystem of Taiwan.

 **Green Party**

Green Party events are held by AUO every year to mobilize Group employees, their families, suppliers, and local communities for planting trees and caring for the ecology of Taiwan. In 2020, AUO signed agreements with the Forestry and Nature Conservation Agency (FNCA) of the Ministry of Agriculture to adopt protection forests in Houlong (Miaoli), Qingshui (Taichung), and Yujin (Tainan). In 2024, AUO issued the "Biodiversity and No Deforestation Policy" along with a series of activities on living in harmony with nature.

**AUO Green Party: Sustainable Living Festival**

For 16 consecutive years, the AUO Sustainability Foundation has held the Green Party. In 2024, the Sustainable Living Festival took place in the eco-friendly educational base of Mabuville in Beipu, Hsinchu, gathering over 1,500 participants, including employees and their families, suppliers, local communities, and social welfare organizations. In response to global trends on biodiversity and no deforestation, the festival featured vine removal experiences, eco tours, and a sustainability market. The market showcased sustainable living options such as low-carbon meals, recycled DIY workshops, donation of secondhand goods, forest circular economy products, environmental education, and charity booths. Additionally, eco-friendly children's theater troupes, local bands from Hsinchu, and music groups performing with self-made recycled instruments were invited to perform, creating a vibrant and sustainable atmosphere. Together, these efforts compose a beautiful symphony of corporate growth and environmental harmony.



AUO's Taiwan sites brought together over 1,500 participants—including employees, suppliers, local communities, and social welfare organizations—to promote sustainable living through hands-on experiences at the sustainability marketplace and environmental education initiatives.



### Kunshan

AUO's Kunshan site hosted the Green Party, where employees planted 70 cherry blossom saplings to beautify the campus while contributing to carbon reduction. In line with the event's eco-conscious theme, the stage was constructed using repurposed wooden pallets from the facility. An upcycling DIY competition encouraged departments to create environmentally themed works using discarded materials such as bottle caps and paper cups. In the interactive area, wind chimes were crafted using fallen branches collected from the site, while a flea market gave new life to unused items from employees' homes. External partners, including the Tzu Chi Foundation and Lucheng Environmental Group from Kunshan, were also invited to share knowledge on plastic recycling and promote sustainability through DIY and secondhand market activities—fostering environmental awareness across the AUO community.



### Xiamen

In 2024, AUO's Xiamen site held its Green Party, drawing more than 300 employees and family members, along with over 50 guests from local government and academic institutions. Together, they joined efforts to support mangrove ecosystem preservation. The event featured a keynote session led by a professor from Xiamen University's College of the Environment and Ecology, offering insights into mangrove ecology. Employees and guests pledged to protect biodiversity and the environment through concrete actions. As part of the initiative, AUO also established a volunteer service station at Xi Tianwei Mangrove Park to support ongoing environmental education and conservation efforts in the area.



### Suzhou

In celebration of World Environment Day, AUO's Suzhou site launched the themed event "Go All Green for a Better Future," featuring an SDGs-themed marketplace in collaboration with nonprofit organizations. The event showcased eight booths highlighting sustainability topics such as energy conservation, quality education, biodiversity, and life on land and below water. Through fun and interactive experiences, the event conveyed sustainability concepts in an engaging way to employees. During the site's Family Day, a biodiversity-themed exhibition was also held in partnership with NGOs, combining science exhibits, immersive experiences, DIY activities, and interactive experiments. The event offered participants a hands-on and thought-provoking experience of biodiversity conservation. The day drew an enthusiastic crowd of more than 13,218 participants.



### Mikania Control Plan

Native to Central and South America, Mikania micrantha - commonly known as mile-a-minute weed - has been listed by the International Union for Conservation of Nature (IUCN) as one of the world's top 100 invasive species. With rapid growth, prolific seed dispersal, and the ability to reproduce asexually, this vine aggressively climbs over native vegetation, blocking sunlight and preventing photosynthesis. Nicknamed the "green cancer," Mikania micrantha poses a serious ecological threat, causing over NT\$1 billion in annual agricultural and economic losses in Taiwan, while also endangering biodiversity along riverbanks. In 2023, AUO launched a five-year Mikania Control Plan. In 2024, AUO partnered with the Taoyuan City Department of Agriculture, the Hsinchu Branch of the Forestry and Nature Conservation Agency, as well as local communities and place-making organizations, to co-host a vine removal and stream protection initiative. Additionally, AUO collaborated with naturalist consultants to conduct a 3.2 km ecological survey along the Xiaoli River, identifying the spread and distribution of Mikania micrantha. The findings were shared with the Taoyuan City Department of Agriculture to coordinate joint eradication efforts. A total of 1,560 kg of the invasive vine was removed to help restore local biodiversity and protect the surrounding natural habitat.



The AUO Foundation for Sustainability mobilized over 100 volunteers to work together in removing the invasive species Mikania micrantha, helping to protect the Xiaoli River.



AUO volunteers rolled up their sleeves to uproot the "green cancer"—Mikania micrantha—safeguarding the biodiversity of the local ecosystem with their own hands.



Through multi-stakeholder collaboration, 1,560 kg of the invasive Mikania micrantha was successfully removed as part of a joint control initiative.

## Ocean Party

In 2022, AUO launched the “Ocean Party” beach cleanup initiative. As of 2024, a total of nine cleanup events have been completed, covering locations across Taoyuan, Miaoli, and Taichung, with a cumulative removal of 6,686 kilograms of marine debris. In 2024 alone, cleanup activities were held at Guanyin in Taoyuan and Da’an in Taichung, attracting over 400 volunteers from AUO Group, suppliers, and local neighborhood associations. That year, 2,889 kilograms of ocean waste were collected. To further implement and promote marine waste recycling, collected debris will be transformed into products in the future, conveying sustainability through action and jointly protecting the marine environment. Carbon reduction and green living are also promoted through initiatives such as deploying electric buses as shuttle vehicles during cleanup events and designing water resource-themed environmental education activities. These diverse activities aim to raise employee awareness of marine conservation.



2024 beach cleanup at Dahuo Creek, Guanyin, Taoyuan



AUO employees united to remove marine debris and protect the environment together



## Promotion of Sustainable Agriculture

AUO launched the Group Purchasing project in 2008 that encouraged employees to give their preference to local agricultural products to reduce food mileage. The concept was extended to the ingredients of employee cafeterias, festival gifts, Shareholders’ Meeting souvenirs, and support of agricultural products from local communities near our sites. AUO now partners with social enterprises and agricultural transportation/marketing companies to promote safe and high-quality Taiwanese fruits to support Taiwanese agricultural development through our actions.

### 2024 Accomplishments

- Employees have purchased NTD 3.36 million in environmentally friendly fruits and other agricultural products
- Purchased more than NTD 11.68 million in high-quality local rice
- Purchased 1,639 festival gift boxes valued at more than NTD 1 million from local communities and contractors

### Cumulative Outcome

- More than NTD 31 million in contract orders
- Purchased more than 738,000 kg of rice

## Community Feedback

Longtan Site	Houli Site
<ul style="list-style-type: none"> <li>• Purchase 10,380 kg of locally-grown quality rice to be used in group catering and wheels on meals for elderly people living alone</li> <li>• Scholarships for 82 students from disadvantaged local families</li> <li>• Local symbiosis: Adopted responsibility for cleaning the roads of Kaoyuan Village at a total cost of NTD 342,000</li> </ul>	<ul style="list-style-type: none"> <li>• Support for local agriculture: Quality rice grown by Houli Farmer’s Association was used in employee cafeterias. 9,600 kg in quality local rice were purchased directly</li> <li>• Community relations building: Sponsorship of emergency assistance and community events. AUO sponsored NTD 360,000 towards 91 projects in 2024</li> </ul>

## 4.5.4 Popular Science & Environment Education

### DADA’s Magic Land

Located in the National Museum of Natural Science, DADA’s Magic Land serves as an important science education base for AUO, dedicated to cultivating optoelectronic talent with scientific literacy and inspiring students’ interest in science. Through interactive exhibits, immersive puzzle-solving game design, and volunteer-guided tours, the space provides engaging learning experiences. In 2024, AUO continued its collaboration with the museum, optimizing and updating certain exhibits, including the principles of stereoscopic polarization, the three primary colors of light, and infrared technology. These enhancements strengthen the connection between optoelectronic principles and everyday life. Additionally, leveraging three internal and external volunteer teams, AUO designed immersive puzzle-solving games integrated with interactive exhibits, ensuring visitors enjoy a fun and enriching exploration of optoelectronic knowledge. In 2024, the exhibition recorded a total of 144,954 visitors.





Professional and Passionate Volunteer Services

AUO actively manages three major volunteer teams, co-creating diverse and innovative service programs for the exhibit. In 2024, volunteers took part in providing exhibition services 1,034 times.

Museum Volunteers


Recruited with the museum’s assistance, these volunteers serve Tuesday through Friday, providing simple guided tours and assisting visitors with interactive exhibits.

Corporate Volunteers

Internal company volunteers are recruited annually to conduct weekend tours. They participate in foundational optoelectronics training alongside museum volunteers to exchange professional knowledge and service experience, enhancing exhibit service quality.

Student Volunteers

In partnership with Ivy High School, AUO offers service-learning internships and professional volunteer training. Students co-create the “Exhibit Puzzle Book,” fostering creativity, innovation, and problem-solving skills. Their foreign language proficiency is also utilized to provide diverse guided tours.



Museum Volunteers

In addition to exhibit maintenance, volunteers provide weekday visitors with basic introductions to the interactive exhibits



Corporate Volunteers

Corporate volunteers contributed to exhibition services on their own initiative during weekends



Student Volunteers

Presented the annual exhibit puzzle design during the “Museum Day”

Maintaining Exhibition Areas to Enhance Exhibit Engagement

To maintain the quality of interactive learning at the exhibition, three major zones were renovated, including the Primary Colors of Light area, Infrared Principle area, and Stereoscopic Vision area. The exhibit designs focus on enhancing interactivity and fun, leveraging the strengths and appeal of the space to allow visitors hands-on operation of exhibits to explore optoelectronic knowledge. This experiential approach transforms traditional book-only learning habits. Additionally, the scientific principles behind the exhibits are connected to everyday life scenarios to help visitors quickly grasp optoelectronic concepts and encourage reflection on the “scientific magic” accessible in daily experiences.

Diverse Courses and Guided Activities

In 2024, the exhibition continued collaborating with high school volunteers on “live-action puzzle games,” integrating interactive exhibit features with innovative thinking. Four new experience booklets were designed to engage visitors of different ages in exploring optical principles and logical reasoning, thereby enhancing the enjoyment of visiting the exhibition. The “DADA’s Classroom” and group guided tours also continued to offer tailored explanations with practical life contexts, helping participants gain a multi-dimensional understanding of fascinating optoelectronic science. In 2024, the exhibition recorded a total of 8,824 course participants and 11,012 promotion participants.



Stereoscopic Vision Zone

Visitors wear polarized and red-blue glasses to experience the effect of stereoscopic imaging



Primary Colors of Light Zone

Visitors use color filters to simulate how individuals with color blindness or color weakness perceive the world



Through exhibit exploration and interactive experiences, visitors solve puzzles and deepen their understanding of optoelectronic principles



## DADA's Magic Science Camp

AUO extends its core business expertise by organizing the annual "DADA's Magic Science Camp," supported by employee donations to the AUO Sustainable Literacy Scholarship. In collaboration with the National Museum of Natural Science and Yuan T. Lee Foundation for Science Education for All, the one-day camp is offered in both physical and online formats, providing scholarship recipients the opportunity to explore optoelectronic science. The in-person course is led by professional science educators and supported by educational volunteers. Students engage in hands-on experiments such as plasma globes and infinity mirrors to learn about optoelectronic principles. They also explore multiple areas within the National Museum and the DADA's Magic Land, experiencing the wonders of science through interactive activities. The online course uses digital instructional materials to guide students in self-directed learning through videos and includes interactive games and quizzes to assess learning outcomes. To accommodate students from remote areas who may find it difficult to attend camps outside their region, the Foundation has partnered with a student charity group from National Yang Ming Chiao Tung University to bring the DADA's Magical Science Camp on the road. A special program titled "Naluo Science Camp" was held in rural communities, aiming to inspire students' interest in optoelectronics through engaging hands-on experiences and broaden their scientific horizons. In 2024, a total of 606 junior high school scholarship recipients were able to participate free of charge.

### DADA's Magic Science Camp — Online Course



Teachers and teaching assistants guide students in science DIY experiments and introduce related principles

### DADA's Magic Science Camp — In-Person Course



Volunteers lead students in hands-on science experiments, such as using plasma globes to learn about electric currents and high voltage

## Optical Science Digital Learning Materials

Since 2022, AUO has partnered with the Learning in Science (LIS) team to develop two animated videos on the principle of light dispersion and one guided optical material kit. As of the end of 2024, the two videos have accumulated 62,594 views. Through collaboration with the Junyi Academy platform, the materials are made available to teachers and students as supplementary resources and are also integrated into the Dada Magical Science Camp curriculum. The animated explanations and historical science stories help teachers effectively teach key principles and boost student engagement. The optical material kits, distributed through LIS teacher training workshops and in partnership with the LuLe Remote Education Network, have drawn participation from teachers at 15 elementary schools across northern, central, southern, and outlying island regions. The digital teaching package includes comprehensive videos and physical kits, allowing schoolteachers to guide students in self-directed learning based on local needs. This breaks down regional barriers and extends AUO's science education outreach into rural communities, amplifying the impact of sustainable education.



Elementary school natural science teachers use light dispersion videos in class as teaching aids



Students use guided optical kits for independent learning

## Environmental & popular Science Education - Taichung Site

The environmental education facilities at AUO's Taichung Site incorporates the themes of green manufacturing, solar energy, and Sidadun Kiln Culture, and has developed two educational programs focused on energy and culture. These programs align with Taiwan's Grade 1-12 Curriculum Guidelines (108 Curriculum) and the United Nations Sustainable Development Goals (SDGs), guiding students to engage with environmental issues and cultivating future sustainability talents. In 2024, AUO strengthened ties with neighboring communities by collaborating with nearby environmental education facilities to co-develop a series of educational programs. The Taichung team also continued participating in the National Science Council's Science Popularization Train, bringing AUO's unique science curriculum beyond the facility to reach more students in remote areas. This year, the programs recorded 2,979 total participants and 3,155 engagements in sustainability literacy promotion.



### Local Neighborhood Engagement Program: Educational Shuttle Bus

Since 2015, the Taichung Environmental Education Facility has offered outdoor learning programs that have served over 160 schools and 7,800 teachers and students, with approximately 80% of participants from the Taichung area. However, only 15% of participants came from schools located near AUO's site in the Central Taiwan Science Park (CTSP). To strengthen neighborhood relations and address the limited participation due to transportation budget constraints, AUO partnered with the CTSP Administration's Sewage Treatment Plant to launch the "Science Bus Around the Park" program. Utilizing CTSP's mobile education bus, the program offers free transportation for local schools to visit environmental education facilities. A four-hour experiential course titled "A Different Kind of Factory" was developed, covering environmental issues, green factory infrastructure, and industrial wastewater treatment methods. The program not only enriches students' knowledge with real-world context but also alleviates transportation cost barriers. The program served 652 students from 7 local schools.



## Environmental & Popular Science Education - Longtan Site

AUO Green Ark at Longtan Site enhanced its learning environment in 2024 by installing interactive electronic whiteboards to provide a more engaging and comfortable education experience. The center continued to offer certified environmental education programs, delivering 12 sessions to 323 teachers and students. A notable highlight was a dual-site learning activity co-hosted with the Shimen Reservoir Education Center, which received positive feedback from participating teachers and enriched students' knowledge on water conservation. AUO also joined the National Science Council's Science Popularization Train, presenting a hands-on science activity titled "Water Cycle Guardians". Through aesthetically designed mini-filter planters, students learned about water recycling and its importance in everyday life, strengthening awareness of water conservation. The center maintained cross-site collaboration efforts, partnering with the Laojie River Education Center in Zhongli to deliver 14 school outreach sessions, reaching 1,451 teachers and students. In alignment with the national net-zero policy, AUO also organized five sessions of the "Water Whispering Tea Homeland Eco Tour," promoting green lifestyles through immersive local tourism experiences. The center was honored as a model partner in volunteer exchange by the Laojie River Education Center, with 138 participants attending the event. The AUO GreenArk will continue to advance net-zero, green living, and water resource management goals by embedding ESG principles into its environmental education outreach and expanding its positive impact.



Interactive electronic whiteboards enhance the effectiveness of knowledge transfer and interactive learning, cultivating students' awareness of water resource conservation and supporting sustainable education efforts.



In support of the national net-zero policy, AUO organized the "Language of Rivers and Tea Eco-Tour" in collaboration with local communities to promote green living and realize net-zero goals.



AUO shares its achievements in full water recycling and zero-discharge operations with the public, reaffirming its commitment to environmental protection and a sustainable future.

## Advancing Sustainability Literacy: Taiwan Popular Science Train

In its second year of participation in the 2024 Taiwan Popular Science Train, organized by the National Science and Technology Council (NSTC), AUO once again brought science into everyday life through a six-day mobile science tour spanning 17 counties and 32 stations across Taiwan. Focusing on the themes of optoelectronics, energy, and water resources, AUO developed a diverse set of sustainability education modules. Employees volunteered as instructors and facilitators, engaging students directly during train stops. AUO partnered for the first time with supplier Merck to co-develop an educational kit. Using recycled polarizer films and liquid crystal display modules, they created the "Playing with Light and Shadow" lesson. Students explored the principles of polarization and liquid crystal technology used in display manufacturing by crafting their own polarized kaleidoscopes and basic LCD devices; In collaboration with National Tsing Hua University's Center for Interdisciplinary Science Education, AUO introduced the "Sustainable Energy-Efficient House", an interactive learning model highlighting the generation and storage of solar power. The program helped students reflect on the importance of energy conservation and carbon reduction through real-life scenarios; For water resources, AUO continued with its popular "Water Cycle Guardians" activity, teaching students about wastewater recycling and water quality monitoring. The hands-on workshop emphasized the value of protecting water resources and understanding industrial water circulation processes. These immersive, experiential learning activities empowered students aboard the train to gain sustainability competencies and reflect on how to apply circular economy and regeneration concepts in daily life. The program reached over 1,022 student participants and engaged 42 AUO employee volunteers.



AUO Foundation CEO Amy Ku and Merck General Manager Joel joined students onboard, engaging in interactive learning sessions



Students explored solar power storage through the sustainable energy house model



Through observing wastewater filtration across different media, they learned about industrial water recycling



Children crafted kaleidoscopes using discarded polarizer films, experiencing the magic of light refraction

Taiwan Popular Science Train Event Coverage

Highlights from Taiwan Popular Science Train Event

## Suzhou- Youth Empowerment Camp

AUO Suzhou remains committed to fostering quality talent through education. Since 2022, the company has partnered with the Suzhou Industrial Park Association of Enterprises with Foreign Investment (SIP AEFI) to host an annual Youth Empowerment Camp during the summer. In 2024, AUO Suzhou was recognized as a Social Practice Base by Xinghai Experimental Senior High School, hosting a diverse educational program for 45 participating students. The learning journey encompassed four themed activities: Escape Room Challenge: Students visited AUO Suzhou’s on-site safety experience center, engaging in immersive training to strengthen fire safety awareness and emergency response knowledge; Time-Travel to Quatang Barns: A cultural exploration at the Yeo-Yuan-Ju Cultural Exhibition Hall, where students experienced local history through preserved granary architecture and everyday artifacts from the Quatang Barns community; Plastic Reduction Partners: A sustainability-focused session introducing plastic reduction knowledge and hands-on eco-friendly DIY activities; Code Master Challenge: Students explored AUO’s display technologies and programming basics, gaining insight into technological innovation and the power of smart manufacturing for a sustainable future.



## 4.5.5 Cultural Preservation

### Sidadun Kiln Cultural Museum

The Sidadun Kiln Cultural Museum plays a vital role in preserving local heritage while advancing sustainability literacy. In response to global energy concerns and the shift toward net-zero, AUO has, since 2022, transformed the museum into a “100% Green Energy Demonstration Site.” The integration of technology and humanities makes it a unique venue for students to explore renewable energy applications and cultural preservation. In 2024, in collaboration with the Advanced Manufacturing Center, the museum incorporated generative AI technologies to create interactive exhibits. These allow visitors to travel through time and experience local culture in innovative ways, bridging cultural heritage, smart technology, and green energy. AUO also partnered with the Lule Platform to organize off-campus learning programs for junior high school students from rural areas. The “AUO Field Explorer” curriculum guided students through explorations of human needs across different historical periods and their environmental impacts, fostering critical thinking on sustainable adaptation. Over the course of 2024, the museum welcomed more than 50 school and group visits, totaling 5,625 visitors, and mobilized 298 cultural volunteers in support of its educational mission.



Students explored the relationship between human needs and environmental change, gaining insight into the essence of local sustainability



### Suzhou - Education Volunteers

In 2024, AUO Suzhou’s safety training center hosted 109 training sessions, serving 3,335 participants. Internally, the center provided targeted safety training for safety officers and high-risk operational staff. Externally, it welcomed corporate partners, government agencies, and local communities for safety tours and learning programs. The plant’s comprehensive safety management and training model has earned widespread praise and attracted interest from other businesses across and beyond Suzhou, serving as a benchmark for industrial safety education.



### AUO Sidadun Kiln Cultural Museum Honored with the "Humanities Enterprise Award"

AUO has long been committed to the balanced coexistence and co-prosperity of technology and the humanities. At the Sidadun Kiln Cultural Museum, AUO integrates its core display technologies with the heritage of Qing Dynasty ceramic craftsmanship, recreating ancient pottery-making techniques through modern interactive technologies. Visitors can experience hands-on archaeological activities while the museum actively collaborates with local communities and schools to revitalize historical education and preserve regional cultural assets. These sustained efforts—spanning nearly two decades—have earned AUO the "Humanities Enterprise Award – Local Development Grand Award", the highest honor presented by Linking Publishing and the Association of Sustainable Social Enterprise of Taiwan (ASSET). AUO is one of the few in its industry to be recognized in the field of cultural governance, and the award highlights its cross-sector achievements in sustainable development.

AUO Sidadun Kiln Cultural Museum: A Model of Cultural Preservation and Innovation



## Walk-Study at Fuke

The Fuke walk-study event was jointly developed by Taichung Site and Fuke Junior High School 14 years ago in 2010. More than 8,997 students and teachers have participated to date. In March every year, newly enrolled students go on a walking tour to learn about their homeland and explore the surrounding ecological landscape, history and culture, and industry development. In 2024, the program further aligned with the United Nations Sustainable Development Goals (SDGs) by incorporating themes of cultural preservation and green energy: SDG 11 (Sustainable Cities and Communities), introduction to the kiln site emphasized the importance and value of preserving cultural heritage; SDG 12 (Responsible Consumption and Production), the museum itself was reconstructed off-site using 80% recycled and reused materials, demonstrating real-world waste reduction efforts; SDG 7 (Affordable and Clean Energy), educational content included analysis of Taiwan's energy mix and the integration of solar power as a green energy solution; SDG 13 (Climate Action), the program concluded with discussions around climate urgency and net-zero targets, encouraging students to reflect on the balance between cultural heritage and technological advancement. A total of 624 students and teachers participated in the 2024 edition, continuing to strengthen ties between education, sustainability, and local identity.



## Suzhou - Yeo Yuan Ju

The Quatang Barns were preserved but AUO when the Suzhou site was built and became Yeo-Yuan-Ju. The historic buildings embodying local people and culture were condensed to provide a glimpse into the livelihoods of Quatang people out of AUOers' respect for history and love of local culture. Yeo-Yuan-Ju is one of the research and learning experience venues used by Suzhou site and SIP AEFI for the Youth Empowerment Camp they co-host. This initiative promotes understanding of Quatang culture and deepens appreciation for AUO's ESG and sustainable development philosophy. In 2024, Yeo-Yuan-Ju hosted nearly 700 guests from government, schools, clients, and suppliers, with close to 50 cultural volunteer service hours contributed, reinforcing its role as a hub for cultural preservation and education.

## Xiamen - Shantou Village

Shantou Village is a collection of traditional Minnan-style ancestral homes preserved during the establishment of AUO's Xiamen site. Reflecting AUO's commitment to the coexistence of technology and humanities, the company has dedicated efforts to conserve these historic buildings and opened them for public visits by appointment. In 2024, Shantou Village welcomed nearly 500 guests, including government officials, school groups, and clients. Additionally, cultural volunteers contributed 163 service hours, ensuring the enduring transmission of Minnan cultural heritage. Moreover, Shantou Village serves as a key venue for educational experiences for children of Xiamen plant employees. During the summer vacation, AUO Xiamen hosted the Shantou Village Parent-Child Summer Camp, where children participated in guided tours of the historic homes and interactive activities such as crafting traditional swallowtail ridge decorations, immersing them in the unique charm of Minnan culture.





# 5 Agile Innovation

## Annual Highlights

Through the ongoing enhancement of innovation capabilities and patent portfolio, the institution has been named to **Clarivate's Top 100 Global Innovators, ranking 22nd globally and 1st in Taiwan.**

**The introduction of 5G** into smart manufacturing enables **cloud-based smart factory data management**, enhancing management efficiency and supporting digital transformation.

**Developing breakthrough technologies** to lead the industry in **achieving diversified Micro LED applications**, bringing display technologies into various aspects of everyday life.

Providing comprehensive **EPC turnkey solar PV services** with projects implemented across Taiwan, assisting industries in transitioning to green power and renewable energy.

**Ranked among the Top 3 global automotive display suppliers**, AUO is driving a new experience with a series of automotive display solutions.

Actively engaging in the low-carbon building industry, we have introduced **Building-Integrated Photovoltaics (BIPV)** solutions, with a total of **nine successfully implemented projects** across Taiwan.

### 5.1 Innovative R&D

- 5.1.1 Intellectual Property
- 5.1.2 Intelligent Life

### 5.2 Smart Manufacturing

### 5.3 Affordable & Clean

- 5.3.1 Energy Business Development
- 5.3.2 High-Quality Solutions
- 5.3.3 Green Energy Compatibility & Inclusion







# Target and Progress

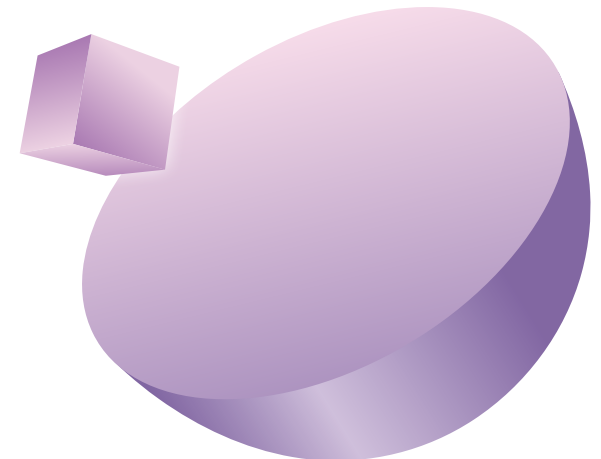
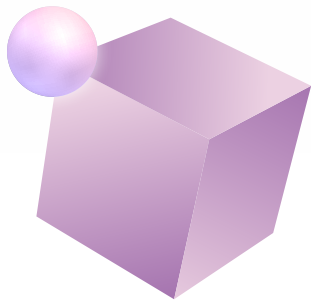


Achieved



Not Achieved

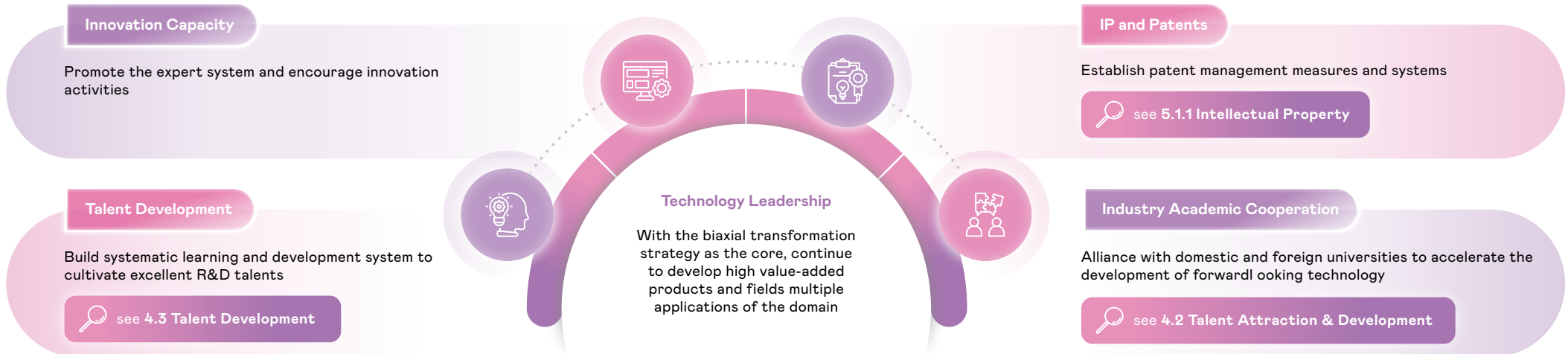
Material topic	2024 Target	2024 Our action		2025 Target	2026 Target	Responses
 Shipping volume of modules required by PV market	300 MW	 Performance: 313 MW	AUO energy business group collaborates with leading international manufacturers to develop large-size M10 TOPCon modules, catering to various applications including rooftop, floating, and ground-side installations. In 2024, the total solar module shipments reached 313MW.	300 MW	360 MW	5.3.2 High-Quality Solutions
 Number of cases of modules required by the solar energy market	4 cases	 Performance: 9 Building-Integrated Photovoltaics (BIPV) cases	AUO is expanding its comprehensive energy solutions while extending its reach into the building sector, actively entering the low-carbon construction industry. By integrating solar power products into building materials, AUO has introduced building-integrated photovoltaic (BIPV) solutions. As of 2024, nine projects have been successfully implemented, with a total installed capacity reaching 3MW.	-	-	5.3.2 High-Quality Solutions





# 5.1 Innovative R&D

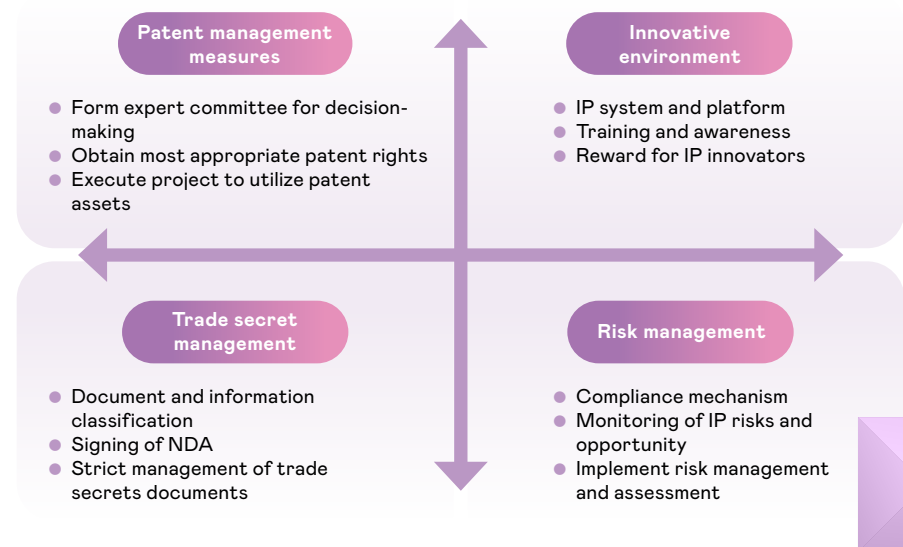
AUO possesses robust R&D capabilities and cutting-edge innovation. The Company actively advances its dual-axis transformation strategy, focusing on its three core pillars: Display Technologies, Mobility Solutions, and Vertical Solutions. Our technical teams have developed roadmaps from a strategic perspective, fostering organizational innovation, exploring next-generation display technologies, and cultivating new application markets—aiming to lead the future of human visual experiences and drive technological progress.



## 5.1.1 Intellectual Property

Intellectual property (IP) rights are among the most important assets owned by AUO. The “Intellectual Property Management Policy”, “Innovation, Patent and Trade Secrets Rule”, “Rule of Rewards on Patents and Inventions” were devised by AUO based on the management requirements and goals of IP rights.

### IP Blueprint



## Key IP Management Approach

Innovation and Patent System/ Platform	Education and Training on IP-Related Topics	IP Innovation Activities/ Rewarding
Tracking and analysis of innovative proposal statistics, patent application and management	Both mandatory and optional courses are conducted based on the target audience and actual requirements	Patent rewards, business secrets, and external publication rewards
	<p>2024 Training Sessions Summary:</p> <ul style="list-style-type: none"> <li>Provided 3 courses on patent topics in practice, conducting 9 sessions with a total of 163 participants.</li> <li>Provided 4 courses on IP management, conducting 3 sessions with a total of 10 participants.</li> </ul>	In 2024, the Taiwan factory publicly awarded 84 patent certificates at the business presentation meeting and also granted 4 superior patent awards.

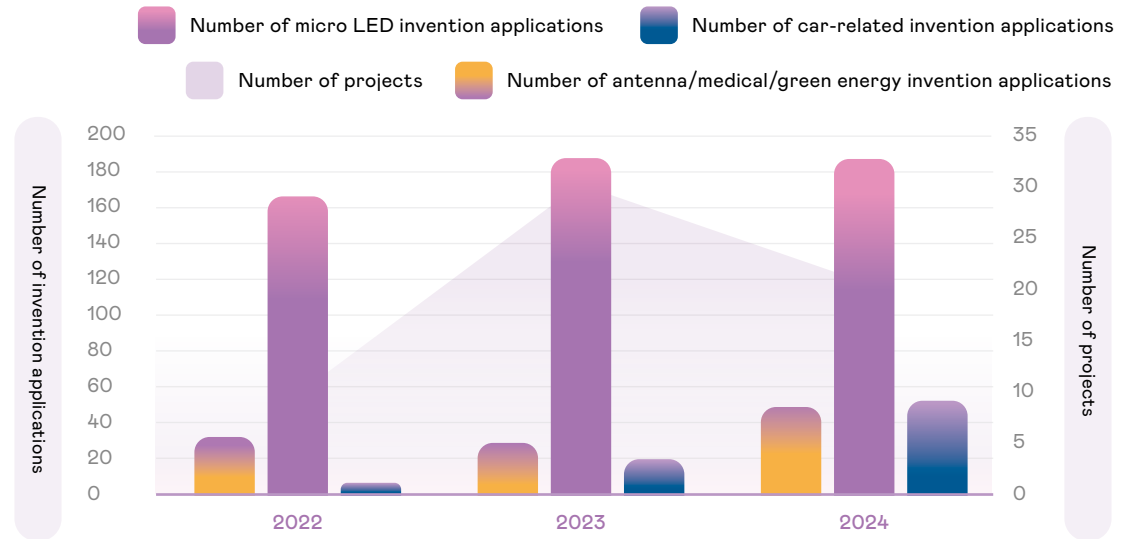
## IP Strategy and Performance

AUO encourages company-wide innovation and strategically deploys the value of its innovative outcomes. To strengthen AUO's patent portfolio in high value-added products and to implement its three strategic pillars, the company has introduced technology development projects aimed at creating high-value patents (hereafter referred to as "Patent Incubation Projects"). These projects actively integrate high-strategic-value innovations through collaborative execution. In 2024, the number of Patent Incubation Projects remained in the double digits. The number of innovation patent applications in the field of value addition remains above 300, while strengthening the layout of key technologies. For example, in 2024 within the Mobility Solutions domain, Taiwan invention applications for automotive displays reached 50; in Display Technology, Micro LED invention applications in Taiwan exceeded 180; and in Vertical Solutions, non-panel technologies such as antennas, medical devices, and green energy-related inventions in Taiwan surpassed 40 applications.

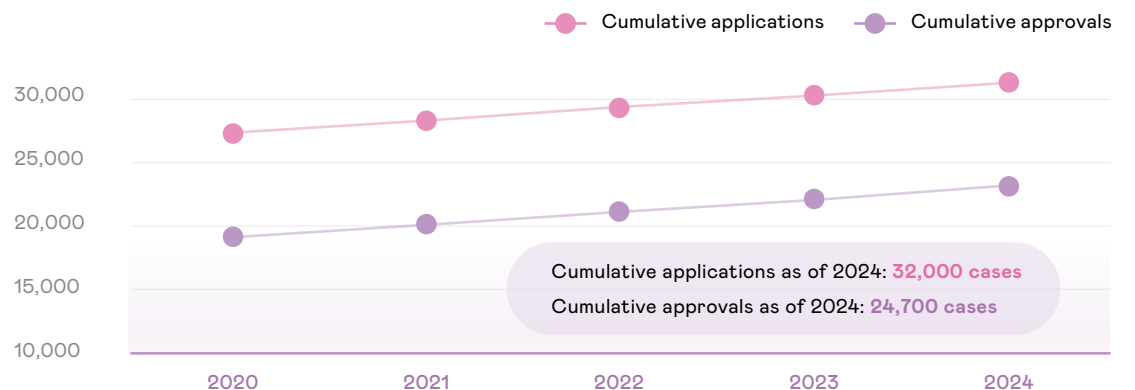
AUO not only uses patent layout to protect intellectual property rights but also provides dedicated proposal channels to actively encourage transforming competitive technical achievements into trade secrets. This includes introducing expert committee decisions to maximize the economic value of trade secret assets. AUO also provides monetary rewards, and in 2024, over 20% of the innovation invention awards were granted for actively patented trade secret assets, with more than 70% of these belonging to technologies within the three strategic pillars.

In 2024, AUO ranked third among Taiwanese legal entities in patent applications and second in granted patents, earning strong recognition from international organizations. In March 2024, AUO was honored for the third time as one of Clarivate's Top 100 Global Innovators. Since first appearing on the list in 2022, AUO has been consecutively listed for three years. On its first entry, AUO ranked among the global top 50, with top-quartile (1st Quartile) global rankings in both influence and globalization metrics. In Clarivate's first-ever ranked release, AUO achieved 22nd place worldwide, marking the top rank for a Taiwanese company.

Number of patent incubator projects and invention applications for critical technologies



Cumulative patent applications and approvals in recent years

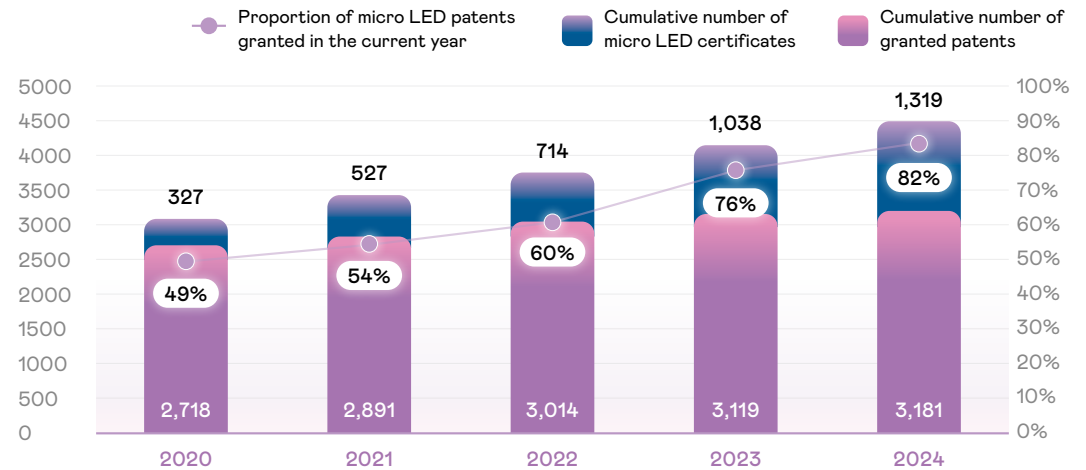


## Green Patents and Sustainable Management

AUO actively develops production processes and products linked to energy conservation and carbon reduction. If an innovative technology reduces power consumption or involves alternative energy supplies, then it can assign to the energy conservation and carbon reduction sector. Examples of power consumption reduction included mini LED, Micro LED, OLED, LED light bar and E-paper; alternative energy included production processes, equipment and products related to solar cells. The AUO portfolio included around 4,500 patents relating to energy conservation and carbon reduction in 2024. Among these, OLED and Micro LED patents account for a significant proportion, with Micro LED certifications showing a steadily increasing share year by year, reaching over 80% in 2024.

Additionally, AUO actively promotes industry-academia collaboration by serving as instructors for intellectual property (IP) courses and providing guidance for innovative research projects. For example, senior executives from AUO’s IP division were invited by academic institutions to serve as reviewers for the 2024 “National Science and Technology Council (NSTC) Research and Entrepreneurship Program” internal evaluation meetings. This effort helps disseminate real-world industry experience in IP management to the academic community, fostering a strong connection between academic innovation and IP value, thereby amplifying social impact. AUO also continuously participates in activities organized by industry associations and IP organizations. In 2024, AUO engaged in the “Patent and Trademark Examination Optimization Consultation Meeting” held by the Intellectual Property Office of the Ministry of Economic Affairs. Through such participation, AUO contributes recommendations for industry policies and IP regulatory revisions, shares industry needs and implementation experiences, and assists the public sector and society at large in building a more internationally competitive IP environment.

AUO values our own IP and respects the IP of other parties as well. Proactive IP management includes encouraging employee innovation and the creation of quality IP in order to enhance our competitive advantage and boost our corporate profitability; at the same time, the IP of other parties are carefully assessed to reduce the risk of patent violations to ensure smooth company operations while maximizing the protection of employee and shareholder rights.



## 5.1.2 Intelligent Life

AUO has cultivated its display technology expertise for 27 years, overcoming countless challenges and changes, and firmly maintaining its industry-leading position through robust R&D capabilities and innovative technologies. In recent years, AUO has been advancing a dual-axis transformation strategy while establishing three core business pillars: Display Technology, Mobility Solutions, and Vertical Solutions. By diversifying its business investments and building a partner ecosystem, AUO steadily enhances its corporate resilience and operational strength.

### Display

#### Micro LED Technology

Micro LED has become the dominant next-generation display technology due to its high resolution, high brightness, low power consumption, and high reliability. The technology involved in reducing LEDs to sub-micron crystals also means an exponential increase in the complexity of the testing and repair processes required for mass transfer to the driving backboard. The high cost and R&D challenges mean that the development of Micro LED display technology takes time. AUO has accumulated years of expertise, leveraging three key features—high brightness and transparency, exceptional image quality, and versatile form factors - to develop groundbreaking Micro LED technologies. Leading the industry, AUO has realized diverse applications of Micro LED across multiple fields, while integrating upstream and downstream supply chains to establish a complete Micro LED ecosystem. Successfully demonstrating the wide-ranging possibilities of Micro LED display technology in everyday life, AUO also combines these advancements with green technology applications, continuously creating new value in the display industry.

The world’s Largest <sup>Note 1</sup> 30-inch Real Depth 3D Display

The upper layer features Micro LED technology with high transparency, ultra-high brightness, and fast image response, while the lower layer incorporates a low-reflection A.R.T. (Advanced Reflectionless Technology) LCD. This combination delivers clear virtual background imagery with minimal ambient light reflection and supports independent depth rendering for truly lifelike 3D visuals. The display allows simultaneous presentation of both 2D and 3D content without requiring special glasses, supporting multi-user viewing from any distance or angle. It provides an immersive visual experience ideal for applications in entertainment, augmented reality, and education, enriching user engagement with vivid, realistic visuals.



Gold Panel Award 2024 | SDIA Innovative Display Award-Gold Prize



### The World's Largest <sup>Note 1</sup> Single Screen Size, 31-inch Large Size Micro LED Display

AUO also introduces the world's largest 31-inch single-panel Micro LED display, overcoming yield challenges in large-format production. Equipped with advanced driving technologies and A.R.T. surface treatment, it reduces glare and reflections from ambient lighting, delivering exceptional display quality whether indoors or outdoors. The frameless design enables an ultra-wide viewing experience and allows seamless tiling for even larger-scale installations, creating stunning visual impact and supporting use cases such as medical management environments.



### 60-inch Transparent Micro LED Display

Maximizing the inherent transparency of Micro LED technology, AUO employs scalable, seamless splicing techniques to develop modular transparent displays. These panels feature 600 nits of full-screen brightness, over 60% transparency, and an ultra-wide color gamut exceeding NTSC <sup>Note 2</sup> 110%, making them ideal for flexible deployment across various settings. For example, they can serve as smart storefront displays, offering futuristic and interactive retail experiences that integrate seamlessly into modern smart living environments.



SID Best Micro LED-Based Technology

### World's Largest <sup>Note 3</sup> 58.6-inch R1000 Curved Ultra-Wide (32:9) Display

AUO leverages its proprietary TARTAN display technology to break free from traditional aspect ratio limitations and offer customized sizing services. This 58.6-inch display features a unique R1000 curvature, a borderless high screen-to-body ratio for an immersive visual experience, exceptional weather resistance, and outstanding image quality. Designed for public transportation environments such as metro and railway systems, it demonstrates flexible installation and spatial adaptability while delivering clear transit information and versatile audiovisual content.



SDAA 2024 Smart Mobility Award | Central Taiwan Science Park Innovative Product Award



### 17.3-inch Foldable Micro LED Display

AUO's flexible technology redefines conventional screen formats with the debut of its 17.3-inch foldable Micro LED display at SID. Featuring an ultra-small hinge radius of just 4mm, this foldable design maximizes display area while maintaining portability. Combining the functionality of both a tablet and a monitor, it offers a wide color gamut (Adobe RGB 100%) and ultra-high brightness of 1000 nits, ensuring vivid color accuracy and clarity even in outdoor settings. Ideal for travelers, photographers, designers, YouTubers, and IG live streamers, this versatile display is perfect for real-time content creation, sharing, drawing, and viewership.



Industry's First <sup>Note 4</sup> 17.3-inch Fast Black-Switching Transparent Touch Micro LED Display

AUO has integrated its transparent Micro LED display technology with fast black-switching functionality, showcasing its strong in-house development capabilities. This breakthrough transcends the boundary between indoor and outdoor applications, resulting in the creation of the industry's first 17.3-inch fast black-switching transparent touch Micro LED display. Featuring high transparency, high brightness, and a black-switch design, it supports multi-touch functionality and enables seamless switching between transparent and black screen modes. This enhances user experience and privacy protection, making it especially suitable for digital dashboards and infotainment systems in smart vehicles, as well as applications such as video conferencing.



SDIA Innovative Display Award-Bronze Prize



Note 1: Based on the available market research information as of April 16, 2024.

Note 2: The color television broadcast standard established in 1952 by the National Television System Committee (NTSC) in the United States specified an aspect ratio of 4:3 (width to height) and a resolution of 720x486. With the advent of the digital television era, the resolution was later standardized to 720x480.

Note 3: Based on the available market research information as of April 17, 2024.

Note 4: Based on the available market research information as of September 23, 2024.

Mobility Solution

Transparent Micro LED Front Seat Dashboard

AUO's Micro LED Display HMI solution features a transparent Micro LED instrument panel for the front seat, providing essential driving information while maintaining an open, unobstructed view. For the front passenger seat, it offers a retractable Micro LED display with an integrated camera discreetly embedded within the screen area - ensuring uncompromised display quality - allowing users to make direct eye contact during video calls for a more natural and engaging experience.



AUO's Automotive Micro LED Display HMI Solution

AUO is committed to user-centric innovation in human-machine interface (HMI) experiences. For front-row occupants, AUO has developed high-resolution Micro LED displays that balance entertainment and safety. The driver display features a transparent, borderless design with 163 PPI pixel density and peak brightness of 5000 nits, ensuring optimal visibility and clear information delivery for safer driving. For the front passenger seat, AUO introduces the world's <sup>Note 1</sup> first smart Micro LED display with an embedded camera\*, showcasing the synergy between Micro LED and sensing technology. This passenger display also reaches 5000 nits in brightness and utilizes Under Display Camera (UDC) technology to hide the lens beneath the screen, enabling narrow bezels, maximizing space usage, and maintaining image fidelity. The screen is fully retractable, offering passengers an open view of the cabin and scenery when not in use, while supporting interactive experiences.



SID Best Automotive Display | SDIA Innovative Display Award-Gold Prize





The Globally Unrivaled <sup>Note 2</sup> 80% Transparency AmLED Wood Grain Display

AUO's proprietary AmLED technology employs dynamic pixel-level adjustment to deliver high brightness and contrast, while using inorganic materials for superior stability and energy efficiency. Debuting at SID, this innovative display achieves a record-setting 80% transparency and features a wood grain cover panel. This high-transparency wood-texture display enhances hidden-display functionality, allowing it to show vivid, distortion-free information during use and seamlessly revert to a decorative panel when inactive. The flexible appearance and multi-functional integration provide automakers with expanded possibilities in interior design and display aesthetics.



Note 1: Based on the available market research information as of May 17, 2024.  
 Note 2: Based on the available market research information as of May 13, 2024.

Vertical Solution

Smart Retail

AUO Retail Cloud Platform

As innovative service models continue to emerge in the retail industry, retail technologies are becoming increasingly diverse. To help retail clients address in-store marketing challenges and ongoing labor shortages, AUO has launched the AUO Retail Cloud Platform, an integrated hardware-software solution designed to enhance store operations. This highly integrated cloud-based management system enables centralized monitoring and control of all digital signage and electronic shelf labels through a single software platform. The solution is applicable across a wide range of retail scenarios - including convenience stores, supermarkets, chain stores, large exhibition venues, and banks - and currently supports over 30,000 endpoints globally. By consolidating management functions into a unified system, the platform significantly improves operational efficiency, reduces costs, and automates key processes such as dynamic pricing and promotional updates. It also helps retailers reduce daily food waste and spoilage, optimize inventory management, and boost revenue. Additionally, the platform contributes to paperless operations, supporting retailers in achieving their environmental sustainability goals.



Smart Healthcare

Taiwan's First Portable Pulse Detector Accurately Replicates the Three Techniques of Pulse Diagnosis

AUO's subsidiary, AUO Health, has launched Taiwan's first Portable Pulse Detector, leading the industry with this innovative development. The device utilizes a high-precision multi-point array pressure sensing technology that simulates the tactile sensation of human fingers, accurately replicating the traditional Chinese medicine (TCM) pulse diagnosis at the Cun, Guan, and Chi positions. This advanced solution delivers precise and reliable pulse measurement records and supports both app-based and web-based digital platforms, making it highly suitable for clinical use. In addition to providing rapid pulse diagnostics, the device is cross-platform compatible, offering a novel approach to personalized health management. This breakthrough highlights AUO's continued expansion into the smart healthcare market, particularly in the field of intelligent TCM solutions.



Smart Education and Enterprise

Meeting Room Innovations

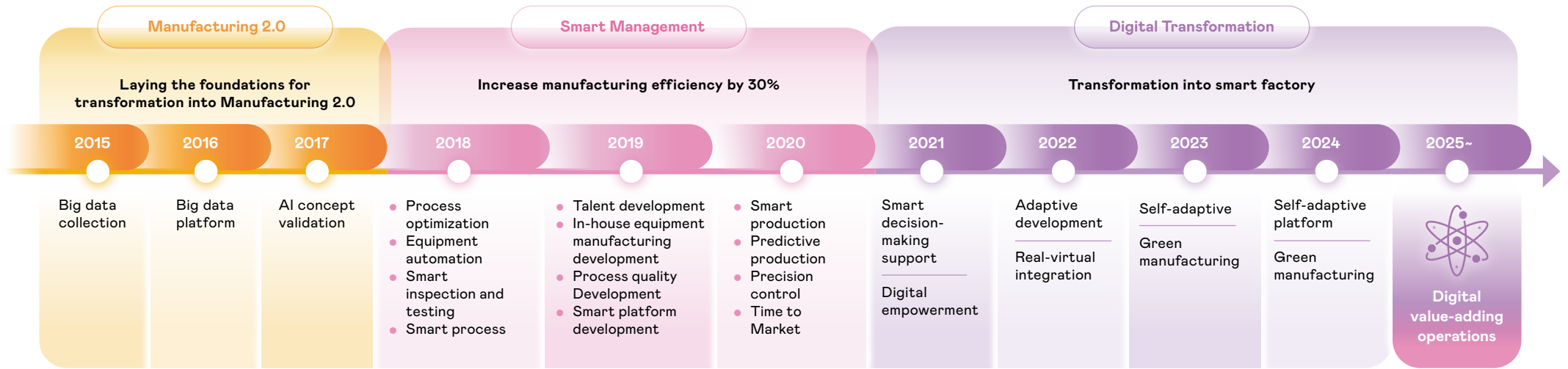
AUO's subsidiary, AUO Display Plus, has developed a new Portable Smart Touch Display featuring multi-touch capabilities and agile mobility, designed to support mobile meeting applications. In addition, its Meeting Space Management Solution automates tasks such as space inquiry, booking, and reservation, streamlining the management of meeting environments. This solution empowers users with a more flexible and adaptable working model, enhancing workplace efficiency and collaboration.



# 5.2 Smart Manufacturing

In response to the rapidly evolving global display industry, AUO continues to challenge itself and pursue iterative transformation, placing strong emphasis on forward-looking technological investment. The company has made substantial efforts in smart manufacturing, viewing it as a key strategy for enhancing production efficiency and solving complex challenges—while simultaneously delivering energy-saving and environmentally friendly outcomes. Since initiating its smart manufacturing journey in 2015, AUO has advanced its competitive edge through innovative strategies and achieved a major milestone in 2020 with over 30% improvement in manufacturing efficiency. AUO firmly believes that smart manufacturing is essential for addressing energy efficiency and product diversification challenges. It is also a critical enabler in shifting toward value-driven competition and strengthening overall competitiveness. Looking ahead, AUO will continue to leverage smart manufacturing to deliver high value-added products and reliable, efficient solutions for customers and the industry, uncovering new opportunities for innovation and sustainability.

## Smart Manufacturing Milestones and Vision



## Talent Development and Innovation: Strengthening Intelligent Sustainability

### Building Digital Competency to Enhance Smart Management

AUO University offers a comprehensive range of AI courses designed to strengthen both theoretical knowledge and practical skills across various technical domains and levels of expertise. From 2018 through the end of 2024, more than 1,600 employees have completed intermediate and advanced AI training programs. In support of sustainable manufacturing and corporate operations, AUO University has also actively promoted green technology education, with over 2,000 participants having completed courses on energy-saving and waste-reduction technologies. Furthermore, AUO has established a competency assessment framework to evaluate and certify smart manufacturing talent. To date, more than 900 professionals have been certified, forming a robust talent pool.

### Establishing R&D centers to Advancing Technical Innovation

AUO partnered with four top universities on joint R&D centers. We are strengthening our R&D capability through industry-university collaboration, recruiting talented professionals from different field, and also reaching out earlier to top talent.

## Cross-Disciplinary Integration and Adaptive Platforms: Enhancing Flexible Production

To respond to rapidly shifting market demands, AUO integrates cross-disciplinary expertise from various regions, fostering multi-skilled talent capable of working across multiple technologies. By combining this talent development strategy with adaptive process systems, AUO is able to flexibly allocate human resources, swiftly respond to customer needs, and boost production efficiency - ultimately building a highly agile and efficient manufacturing environment. This model not only improves productivity but also stimulates employees' creativity and enthusiasm for continuous learning. These digitalized operations serve as a critical driver for AUO's factory transformation and upgrading, paving the way toward a more competitive future and advancing the spirit of sustainable, green manufacturing.

## AUO's Bixial Transformation: Smart Manufacturing and Sustainable Innovation Driving the Future

Under the dual-axis transformation strategy, AUO continues to center its business on display technology while incorporating smart manufacturing solutions to enhance R&D and supply chain management. By offering diversified digital and net-zero transformation technologies, AUO strengthens its sustainable competitiveness. The theme of the 2024 Smart AUO Exhibition, "Digital Leap, Intelligent Future", showcased generative AI solutions and reaffirmed AUO's commitment to smart sustainability. The exhibition featured advancements in digital-intelligent transformation, smart carbon management, and clean energy solutions. In alignment with carbon neutrality goals, the event also reduced the use of disposable materials and adopted recyclable lighting. From corporate operations to manufacturing processes, AUO and its group subsidiaries jointly demonstrated comprehensive smart sustainability service offerings: AUO Digitech contributed to smart manufacturing with integrated solutions such as automated inspection and transport systems, as well as intelligent IoT applications; AUO Envirotech presented eco-friendly technologies for smart carbon management and near-zero water discharge to support environmentally conscious clients; AUO Energy provided a complete suite of smart sustainability solutions covering energy creation, storage, conservation, and management, leveraging strong technical capabilities and high-efficiency, integrated services to assist both enterprises and households in realizing green energy sustainability.



## Leveraging 5G Technology to Set a New Benchmark in Smart Manufacturing

AUO actively participated in the Ministry of Digital Affairs' "5G Private Network Innovation and Application Promotion Program." Harnessing the advantages of 5G - including high bandwidth, low latency, and massive connectivity - AUO has enabled cloud-based data processing in smart factories and implemented various applied technologies to enhance operational efficiency and integrate AI-assisted decision-making for improved safety. To further industry collaboration and development, AUO invited representatives from the Administration for Digital Industries to visit and experience the practical outcomes of 5G-powered smart manufacturing. AUO also partnered with organizations such as the Taiwan Display Union Association (TDUA) and other industry groups to jointly promote the proliferation of 5G vertical applications.

## Smart Manufacturing Expo at Overseas Site

### Suzhou Site

The Suzhou site's Smart Manufacturing Exhibition Hall comprises three major exhibition zones: the Smart Manufacturing Hall, the 5G Metaverse Hall, and the Sustainability Hall. The indoor exhibition focuses on the Level 4 Smart Manufacturing Maturity Model as its core, presenting AUO's nine-field integrated smart manufacturing solutions. These are enhanced by 5G and Industrial Internet applications, as well as transformation initiatives driven by digital twin technologies. Together, they support enterprises in embarking on a new journey of smart manufacturing. Externally, the plant stands as a global benchmark enterprise in "smart transformation and digital upgrading" service exports. Leveraging its solid foundation in smart manufacturing, it empowers digital transformation for other businesses, creating substantial value and opportunities. In 2024, the exhibition attracted approximately 7,300 visits for learning and exchange.

### Digital Synergy, Thriving Ecosystem



### Xiamen Site

The Xiamen site's exhibition features two core halls: the Smart Manufacturing Hall and the Sustainability Hall, encompassing 12 themed sections. These showcase AUO's achievements in smart applications for manufacturing and sustainability. A total of 1,667 employees participated in the internal learning sessions, while nearly 500 visitors from government agencies, academic institutions, and clients toured the exhibits. The Smart Manufacturing Hall centers on data, integrating next-generation technologies such as 5G-enabled Industrial Internet and digital simulations to connect the entire production management process. It enables seamless coordination throughout the product lifecycle and adaptive production model upgrades, achieving 100% 5G coverage, 100% critical equipment connectivity, and a 66% cumulative increase in production efficiency over the past four years. As a pioneer in ESG practices, AUO also established the Sustainability Hall, using digitalization to achieve energy conservation and emissions reduction. Initiatives include promoting biodiversity, advocating for AUO's plastic neutrality, and implementing green power generation, water recycling in manufacturing, energy optimization for high-consumption equipment, and process technology improvements. Furthermore, sustainability principles are embedded into employees' daily lives through various public welfare activities, contributing to environmental sustainability.

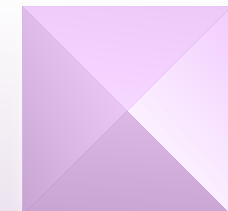
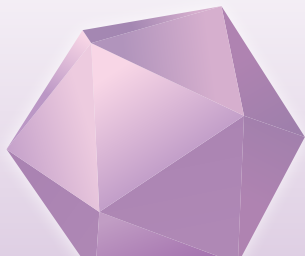
### Digital Leap, Intelligent Empowerment



### Kunshan Site

The Kunshan site exhibition showcases annual achievements in smart manufacturing across five main zones. The Smart Operations zone highlights the power of a newly integrated platform for automated operational management and monitoring, demonstrating the benefits of agile development practices. The site employs AI algorithms to develop autonomous operational models, enabling refined production targets. Collaborative efforts with academic institutions led to the development of industrial computing models that optimize energy use and parameter settings, facilitating the implementation of energy-saving projects. In recognition of its efforts, AUO Kunshan has achieved the Level 4 certification in China's national Smart Manufacturing Capability Maturity Model, following its successful Level 3 certification in 2023. The site continues to deepen its smart manufacturing transformation through big data analytics and AI-based full-process production monitoring, enhancing the intelligent production environment. By cultivating talent and fostering teamwork, the site builds efficient management mechanisms and inspires employee innovation. Looking ahead, the Kunshan site aims to adopt more modeling systems to support internal energy-saving and efficiency projects, realizing the vision of intelligent, green manufacturing.

### Business as Beacon, Data as Path





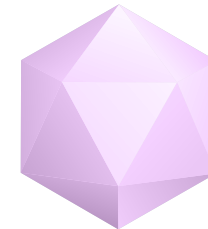
# 5.3 Affordable & Clean Energy

In response to the government's announcement of launching the second phase of Taiwan's energy transition and its initiative to establish smart, shared green energy strategies, AUO - as a leader in renewable energy - is committed to becoming a steadfast driving force in accelerating the nation's energy transformation. Leveraging its extensive experience, advanced technologies, and strong ecosystem of partners, AUO is actively building a competitive, circular, sustainable, and resilient energy foundation. In alignment with the Climate Change Response Act, AUO promotes decarbonization strategies and continuously strengthens its capabilities in energy generation, storage, management, and operations & maintenance. By doing so, it guides industries in their green transformation and delivers reliable, diverse energy products along with comprehensive, one-stop services - empowering businesses to accelerate their energy transition while advancing the accessibility of green solutions across everyday life.

## 5.3.1 Energy Business Development

Faced with the global challenge of climate change, Taiwan's second energy transition encompasses multiple dimensions: diversified green energy, deep energy conservation, and advanced energy storage. The goals are not only to maintain stable power supply but also to enable a steady path toward net-zero transformation. With its unique geographical advantages, maturing solar photovoltaic (PV) technologies, decreasing generation costs, and broad applicability in daily life, solar power has become a pivotal pillar of Taiwan's energy transition. AUO continues to enhance its energy transition technologies, targeting the crucial decarbonization role of buildings in the 2050 Net-Zero Emissions roadmap. The company is expanding into commercial, industrial, and residential buildings with a comprehensive suite of energy solutions, including building-integrated photovoltaics (BIPV), intelligent residential energy storage, full-scope solar plant construction, and enterprise-level energy-saving solutions. AUO also focuses on further advancing intelligent O&M and safety equipment, positioning itself as an all-encompassing green energy expert. In collaboration with green ecosystem partners, AUO is committed to developing practical, safe, reliable, and sustainable clean energy. Through strategic cooperation with supply chain partners and the mutual exchange of abundant resources, AUO is constructing a green energy landscape centered around four major strategic domains and a diverse portfolio of products and services.

### Four Major Strategic Domains







### Total Provider of Power Plant Construction and Operation Services

Building on a foundation of high quality and stringent safety standards, since 2011, AUO has constructed 424 power plants across Taiwan with a cumulative installation capacity of 524 MW. This includes 188 MW of rooftop systems <sup>Note 1</sup>, 319 MW of ground-side <sup>Note 2</sup> systems (including ultra-high-voltage transformer stations), and 17 MW of floating systems <sup>Note 3</sup>. These installations span industrial facilities, agricultural and livestock operations, carparks, and ground-mounted projects. With an average generation of 3.5 kWh per kW, the annual energy output is approximately 670 million kWh — equivalent to the annual electricity consumption of 160,000 households and reducing carbon emissions by around 330,000 metric tons per year <sup>Note 4</sup> (based on Taiwan's emission factor of 0.495 kg CO<sub>2</sub> per kWh). AUO's extensive experience with precision factory rooftops and ultra-high-voltage ground-mounted systems has earned it the 2024 Top Solar Award from the Ministry of Economic Affairs for outstanding ground-mounted system performance, placing it among Taiwan's top five energy developers. In addition, AUO continues to invest in the development, construction, and O&M of diverse solar power plant formats, offering turnkey EPC (Engineering, Procurement, Construction) services with deep expertise in design and construction methods. With projects deployed across every county and city in Taiwan, AUO is committed to supporting the nation's sustainable energy transition.



Note 1: "Rooftop" refers to all types of rooftops, including those of industrial plants, public buildings, or school facilities.

Note 2: "Ground-side" refers to various types of land, including landfill sites, land subsidence areas, fishponds, or developed land.

Note 3: "Floating" refers to different types of water surfaces, such as irrigation ponds or detention basins.

Note 4: According to the emission factor published by the Energy Administration, each kilowatt-hour of electricity generates 0.495 kilograms of carbon dioxide (CO<sub>2</sub>).

## Intelligent Integration of Three Major Energy Management Systems

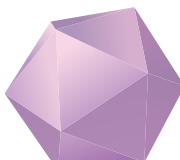
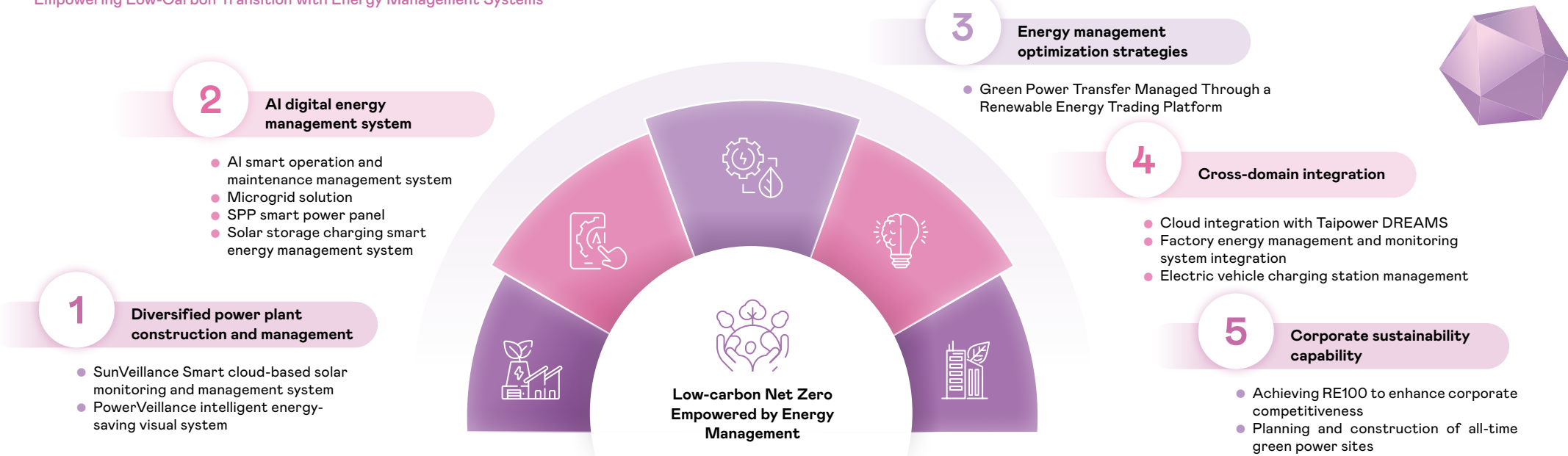
AUO Energy advances the intelligent application of power systems through integrated hardware and software solutions. At the heart of its energy and power control is the Smart Power Panel (SPP), a key device that visualizes energy data and integrates systems such as energy storage, solar power, and EV chargers. This allows users to remotely manage their energy usage, achieving both cost and energy savings while ensuring power system stability. As businesses face increasing carbon reduction regulations and sustainability demands, energy planning and consumption optimization become critical. AUO draws on its extensive power plant management experience to enable intelligent operation and maintenance using AI-driven anomaly detection, loss quantification, automated dispatching, post-maintenance verification, and aging-related safety alerts. This supports autonomous plant management and integrates three core systems: visualized energy management, solar power plant monitoring, and green electricity trading. The result is the “SunVeillance Energy Solution,” a comprehensive platform that spans generation, consumption, and energy trading. AUO currently monitors 2.83GW of solar capacity across Taiwan and manages over 7,000 solar projects, having earned certification from Taipower’s Distribution-Level Renewable Energy Management System. This ensures robust information security and meets evolving user needs in energy industry management, reinforcing AUO’s role as a key driver in Taiwan’s renewable energy development.

### Establishing a Full-Channel Energy Marketplace to Unlock Boundless Business Opportunities

AUO collaborates with renowned domestic and international partners, leveraging five key strengths - leading R&D capabilities, advanced manufacturing expertise, stringent quality control, high-performance reliability, and consistent operational sustainability - to integrate solar-related component products. These include solar modules, monitoring hardware and software, inverters, connectors, cables, and environmental sensing devices, all bundled into complete package solutions. AUO has built a comprehensive “one-stop shop” energy mall across both online and offline channels. The platform offers personalized consultation for individual users, real-time updates on new product launches and promotions, and responsive customer service for pre-sales, in-progress, and post-sales inquiries. By integrating services and resources, AUO makes green energy more accessible and user-friendly.



### Empowering Low-Carbon Transition with Energy Management Systems

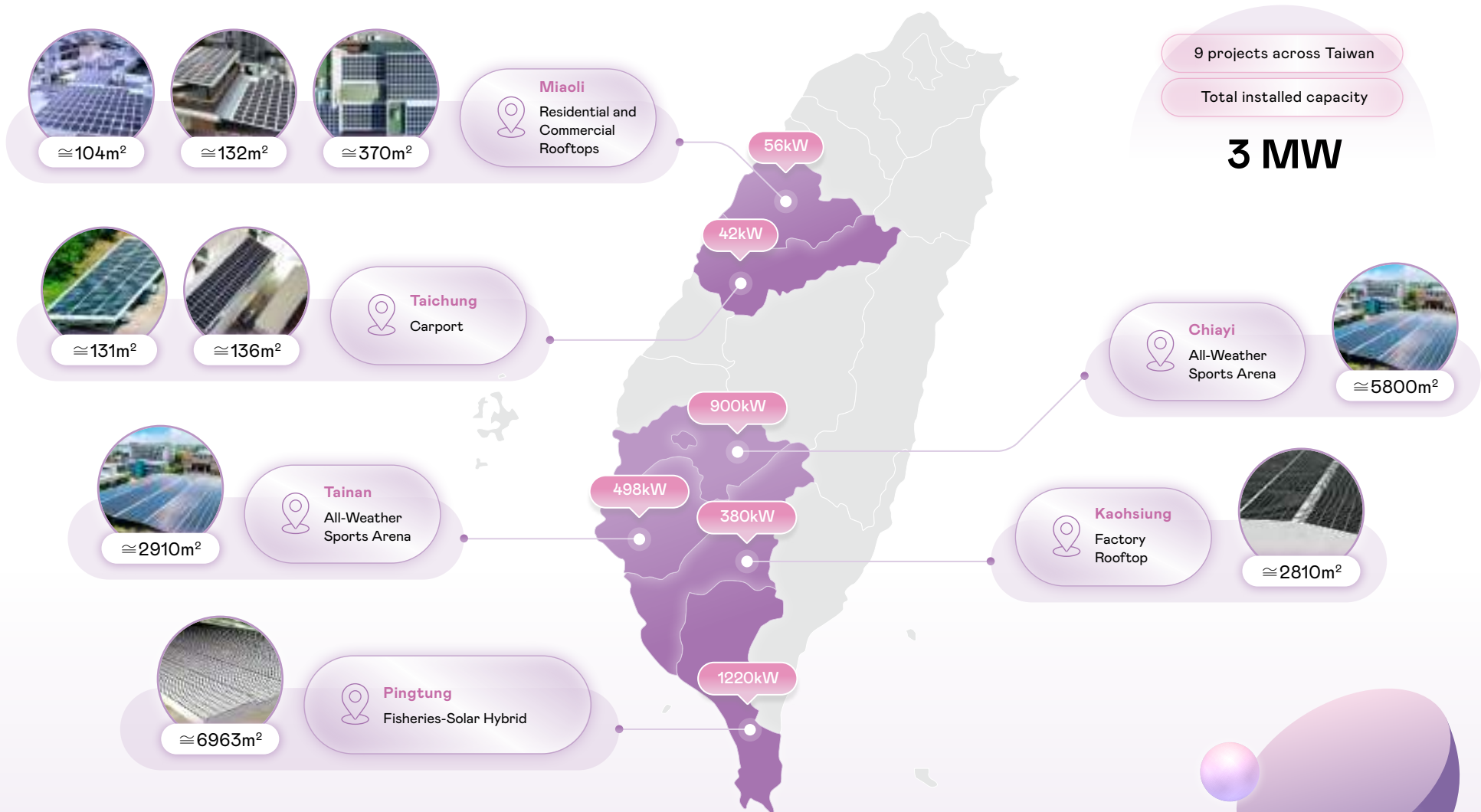


Material Topics

Number of cases of modules required by the solar energy market

### Building-integrated photovoltaics

Building-integrated photovoltaics (BIPV) combine the power-generating function of solar energy with refined architectural aesthetics by integrating solar products into construction materials, making it one of the effective approaches for achieving carbon reduction in buildings. AUO Energy leverages diverse technologies and specialized materials to develop its building-integrated solar solutions, including the innovative "SunSteel" photovoltaic corrugated panel, which can be applied across various building types. Developed from the design stage through to implementation, this integrated solution enhances rooftop space utilization and improves power generation efficiency by 15%. Its advantages include fast installation, lightweight structure, weather resistance, leak prevention, and ease of maintenance, all while blending seamlessly into building architecture and delivering energy-saving, heat-insulating, and aesthetic benefits. To date, AUO has completed nine BIPV projects across Miaoli, Taichung, Chiayi, Tainan, Kaohsiung, and Pingtung, spanning industrial plants, residential and commercial rooftops, parking canopies, covered sports courts, and dual-use aqua voltaic installations, with a total installed capacity of 3MW.





### 5.3.3 Green Energy Compatibility & Inclusion

While developing its energy business, AUO remains committed to public welfare, upholding the core value of giving back to society. Centered on humanity, environment, ecology, and industry, AUO pursues four key principles—human-centered development, long-term planning, future-oriented deployment, and global benchmarking. It actively participates in charitable initiatives to support underprivileged communities by providing both tangible and intangible contributions along the corporate value chain. Through pragmatic resource allocation, AUO offers assistance to residents near its power plants in areas such as health, education, economic development, industry support, and environmental sustainability, fostering a virtuous cycle of “energy transition, advancing together.”

#### Humanities Education

- Caring for rural students
- Promotion of environmental education knowledge
- Adoption and cultivation of young national athletes
- Establishing Cultural Heritage Structures and Preservation Revitalization Plans

#### Environmental Sustainability

- Industry government university collaboration and exchange
- Ecological and environmental monitoring
- Establishing a Model Academic Research Site



#### Industry Innovation and Regeneration

- Synergy Between Tourism and Renewable Energy
- Discovering the Distinct Identity of a Region
- Facilitating Regional Sustainability
- Indigenous Tribal Craft Heritage Preservation and Promotion

#### Community Engagement

- Elderly Care and Communal Dining
- Emergency Relief Program
- Wish Program
- Donation of Campus Infrastructure

#### Industry-University Exchange



#### Building-integrated Photovoltaics Conference

AUO has extended its energy business into the building sector by hosting the “Building-Integrated Photovoltaics (BIPV) Seminar” at its Taichung campus, joining forces with supply chain partners to realize the vision of sustainable net-zero buildings. To accelerate the construction industry’s progress toward carbon reduction, the seminar brought together experts from industry and academia to provide professional insights. Topics included an in-depth analysis of urban infrastructure in the net-zero era, policy trends in net-zero building development, architectural transformation under ESG-driven corporate sustainability, and power dispatch strategies in response to the energy transition. The event also featured focused discussions on architectural aesthetics and smart microgrid development, along with presentations by industry partners showcasing innovative technologies and products. Through close interaction with over 300 partners, AUO leveraged the seminar to co-develop more integrated photovoltaic building solutions, collectively advancing the practical application of smart technologies and driving Taiwan toward a thriving renewable energy future.

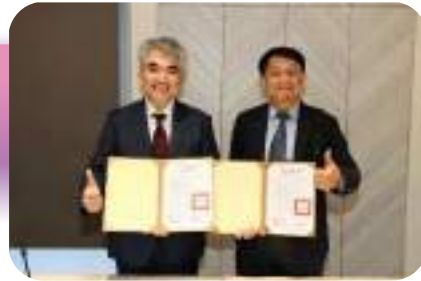


#### Energy Taiwan 2024

At Energy Taiwan 2024, AUO showcased its comprehensive energy solutions under the theme “Upgraded Smart Energy Solutions, Empowering Net-Zero Buildings through Diverse Applications,” highlighting its robust capabilities in power generation, energy storage, energy conservation, and energy management. The exhibition demonstrated how AUO supports enterprises in accelerating their energy transition while promoting the adoption of energy services in everyday life. From hardware materials to software systems, AUO presented fully integrated solar-plus-storage applications and enhanced energy management efficiency. In response to increasing energy demands, the company also unveiled upgraded energy security measures and innovative energy-saving solutions. During the event, AUO received the Golden Energy Award and the Top Solar Award, while its joint displays with partners generated widespread visibility, attracted a steady stream of visitors and business inquiries, and fostered valuable industry engagement and exchange.







### National University of Kaohsiung Industry-Academia Collaboration MOU

National University of Kaohsiung has long supported AUO Energy's efforts in the development and promotion of building-integrated photovoltaics. On December 10, 2024, the two parties signed a Memorandum of Understanding (MOU) to foster talent cultivation and technical exchange, while collaborating on the implementation of specific sustainability initiatives aligned with the SDGs and ESG goals. These initiatives include assistance in establishing a campus energy management system, an urban carbon sink research center, and a zero-carbon building demonstration lab. Through this partnership, both parties affirmed their shared commitment to advancing renewable energy and net-zero building objectives in Taiwan.

### Caring for Education in Remote Areas

In addition to investing in and operating solar power plants, Star Shining Energy is committed to supporting the education of schoolchildren in rural communities. In 2024, the company launched its first Star Shining Cultural Train initiative, inviting Taiwan's renowned Paper Windmill Theatre to perform *The Adventures in the Sweet Potato Forest* and *Polly Comes Home* in Kouhu, Yunlin and Fenglin, Hualien. These educational and entertaining performances attracted a total audience of 2,500 local residents. To promote environmental education from a young age, the company also collaborated with AUO's certified environmental educators to offer the "Chasing the Sun with Technology" program at Linrong Elementary School in Hualien and Wenguang Elementary School in Yunlin. The courses included interactive games, team-based competitions, quizzes with prizes, and hands-on experiments, providing immersive and engaging learning experiences for both students and teachers. In 2024, the company continued its financial support for after-school tutoring programs at Wenguang Elementary School in Yunlin, enabling parents to work without worry and helping approximately 200 local students focus on their academic progress in a safe and supportive environment.

### Environmental Ecology Industry-Academia Collaboration at Dong Hwa University and Ecological Monitoring & Restoration by Huilan Wind Ecology Co., Ltd. (Hualien)

Located in Hualien, the Shengfeng Environmental and Green Energy Park has maintained a long-term industry-academia partnership with the Center for Interdisciplinary Research on Ecology and Sustainability Science (CIRES) at National Dong Hwa University. The park is home to Taiwan's first flux tower installed at a solar power site, which is used for comprehensive environmental and ecological research—including carbon dioxide flux monitoring, as well as studies on flora, fauna (birds, amphibians, and reptiles), and soil. The park serves as a practical site for ecological and environmental research and will carry out a 20-year ecological and water quality monitoring project, with results regularly published on the StarShining Energy website.



## Local Inclusion

### Sustainability Service Team

StarShining Energy <sup>Note</sup> is committed to advancing the three core pillars of environmental protection, social responsibility, and corporate governance (ESG). In response to the growing trends of population aging and declining birth rates, the company has prioritized long-term care for the elderly and educational support for children as key service areas. In 2024, a total of 35 employees from various counties and cities across Taiwan voluntarily participated in the Sustainability Service Team, engaging in a wide range of initiatives tailored to the needs of rural communities and townships. These efforts included supporting community care centers and shared meal services for seniors, assisting with environmental education programs, raising and donating funds for after-school tutoring, promoting and sponsoring youth sports development, offering free haircuts for the elderly, providing accessible taxi services for medical appointments, and conducting home visits for vulnerable groups. Through these actions, Star Shining Energy continues to bring positive impact to society by delivering essential services to underserved populations.

Note: StarShining Energy was jointly established in 2017 through a partnership between AUO, Taiwan Life Insurance, and Fubon Life Insurance.



StarShining Energy Establishes Sustainability Service Team



### Agri-Solar Pilot Collaboration with National Chung Hsing University and SH Biotech Co., Ltd. (Yunlin)

The Maocheng Green Energy Education Park has designated an Agri-Solar Experimental Zone, featuring areas for healthy seedling cultivation in greenhouses, photovoltaic greenhouse trials, photovoltaic net houses, and open-air test plots. Equipped with sprinkler and drip irrigation systems, the site is used to study the agricultural viability of crops such as Chinese cabbage, amaranth, water spinach, string beans, and kidney beans, along with seedling projects for cantaloupes, eggplants, and okra. At the same time, the site is undergoing landscape development. All vegetables harvested - branded as "love vegetables" - are donated free of charge to residents of Kouhu Township, realizing the company's commitment to social welfare through concrete community action.





Subsidiary



# AUO Crystal Corporation

AUO Crystal Corporation, formerly known as “AUO Energy Technology Corporation,” was officially established in 2009 as a subsidiary of AU Optronics. In 2010, the company was renamed “AUO Crystal Corporation.” As part of its global deployment strategy, the company has established manufacturing and service bases in various regions to provide timely and efficient customer service. Since 2008, the parent company AU Optronics has actively expanded into the solar energy business, collaborating with Japan’s M.Setek and other leading international companies to build a vertically integrated solar value chain. AUO Crystal possesses advanced capabilities in the manufacturing of high-quality monocrystalline silicon wafers. By collaborating with international companies, the company develops and produces solar and semiconductor materials, as well as related processing services. It offers customized solutions for silicon-based materials, striving to create value for customers and contribute to a sustainable environment.

Reporting Period: January 1, 2024, to December 31, 2024

Scope of the Report: Taiwan (Taichung)

Contact: HR@auocrystal.com

External Assurance: All relevant data have been verified by third-party organizations and presented using internationally recognized indicators. ISO 14064 GHG emissions were verified by DNV based on ISO 14064. GRI was assured by KPMG based on ISAE 3000.

Company name	AUO Crystal Corporation
Founded in	22 <sup>nd</sup> May 2009
Chairman	Shih-Kun Chen
Headquarter	No. 335, Sec. 2, Houke Rd., Houli Dist., Taichung City, Taiwan
Main product, technology and service	PV Mono Ingot & Wafer, Semi Parts & Wafers
Operation	Taiwan (Taichung), Japan (Tokyo, Kochi)
Total number of employees	283
Revenue (NTD thousand)	1,561,107
Income After Tax (NTD thousand)	-673,060
Website	<a href="https://www.auocrystal.com/en/">https://www.auocrystal.com/en/</a>

## 1. Product & Technology

### Material Topics

Technological innovation and market strategy, Sustainable products

Semiconductors	Photovoltaic	Silicon Materials
<ul style="list-style-type: none"> <li>Semiconductor Silicon Wafer</li> <li>Semiconductor Silicon Materials</li> </ul>	<ul style="list-style-type: none"> <li>Photovoltaic Monocrystalline Ingot</li> <li>Photovoltaic Monocrystalline Wafer</li> </ul>	<ul style="list-style-type: none"> <li>Purified Silicon Powder <sup>Note</sup></li> </ul>
		

Note: Silica powder is a sub-nanometer flake-like material, with high purity and stable quality. It can be applied in metal smelting, fireproof materials, silicon methanes, and production of lithium battery anode materials.

### 1.1 Technological Innovation & Market Strategy

AUO Crystal aligns with the AUO Group’s sustainability direction, advancing strategies under three major pillars: Environmental Sustainability, Inclusive Growth, and Agile Innovation.

#### Product Operations

Process and Cost Optimization: In addition to enhancing various performance specifications of silicon products, AUO Crystal continuously integrates and internalizes cost optimization concepts from the mature green energy industry, thereby improving overall market competitiveness.

#### Market Deployment and New Business Development

The company continues to deepen and expand its investment in the semiconductor-grade silicon materials market. By working closely with leading industry clients, AUO Crystal develops and provides cutting-edge products—particularly those at the forefront of silicon material specifications.

### 1.2 Sustainable Products

Hazardous Substances Management GRI 416-1

AUO Crystal's products were tested by an independent third-party organization in 2024, and 100% of the test results showed no detectable harmful substances. The products comply with RoHS, REACH, and all customer requirements.

Reduce Product Energy Consumption GRI 302-5

AUO Crystal is committed to advancing energy-saving technologies by optimizing hardware, materials, and production processes to improve yield and reduce energy consumption. However, due to corporate and product transformation efforts, unit energy consumption increased in 2024.

Product	Energy consumption	Description
Crystal ingot	Increase 332.6%	Compared to the base year of 2023, unit energy consumption has increased due to transformation adjustments and reduced production capacity.
Wafer	Increase 323.6%	Compared to the base year of 2023, unit energy consumption has increased due to changes in product types.



## 2. Sustainable Management

### Material Topics

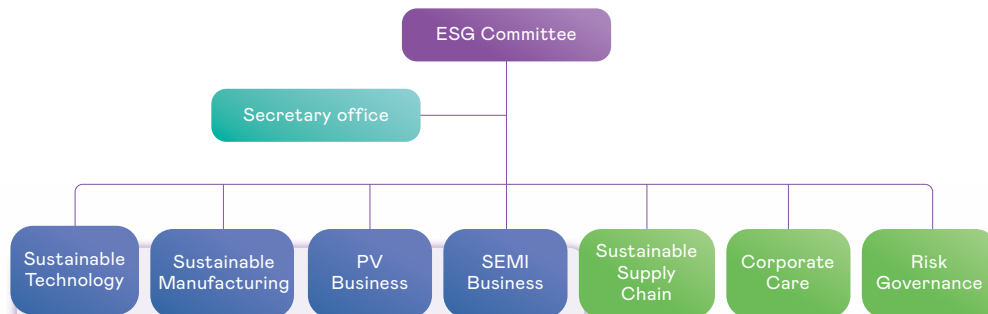
Business risk, Sustainable governance operation, Stakeholder, Supply chain management

### Selected for the National Sustainable Development Award

AUO Crystal was selected for the National Sustainable Development Award, hosted by the Executive Yuan, in its first year of participation. The company's efforts under the principles of "Shared ESG Prosperity" and "Company-Wide ESG Participation" earned high praise from the judging panel. Building on this achievement, AUO Crystal will continue to advance its sustainability and net-zero transformation initiatives.

### 2.1 ESG Committee

To reference global business development trends, promotional plans effectively, integrate horizontal resources, enhance the management efficiency of social responsibility, meet the expectations of stakeholders on environmental protection, social care and corporate governance, and ensure the sustainability of corporate operations, AUO Crystal established the ESG committee in 2022. The committee is chaired by the chairman of the board, with each chairman of the groups being appointed from the first-level executives. Under the committee, general affairs are arranged, and a secretary office is established to coordinate committee information and operations. The committee is divided into several groups including the Sustainable Technology Group, Sustainable Manufacturing Group, Photovoltaic (PV) Business Group, Semiconductor (SEMI) Business Group, Sustainable Supply Chain Group, Corporate Care Group, and Risk Governance Group. Through monthly meetings, the committee sets goals and tracks progress, connects internal departments and allocates resources to jointly implement ESG action plans.



With a mission of sustainable development, we leverage core technologies to enhance competitiveness and address opportunities and challenges. We strengthen resilience to achieve effective operational indicators.

### 2.2 ESG Guiding Principles: CSR3

In response to global climate change, AUO Crystal firmly believes that sustainability is a path that must be taken. In the face of an unpredictable and volatile environment, the company integrates operational strategies with its core business to demonstrate resilience, working alongside partners with a long-term vision and a steadfast commitment to doing the right thing. Guided by four core principles - Corporate Governance, Social Engagement, Reduce, and Recycle & Reuse - AUO Crystal practices forward-thinking and implements smart, efficient, and innovative energy-saving production and resource recycling methods. By building a customer-centric value chain, the company strives to contribute to a sustainable future for humanity.



#### Corporate Governance

- Law compliance and business integrity
- Valuing shared value and giving back
- Effective risk management ensures operational stability
- Encouraging the research and development of innovative technologies



#### Social Engagement

- Promoting human rights and employment freedom
- Upholding the commitment to sustainable development
- Providing a safe, healthy and harmonious workplace environment
- Cultivating social culture and public welfare concern



#### Reduce

- Improving production efficiency
- Designing energy-saving processes and equipment
- Implementing energy management



#### Recycle & Reuse

- Committed to green production
- Creating recycling use to reduce waste and create value
- Actively preventing pollution and reducing environmental load



## 2.3 Stakeholder Engagement

### Stakeholder Engagement Achievements

### GRI 2-29

Stakeholder	Relevance and Collaboration Focus with AUO Crystal	Communication Channels	Communication Topics	2024 Achievements
Government/ Academic Experts	By irregularly participating in seminars and symposiums, consulting with experts, and gaining external professional perspectives, to quickly grasp industry trends and key regulations.	<ul style="list-style-type: none"> <li>Symposiums</li> <li>Conference</li> <li>External communication mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Industry-academia cooperation</li> <li>Environmental safety and health practices</li> <li>Regulatory consultation</li> </ul>	<ul style="list-style-type: none"> <li>Participated in 50 government-hosted symposiums/conferences</li> <li>Cooperated with government agencies for supervision and auditing for 9 occasions</li> </ul>
Suppliers	Manage suppliers and subcontractors based on the ESG concept, and ensure the quality of cooperation through capability assessment, regular audits, and evaluations.	<ul style="list-style-type: none"> <li>Project meetings</li> <li>On-site exchanges</li> <li>Supplier audits</li> <li>Integrity mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable development</li> <li>Circular economy</li> <li>Operational risks</li> </ul>	<ul style="list-style-type: none"> <li>Supplier QBR evaluation score of 84.6</li> </ul>
Customers	Proactively respond to customer needs, fully understand customer perspectives on ESG issues, analyze international implementation trends, actively participate in customer implementation plans, and incorporate new perspectives and practices into AUO Crystal's management system.	<ul style="list-style-type: none"> <li>Project meetings</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable products</li> </ul>	<ul style="list-style-type: none"> <li>Average customer satisfaction rate of 85.42%</li> </ul>
NGOs	Proactively collaborate with NGOs and social enterprises to promote projects, combining their expertise and passion to expand project influence.	<ul style="list-style-type: none"> <li>AUO Foundation</li> <li>External communication mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Caring for communities</li> </ul>	<ul style="list-style-type: none"> <li>Mid-autumn gift box fundraiser for 0403 Hualien earthquake</li> </ul>
Media	Actively communicate the progress of sustainable business development to relevant stakeholders through diverse social media channels.	<ul style="list-style-type: none"> <li>Exhibitions</li> <li>Press releases</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Operational performance</li> <li>ESG brand</li> </ul>	<ul style="list-style-type: none"> <li>AUO Crystal x Love the country, love the soil — ESG video release</li> </ul>
Employee	Care for employees' physical and mental well-being, and pay attention to employee welfare, shaping a friendly workplace. Create an internal sustainable environment and establish a culture of sustainability in AUO Crystal.	<ul style="list-style-type: none"> <li>Internal announcements</li> <li>Club activities</li> <li>Labor-management meetings</li> <li>Employee welfare committee</li> <li>Internal communication mailbox</li> <li>Business briefings</li> </ul>	<ul style="list-style-type: none"> <li>Operational status</li> <li>Social participation</li> <li>Employee care</li> </ul>	<ul style="list-style-type: none"> <li>4 labor-management meetings</li> <li>3 employee welfare committee meetings</li> <li>1 strategic goal meeting</li> <li>6 goal alignment meeting</li> <li>1 business briefing</li> <li>1 club activities</li> </ul>
Investors	Proactively communicate with investors based on principles of openness and transparency, demonstrating transformation capabilities and sustainable performance. Actively communicate with investors to update them on operational status and reduce concerns.	<ul style="list-style-type: none"> <li>Annual board meetings</li> <li>Financial reports</li> </ul>	<ul style="list-style-type: none"> <li>Operational performance</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed Financial information</li> </ul>
Student	Actively recruit outstanding talent through campus recruitment	<ul style="list-style-type: none"> <li>Campus recruitment</li> <li>External communication mailbox</li> <li>Job search website</li> </ul>	<ul style="list-style-type: none"> <li>Employment and benefits</li> <li>Brand image</li> </ul>	<ul style="list-style-type: none"> <li>Participated in 1 campus recruitment events</li> </ul>
Neighborhood and community	AUO Crystal's manufacturing site includes Holi and Kochi in Taiwan, and continuously cultivates community relationships, maintaining good interaction with local residents through community activities.	<ul style="list-style-type: none"> <li>Regular on-site visits and care</li> <li>Irregular community events</li> <li>External communication mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of agricultural products</li> <li>Site environmental maintenance communication</li> </ul>	<ul style="list-style-type: none"> <li>2 agricultural product group purchases</li> </ul>

## 2.4 Risk Management

### Management Organization and Policy GRI 2-12

AUO Crystal establishes a risk governance group under its ESG committee, with the Chairman acting as the highest manager. To enhance corporate governance and risk management capabilities, AUO Crystal continuously optimizes risk management policies and procedures. The "Risk Management Policy and Procedure" are in place to ensure the effective implementation of risk management practices.

### Supply Chain Management GRI 2-6

AUO Crystal manages its suppliers and contractors based on the three major aspects of ESG, which includes quality/service level, green products, operational manufacturing, cost, environmental safety and health risks, labor management, and ethical standards. The company assesses the capabilities of new suppliers/contractors, and only those who pass the audit can become partners. For existing partners, regular audits and evaluations are conducted to ensure the quality of cooperation. AUO Crystal abides by the highest standards of business ethics in all transactions with partners and has set up a mailbox for reporting illegal activities: integrity@auocrystal.com

#### Supply Chain Formation

Type	Number of suppliers
PV	65
SEMI	144
Silicon materials	4
Facility construction	43
Waste	8

#### Supply Chain Risk Management

Subject	Management Practices
New suppliers	Sign three major documents (Integrity/Confidentiality/Non-infringement)
Existing suppliers	Participate in quarterly business review meetings (QBR) or semi-annual evaluations for key materials

## 2.5 Regulation Compliance

### Annual Violations GRI 2-27

In 2024, AUO Crystal did not incur any violations related to environmental protection, occupational safety, or labor practices.

### Participate in Associations/organizations GRI 2-28

Name of associations/organizations	Role	2024 membership
The Allied Association for Science Park Industries (ASIP)	Member	NTD 126,000

## 3. Environment Sustainability

### 3.1 Environmental Data Disclosure

**Material Topics** Circular and clean production, Sustainable products, Climate change

#### Reduce

### Energy Consumption GRI 302-1

Item		2024 (GJ)	2023 (GJ)	2022 (GJ)
Total energy consumption	Renewable	7,129	2,633	2,338
	Nonrenewable	116,127	269,953	379,761
Purchased electricity consumption		-	0	0
Self-Generation and Parallel Sale	Renewable	2,389	2,340	2,338
	Self-Generation electricity consumption	4,740	293	0
Purchased electricity consumption		116,127	269,858	379,651
Purchased steam consumption		0	0	0
Nonrenewable	Natural gas	0	0	0
	Liquid petroleum gas (LPG)	0	0	0
	Diesel	0	95	110
	Gasoline	0	0	0

Note: The conversion coefficients of natural gas, liquefied petroleum gas, diesel and gasoline are referred to the calorific value data announced by the Bureau of Energy, Ministry of Economic Affairs.

### Energy Intensity GRI 302-3

Item	2024	2023	2022
Electricity consumption per output sheet substrate area (KWH/m <sup>2</sup> )	66.3	20.19	-(Note)
Energy consumption per output sheet substrate area (GJ/m <sup>2</sup> )	0.24	0.07	-(Note)
Electricity consumption per unit revenue (KWH/NTD 1,000)	21.51	15.59	15.00
Electricity consumption per unit revenue (GJ/NTD 1,000)	0.08	0.06	0.05

Note: Starting from 2023, the calculation will be based on the unit area of output, due to different calculation methods, hence the information from 2022 is not disclosed.

Reduce Energy Consumption

GRI 302-4

AUO Crystal has adopted intelligent detection systems in its production processes to replace manual inspections, thereby enhancing efficiency and reducing non-value-added working hours. At the same time, the company continues to refine its energy-saving technologies by improving hardware equipment and materials to increase yield rates and optimize energy consumption.

Item	2024	2023	2022
Energy saving rate	5.31%	1.08%	0.83%

Note: The calculation method is the total amount of electricity saved by annual power saving measures in Taiwan's production area/ the actual annual power consumption.

Emissions

GRI 305-5

Item unit: ton CO <sub>2</sub> e	2024	2023	2022
Scope 1	20.26	116.57	149.55
Scope 2	15,290.03	37,030.46	53,678.49
Scope 3	18,605.65	Not yet investigated	Not yet investigated
Intensity <sup>Note</sup>	0.01	0.008	0.01

Note: The calculation method is (Scope 1 + Scope 2) / annual operating revenue (NTD 1,000).

Air Pollutant Emissions

GRI 305-6 · GRI 305-7

Item Unit: tons	2024	2023	2022
ODS (Unit: CFC-11 equivalent tons)	0	0	0
NOx	0	0	0
SOx	0	0	0
POP	0	0	0
VOC	9.30	39.18	46.50
HAP	0	0	0
PM	0.00457	0.03	0.05

Recycle & Reuse

Materials Used (Volume)

GRI 301-1

Item	Type	Tons
V-poly	Nonrenewable	89.1
	Renewable	164.8

Recycled Input Materials Used (%)

GRI 301-2

Item	Type	Percentage
V-poly	Nonrenewable	35%
	Renewable	65%

Note: Percentage of renewable materials used = (Total renewable material use / Total material use) × 100%.

Water Withdrawal

GRI 303-3

AUO Crystal maintains a process water recycling rate that exceeds the industrial park standard. The company is committed to developing and applying various water treatment and recycling technologies, aiming to optimize water-saving solutions and continuously increase the volume of recycled water.

Item (Unit: 1,000m <sup>3</sup> )	2024		2023		2022	
	Surface water (including rain water)	Total	Surface water (including rain water)	Total	Surface water (including rain water)	Total
	Fresh water		Fresh water		Fresh water	
All region	188.82	188.82	493.60	493.60	726.92	726.92

Water Discharge

GRI 303-4

Item (Unit: 1,000m <sup>3</sup> )	2024		2023		2022	
	Surface water (including rain water)	Total	Surface water (including rain water)	Total	Surface water (including rain water)	Total
	Fresh water		Fresh water		Fresh water	
All region	88.08	88.08	395.77	395.77	571.25	571.25

Water Pollutant Discharge

GRI 303-4

Waste water (1,000 m <sup>3</sup> )	COD (tons)	BOD (tons)	SS (tons)
88.08	11.045	0.579	1.23

Waste GRI 306-3 \ GRI 306-4 \ GRI 306-5

Item (Unit: tons)	2024			2023			2022		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste	1.27	0	1.27	0	0	0	0.65	0	0.65
Nonhazardous waste	621.13	528.18	92.95	1,079.28	916.14	163.14	1,742.31	1,498.22	244.09

Waste Diverted from Disposal & Directed to Disposal GRI 306-4 \ GRI 306-5

Type	Item (Unit: tons)	2024		2023		2022		
		Offsite	Total	Offsite	Total	Offsite	Total	
Hazardous waste	Disposal	Total	1.27	1.27	0	0	0	0
		Incineration (with energy recovery)	1.27	1.27	0	0	0	0
		Incineration (without energy recovery)	0	0	0	0	0	0
		Landfilling	0	0	0	0	0	0
		Other disposal operations	0	0	0	0	0	0
Hazardous waste	Recovery	Total	0	0	0	0	0	0
		Preparation for reuse	0	0	0	0	0	0
		Recycling	0	0	0	0	0	0
		Other recovery operations	0	0	0	0	0	0
Nonhazardous waste	Disposal	Total	92.95	92.95	163.14	163.14	244.09	244.09
		Incineration (with energy recovery)	92.95	92.95	163.14	163.14	238.47	238.47
		Incineration (without energy recovery)	0	0	0	0	5.62	5.62
		Landfilling	0	0	0	0	0	0
		Other disposal operations	0	0	0	0	0	0
Nonhazardous waste	Recovery	Total	528.18	528.18	916.14	916.14	1,498.22	1,498.22
		Preparation for reuse	0	0	0	0	0	0
		Recycling	528.18	528.18	916.14	916.14	1,498.22	1,498.22
		Other recovery operations	0	0	0	0	0	0

3.2 Enhancement Project & Achievement



Increasing Share of Green Energy

In 2023, AUO Crystal completed the installation of rooftop solar power systems with a total capacity of 970 kW, fulfilling the mandatory renewable energy requirement for major electricity users ahead of schedule. Beginning in 2024, the proportion of green energy usage has steadily increased, reaching a peak of 5.7%, with an average of 4.0%.



Improved Heating Control of Adsorption Dryers to Enhance Energy Savings

To address issues of unstable power consumption caused by heating peak fluctuations, AUO Crystal modified the heating method of its adsorption dryers. The original heating system using magnetic contactors (MCs) resulted in unstable temperature and power fluctuations, leading to higher energy consumption. By replacing MCs with silicon controlled rectifiers (SCRs) for heating control, the company successfully stabilized the heating process and reduced power peaks, achieving an annual energy savings of 7%.



# 4. Inclusive Growth

AUO Crystal has long recognized social and environmental responsibility as a core corporate value and an essential duty of a global citizen. The company integrates corporate social responsibility (CSR) into its operational strategies, including company policies, internal management practices, implementation procedures, and employee training programs. Through corporate governance, talent cultivation, and community engagement, AUO Crystal leverages innovative technology to give back to society, upholding its commitment to sustainable development, enhancing corporate culture, and maximizing value for customers and stakeholders.

## 4.1 Human Rights Policy and Commitment

To meet the expectations of global clients, comply with local labor laws, and embody AUO Crystal's corporate spirit, the company has established a social responsibility policy aligned with international standards, including Social Accountability 8000 (SA8000) and the Responsible Business Alliance (RBA). AUO Crystal is committed to the following principles:

- 1 Compliance with legal requirements
- 2 Promotion of freely chosen employment
- 3 Prohibition of child labor
- 4 Humane treatment of employees
- 5 Elimination of improper discrimination
- 6 Prohibition of forced labor
- 7 Provision of fair compensation and benefits
- 8 Employee skill development and training
- 9 Establishment of communication mechanisms
- 10 Respect for intellectual property rights
- 11 Transparent information disclosure
- 12 Integrity in business conduct
- 13 Promotion of social responsibility
- 14 Enhancement of social culture and support for the disadvantaged

## 4.2 Disclosure of Employee-related Data

Material Topics

Talent recruitment and retention

### Employee Selection, Training, Employment, and Retention Policy

AUO Crystal provides a broad platform for those ready to grow, offering a globalized work environment and close cross-functional collaboration. Employee development is the driving force behind the company's continued growth. Through a comprehensive education and training system organized by the Education and Training Committee, AUO Crystal has received TTQS certification and was previously awarded the National Talent Development Award in the Large Enterprise category, creating boundless career development opportunities for employees. On-the-job training programs offer diverse learning resources and channels, including onboarding training and a wide range of courses in management, technical, quality, and personal growth. Employees are encouraged to choose courses based on their individual professional development needs. Cross-disciplinary learning is also promoted to enrich employees' experience, cultivate a broader perspective, and build professional networks. AUO Crystal values its employees and implements a diversified compensation and benefits system. The company offers competitive salaries, leave policies that exceed the requirements of the Labor Standards Act, and a variety of thoughtful subsidies.

Employee Headcount (by Employment Contract Type)

Type	Employment Contract	Taiwan	Total
Male	Permanent	221	221
	Temporary	0	0
	Non-guaranteed hours	0	0
	Total	221	221
Female	Permanent	62	62
	Temporary	0	0
	Non-guaranteed hours	0	0
	Total	62	62
Unspecified	Permanent	283	283
	Temporary	0	0
	Non-guaranteed hours	0	0
	Total	283	283

Note: Data reflects the number of employees on active duty as of December 31, 2024.

Employee Headcount (by Employment Contract Type)

Gender	Employment Type	Taiwan	Total
Male	Full-time	221	221
	Part-time	0	0
	Total	221	221
Female	Full-time	62	62
	Part-time	0	0
	Total	62	62
Unspecified	Full-time	283	283
	Part-time	0	0
	Total	283	283

Employee Diversity GRI 405-1

Category	Item	Male	Female	Under 29	30~49	Over 50	Physical and mental disabilities	
Total	Total employees (%)	78.1%	21.9%	3.9%	88%	8.1%	0.7%	
Management	Level	Junior level management (%)	77.8%	22.2%	0	94.4%	5.6%	0
		Mid-level management (%)	100%	0	0	70%	30%	0
		Senior level management (%)	90.9%	9.1%	0	9.1%	90.9%	0
	Total	Management (%)	87.2%	12.8%	0.	64.1%	35.9%	0
Employee Composition	Indirect labor (%)	36.7%	11%	1.8%	38.2%	7.8%	0.3%	
	Direct labor (%)	41.3%	11%	2.1%	49.8%	0.3%	0.3%	

Average Hours of Training GRI 404-1

Region	Indirect labor	Direct labor	Management	Nonmanagement	Female	Male
Total training hours for Taiwan	1,330	131	333	1,128	364	1,097
Average training hours	9.85	0.89	8.54	4.62	5.87	4.96

Programs for Upgrading Employee Skills GRI 404-2

AUO Crystal provides diverse learning resources and channels, including new employee education and training, as well as a variety of courses in management, professional development, quality, and personal growth. In addition, we have designed a GAP table based on job positions, allowing employees to choose their own professional development paths and encouraging cross-functional learning. Furthermore, in response to global sustainable development, we place greater emphasis on training greenhouse gas inventory seed personnel and promoting ESG sustainability awareness and commitment among all employees.

Percentage of Employees Receiving Regular Performance & Career Development Reviews GRI 404-3

	Indirect labor	Direct labor	Management	Nonmanagement	Female	Male
No. of employees	135	148	39	244	62	221
Percentage	47.7%	52.3%	13.8%	86.2%	21.9%	78.1%
Total	100%		100%		100%	



Employee Remuneration

AUO Crystal values its employees and adopts a diversified salary and benefits system, offering competitive salary levels. Depending on the company's operation status and individual performance, salary adjustments and bonus distributions are made.

Labor-Management Relations Management GRI 2-30

AUO Crystal promotes sound two-way communication between labor and management through: (1) establishing workplace rules, which are submitted to and approved by the competent authorities and publicly disclosed, and(2) regularly convening labor-management meetings.

Occupational Safety and Health Management Policy

AUO Crystal is committed to creating a safe and healthy working environment for its employees. The primary goals of its occupational safety and health efforts include: Preventing occupational accidents, Establishing a robust legal framework for workplace safety and health, Implementing occupational safety and health management systems, Creating a high-quality work environment, and Conducting emergency response training. These initiatives are led by senior management and include regular fire drills and evacuation exercises to foster a culture of safety and achieve a zero-accident workplace.

- 1 **Compliance with legal requirements**
  - We comply with, and aim to exceed, all applicable government laws and self-imposed commitments related to environmental, safety, and health regulations.
- 2 **Provision of a Safe and Healthy Workplace**
  - We shall adopt new methods, technologies, and equipment to ensure employee safety and health.
  - We shall maintain a safe and healthy work environment to prevent occupational accidents and illnesses.
  - We encourage employees to report potential hazards and participate in improvement initiatives.
- 3 **Enhanced Employee Training**
  - We shall strengthen the environmental, safety, and health responsibilities of all employees and managers.
  - We shall continuously promote awareness and skills related to environmental, safety, and health matters.
- 4 **Robust Communication Mechanisms**
  - We shall disclose relevant ESH information to stakeholders and consider their feedback for continuous improvement.
  - We expect all suppliers and contractors to uphold the same ESH performance standards.
- 5 **Continuous Improvement in ESH Performance**
  - We implement regular audits and invest in improvements to fulfill this policy and enhance ESH management performance over time.

Employee Welfare GRI 401-2

Item		Taiwan	Total
Childbirth subsidy	Persons	4	4
	NTD	8,000	8,000
Childcare subsidy	Persons	73	73
	NTD	176,000	176,000
Funeral condolences	Persons	32	32
	NTD	32,000	32,000
Wedding subsidy	Persons	11	11
	NTD	33,000	33,000
Hospitalization condolences	Persons	13	13
	NTD	13,000	13,000
Group insurance	Persons	398	398
	NTD	2,359,848	2,359,848

Parental Leave GRI 401-3

Item	Male	Female
Number of employees eligible for parental leave	24	10
Total number of employees actually using parental leave	3	0
The number of employees expected returning to job after parental leave during the year	5	5
The total number of employees actually returning to job after parental leave	4	2
The total number of employees returning to job and still on the job for 12 months after parental leave	2	1
Reinstatement rate after parental care leave	80%	40%
Retention rate after parental care leave	50%	50%

Note: In 2023, there was 4 male employees and 2 female employees who actually returned to work after parental leave.

Coverage of the Occupational Health and Safety Management System **GRI 403-8**

Category	No. of employees	Ratio
All employees	283	100%
Contractor	294	100%

Occupational Injuries of Employees and Contractor Personnel **GRI 403-9**

Employees	All	Male	Female
Number of work-related fatalities	0	0	0
Ratio of work-related fatalities	0	0	0
Number of severe work-related injuries	0	0	0
Ratio of severe work-related injuries	0	0	0
Number of recordable work-related injuries	0	0	0
Ratio of recordable work-related injuries	0	0	0
Working Hours	747,824	588,720	159,104

Other Personnel (Contractors)	All	Male	Female
Number of work-related fatalities	0	0	0
Ratio of work-related fatalities	0	0	0
Number of severe work-related injuries	0	0	0
Ratio of severe work-related injuries	0	0	0
Number of recordable work-related injuries	0	0	0
Ratio of recordable work-related injuries	0	0	0
Working Hours	31,200	28,080	3,120

Note: Working hours for contractors are calculated based on daily work permits issued. Each permit covers 2 days, 8 hours per day, and involves 3 individuals per permit.

Occupational Illnesses of All Employees and Other Personnel (Contractors) **GRI 403-10**

Employees	All	Male	Female
Number of recordable cases of work-related illnesses	0	0	0
Number of fatalities resulting from work-related illnesses	0	0	0
Ratio of fatalities resulting from work-related illnesses	0	0	0
Main types of work-related illnesses	0	0	0

Other Personnel (Contractors)	All	Male	Female
Number of recordable cases of work-related illnesses	0	0	0
Number of fatalities resulting from work-related illnesses	0	0	0
Ratio of fatalities resulting from work-related illnesses	0	0	0
Main types of work-related illnesses	0	0	0





## 4.3 Social Engagement



### Arbor Day Tree Planting Campaign

On Arbor Day, AUO Crystal mobilized employees to plant Chinese mahogany saplings as a tangible act of participation in ESG initiatives. The company believes that planting trees symbolizes a firm commitment to environmental protection, carbon reduction, and a deep love for the Earth.



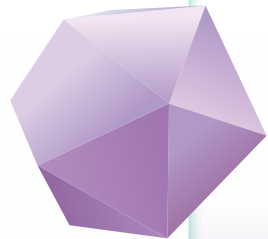
### Farmer Experience

AUO Crystal participated in the "Civic Deliberation - Youth Creativity Proposal" hosted by the Houli District Office's Community Development Center. The company supported the "Roaming Among Lilies in Houli" initiative as part of the 2024 Taichung City Community Empowerment and Village Cultural Development Project. The company hosted a dedicated session for employees and their families, bringing together 21 participants for a hands-on activity featuring lily bulb and variety introductions, trivia games, personal planting, and bouquet wrapping. This event not only deepened participants' appreciation for lilies, but also nurtured intergenerational collaboration and the spirit of co-creation.



### Group Purchase of Relief Gift Boxes for Hualien

In keeping with its commitment to social responsibility, AUO Crystal organizes annual group purchases of locally sourced agricultural products to reduce carbon emissions and support sustainable consumption. In 2024, following the devastating impact of Typhoon Koinu and the April 3 earthquake in Hualien, the company responded to a foundation-led initiative by purchasing "Work-for-Relief" gift boxes. These group purchases helped provide income opportunities for disaster-affected and disadvantaged families, supported community engagement, and strengthened local empowerment.



# AUO Display Plus

AUO Display Plus is a leading global supplier of industrial and commercial display solutions, offering a wide range of customized products tailored to customer needs. As a subsidiary of AUO Corporation, AUO Display Plus inherits over 20 years of expertise in display technologies and continues to drive AIoT innovation. The company actively advances smart display solutions across vertical markets such as enterprise, education, healthcare, and transportation, making intelligent displays ubiquitous.

Reporting Period: January 1, 2024, to December 31, 2024

External Assurance: Assurance was provided by KPMG in accordance with ISAE 3000.

Company name	AUO Display Plus
Founded in	28 <sup>th</sup> May 2020
Chairman	Frank Ko
President	Frank Ko
Headquarter	No. 1, Gongye E. 3rd Rd., East Dist., Hsinchu Science Park, Hsinchu City 300091, Taiwan (R.O.C.)
Main product, technology and service	Industrial and commercial application displays, intelligent solutions for fields such as enterprise, education, healthcare, and transportation
Operation	<ul style="list-style-type: none"><li>● Headquarter: Taiwan</li><li>● Office: United States, Netherlands, Japan, China, Canada</li></ul>
Website	<a href="https://auodplus.com/en-global">https://auodplus.com/en-global</a>

## Products and Services in Response to SDGs

### Smart Healthcare



National Innovation Award – Excellence in Innovation Award

#### SurgiEyes Real-Time 3D Robotic Surgery Solution

Endoscopic surgery has become a prevailing surgical trend, offering advantages such as minimal tissue damage, reduced patient pain, and shorter recovery times. Given the high reliance on endoscopic imaging from monitors during surgery, AUO Display Plus has developed a Wide-Angle 3D Medical Display specifically for minimally invasive surgical environments, with over ten thousand real-world deployments to date. Through its high contrast ratio, Deep Red true red rendering, wide color gamut technology, and 4K ultra-high resolution, the wide-angle 3D medical display vividly presents clinical details such as organ textures and internal depth perception, allowing for more precise surgical execution.

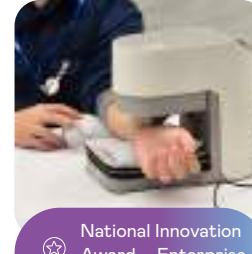
AUO Display Plus has developed a real-time 3D surgical solution by integrating a wide-angle 3D medical display with its SurgiEyes imaging and transmission technology. Through SurgiEyes' one-to-many live image sharing, the medical team can follow the lead surgeon's line of sight in real time and experience immersive 3D depth perception. This enhances team collaboration efficiency, shortens the learning curve for less experienced surgeons, and improves opportunities for medical education and training. The system also contributes to the development of remote surgery models, helping to reduce disparities in medical resources across regions, promote international cooperation, lower costs (e.g., travel for medical specialists), and optimize the use of professional medical expertise.



### Digital Dental Technology Solutions – Products and Services

In 2023, AUO Display Plus established DentLabX Co., Ltd., a company dedicated to providing smart integrated solutions for the dental and dental laboratory sectors. These intelligent dental technology integration solutions provide clients with a Digital Dental Lab Management System an end-to-end digital platform covering order intake, manufacturing, quality inspection, and shipment. This system empowers dental lab operators to manage quality more efficiently and gain precise visibility into input-output performance, thereby enhancing overall operational efficiency.

Key features of the digital dental technology solution include an Intelligent Dental Shade Matching Function and a dedicated smartphone/tablet app. Leveraging a specially designed A.R.T. anti-reflection dental display, along with a custom-designed integrated lighting shield featuring adjustable color temperature and beam angle, dental technicians can avoid interference from ambient lighting during shade matching. This ensures that accurate tooth color information is faithfully reproduced before the technician's eyes, significantly improving the convenience and accuracy of shade matching. In addition, the dedicated smartphone/tablet app allows dentists and dental laboratories to engage in real-time, case-specific discussions, providing on-demand updates on the status of prosthetic fabrication. This helps reduce the return rate of dental prostheses and lowers the potential for disputes among dentists, patients, and technicians. By integrating digital tools, the solution enhances the quality of healthcare services, improves patient satisfaction, and reduces waste in dental materials.



National Innovation Award – Enterprise Innovation Award

### Digitalized Traditional Chinese Medicine (TCM) Diagnostic Solution

AUO Health has developed a Digitalized TCM Diagnostic Solution, currently the only system in Taiwan that integrates the traditional TCM diagnostic methods of inspection (visual observation), inquiry (questioning), and palpation (pulse-taking) into a single digital platform. By transforming diagnostic results into data and visual formats, this solution addresses the longstanding challenges of standardization and result reliability in traditional medicine. The visualized diagnostic outputs allow TCM practitioners to record and access patient data in real-time through a digital platform, thereby enhancing the quality of medical services.

The pulse diagnosis system employs a highly sensitive, multi-point array pressure sensor to accurately replicate the finger pressure used in pulse palpation across the three traditional positions, and it has received certification from Taiwan's Food and Drug Administration (TFDA). The tongue image capture system and AI-powered TCM consultation chatbot utilize color correction algorithms and generative AI voice interaction technology, respectively, to improve image authenticity and patient-practitioner engagement. This digital TCM diagnostic solution has been adopted by leading clinical and academic institutions in Taiwan, including the College of Chinese Medicine at China Medical University, Taipei Tzu Chi Hospital, Tri-Service General Hospital, and Taipei Hospital under the Ministry of Health and Welfare. The solution supports research, education, and the advancement of traditional medicine.

## Smart Retail



### aecoPost Smart E-Paper Signage Solution



aecoPost combines innovative technology with practical design to offer a new visual communication medium for retail and commercial spaces, serving as an ideal replacement for traditional posters. It helps enhance brand image and improve operational efficiency. With its long-lasting battery and wireless design, aecoPost offers convenient usage. It adopts power-efficient wireless communication via Wi-Fi, and once fully charged, the built-in battery can operate for over six months under recommended usage conditions. Equipped with smart cloud-based management, aecoPost allows users to easily control and update content remotely. The cloud content management system enhances content distribution and monitoring efficiency across locations.

As technology advances, managers can update content in real time, anytime and anywhere. Even in offline retail environments, the dedicated mobile app enables seamless content control to meet diverse operational needs. Leveraging reflective e-paper display technology, aecoPost delivers clear visibility in bright environments—the brighter the surroundings, the better the display performance - offering customers a superior visual experience. Its cable-free design also allows for flexible placement throughout the store, enabling creative and energy-efficient display configurations.



### aecoTag Electronic Shelf Label Solution

aecoTag is an intelligent electronic shelf label system designed specifically for retailers. It features dynamic pricing capabilities and efficient management functions that enhance pricing accuracy and reduce human error. The system enables rapid response to market changes, optimizes customer experience, and maximizes operational efficiency. aecoTag integrates advanced hardware, software, and services, providing highly reliable interactive communication through a cloud management system. It supports high scalability with connectivity for up to 30,000 labels, utilizing Sub-1GHz wireless frequency, which offers better signal penetration and stability than conventional 2.4GHz Wi-Fi, with a line-of-sight (LOS) transmission range of up to 100 meters. The system also adopts low-power technology, enabling a battery life of over seven years, which reduces replacement frequency and lowers maintenance costs. By facilitating digital transformation, aecoTag helps retailers reduce paper and labor consumption, improve retail management efficiency, and enhance customer satisfaction - achieving seamless digital upgrade with ease.

## Smart Education



### Campus Information Display Solution

AUO Display Plus, in collaboration with its subsidiary AVOCOR and Rise Vision, offers a comprehensive Smart Education Campus Information Display Solution that combines hardware, content management, and technical support. The solution features intuitive and easy-to-use Content Management System (CMS) software alongside 43-inch or 55-inch digital signage displays. AUO Display Plus and AVOCOR are responsible for hardware production and integration, while Rise Vision provides CMS and media playback functions. Together, they deliver a stable, efficient, and feature-rich platform to improve communication and information delivery within campus environments.

This solution is designed as a one-stop procurement model, streamlining the purchasing process and offering a fully integrated software-hardware package. Even users without technical backgrounds can easily publish announcements thanks to the user-friendly CMS. The built-in templates allow for quick application of design elements, saving time and effort. With a clean interface, campus updates can be managed quickly and effectively, enhancing the overall quality and efficiency of school communications.

### DMS Device Management Solution – SatisCtrl

The SatisCtrl Device Management Solution (DMS) by AUO Display Plus provides remote management capabilities, helping educational institutions reduce labor costs and improve administrative efficiency. Featuring multi-tiered permission control, SatisCtrl allows different management roles—such as education authorities, IT coordinators, and equipment administrators—to access the system with appropriate authorization levels, ensuring both data security and operational efficiency. The system also generates management reports for tracking device usage, maintenance records, and budget allocation, enabling more precise resource planning and budget management.

The DMS adopts a clean, intuitive user interface, making it easy for users without an IT background to operate the system with minimal training, thus boosting their operational efficacy. This allows school staff to quickly familiarize themselves with relevant operations, thereby enabling them to focus more on teaching and daily operations. Through comprehensive features including device inventory management, maintenance record tracking, usage monitoring, real-time alerts, and notifications, these functions help schools comprehensively manage the entire lifecycle of their equipment, significantly boosting management effectiveness. Users can also generate customized reports - such as device utilization statistics or failure rate analysis - for data-driven decision-making. The solution is built on a secure and reliable cloud platform, ensuring data protection and system stability. Backup and disaster recovery mechanisms are also in place to prevent data loss and ensure the integrity of equipment and management records.

# AUO Display Plus SASB Index

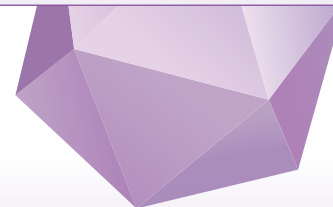
AUO Display Plus references the SASB (Sustainability Accounting Standards Board) standards for the Medical Equipment & Supplies sector in disclosing operational strategies and activities.

Code	Topic	Accounting Metric	Response
HC-MS-240a.2	Affordability & Pricing	Description of how price information for each product is disclosed to customers or to their agents	AUO Display Plus provides products and services to customers via email through official quotation documents. Alternatively, product and pricing information can be obtained by contacting authorized distributors. Pricing is subject to various factors, including but not limited to quantity, customer location, and customer type.
HC-MS-240a.3		Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	Pricing is considered a trade secret of AUO Display Plus and therefore cannot be disclosed. Additionally, AUO Display Plus is a wholly owned subsidiary of AUO, and its revenue is consolidated into AUO's overall financial performance. For changes in revenue, please refer to AUO's publicly available annual financial reports.
HC-MS-250a.1	Product Safety	(1) Number of recalls issued, (2) total units recalled	AUO Display Plus has established a medical device recall and reporting mechanism in accordance with the Medical Device Management Act. This framework ensures that if a regulated scenario arises, AUO Display Plus will follow reporting guidelines and adhere to the stipulated timeline for recalling and managing both market-available and inventory products. As of now, there are no records of any recalls.
HC-MS-250a.2		Products listed in any public medical product safety or adverse event alert database	There are currently no products listed in any public medical product safety or adverse event alert databases.
HC-MS-250a.3		Number of fatalities associated with products	There are currently no reported deaths related to the products.
HC-MS-250a.4		Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	There are currently no enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards.
HC-MS-270a.1	Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	There are currently no monetary losses resulting from legal proceedings related to false marketing statements.
HC-MS-270a.2		Description of code of ethics governing promotion of off-label use of products	Medical devices sold by AUO Display Plus must undergo a review to ensure compliance with applicable standards required by customers or regulations. Additionally, AUO Display Plus ensures that customers can properly use the products and that product safety is maintained through customer training. This guarantees that AUO Display Plus's products and services are both safe and suitable for intended use. AUO Display Plus complies with all legal and regulatory requirements, including permits, registrations, and other oversight related to importing, marketing, selling products, and providing services.
HC-MS-410a.1	Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	To implement a hazardous substances management policy that minimizes environmental and ecological impact while fulfilling corporate responsibility for sustainability, AUO Display Plus has established the Green Product Hazardous Substance Management Regulations. These regulations define restrictions on chemical substances used in materials, parts, components, and packaging to prevent environmentally harmful substances from entering products. AUO Display Plus proactively investigates and collects the latest hazardous substance management requirements from customers, ensuring their latest standards align with internal management regulations. All relevant data is archived and managed to achieve the goals of reducing environmental impact and fulfilling corporate responsibility for environmental stewardship.
HC-MS-410a.2		Total amount of products accepted for take-back and reused, recycled or donated, broken down by: (1) devices and equipment and (2) supplies	AUO Display Plus contracts manufacturing operations to third-party OEMs. For items identified as defective through quality assessments and requiring recall, processing is delegated to the OEM. Additionally, AUO Display Plus has established supplier management regulations to oversee compliance in OEM repair operations.



Code	Topic	Accounting Metric	Response
HC-MS-430a.1	Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality	<ul style="list-style-type: none"> <li>AUO Display Plus does not engage in manufacturing activities and therefore has no individual production sites. Disclosure is limited to the percentage of first-tier supplier locations participating in third-party audit programs for manufacturing and product quality.</li> <li>All external suppliers of AUO Display Plus's medical devices must obtain ISO 9001 / ISO 13485 certifications or meet customer-specific requirements. 100% of suppliers must undergo third-party audits.</li> </ul>
HC-MS-430a.2		Description of efforts to maintain traceability within the distribution chain	The part numbers for key raw materials, components, semi-finished products, and finished goods are managed according to coding principles. All manufactured products are assigned a unique serial number for control and have traceability information printed on the product label, allowing suppliers to be tracked using the traceability number.
HC-MS-430a.3		Description of the management of risks associated with the use of critical materials	AUO Display Plus has established an Environmental, Health, Safety, and Energy (EHSE) policy, striving for environmental protection, energy efficiency, and employee well-being. The company is committed to regulatory compliance and reducing environmental impact to achieve sustainable development goals. Regarding conflict minerals, AUO Display Plus fulfills its corporate social responsibility by respecting and protecting fundamental human rights. Following the due diligence procedures of the Organization for Economic Co-operation and Development (OECD), AUO Display Plus has implemented a conflict minerals policy and requires all suppliers to acknowledge and fulfill this responsibility. Additionally, AUO Display Plus provides the GPARS system platform, enabling external suppliers to independently submit green product data, ensuring effective implementation of AUO Display Plus's due diligence and disclosure obligations. The company has also established a robust product traceability management process, setting strict guidelines for suppliers to record material usage in manufacturing, ensuring environmental sustainability and reinforcing corporate social responsibility.
HC-MS-510a.1	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	There are currently no monetary losses resulting from legal proceedings related to bribery or corruption.
HC-MS-510a.2		Description of code of ethics governing interactions with health care professionals	AUO Display Plus's corporate culture is built on integrity, actively promoting ethical values. The company provides employees with internal guidelines and adherence principles covering four key areas: integrity policy, governance, communication, and values. Evaluation metrics are established to ensure alignment between employees' actions and ethical commitments, reinforcing integrity in practice.

Code	Activity Metric	Response
HC-MS-000.A	Number of units sold by product category	Due to confidentiality considerations, the information cannot be disclosed. Additionally, as a wholly owned subsidiary of AUO, AUO Display Plus's sales unit figures are incorporated into AUO's overall calculations. For changes in sales unit figures, please refer to AUO's publicly available annual reports.



# AUO Envirotech

With nearly 20 years of experience in constructing and operating technology plants, AUO Envirotech continues to advance its technological capabilities to realize the principles of the circular economy. The company provides businesses with comprehensive solutions in carbon management, water treatment, intelligent control technologies, and odor mitigation.

Reporting Period: January 1, 2024, to December 31, 2024

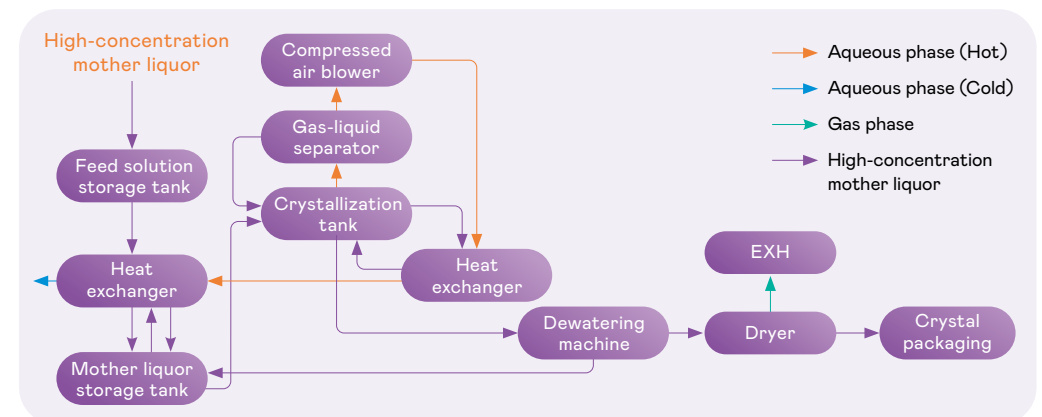
External Assurance: Assurance was provided by KPMG in accordance with ISAE 3000.

Company name	AUO Envirotech
Founded in	23 <sup>rd</sup> January 2017
Chairman	HC Lee
President	HC Lee
Headquarter	9 F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City 11568, Taiwan (R.O.C.)
Main product, technology and service	Environmental sustainable solutions such as water resource treatment technology and EPC projects, energy-saving equipment and engineering, facility intelligent management, and carbon management platforms
Operation	Taiwan, China(Suzhou, Kunshan)
Website	<a href="https://www.auoenvtech.com/en">https://www.auoenvtech.com/en</a>

## Products and Services in Response to SDGs

### Water Resource Treatment - Crystallization and Drying Technology

AUO Envirotech's full water recycling technology concentrates and reduces process water usage through membrane concentration technologies, followed by evaporation equipment to achieve zero liquid discharge (ZLD). Given that evaporators consume significant energy, AUO Envirotech has adopted an energy-efficient crystallization evaporation technology that combines vacuum and mechanical vapor recompression (MVR), making the evaporation process more energy-saving and reducing carbon emissions compared to traditional methods. The high-temperature condensed water is recovered and reused to preheat the mother liquor, thereby minimizing overall energy consumption. In addition to its application in wastewater ZLD, this energy-efficient crystallization evaporation technology is also utilized to recover high-value crystallized solids from saturated mother liquor. These are processed via centrifugation and drying to yield high-quality crystals, realizing the goal of resource circular reuse.



### Comprehensive Carbon Emissions Management Service – ACA Carbon Management Platform

The ACA Carbon Management Platform, developed by AUO Envirotech based on over a decade of carbon management experience, is a comprehensive carbon management tool that supports all aspects of corporate carbon accounting. Built in accordance with international standards, the system enables users to complete carbon inventories easily, quickly, and accurately to meet regulatory and customer requirements.

Its reporting functions not only assist businesses in monitoring carbon emissions but also support carbon management decision-making, helping enterprises clearly map out their unique net-zero carbon emission pathways. As a first step in corporate carbon management, the ACA platform is compliant with ISO standards and capable of calculating both organizational carbon emissions and product carbon footprints. It analyzes carbon hotspots across three organizational scopes and all stages of the product lifecycle, facilitating long-term monitoring, decision-making, and continuous improvement. AUO Envirotech's carbon management services have already been adopted across 21 industries, including semiconductors, optoelectronics, printed circuit boards (PCB), electronic components, computer equipment, automation machinery, metal fasteners, logistics, medical devices, food, banking, financial holding companies, and government agencies.

### GPARS Material Data Management Platform

This platform helps enterprises select non-toxic, low-carbon materials during the R&D and design phases. In line with the IECQ QC080000 Hazardous Substance Process Management standard, the platform offers green material compliance services covering international regulations such as RoHS, REACH, and conflict minerals, as well as green supply chain management. On average, the platform reduces internal management costs and risks by 30%.



### Net-Zero Smart Building Solutions

AUO Envirotech's Net-Zero Smart Building Solutions utilize a smart grid and intelligent monitoring systems to integrate equipment data and environmental parameters both inside and outside buildings. Through IoT technologies, the system performs real-time monitoring and automatic control to help buildings achieve net-zero carbon emissions.

These solutions are applicable to commercial buildings, office towers, and residential communities, collecting various environmental and equipment data through sensors. For example:

- Outdoor environmental data: humidity, temperature, UV index, air quality.
- Indoor environmental data: temperature, humidity, CO<sub>2</sub> concentration, lighting usage, and so forth.
- Power equipment monitoring: HVAC systems, lighting fixtures.

Intelligent control strategies, such as:

- Automatic lighting control based on user-defined schedules.

In addition to building spaces, this solution can be extended to manufacturing plants. It provides a low-carbon Facility Monitoring and Control System (FMCS) platform and an energy management platform for plant-wide energy monitoring, efficiency analysis, and optimization—further reducing carbon emissions in the manufacturing sector. Through this Net-Zero Smart Building Solution, enterprises and organizations can advance their sustainable development goals, improve energy efficiency, reduce operational costs, and strengthen their positive environmental impact.





In 2024, AUO Envirotech participated in an environmental education initiative at Jiacheng Elementary School in Kaohsiung, helping the rural school improve campus hygiene, reduce vector mosquito breeding, enhance water quality, and minimize toilet odors - while also providing interactive environmental education for students.

### Zero-Energy Odor Suppression Solution

The Zero-Energy Odor Suppression Solution is an innovative technology developed in 2023 by AUO Envirotech's R&D team in collaboration with industry partners. When water passes through a quantum magnetic resonance device, near-infrared wavelengths (1,100–2,500 nm) trigger resonance in water molecules, breaking down large clusters into smaller ones. These smaller water molecule clusters more readily react with trace elements to release hydroxide ions and increase dissolved oxygen, resulting in mildly alkaline water that inhibits the growth of anaerobic bacteria and reduces environmental odors.

By using magnetically resonated mildly alkaline water, the system leverages the properties of alkaline water to suppress odor caused by anaerobic bacteria. Moreover, when applied effectively in outdoor areas, it may reduce the breeding of biting midges (*Forcipomyia taiwana*), which are less likely to thrive in alkaline environments.

A key feature of the Zero-Energy Odor Suppression Solution is its completely energy-free operation—currently the only mildly alkaline water solution on the market that requires no energy input. Unlike other commercial products that rely on chemical reactions (such as alkali tablets or electrolysis) to produce alkaline water, this product requires no chemicals and is environmentally friendly, promoting symbiosis with living organisms. It is compact, easy to install, and customizable for various settings. The solution is offered through a leasing model that includes full-service, one-stop support—from installation to maintenance, including consumables and equipment inspections. It has already been implemented in various environments, including chain restaurants (to suppress indoor odors and prevent outdoor cooking fumes), recreational centers and educational institutions (to prevent biting midges in outdoor areas), and aquaculture farms (to reduce flies and improve air quality by mitigating odors).



# AUO Envirotech SASB Index

AUO Envirotech references the SASB (Sustainability Accounting Standards Board) standards for the Professional & Commercial Services sector in disclosing operational strategies and activities.

Code	Topic	Accounting Metric	Response																																		
SV-PS-230a.1		Description of approach to identifying and addressing data security risks	AUO Envirotech has established the Information Security Management Regulations to enhance the security of its information environment, improve system operational efficiency, and reduce the risk of confidential data leaks, safeguarding the company and employee interests. The policy is reviewed, assessed, and reissued annually to ensure the effectiveness of information security practices.																																		
SV-PS-230a.2		Description of policies and practices relating to collection, usage, and retention of customer information	The system services provided, including the AUO Carbon Agent comprehensive carbon management platform and the GPARS green product management platform, include enhanced explanations of customer information collection and usage policies.																																		
SV-PS-230a.3		(1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	There were no incidents of customer or personal data breaches in 2024.																																		
SV-PS-330a.2	Data Security	(1) Voluntary and (2) involuntary turnover rate for employees	<p>The voluntary turnover rate is identical to the overall turnover rate, with no involuntary departures.</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Age</th> <th>Taiwan</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Male</td> <td>Under 29</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>30~49</td> <td>14.44%</td> <td>14.44%</td> </tr> <tr> <td>Over 50</td> <td>4.44%</td> <td>4.44%</td> </tr> <tr> <td>Total</td> <td>18.89%</td> <td>18.89%</td> </tr> <tr> <td rowspan="4">Female</td> <td>Under 29</td> <td>2.22%</td> <td>2.22%</td> </tr> <tr> <td>30~49</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>Over 50</td> <td>1.11%</td> <td>1.11%</td> </tr> <tr> <td>Total</td> <td>13.33%</td> <td>13.33%</td> </tr> <tr> <td colspan="2">Total</td> <td>32.22%</td> <td>32.22%</td> </tr> </tbody> </table>	Gender	Age	Taiwan	Total	Male	Under 29	0%	0%	30~49	14.44%	14.44%	Over 50	4.44%	4.44%	Total	18.89%	18.89%	Female	Under 29	2.22%	2.22%	30~49	10%	10%	Over 50	1.11%	1.11%	Total	13.33%	13.33%	Total		32.22%	32.22%
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Total		32.22%	32.22%																																		
SV-PS-330a.3		Employee engagement as a percentage	No investigations were conducted in 2024.																																		
SV-PS-510a.1	Professional Integrity	Description of approach to ensuring professional integrity	AUO Envirotech conducted integrity and human rights advocacy, training, and assessments in March 2024. Antitrust: A total of 72 employees received training, with an average test score of 94.8. Integrity and Human Rights: A total of 72 employees completed training, with an average test score of 87.2.																																		
SV-PS-510a.2		Total amount of monetary losses as a result of legal proceedings associated with professional integrity	There are currently no monetary losses resulting from legal proceedings related to professional ethics.																																		

Code	Activity Metric	Response			
SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Gender	Employment Type	Taiwan	Total
		Male	Full-time	58	58
			Part-time	10	10
			Total	68	68
		Female	Full-time	19	19
			Part-time	3	3
			Total	22	22
		Total	Full-time	77	77
			Part-time	13	13
			Total	90	90
Note: Data reflects the number of employees on active duty as of December 31, 2024.					
SV-PS-000.B	Employee hours worked, percentage billable	Due to confidentiality considerations, the information cannot be disclosed.			



# AUO Digitech

AUO Digitech is a subsidiary of AUO corporation, providing smart manufacturing solutions and digital transformation services. It integrates people, machines, materials, methods, environment and artificial intelligence in manufacturing, offering all-in-one solutions that assist companies in their digital transformation.

Reporting Period: January 1, 2024, to December 31, 2024

External Assurance: Assurance was provided by KPMG in accordance with ISAE 3000.

Company name	AUO Digitech
Founded in	20 <sup>th</sup> July 2021
Chairman	HC Lee (Effective from February 4, 2025 onward)
Executive vice president	Jack Chao
Headquarter	5F., No.288, Longyuan 1st Rd., Longtan Dist., Taoyuan City, Hsinchu Science Park. 325002 Taiwan (R.O.C.)
Main product, technology and service	Smart energy, automated optical inspection, smart manufacturing
Operation	Taiwan, Singapore, China (Suzhou, Xiamen)
Website	<a href="https://www.auodigitech.com/en-global/">https://www.auodigitech.com/en-global/</a>

## AUO Digitech's Subsidiary

	Website	Main product and technology
AUO Digitech	<a href="https://www.auodigitech.com/en-global/">https://www.auodigitech.com/en-global/</a>	Institute for Enterprise Sustainability, Smart Industrial Service Solutions, Industrial Metaverse Solutions, Comprehensive ESG Solutions
AUO MegaInsight	<a href="https://ami.auodigitech.com/">https://ami.auodigitech.com/</a>	Industrial Software Solutions, Digital Transformation Consulting, Smart Factory Development Services
Aedgetech	<a href="https://ati.auodigitech.com/">https://ati.auodigitech.com/</a>	Industrial Automation Services, Edge Intelligence Solutions, Industrial AI Platforms, AI Applications for Manufacturing

# Products and Services in Response to SDGs

## Smart Technologies Driving Sustainable Transformation: Achieving Low Carbon and Safety in Parallel

As businesses move toward sustainable operations, energy management and factory safety emerge as two critical priorities. AUO Digitech leverages innovative solutions - including Smart Grid, Smart iCool, and the award-winning APES Intelligent Motor Health Management System (recipient of the 2024 Taiwan Excellence Award) - to help enterprises enhance energy efficiency, reduce carbon emissions, and mitigate operational risks. These technologies enable true green transformation by supporting companies in achieving sustainability goals while improving production performance.

## Smart Grid – Intelligent Energy Management

AUO Digitech has assisted manufacturing sites within the photovoltaic industry supply chain in implementing the Smart Grid energy management platform. By using real-time data monitoring and AI-driven analytics, the platform identifies energy-intensive processes with precision. Combined with process optimization, variable frequency control of cooling water pumps, and upgrades to compressed air systems, the company supported 10 suppliers in 2024 in mapping out high-energy-consuming items—effectively reducing over 2,073 metric tons of carbon emissions. This not only helped clients significantly lower operating costs but also met the green supply chain requirements of international brands, enhancing global competitiveness.

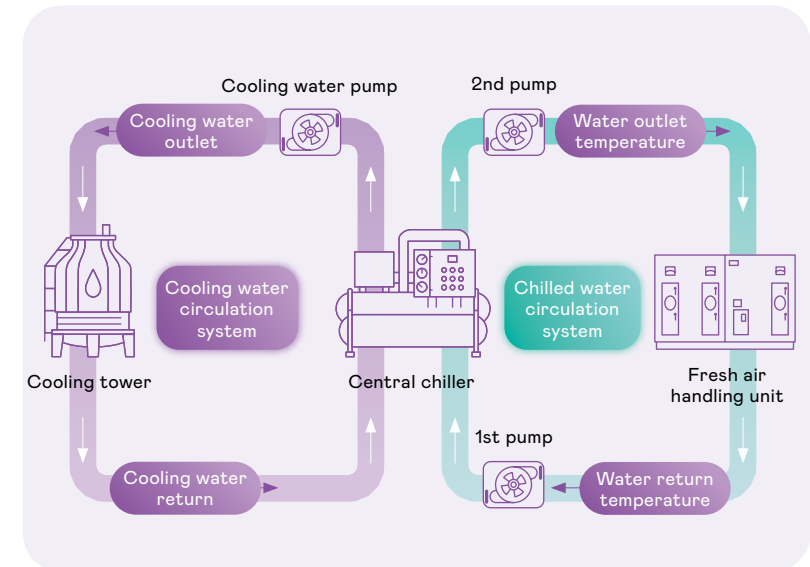
## APES – Intelligent Motor Health Management System

Stable operation of factory equipment is crucial for both production efficiency and risk management. This is particularly vital in industries such as steel and textiles, where large-scale motors play a central role. Equipment anomalies can disrupt production or even pose safety hazards. To address this, enterprises have adopted the APES Intelligent Motor Health Management System, which uses AI-powered real-time monitoring and anomaly detection to identify potential failures in advance. This ensures stable production and reduces the risks associated with manual inspections.

In the steel industry, the APES system monitors key motor equipment, enabling real-time fault detection and early warnings. This enhances equipment utilization rates, prevents unexpected downtime, and lowers safety risks tied to manual patrols. In the textile sector, the system helps monitor fan operations to maintain stable boiler temperatures, reducing the risk of explosions due to equipment malfunctions. By implementing APES, companies save millions in potential downtime costs and significantly reduce personnel safety risks. The system enables a digital upgrade of equipment management and provides robust support for safer, more sustainable factory operations.

## Smart iCool – Intelligent Cooling System

AUO Digitech helped a glass manufacturing enterprise in Taiwan deploy the Smart iCool intelligent cooling system to reduce the energy consumption of cooling operations, along with associated production costs and carbon emissions. Leveraging real-time monitoring and smart computing technologies, the system dynamically adjusts operational parameters to optimize equipment load in the most energy-efficient manner. As a result, the solution achieved an annual energy savings rate of 4%.





## AUO Digitech (Suzhou)



AUO Digitech signs MOU at Shanghai Climate Week

### AUO Digitech Corporate Sustainability Development Institute

Established at the end of 2023, the AUO Digitech Corporate Sustainability Development Institute is built upon AUO Digitech's extensive experience serving thousands of smart manufacturing cases. The Institute brings together experts from industry, academia, and technology to extract and refine seven proprietary digital-intelligence transformation methodology models. These models serve as strategic roadmaps to guide enterprises through every critical stage of digital transformation, positioning the Institute as a dedicated partner in achieving sustainable development.

In the area of industry-academia collaboration, the Institute places strong emphasis on deep partnerships with higher education institutions and business schools. Collaborating institutions include Suzhou University Business School, Nanjing University, Xi'an Jiaotong-Liverpool University, China University of Political Science and Law Business School, The University of Hong Kong, Henan University of Science and Technology, Harbin Institute of Technology (Suzhou), Jiangnan Normal University, Shanghai Tech University, East China University of Science and Technology, Zixin Business School, and Cheung Kong Graduate School of Business. Together, these partnerships aim to cultivate future industry talent. The Institute also actively forms ESG alliances with ecosystem partners to integrate cross-sector resources and continually generate momentum for corporate sustainability. By the end of 2024, the Institute signed a memorandum of understanding (MoU) with Shanghai Climate Week and joined the Green Development Working Committee for SMEs. Through this collaboration, the Institute aims to foster both domestic and international cooperation and exchange for China's high-tech, specialized SMEs, promote green technology innovation and application, and enhance enterprise competitiveness.

## AUO Megalnsight (Suzhou)

### MEGA EHS – Smart Safety Production Management Solution

AUO Digitech is committed to providing enterprises with efficient and intelligent solutions for safety management. The MEGA EHS Safety Production Management System is designed in strict compliance with ISO 45001 standards and China's "Eight Key Elements" of safety management. Integrating AI and metaverse technologies, the system enables intelligent, automated, and real-time safety management in key scenarios such as hazardous behavior prevention, dangerous movement alerts, site risk operations, and environmental monitoring. The system comes equipped with advanced behavioral recognition models and AI-powered safety monitoring ("AI Safety Eye"), allowing it to instantly detect and alert on hazardous behavior. This greatly reduces the frequency of high-risk incidents within industrial facilities and significantly enhances the speed at which potential risks are identified. The system has already been successfully deployed across various sectors including healthcare, packaging, and chemical industries, supporting customers in their journey toward digitalized and intelligent safety management.

## Aedgetech (Suzhou)



### iFEMS – Intelligent Energy Management Solution

As enterprises demand increasingly refined and comprehensive energy management, Aedgetech offers its iFEMS (Intelligent Factory Energy Management System), which leverages industrial IoT connectivity to deliver complete visibility into energy consumption. Coupled with AI-powered data analysis, the system rapidly identifies inefficiencies and applies the PDCA (Plan-Do-Check-Act) digital management cycle to foster a culture of energy-saving innovation across all levels of the organization.

Tailored to meet the unique needs and energy infrastructure of various industries, iGather serves as a professional consultant, designing end-to-end energy optimization strategies encompassing energy storage, generation, and conservation. These solutions are both practical and sustainable, enabling enterprises to establish long-term energy management mechanisms. The company has accumulated extensive success stories and operational expertise across high-energy manufacturing, electronic technology, and biopharmaceutical sectors.

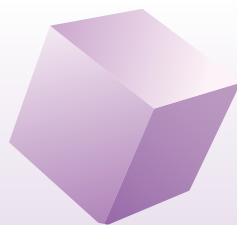
# AUO Digitech SASB Index

AUO Digitech references the SASB (Sustainability Accounting Standards Board) standards for the Professional & Commercial Services sector in disclosing operational strategies and activities.

Code	Topic	Accounting Metric	Response																																																						
SV-PS-230a.1	Data Security	Description of approach to identifying and addressing data security risks	AUO Megalnsight has obtained ISO 27001 and ISO 20000 international certifications. The company continues to comply with the management systems outlined in these certifications to ensure the security of customer and personal data. Through the effective operation of these systems, AUO Smart (Suzhou) conducts comprehensive risk identification and promptly addresses potential security threats according to established processes and strategies.																																																						
SV-PS-230a.2		Description of policies and practices relating to collection, usage, and retention of customer information	AUO Megalnsight implements User Access Control Procedure to effectively manage user permissions across various application systems, including privileged users and third-party users, preventing unauthorized access and ensuring system and information security. This program applies to logical access controls across all company application systems. Additionally, the Confidentiality Control Procedure is in place to enhance the management of customer and internal company information generated during service, technical, and operational activities, preventing improper use or disclosure.																																																						
SV-PS-230a.3		(1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	<p>There were no customer or personal data breaches in 2024.</p> <p>Note: Information security-related statistics do not include AUO Digitech (Taiwan). AUO Digitech products do not collect customers' confidential business data. Most operationally required data is obtained and used within the customer's internal systems, eliminating concerns about leakage risks. Additionally, AUO Digitech employs Asure cloud system security measures to protect customer-uploaded data.</p>																																																						
SV-PS-330a.1	Workforce Diversity & Engagement	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees	<table border="1"> <thead> <tr> <th>Category</th> <th>Item</th> <th>Male</th> <th>Female</th> <th>Under 29</th> <th>30-49</th> <th>Over 50</th> </tr> </thead> <tbody> <tr> <td>Overall Workforce</td> <td>All employees (%)</td> <td>75%</td> <td>25%</td> <td>18.33%</td> <td>75%</td> <td>6.67%</td> </tr> <tr> <td rowspan="2">By rank</td> <td>Junior level management (%)</td> <td>87.50%</td> <td>12.50%</td> <td>0</td> <td>75%</td> <td>25%</td> </tr> <tr> <td>Senior level management (%)</td> <td>100%</td> <td>0</td> <td>0</td> <td>100%</td> <td>0</td> </tr> <tr> <td>Overall</td> <td>Management (%)</td> <td>90.91%</td> <td>9.09%</td> <td>0</td> <td>81.82%</td> <td>18.18%</td> </tr> <tr> <td>Revenue units</td> <td>Management (%)</td> <td>90%</td> <td>10%</td> <td>0</td> <td>90%</td> <td>10%</td> </tr> <tr> <td rowspan="2">Employee category</td> <td>Indirect labor (%)</td> <td>75%</td> <td>25%</td> <td>18.33%</td> <td>75%</td> <td>6.67%</td> </tr> <tr> <td>STEM</td> <td>77.27%</td> <td>22.73%</td> <td>15.90%</td> <td>79.55%</td> <td>4.55%</td> </tr> </tbody> </table> <p>Note: "Senior level management" includes positions within two levels below the Chairman and General Manager. Junior level management are managers who oversee non-management employees directly.</p> <p>Note: Data covers Taiwan only.</p>	Category	Item	Male	Female	Under 29	30-49	Over 50	Overall Workforce	All employees (%)	75%	25%	18.33%	75%	6.67%	By rank	Junior level management (%)	87.50%	12.50%	0	75%	25%	Senior level management (%)	100%	0	0	100%	0	Overall	Management (%)	90.91%	9.09%	0	81.82%	18.18%	Revenue units	Management (%)	90%	10%	0	90%	10%	Employee category	Indirect labor (%)	75%	25%	18.33%	75%	6.67%	STEM	77.27%	22.73%	15.90%	79.55%	4.55%
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SV-PS-330a.2	Workforce Diversity & Engagement	(1) Voluntary and (2) involuntary turnover rate for employees	<table border="1"> <thead> <tr> <th>Gender</th> <th>Age</th> <th>Taiwan</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Male</td> <td>Under 29</td> <td>0</td> <td>0</td> </tr> <tr> <td>30~49</td> <td>21.67%</td> <td>21.67%</td> </tr> <tr> <td>Over 50</td> <td>6.67%</td> <td>6.67%</td> </tr> <tr> <td>Total</td> <td>28.33%</td> <td>28.33%</td> </tr> <tr> <td rowspan="4">Female</td> <td>Under 29</td> <td>3.33%</td> <td>3.33%</td> </tr> <tr> <td>30~49</td> <td>15%</td> <td>15%</td> </tr> <tr> <td>Over 50</td> <td>1.67%</td> <td>1.67%</td> </tr> <tr> <td>Total</td> <td>20%</td> <td>20%</td> </tr> <tr> <td colspan="2"></td> <td>Total</td> <td>48.33%</td> <td>48.33%</td> </tr> </tbody> </table> <p>Note: There were no involuntary departures in 2024. Note: Data covers Taiwan only.</p>	Gender	Age	Taiwan	Total	Male	Under 29	0	0	30~49	21.67%	21.67%	Over 50	6.67%	6.67%	Total	28.33%	28.33%	Female	Under 29	3.33%	3.33%	30~49	15%	15%	Over 50	1.67%	1.67%	Total	20%	20%			Total	48.33%	48.33%
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SV-PS-330a.3		Employee engagement as a percentage	No investigations were conducted in 2024.																																			
SV-PS-510a.1	Professional Integrity	Description of approach to ensuring professional integrity	<p>AUO Digitech (Taiwan) conducts regular training and awareness programs. In 2024, training was provided to all employees, achieving a completion rate of over 80%.</p> <ul style="list-style-type: none"> <li>● Integrity Declaration Awareness</li> <li>● Antitrust Training and Awareness</li> <li>● Mid-Autumn Festival Gift-Giving Guidelines</li> </ul> <p>Supplier-related awareness initiatives:</p> <ul style="list-style-type: none"> <li>● Supplier Integrity and Human Rights Awareness</li> </ul>																																			
SV-PS-510a.2		Total amount of monetary losses as a result of legal proceedings associated with professional integrity	There are currently no monetary losses resulting from legal proceedings related to professional ethics.																																			

Code	Activity Metric	Response																																		
SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	<table border="1"> <thead> <tr> <th data-bbox="824 217 1039 272">Gender</th> <th data-bbox="1039 217 1391 272">Employment Type</th> <th data-bbox="1391 217 1727 272">Taiwan</th> <th data-bbox="1727 217 2069 272">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="824 272 1039 432" rowspan="3">Male</td> <td data-bbox="1039 272 1391 328">Full-time</td> <td data-bbox="1391 272 1727 328">45</td> <td data-bbox="1727 272 2069 328">45</td> </tr> <tr> <td data-bbox="1039 328 1391 384">Part-time</td> <td data-bbox="1391 328 1727 384">0</td> <td data-bbox="1727 328 2069 384">0</td> </tr> <tr> <td data-bbox="1039 384 1391 432">Total</td> <td data-bbox="1391 384 1727 432">45</td> <td data-bbox="1727 384 2069 432">45</td> </tr> <tr> <td data-bbox="824 432 1039 592" rowspan="3">Female</td> <td data-bbox="1039 432 1391 488">Full-time</td> <td data-bbox="1391 432 1727 488">15</td> <td data-bbox="1727 432 2069 488">15</td> </tr> <tr> <td data-bbox="1039 488 1391 544">Part-time</td> <td data-bbox="1391 488 1727 544">0</td> <td data-bbox="1727 488 2069 544">0</td> </tr> <tr> <td data-bbox="1039 544 1391 592">Total</td> <td data-bbox="1391 544 1727 592">15</td> <td data-bbox="1727 544 2069 592">15</td> </tr> <tr> <td data-bbox="824 592 1039 751" rowspan="3">Total</td> <td data-bbox="1039 592 1391 647">Full-time</td> <td data-bbox="1391 592 1727 647">60</td> <td data-bbox="1727 592 2069 647">60</td> </tr> <tr> <td data-bbox="1039 647 1391 703">Part-time</td> <td data-bbox="1391 647 1727 703">0</td> <td data-bbox="1727 647 2069 703">0</td> </tr> <tr> <td data-bbox="1039 703 1391 751">Total</td> <td data-bbox="1391 703 1727 751">60</td> <td data-bbox="1727 703 2069 751">60</td> </tr> </tbody> </table> <p data-bbox="824 775 1099 799">Note: Data covers Taiwan only.</p>	Gender	Employment Type	Taiwan	Total	Male	Full-time	45	45	Part-time	0	0	Total	45	45	Female	Full-time	15	15	Part-time	0	0	Total	15	15	Total	Full-time	60	60	Part-time	0	0	Total	60	60
Gender	Employment Type	Taiwan	Total																																	
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SV-PS-000.B	Employee hours worked, percentage billable	Due to confidentiality considerations, the information cannot be disclosed.																																		





# BHTC

BHTC, part of AUO, is the world market leader for climate operating/control units and the specialist for outstanding HMI (Human Machine Interface) system solutions whereby the human takes center stage. We provide comfort for all vehicle passengers in every driving situation. This includes first-class and comfortable climate conditions and the intuitive and ergonomic operation of our HMI systems. As an innovative and agile company, BHTC is a valued partner to the automotive industry. Together with our customers, we introduce pioneering technology to new vehicle generations the world over. BHTC success stories evolve when challenges meet creativity. The results are customer-specific solutions in the fields of operating systems, climate operating panels, climate control units, Center Information Display (CID) and integrated center stacks (ICS).

Reporting Period: January 1, 2024, to December 31, 2024

Scope of the Report: BHTC Group

Contact: [info@bhtc.com](mailto:info@bhtc.com)

**External Assurance:** All relevant data have been verified by third-party organizations and presented using internationally recognized indicators. ISO 14064 GHG emissions were verified by DNV based on ISO 14064. GRI was assured by KPMG based on ISAE 3000.

Company name	Behr-Hella Thermocontrol GmbH
Founded in	1999
CEO	Michael Jaeger
CFO	Yu-Chih Tseng
Headquarter	Hansastraße 40, 59557 Lippstadt, Germany
Main product, technology and service	Vehicle Climate Control and HMI Display Solutions for the automotive industry
Operation	Germany, United State, China, India, Japan, Bulgaria, Mexico, Finland, Taiwan
Annual revenue (mEUR)	716.69
Profit after tax (mEUR)	7.70
Website	<a href="https://www.bhtc.com/en">https://www.bhtc.com/en</a>

## 1. Product & Technology

### 1.1 Technological Innovation & Market Strategy

BHTC aims to further expand its HMI business while continuing to leverage its expertise in climate control systems. The company develops customer-specific strategies, carefully coordinated by its sales organization and product management team, in collaboration with all relevant departments within BHTC and its supply chain. To define market strategies, BHTC relies on both technology push and market pull, gathering insights directly from customers, trade fairs, external market databases, and internal BHTC analytics. These strategies are regularly reviewed and adjusted to ensure alignment with dynamic market trends and customer needs.

## 1.2 Sustainable Products

### Hazardous Substances Management GRI 416-1

In line with the Global Reporting Initiative (GRI) requirements, BHTC takes a proactive approach to ensuring the health and safety impacts of our products. We confirm that 100% of our product groups are checked for relevant customer or legal requirements in terms of health and safety aspects and that the resulting measures are implemented before the products are launched on the market. In this regard, we align our processes with the regulations set forth by REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals), GADSL (Global Automotive Declarable Substance List), and the EU End-of-Life Vehicles Directive (EU-Altautoverordnung). These frameworks help guide our commitment to environmental and safety considerations throughout the product lifecycle. For products where Automotive Safety Integrity Level (ASIL) is relevant, BHTC has rigorously developed and implemented these in compliance with required safety standards. The adherence to safety norms ensures the minimization of risks, enhancing both product safety and reliability. Additionally, BHTC ensures compliance with customer-specific standards and norms, and the International Material Data System (IMDS) for material transparency. Through these efforts, we believe we are on the right track and consistently evaluate and improve the health and safety impacts of our products, reflecting our dedication to customer safety and global regulatory standards.

## 2. Sustainable Management

### 2.1 Board Composition

#### Board Composition GRI 2-9

Item	2024
Number of executive directors	2
Number of non-executive directors (excluding independent directors)	3
Number of independent directors	0
Total number of directors	5

#### Board Diversity GRI 2-9, GRI 405-1

By age and gender			
	50-59	60-69	70-79
Male	5	0	0
Female	0	0	0
Total	5	0	0

## 2.2 ESG Committee Operations





Sustainability is a shared responsibility within the BHTC Group. To facilitate the global exchange of sustainability topics and assess relevant requirements and standards, while maintaining effective communication with stakeholders, BHTC has established an interdisciplinary and global ESG team. This team consists of specialists from Environmental Health & Safety, Procurement, Research & Development, Sales, Human Resources, Finance, and Legal, as well as representatives from manufacturing sites. A Sustainability Manager has been appointed to develop, implement, and oversee BHTC's sustainability strategy across the three ESG dimensions. The team regularly exchanges insights, formulates strategies, and executes specific initiatives aligned with its goals. To ensure regular advancement of sustainability efforts, an ESG Steering Committee has been formed, consisting of the Vice President of Operations Management, Vice President of Quality, and Executive Vice President of Procurement. Together, they set BHTC's sustainability priorities and strategic direction. The ESG Steering Committee convenes regular management meetings to assess the progress of sustainability initiatives in product development and value creation, ensuring the effective execution and continuous improvement of BHTC's sustainability strategy.

## 2.3 Stakeholder Engagement

### Stakeholder Engagement Achievements

GRI 2-29

BHTC follows the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in identifying and categorizing key stakeholders. The analysis evaluates stakeholders based on Power (influence on performance and activities), Legitimacy (right to make claims), and Urgency (need for immediate action). Through this assessment, BHTC has identified four major stakeholder groups.

Stakeholder	BHTC engagement strategy	Communication Channels	Communication Topics		2024 Achievements
 Employees	At BHTC, we prioritize the well-being and welfare of our employees, fostering a supportive and inclusive workplace. We strive to create a sustainable internal environment that promotes a lasting culture of sustainability, ensuring a positive and thriving atmosphere for all.	<ul style="list-style-type: none"> <li>Internal communication Emails</li> <li>Intranet</li> <li>Notices on bulletin boards</li> <li>Regular staff meeting</li> <li>Townhall meetings</li> <li>Employee surveys &amp; appraisals</li> <li>Work council</li> </ul>	<ul style="list-style-type: none"> <li>Announcement</li> <li>Personnel changes</li> <li>Corporate &amp; Sustainability events</li> </ul>	<ul style="list-style-type: none"> <li>News &amp; achievements</li> <li>Employee satisfaction</li> <li>Employee development</li> </ul>	<ul style="list-style-type: none"> <li>Establish global communication strategy</li> <li>Local engagement and CSR activities (e.g. Mental Health Week in Germany, Breast Cancer Awareness Week in Mexico, students &amp; charity donations in India, bridge renovation in Bulgaria)</li> <li>Cultural development project</li> <li>Integration process AUO &amp; BHTC</li> </ul>
 Suppliers	BHTC fosters transparent and mutually beneficial partnerships, prioritizing innovation, ethical practices, and sustainability. We ensure that both parties share a commitment to quality and continuous improvement, strengthening collaboration for long-term success.	<ul style="list-style-type: none"> <li>Project meeting</li> <li>On site exchange</li> <li>CAQ system</li> <li>Supplier audits</li> <li>Supplier complaint management</li> <li>Strategic meetings with key suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Contracts and agreements</li> <li>Supplier certifications</li> <li>Product specifications</li> <li>Quality performance</li> <li>Delivery performance</li> </ul>	<ul style="list-style-type: none"> <li>Commercial performance</li> <li>Product development</li> <li>Annual supplier evaluation</li> <li>Reliable supply chain</li> <li>Operational risk</li> </ul>	<ul style="list-style-type: none"> <li>Continuous update of Code of Conduct for Suppliers and Service Providers of the BHTC Group to strengthen sustainability requirements</li> <li>Supplier Self-Assessment and Approval Form with focus on corporate sustainability</li> <li>Project roadmap for third-party ISO 14001 certified suppliers is on track</li> <li>Supplier audits in SAQ platform</li> </ul>
 Customer	At BHTC, we build trust and strong customer relationships through transparent and honest communication. Our commitment to technical and commercial excellence ensures that we remain a reliable strategic partner for our customers. We actively support localization needs, assist customers in achieving carbon reduction goals, and offer competitive pricing to help them establish a strong foothold in the market.	<ul style="list-style-type: none"> <li>Project meetings online/ F2F project meetings</li> <li>F2F meetings at fairs/ techdays</li> <li>Communication to all customer groups &amp; departments "one face to the customer"</li> </ul>	<ul style="list-style-type: none"> <li>Promote new product development</li> <li>Negotiations of current and new business</li> <li>Contracts and agreements</li> <li>Product specifications</li> </ul>	<ul style="list-style-type: none"> <li>Quality &amp; Logistics performance</li> <li>Annual business performance reviews</li> <li>Supply chain topics (shortage, PCN/PTN etc.)</li> <li>Promoting sustainability</li> </ul>	<ul style="list-style-type: none"> <li>CES exhibition</li> <li>Several Tech Days worldwide after CES success</li> <li>Several agreements on sustainability measures such as green energy at BHTC and its supply chain, CO2 material targets and minimum recycling quotas</li> </ul>
 Shareholder	As a wholly owned subsidiary of AUO Corporation, we actively engage in transparent communication with investors to enhance trust and improve decision-making processes. Leveraging new resources, we focus on creating long-term value aligned with our strategic objectives.	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Regular frequent reports</li> <li>Cross-entity collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Financial performances</li> <li>Market development</li> <li>Top-line/Bottom-line targets</li> <li>Continuous improvement</li> </ul>		<ul style="list-style-type: none"> <li>AUO's official acquisition of BHTC (Day 1 signing - April 2024)</li> <li>Cross-functional and cross-entity taskforces for continuously improved collaboration</li> <li>Identification of financial synergies for both companies</li> <li>Forming One Platform. Act as One Team.</li> </ul>

## 2.4 Risk Management

### Supply Chain Management

### GRI 2-6

BHTC operates across five distinct regions and upholds a local-to-local principle in supplier management. To maintain and strengthen supply chain resilience, BHTC will continue to expand localized supply chain strategies. The key advantages of this approach include:

- Minimizing reliance on non-local suppliers, reducing risks associated with global supply chain disruptions (e.g., pandemics, geopolitical issues).
- Enhancing production efficiency and delivery timelines by sourcing from local suppliers.
- Lowering logistics and transportation costs while significantly reducing the carbon footprint.
- Supporting sustainable procurement practices and compliance with local environmental regulations.
- Fostering close collaboration, improved communication, and innovation with local suppliers.

For its mid-term strategy, BHTC focuses on strengthening partnerships with regional suppliers while implementing supply chain monitoring and risk management tools (e.g., Babtec <sup>Note 1</sup>, Osapiens <sup>Note 2</sup>) to increase agility. For its long-term strategy, BHTC aims to build transparent, value-driven relationships with key suppliers. This approach closely aligns with BHTC’s operational goals of resilience, sustainability, and cost efficiency, ensuring that its supply chain remains adaptable to evolving market dynamics.

### Supply Chain Formation

Region	Number of suppliers
North America	50
Western Europe	136
Eastern Europe	14
South Asia	44
Asia Pacific	117

### Supply Chain Risk Evaluation

Subject	Management Practices
Potential suppliers	<ul style="list-style-type: none"> <li>● Supplier Self-Assessment &amp; Approval Form</li> <li>● Financial screening</li> <li>● Potential VDA 6.3 Audit</li> <li>● Agree main contracts (Framework Supply Agreement, Code of Conduct for Supplier and Service Providers of the BHTC Group, BHTC Quality Requirements for Suppliers, Packaging and Logistics Policy, etc.)</li> </ul>
Existing suppliers	<ul style="list-style-type: none"> <li>● Monthly KPI tracking (commercial, project and technical)</li> <li>● Annual supplier evaluation process based on risk assessment</li> </ul>

Note 1: Babtec Informationssysteme GmbH has developed software that supports quality management for manufacturing companies worldwide.

Note 2: Osapiens Holding GmbH provides ESG platforms and software solutions for enterprises, streamlining manual processes to reduce operational risks, enhance efficiency, and improve data transparency.

## 3. Environment Sustainability

### 3.1 Environmental Data Disclosure

#### Energy Consumption

#### GRI 302-1

Item	Item Description	2024			
		KWH	GJ		
Total Energy Consumption		33,842,465	121,833		
Input	Purchased electricity consumption	15,883,438	57,180		
	Self-Generation electricity consumption			3,776	
	Total Renewable Energy Consumption		16,932,264	60,956	
	Purchased electricity consumption	13,075,889	47,073		
	Natural gas			2,199,683	7,919
	Liquid gas			123,391	444
	Diesel			407,996	1,469
	Gasoline			1,103,242	3,972
Total Nonrenewable Energy Consumption		16,910,201	60,877		
Output	Self-Generation and Parallel Sale	78,738	283		

#### Energy Intensity

#### GRI 302-3

Item	2024
Energy consumption per unit revenue (kWh/1,000 EUR)	47.22
Energy consumption per unit revenue (GJ/1,000 EUR)	0.17

Emissions GRI 305-1 \ GRI 305-2 \ GRI 305-4

Item unit: tCO <sub>2</sub> e	2024
Scope 1	926
Scope 2	6,496
Scope 3	Will be reported starting 2025
Intensity <sup>Note</sup>	0.01

Note: The calculation method is (Scope 1 + Scope 2) / annual operating revenue (1,000 EUR).

Air Pollutant Emissions GRI 305-6 \ GRI 305-7

Item unit: tons	2024
ODS (Unit: CFC-11 equivalent tons)	0
NOx	0.283
SOx	0
POP	0
VOC	6.347
HAP	0
PM	0

Materials Used (Volume) & Materials Used (Percentage) GRI 301-1 \ GRI 301-2

Item	Total volume (tons) <sup>Note</sup>	Share of recycling content <sup>Note</sup>
Metals and metal alloys	1,761.6	0.82%
Polymers	3,049.2	10.9%
Electronics and electrical components	1	0
Chemicals and lubricants	51	0
Special materials and connections	281.2	0.51%

Note: The calculation includes all updated material reports of purchased parts from 2023-2024. Internal material flows are not taken into account. With these limits, the calculation covers approx. 76% of all sold products.

Water Withdrawal GRI 303-3

Unit: 1,000 m<sup>3</sup>

Category	Surface water (including rain water)		Ground water		Sea water	Produced water		Third Party water			Total	Total
	Fresh water	Other water	Fresh water	Other water		Fresh water	Other water	Fresh water	Renewable water	Other water		
Areas without water stress	0	0	0	0	0	0	0	6.04	0	0	6.04	73.16
Areas with water stress	0	0	5.82	0	0	0	0	61.3	0	0	67.12	

Water Discharge GRI 303-4

Unit: 1,000 m<sup>3</sup>

Category	Surface water (including rain water)		Ground water		Sea water	Produced water		Third Party water			Total	Total
	Fresh water	Other water	Fresh water	Other water		Fresh water	Other water	Fresh water	Renewable water	Other water		
Areas without water stress	0	0	0	0	0	0	0	6.04	0	0	6.04	70.08
Areas with water stress	0	0	5.82	0	0	0	0	58.21	0	0	64.04	



Water Pollutant Discharge GRI 303-4

COD (tons)	0
BOD (tons)	0
SS (tons)	0

Waste GRI 306-3 \ GRI 306-4 \ GRI 306-5

Item	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste	19.5	1	18.4
Nonhazardous waste	1,769.5	1,419.8	349.6

Waste Diverted from Disposal & Directed to Disposal GRI 306-4 \ GRI 306-5

Type	Item	Onsite	Offsite	Total	
Hazardous waste	Total	0	18.4	18.4	
	Disposal	Incineration (with energy recovery)	0	0	0
		Incineration (without energy recovery)	0	11.2	11.2
		Landfilling	0	7.2	7.2
		Other disposal operations	0	0	0
	Recovery	Total	0	1	1
		Preparation for reuse	0	0	0
		Recycling	0	1	1
		Other recovery operations	0	0	0
	Nonhazardous waste	Total	0	349.6	349.6
Disposal		Incineration (with energy recovery)	0	9.4	9.4
		Incineration (without energy recovery)	0	58.8	58.8
		Landfilling	0	203.4	203.4
		Other disposal operations	0	78.1	78.1
Recovery		Total	0	1,419.8	1,419.8
		Preparation for reuse	0	95.9	95.9
		Recycling	0	1,324	1,324
		Other recovery operations	0	0	0



# 4. Inclusive Growth

## 4.1 Disclosure of Employee-related Data

### Employee Diversity

GRI 405-1

Category	Item	Male	Female	Under 29	30~49	Over 50	
Total	Total employees (%)	65%	35%	22%	60%	18%	
Management	Level	Executive + Management Board (%)	100%	0%	0%	22%	78%
		Management Team (%)	85%	15%	0%	60%	40%
	Total (%)	88%	12%	0%	54%	46%	
Employee Composition	Indirect labor (%)	76%	24%	17%	65%	18%	
	Direct labor (%)	47%	53%	27%	52%	21%	

### Average Hours of Training

GRI 404-1

Learning System	Average Hours of Training		
	Male	Female	Total
Learning Management System (LMS)	9 hr 50 min	6 hr 12 min	8 hr 34 min
LinkedIn Learning	-	-	3 hr 41 min
Speex Learning	-	-	4 hr 53 min
Total	-	-	17 hr 8 min

### Programs for Upgrading Employee Skills

GRI 404-2

BHTC encourages employees to embrace continuous learning, providing diverse learning resources and opportunities to help them enhance existing skills or acquire new competencies. Training programs include technical training, soft skills workshops, leadership development programs (available both online and in-person), on-the-job training, and e-learning courses. BHTC's learning and development initiatives focus on identifying and bridging skill gaps to align with current and future needs. The company follows the 70-20-10 learning model, recommending that 70% of learning comes from hands-on work experience, 20% from mentoring and peer coaching, and 10% from structured training programs. Looking ahead, digitalized onboarding procedures will be implemented to facilitate a smooth transition into new roles, ensuring employees acquire the necessary knowledge, skills, and behaviors to become effective members of a high-performing organization.

### Percentage of Receiving Regular Performance & Career Development Reviews

GRI 404-3

BHTC Group completed 100% of the global human resources assessment process for indirect headcount by 2024. As part of the Performance Management System, BHTC conducts an Annual Employee Appraisal as a global HR process for all indirect employees. At the end-of-year evaluation, both employees and managers review past performance, establish a shared understanding of future development, and exchange feedback to enhance collaboration. The process includes self-assessment and managerial evaluation of behaviors and competencies, along with a performance rating provided by the manager. Additionally, individual development plans are integrated into the annual assessment to support employees' continuous growth.

### Employee Remuneration

#### ● Compensation Philosophy

BHTC offers a competitive, performance-driven compensation system and benefits program. Through a range of reward mechanisms, the company recognizes both individual and team achievements, ensuring that compensation aligns with employee contributions

#### ● Rewards Model & Pay Parity

BHTC's Rewards Model is aligned with market standards and emphasizes four key criteria: Performance, Potential, Skills, and Behaviors. The company adopts Mercer's standard methodology <sup>Note</sup> for job benchmarking to ensure pay parity, applying the same evaluation standards regardless of gender. This methodology considers Job Family, Sub-Family, Specialization, and Level, with a focus on expanding role scope and responsibilities. All positions are assessed using a consistent approach to maintain fairness and equity.

Note: Mercer is a human resources consulting firm that provides compensation management methodologies and tools. Through in-depth market data analysis, structured job evaluation methods, and customized compensation strategy design, Mercer helps organizations establish competitive, equitable, and performance-driven compensation systems.

### Employee Welfare

GRI 401-2

Part-time employees generally receive the same eligibility for employee benefits as full-time workers. The eligibility for some benefits may be linked to the job tenure and /or passing probation period.

Coverage of the Occupational Health and Safety Management System GRI 403-8

Category	Persons	Ratio
Employee	1,476	54.69%
Contractor	119	31.48%

Note: The scope of ISO 45001 certification is limited to the manufacturing sites in Germany and Bulgaria.

Occupational Injuries of Employees and Contractor Personnel GRI 403-9

Employees	All	Male	Female
Number of work-related fatalities	0	0	0
Ratio of work-related fatalities <sup>Note</sup>	0	0	0
Number of severe work-related injuries	0	0	0
Ratio of severe work-related injuries <sup>Note</sup>	0	0	0
Number of recordable work-related injuries	10	4	6
Ratio of recordable work-related injuries	1.93	1.21	3.22
Working Hours	5,177,157	3,313,381	1,863,777

Other Personnel (Contractors)	All	Male	Female
Number of work-related fatalities	0	0	0
Ratio of work-related fatalities	0	0	0
Number of severe work-related injuries	0	0	0
Ratio of severe work-related injuries	0	0	0
Number of recordable work-related injuries	3	2	1
Ratio of recordable work-related injuries	2.94	3.07	2.73
Working Hours	1,018,890	652,090	366,800

Note: The calculation formula is: (Severe/Recordable occupational injury fatalities)/1,000,000 work hours\*100%.

Occupational Illnesses of All Employees and Other Personnel (Contractors) GRI 403-10

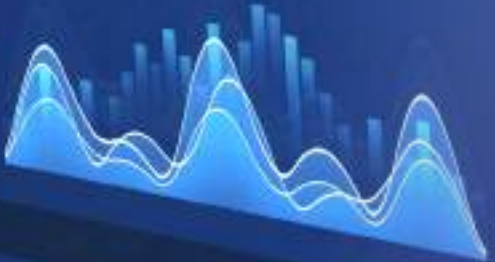
Employees	All	Male	Female
Number of recordable cases of work-related illnesses	0	0	0
Number of fatalities resulting from work-related illnesses	0	0	0
Ratio of fatalities resulting from work-related illnesses	0	0	0
Main types of work-related illnesses	N/A	N/A	N/A

Other Personnel (Contractors)	All	Male	Female
Number of recordable cases of work-related illnesses	0	0	0
Number of fatalities resulting from work-related illnesses	0	0	0
Ratio of fatalities resulting from work-related illnesses	0	0	0
Main types of work-related illnesses	N/A	N/A	N/A





**TOTAL EARNINGS** +2.56  
+15.56%  
Last week: 23,687 +2.33%  
Last month: 32,567 +3.95%  
Feb 2022



Sales  
**\$98.346** ▲ 21%  
Compared to \$86,215 last year

**Dynamics**  
Customers  
3,678 ▲ 19%

Purchase  
**\$34.677** ▲ 11%  
Compared to \$12,546 last year



# Fact Sheet

# Correspond to CH 1. Business Operation

Reporting period: 1<sup>st</sup> Jan. 2024 to 31<sup>st</sup> Dec. 2024

## Asset Structure

GRI 2-6

Item	Unit	2024
Display business net sales	NTD million	273,184.02
Energy business net sales	NTD million	7,061.40
Shipment of panels	million pcs	156.34

Note: The scope is the same as the 2024 consolidated statement.

## Economic Value Distribution

Item	Value (NTD million)	
Generated direct economic values	Total annual revenue (Net sales)	280,245.42
	Other income <sup>Note 1</sup>	10,071.21
Economic value of distribution	Operating expenditure	188,249.83
	R&D expenditure	16,028.32
	Employee salary and benefit	48,039.66
	Payments to shareholders	6,901.09
	Community investment	8.02
	Payments to government	3,406.57
	Depreciation expense (fixed assets)	32,083.84
	Amortization expense (intangible assets)	2,020.45
	Interest expenditure	3,214.95
Rent expenditure	209.38	
Total distributed economic values	300,162.11	
Retained economic values <sup>Note 2</sup>	-9,845.47	

Note 1: Other income includes interest, rental income, dividend income, subsidy income, net gains from disposal and scrapping of fixed assets, and net amounts from disposal of investment and financial assets.

Note 2: Retained economic value equals net profit after tax minus distributions to shareholders.

Note 3: The scope is the same as the 2024 consolidated statement.

## Production Facilities

Item	Unit	2024
AUO		493.28
Taiwan		335.02
Suzhou		41.30
Kunshan	10,000 m <sup>2</sup>	65.73
Xiamen		31.40
Slovakia		2.12
Vietnam		16.04
Percentage of Production from Owned Facilities	%	0.95

## Financial Assistance Received from Government

GRI 201-4

Region	Government shareholding (%)	Total government assistance (NTD million)
Taiwan	1.87%	135.39
China		1496.89
Singapore		2.63
Germany	-	2.56
India		7.90
Bulgaria		4.42

## Tax Situation

Item	Unit	2024
Effective tax rate	%	-387
Cash tax rate		-305
Cash tax amount		1,845,870
Pre-tax profit		-604,788
Declared tax amount	NTD 1,000	2,339,594
Cumulative acceptable adjustments		-493,724
Income tax expense		2,339,594

Board Composition

GRI 2-9

Composition of the Board of Directors			
Category	Male	Female	Total
Number of executive directors	2	0	2
Number of nonexecutive directors	3	3	6
Total	5	3	8
Number of independent directors	2	2	4

Diversity of Governance Body Membership			
Age	Male	Female	Total
Under 55	1	0	1
Age 56-65	1	2	3
Age 66-75	3	1	4

Note: The ratio of board members who are over 50 years old is 100%.

High-level Compensation Policy

GRI 2-21

Item	2024
The multiple of the CEO's annual total compensation (including fixed and variable compensation) to the median annual total compensation of employees (excluding the CEO)	152.11
The ratio of the CEO's annual total compensation (including fixed and variable compensation) to the average annual total compensation of employees (excluding the CEO)	107.60
Proportion of CEO's short-term incentives deferred in the form of shares or stock options	0
The proportion of employees two levels below the CEO eligible for long-term incentive plans	0.84
The longest grant period for CEO compensation	3 years
The longest performance period covered by the executive compensation plan	3 years
The median ratio of the highest individual's annual total compensation	152.11
Ratio of the annual total compensation increase for the highest-paid individual to the median annual total compensation increase for all other employees	8.98
The ratio of the value of company shares that board directors are required to hold to the multiple of annual base salary	10

Board Functioning and Composition

Number of directors who also serve on the boards of no more than 4 other companies	6
Number of independent directors or non-executive directors with industry experience	5
Number of non-executive directors with risk management expertise	2
Average tenure of board members (years)	5.38
Annual average attendance rate of the board of directors	100%
Minimum required attendance rate for the board of directors	80%
Maximum number of external directorships held by board of directors	5

Confirmed Incidents of Dishonesty and Actions Taken

Item	2024
Confirmed incidents of dishonesty (number of corruption and bribery cases, (1)+(2)+(3))	0
(1) Total number of cases where employees were terminated due to dishonest behavior	0
(2) Total number of cases where contracts with clients or suppliers were terminated due to dishonest behavior with an employee	0
(3) Total number of lawsuits the company faced due to dishonest behavior	0
Number of cases of conflict of interest violations	2
Number of money laundering or internal trading violations	0

Note 1: The amount of fines imposed on the company due to cases of corruption and bribery was 0.

Note 2: The amount of fines imposed on the company due to convictions for corruption and bribery cases was 0.



The Finalization of Major Antitrust Cases and the Associated Financial Losses

Item	2024
1. Total number of finalized Antitrust civil lawsuits	0
(1) Total amount of confirmed fines	0
(2) The percentage of confirmed fines to the company's annual revenue	0%
Total number of pending Antitrust civil lawsuits that have not been finalized as of 2024	1

Training of Antitrust Law Policy

Category	People/Suppliers	Proportion
IDL	10,665	99.40%
Junior level management	2,720	98.90%
Mid-level management	184	98.90%
Senior level management	51	96.20%
Supplier	3,751	100%

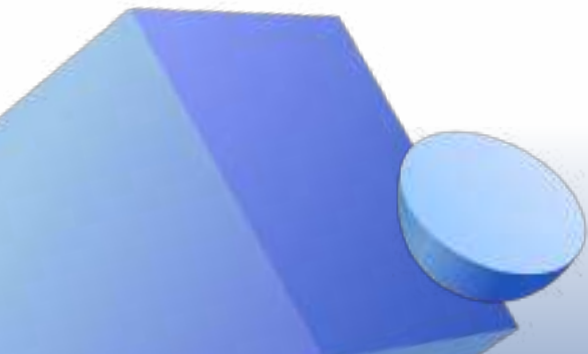
Information Security

Item	2024
The ratio of IT infrastructure introducing ISO27001, NIST, or similar standards	100%
The total number of information security breaches or other network security incidents	0
The total number of confirmed incidents of data breaches, theft or loss of customer data	0
The total number of customers, consumers, employees affected by information security vulnerabilities	0
The total amount of fines related to information security vulnerabilities or other network security incidents	0
The number of complaints or reports received in the company's privacy mailbox and confirmed to violate the protection of customer personal data	0
Significant cases of the company being fined by the regulatory authority for violating customer personal data protection	0

Annual Violations

GRI 2-27

Category	Case	Amount of fine (NTD)	Violation of regulations	Improvement measures
Environment	0	0	-	-
Occupational safety	3	260,000	Violation of the "Occupational Safety and Health Act" While performing maintenance on upper and lower machinery at a height exceeding two meters, personnel failed to use the required safety access equipment and accidentally fell, resulting in injury.	A risk assessment project for work-at-height operations was initiated using the Job Safety Analysis (JSA) methodology. Through the breakdown of operational procedures, the project identified incomplete elements in existing Standard Operating Procedures (SOPs) and discrepancies between actual practices and documented SOPs. Associated hazard factors were analyzed, and findings were cascaded across all facilities to implement corrective actions and mitigate potential risks.
			Violation of the "Occupational Safety and Health Act" While operating a forklift, the worker failed to properly use the seatbelt as required by safety regulations.	A safety improvement initiative for electric material handling equipment was launched to assess operational risks and regulatory concerns across five dimensions: personnel, equipment, materials, methods, and environment. The project established a semi-annual retraining and assessment mechanism, integrated maintenance schedules and items across relevant departments, and standardized on-site signage, traffic flow, and operating speed limits.
			Violation of the "Occupational Safety and Health Act" During the inspection of high-voltage electrical equipment, the contractor failed to properly implement insulation measures, resulting in an electric shock injury.	(1) Reviewed and optimized the SOP workflow, and enhanced inspection checkpoints for electrical panel operations before, during, and after the task, in order to prevent work from being carried out without full awareness of potential structural risks associated with the panel. (2) Implemented engineering improvements to address exposed live components concealed deep within electrical panels.



Annual Violations

GRI 2-27

Category	Case	Amount of fine (NTD)	Violation of regulations	Improvement measures
Labor	7	610,000	During a labor inspection conducted by the Central Taiwan Science Park Administration at the Taichung facility, it was found that some employees had exceeded the monthly limit for overtime hours.	(1) Identify potential risks through internal and external audits, and develop corresponding corrective measures. (2) Regularly review and discuss labor-management meeting topics, with proposals brought forward for resolution by labor and management representatives during the meetings.
			During a labor inspection conducted by the Taoyuan Department of Labor at the Huaya site, it was found that some attendance records did not include time entries down to the minute.	
			During a labor inspection conducted by the Taoyuan Department of Labor at the Huaya site, it was identified that some employees had worked more than 12 hours in a single day.	
			During a labor inspection conducted by the Taoyuan Department of Labor at the Huaya site, it was found that some employees did not receive sufficient rest time within a single workday.	
			During a labor inspection conducted by the Central Taiwan Science Park Administration at the Taichung site, it was found that some employees had worked extended hours without receiving overtime pay.	
			During a labor inspection conducted by the Central Taiwan Science Park Administration at the Taichung site, it was discovered that some employees had exceeded the permitted monthly limit for overtime hours.	
			During a labor inspection conducted by the Taoyuan Department of Labor at the Huaya site, it was found that the 2024 labor-management meeting did not include a resolution regarding the implementation of the biweekly flexible working hours system.	

Note: AUO defines significant events as those that may have a significant impact on shareholder equity or securities prices. There were no significant regulatory violations in 2023. The disclosure of events in this table is intended to be consistent with the information disclosed in the annual report.

Contributions & Spending Amount

Unit: NTD	2021	2022	2023	2024
Lobbying, interest representation or similar	0	0	0	0
Political campaigns/organizations /candidates	0	0	0	0
Trade associations or tax-exempt groups	5,727,960	4,787,565	5,470,176	6,588,669
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
<b>Total</b>	<b>5,727,960</b>	<b>4,787,565</b>	<b>5,470,176</b>	<b>6,588,669</b>

## Participate in Associations/organizations

GRI 2-28

AUO upholds the vision of contributing to the industry for shared prosperity, actively participates in public policies and applies our practical experience in vertical industry chains to engage in public associations and government platforms, thereby creating an ecosphere through exchanges and sharing.

Category	Name of associations/organizations	Role	2024 membership
Trade associations	Taipei Computer Association (TCA)	Chairman	NTD 15,000
	Taiwan Display Union Association (TDUA)	Chairman	0
	Taiwan Panel and Solution Association (TPSA)	Vice chairman	NTD 3,570,000
	Taiwan Photovoltaic Industry Association (TPVIA)	Executive director	NTD 30,000
	Taiwan Advanced Automotive Technology Development Association (TADA)	Executive director	NTD 50,000
	The Society for Information Displays (SID)	Executive director	0
	ROC Taiwan Liquid Crystal Society (ROC TLCS)	Director	NTD 35,000
	The Allied Association for Science Park Industries (ASIP)	Director	NTD 666,000
	5G Automotive Association (5GAA)	Member	USD 18,750
	8K Association	Member	USD 10,000
	Photovoltaic Generation System Association (PVGSA)	Member	NTD 10,000
	3D Interaction & Display Association (3DIDA)	Member	NTD 30,000
	Taiwan Association of Information and Communication Standards (TAICS)	Member	NTD 30,000
	Taiwan Electronic Equipment Industry Association (TEEIA)	Member	NTD 12,000
	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Member	NTD 42,000
	Taiwan Electric Power Association (TEPA)	Member	NTD 13,300
	Taiwan Space Industry Development Association (TSIDA)	Member	NTD 15,000
	Autonomous Mobile Robot Alliance (AMRA)	Member	NTD 44,110
	Institute for Biotechnology and Medicine Industry (IBMI)	Member	NTD 20,000
Semiconductor Equipment and Materials International (SEMI Taiwan)	Member	NTD 83,475	
Video Electronics Standards Association (VESA)	Member	USD 10,000	
Sustainability associations	Taiwan Climate Partnership (TCP)	Vice chairman   Executive director	NTD 100,000
	Taiwan Carbon Capture Storage and Utilization Association (TCCSUA)	Director	NTD 5,000
	Taiwan Net Zero Emissions Association (ATNZE)	Director	NTD 150,000
	Center for Corporate Sustainability (CCS)	Director	NTD 280,000
	CommonWealth-ESG	Member	NTD 120,000

Note: Sorted by strokes in characters, according to roles and organization names.

# Correspond to CH 2. Sustainable Management

Reporting period: 1<sup>st</sup> Jan. 2024 to 31<sup>st</sup> Dec. 2024

## Hazardous Substances Management

Hazardous Substance Control Items	
Category	2024
Banned Class A	12
Banned Class B	64
Reporting	79

Note: The revised list of regulated hazardous substances finalized in 2024 will take effect in 2025.

Hazardous Substance Control List	
Item	2024
AUO's hazardous substance control list covers a portion of the declarable substances listed under IEC 62474	100%
The proportion of AUO's annual revenue derived from product models containing declarable substances under IEC 62474 is as follows <sup>Note</sup>	100%

Note: 100% of product revenue is derived from models containing substances subject to declaration under IEC 62474.

## Conflict Minerals

Item	2024
The proportion of total revenue made up by products containing conflict minerals	0%
The proportion of total revenue made up by products containing conflict minerals (verified by suppliers as originating from non-conflict areas)	0%

## Customer Returns

Item	pcs	Ratio
Total volume of returns and exchanges (1+2+3)	155,459	100%
Disposal method	1. ROK (Return to Original, Given back to customer) volume	61,370 39.48%
	2. B/S GRADE quantity (Downgraded CSD resold to other customers)	84,257 54.20%
	3. OUTPUT is neither original grade nor B/S Grade component quantity (Downgraded business resold to other customers)	9,832 6.32%

## Customer Satisfaction

Item	2024
Proportion of customers using online service solutions or sales platforms	100%
Customer Satisfaction	97.5%
Annual Customer Satisfaction Target	92%
Customer satisfaction data coverage rate <sup>Note</sup>	100%

Note: Data coverage rate is defined as "the ratio of targeted survey subjects to those actually surveyed," with a coverage rate of 100% in 2024.

## Supply Chain Composition

Supplier Composition		
Category	Number of suppliers	Number of contractors
Display	495	32
PV	297	1
Waste	132	
Labor Outsourcing	14	N/A
Service Outsourcing	22	

Supplier Type	
Category	2024
Number of Tier-1 suppliers	578
Number of significant suppliers in Tier-1	23
Number of nonsignificant suppliers in Tier-1	12
Number of significant suppliers (Tier-1 and non Tier-1)	35
Expenditure on Tier-1 significant suppliers (NTD millions)	112,368.17
Expenditure on Tier-1 suppliers (NTD millions)	174,651.97
Proportion of expenditure on Tier-1 significant suppliers relative to total Tier-1 supplier spending	64.34%
Number of critical direct material suppliers in Tier-1	578

Risk Assessment of Significant Suppliers		
Item		2024
Total number of suppliers assessed via desk assessments		168
Target number of suppliers assessed via desk assessments		168
Percentage of critical suppliers assessed		100%
Suppliers identified as having actual or potential negative impacts based on assessments		10
Suppliers identified as having actual or potential negative impacts based on assessments	Percentage of suppliers with improvement plans or corrective actions	100%
	Percentage of terminated partnerships	0
	Number of suppliers supported by AUO through improvement plans or corrective actions	10
	Target number of suppliers to be supported by AUO through improvement plans or corrective actions	10
	Proportion of suppliers supported by AUO through improvement plans or corrective actions	100%

RBA Annual Audit

RBA Audit Results Conducted by AUO			
Aspect	Item		2024
Environmental	Number of audits conducted		22
	Audit Pass Rate		86.36%
	Total Number of Audit Findings		66
	Audit Findings	Health and Safety	48
		Environment	18
		Management System	0
Other		0	
Social	Number of audits conducted		22
	Audit Pass Rate		84.09%
	Total Number of Audit Findings		146
	Audit Findings	Labor	75
		Health and Safety	30
		Ethical Standards	16
		Management System	25
Other		0	

Supplier Capacity Building Program		
Item		2024
Total number of suppliers supported by AUO through the Supplier Capacity Building Program		141
Target number of suppliers to be supported by AUO through the Supplier Capacity Building Program		141
Proportion of significant suppliers supported by AUO through the Supplier Capacity Building Program		100%

RBA Audit Results for Tier-1 Suppliers		
Category	Item	2024
Tier-1 Suppliers	Proportion of Tier-1 suppliers audited relative to the total supplier base	7.79%
	Proportion of audited Tier-1 suppliers among high-risk suppliers	100%
	Proportion of audited suppliers that did not pass the RBA VAP or equivalent audit process	15.56%
	Improvement rate for audit findings with major nonconformities	100%
	Improvement rate for audit findings with other nonconformities	100%
critical direct material suppliers in Tier-1	Nonconformity improvement rate	100%
	Proportion of AUO suppliers that failed to pass RBA audits	15.38%
	Number of suppliers audited under the RBA framework during the reporting year	15
	Number of suppliers identified as high-risk based on the previous year's questionnaire assessment	2
	Number of suppliers identified by AUO as high-risk through internal assessment	0
	Number of suppliers with a Green rating in RBA assessments for three consecutive years	14
	Number of suppliers within the two-year audit exemption period	9
	Total number of major nonconformities	4
	Total number of minor nonconformities	138
	Number of major nonconformities successfully remediated	4
Number of minor nonconformities successfully remediated	138	

Percentage of local procurement from suppliers GRI 204-1

Category	Region	Display	Energy
Supplier	Taiwan	86.65	58
	China	71.98	N/A
	Vietnam	36.71	



# Correspond to CH 3. Environmental Sustainability

Reporting period: 1<sup>st</sup> Jan. 2024 to 31<sup>st</sup> Dec. 2024

## Coverage Rate of Environmental Management System

Category of Management System	Item	Coverage rate	Category of Management System	Item	Coverage rate
ISO 50001	Certified	92.85%	ISO 14001	Certified	100%
	Verified by a third party	100%		Verified by a third party	100%
	Verified by an internal audit at the company's headquarters	100%		Verified by an internal audit at the company's headquarters	100%

## Energy consumption

### GRI 302-1

Item	Unit	2024		2023		2022		2021	
		MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ
Total energy usage		4,578,127.80	16,481,260.09	4,784,515.55	17,224,256.00	4,660,491.73	16,777,770.24	5,293,448.49	19,056,414.56
Total energy usage (Renewable)		291,676.79	1,050,036.46	69,838.73	251,419.41	51,072.96	183,862.66	5,408.76	19,471.54
Total energy usage (Nonrenewable)		4,286,451.01	15,509,223.63	4,714,676.82	16,972,836.60	4,609,418.77	16,593,907.58	5,288,039.73	19,036,943.03
Purchased electricity consumption (Renewable)		228,957.45	824,246.81	13,704.99	49,337.95	40,000.00	144,000.00	-	-
Purchased electricity consumption (Nonrenewable)		4,078,051.50	14,758,985.41	4,487,728.83	16,155,823.80	4,401,141.93	15,844,110.93	5,073,548.09	18,264,773.14
Self-Generation electricity consumption (Renewable)		62,719.35	225,789.65	56,133.74	202,081.45	11,072.96	39,862.66	5,408.76	19,471.54
Self-generation and parallel sale (Renewable)		49,533.52	178,320.67	52,296.93	188,268.96	52,277.09	188,197.52	55,271.63	198,977.86
Purchased steam consumption		9,804.78	35,297.21	10,767.36	38,762.49	10,893.33	39,216.00	-	-
Natural gas		178,123.88	641,245.97	194,769.54	701,170.36	175,006.94	630,024.97	185,607.74	668,187.88
Liquefied petroleum gas (LPG)		4,592.74	16,533.88	6,176.22	22,234.40	6,437.95	23,176.63	7,421.66	26,717.99
Diesel		15,604.96	56,177.87	14,961.81	53,862.52	15,727.66	56,619.57	21,247.23	76,490.01
Gasoline		273.14	983.30	273.06	983.03	210.96	759.47	215.00	774.01
Energy consumption per input sheet substrate area		0.077 MWh/m <sup>2</sup>	0.279 GJ/m <sup>2</sup>	86.82 KWh/m <sup>2</sup>	0.31 GJ/m <sup>2</sup>	97.22 KWh/m <sup>2</sup>	0.35 GJ/m <sup>2</sup>	77.78 KWh/m <sup>2</sup>	0.28 GJ/m <sup>2</sup>
Electricity consumption per input sheet substrate area		0.074 MWh/m <sup>2</sup>	0.267 GJ/m <sup>2</sup>	82.71 KWh/m <sup>2</sup>	0.30 GJ/m <sup>2</sup>	94.44 KWh/m <sup>2</sup>	0.34 GJ/m <sup>2</sup>	75.00 KWh/m <sup>2</sup>	0.27 GJ/m <sup>2</sup>
Energy consumption per unit revenue		0.016 MWh/1,000 NTD	0.059 GJ/1,000 NTD	19.30 KWh/1,000 NTD	0.695 GJ/10,000 NTD	18.89 KWh/1,000 NTD	0.68 GJ/10,000 NTD	14.44 KWh/1,000 NTD	0.52 GJ/10,000 NTD
Electricity consumption per unit revenue		0.016 MWh/1,000 NTD	0.056 GJ/1,000 NTD	18.38 KWh/1,000 NTD	0.662 GJ/10,000 NTD	18.06 KWh/1,000 NTD	0.65 GJ/10,000 NTD	13.89 KWh/1,000 NTD	0.50 GJ/10,000 NTD
Purchased Renewable Energy Certificates (RECs)		30,000	108,000	-	-	-	-	-	-

Note: The conversion coefficients of natural gas, liquefied petroleum gas, diesel and gasoline are referred to the calorific value data announced by the Bureau of Energy, Ministry of Economic Affairs

Water | GRI 303-3 | GRI 303-4 | GRI 303-5

Note: The coverage rate of water-related data (calculated by revenue) is 100%.

Water Withdrawal by Manufacturing Facilities (1,000 m <sup>3</sup> )						
Category	Item		2024	2023	2022	2021
All regions (Include areas with water stress)	Total		23,735.32	23,809.58	21,546.86	24,991.78
	Surface water (including rain water)	Fresh water	12.22	9.18	14.84	15.37
		Other water	0	0	0	0
	Ground water	Fresh water	394.74	198.59	252.05	417.56
		Other water	0	0	0	0
	Sea water	Fresh water	0	0	0	0
		Other water	0	0	0	0
	Produced water	Fresh water	0	0	0	0
		Other water	0	0	0	0
	Third party water	Fresh water	19,968.76	20,766.58	18,850.33	22,463.35
		Renewable water	3,359.60	2,835.23	2,429.65	2,095.50
		Other water	0	0	0	0
	Areas with water stress: Taichung, Houli, Kunshan	Total		16,635.02	15,808.10	10,778.57
Surface water (including rain water)		Fresh water	0	0.13	0	0
		Other water	0	0	0	0
Ground water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Sea water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Produced water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Third party water		Fresh water	13,275.42	12,972.74	10,778.57	13,165.71
		Renewable water	3,359.60	2,835.23	0	0
		Other water	0	0	0	0

Water Discharge by Manufacturing Facilities (1,000 m <sup>3</sup> )						
Category	Item		2024	2023	2022	2021
All regions (Include areas with water stress)	Total		17,407.25	16,944.26	14,854.39	17,280.86
	Surface water (including rain water)	Fresh water	1,907.88	2,046.46	1,873.50	1,878.38
		Other water	0	0	0	0
	Ground water	Fresh water	0	0	0	0
		Other water	0	0	0	0
	Sea water	Fresh water	0	0	0	0
		Other water	0	0	0	0
	Produced water	Fresh water	0	0	0	0
		Other water	0	0	0	0
	Third party water	Fresh water	15,499.37	14,897.80	12,980.89	15,402.48
		Renewable water	0	0	0	0
		Other water	0	0	0	0
	Areas with water stress: Taichung, Houli, Kunshan	Total		13,212.26	12,346.90	7,958.62
Surface water (including rain water)		Fresh water	0	0	0	0
		Other water	0	0	0	0
Ground water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Sea water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Produced water		Fresh water	0	0	0	0
		Other water	0	0	0	0
Third party water		Fresh water	13,212.26	12,346.90	7,958.62	9,884.06
		Renewable water	0	0	0	0
		Other water	0	0	0	0

Water Consumption by Manufacturing Facilities (1,000 m <sup>3</sup> )					
Category	Item	2024	2023	2022	2021
All regions (Include areas with water stress)	Total	6,328.07	6,865.32	6,692.47	-
	Areas with water stress: Taichung, Houli, Kunshan	3,422.76	3,461.20	2,819.95	-

Process Water Use Information					
Item	Unit	2024	2023	2022	2021
Total Process Water Consumption	1,000 m <sup>3</sup>	17,533.99	-	-	-
Process water recycling volume	1,000 m <sup>3</sup>	131,446.81	132,211	116,381	137,570
Process water recycling rate	%	94.70	95.02	94.89	94.47

Discharge of Water Pollutants (tons)				
Item	2024	2023	2022	2021
COD	472.34	448.56	435.64	547.25
BOD	60.07	46.06	48.31	56.04
SS	78.58	89.95	90.48	111.66
NOx	50.56	-	-	-

Emissions | GRI 305-1 | GRI 305-2 | GRI 305-3 | GRI 305-6 | GRI 305-7

Category	Item	Unit	2024	2023	2022	2021
GHG emissions <small>Note 1</small>	Scope 1	10,000 tCO <sub>2</sub> e	6.74	6.68	6.97	7.92
	Scope 2 (Deducted Renewable Energy Certificates (RECs))	10,000 tCO <sub>2</sub> e	209.75	236.11	237.34	284.12
	Scope 2	10,000 tCO <sub>2</sub> e	211.50	-	-	-
	Scope 3	10,000 tCO <sub>2</sub> e	463.10	217.06	100.45	128.61
Air pollutant emissions	ODS <small>Note 2</small>	CFC-11 equivalent metric tons	0.06	0.05	0.07	0.07
	Nox	tons	69.27	81.72	87.62	72.52
	SOx	tons	48.93	52.00	54.52	49.96
	POP	tons	0	0	0	0
	VOC	tons	129.68	138.75	123.30	168.46
	HAP	tons	0	0	0	0
PM	tons	0	0	0	0	

Note 1: Greenhouse gas emissions are calculated using operational control, with related emission factors and global warming potential sourced from the IPCC AR5, Taipower Company announced coefficients, and coefficients announced by China's Ministry of Ecology and Environment.

Note 2: ODS includes R-22 and R-123.

Note 3: The source of the emission factor comes from the ozone depletion potential of ozone-depleting substances under the Montreal Protocol.



Package Recycle

GRI 301-3

Item	2024
Supplier packaging recycling volume	37,081.62 tons
Supplier packaging recycling rate <sup>Note 1</sup>	97.50%
Product packaging recycling volume	210,652 sets
Product packaging recycling volume	1,143 tons
Product packaging recycling rate <sup>Note 2</sup>	71%

Note 1: The calculation method for the supplier packaging recycling rate is (recyclable supplier's recycling volume / recyclable supplier's packaging shipment volume) \* 100%.

Note 2: The calculation method for the product packaging recycling rate is (recyclable customer's recycling volume for TV panel packaging /shipment volume) \* 100%.

Component Recycling

Item	2024
Total weight of electronic component recycling (tons)	29.79
Total amount of electronic component recycling (NTD)	1,526,970

Waste

GRI 306-3 | GRI 306-4 | GRI 306-5

2024 Waste Management Targets

Annual target for total non-hazardous industrial waste	<8,700 tons
Data coverage rate for all non-hazardous industrial waste (revenue-based)	100%
Annual target for total hazardous industrial waste	<3,400 tons
Data coverage rate for all hazardous industrial waste (revenue-based)	100%

Waste Disposal (tons)

Item	2024			2023			2022			2021		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Total (1+2)	70,634.41	64,590.04	6,044.36	73,468.88	67,360.52	6,108.36	76,204.08	68,198.41	8,005.67	82,654.52	68,491.26	14,163.26
Hazardous waste	11,247.91	9,301.21	1,946.70	13,805.12	11,711.83	2,093.29	13,397.11	10,119.76	3,277.35	18,099.85	11,934.01	6,165.84
Non-hazardous waste	59,386.50	55,288.83	4,097.66	59,663.76	55,648.69	4,015.07	62,806.97	58,078.65	4,728.32	64,554.67	56,557.25	7,997.42

Materials & Recycled Materials

GRI 301-1

Direct materials	Glass input substrate area (m <sup>2</sup> )	59,159,678
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Category	Item	Renewable/ Recycle (tons)	Nonrenewable/ Nonrecycled (tons)	Renewable/ Recycle ratio
Direct materials	Glass substrate	13,554	54,216	20%
	Polarizing film	0	16,382.71	0
	Liquid crystal	1.17	75.86	1.51%
	Metal Backplane	213.50	13,122.20	0.02%
Indirect materials	Light guide plate	0	6,524.38	0
	Process thinner (Array/CF)	1,418	1,276	53%
	Developer	0	7,927	0
	Aluminum etchant	0	10,480	0
	Process stripper	35,838	6,479	0.85%
	Photoresist	7.08	2,380	0.03%
	PFCs	0	1,000.50	0

Category		Item	Waste Disposal (tons)												
			2024			2023			2022			2021			
			Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total	
Hazardous waste	Disposal	Total	0	1,946.70	1,946.70	0	2,093.29	2,093.29	0	3,277.35	3,277.35	0	6,165.84	6,165.84	
		Incineration (with energy recovery)	0	281.42	281.42	0	0	0	0	0	0	0	0	0	0
		Incineration (without energy recovery)	0	1,663.83	1,663.83	0	1,763.65	1,763.65	0	1,802.90	1,802.90	0	3,267.88	3,267.88	
		Landfilling	0	0	0	0	159.76	159.76	0	10,119.76	10,119.76	0	469.92	469.92	
		Other disposal operations <sup>Note 1</sup>	0	1.46	1.46	0	169.88	169.88	0	1,098.59	1,098.59	0	2,428.04	2,428.04	
	Recovery	Total	0	9,301.21	9,301.21	0	11,711.83	11,711.83	0	10,119.76	10,119.76	0	11,934.01	11,934.01	
		Preparation for reuse	0	3,498.76	3,498.76	0	3,167.98	3,167.98	0	2,639.37	2,639.37	0	5,131.98	5,131.98	
		Recycling	0	5,802.45	5,802.45	0	8,543.85	8,543.85	0	7,480.39	7,480.39	0	6,802.03	6,802.03	
Other recovery operations		0	0	0	0	0	0	0	0	0	0	0	0		
Non-hazardous waste	Disposal	Total	0	4,097.66	4,097.66	0	4,015.07	4,015.07	0	4,728.32	4,728.32	0	7,997.42	7,997.42	
		Incineration (with energy recovery)	0	2,025.28	2,025.28	0	92.41	92.41	0	0	0	0	0	0	
		Incineration (without energy recovery)	0	1,437.43	1,437.43	0	3,321.74	3,321.74	0	3,215.88	3,215.88	0	4,764.82	4,764.82	
		Landfilling	0	634.57	634.57	0	599.30	599.30	0	1,108.53	1,108.53	0	3,040.97	3,040.97	
		Other disposal operations <sup>Note 1</sup>	0	0.38	0.38	0	1.62	1.62	0	403.91	403.91	0	191.63	191.63	
	Recovery	Total	0	55,288.83	55,288.83	0	55,648.69	55,648.69	0	58,078.65	58,078.65	0	56,557.25	56,557.25	
		Preparation for reuse	0	1,653.31	1,653.31	0	1,508.72	1,508.72	0	1,347.66	1,347.66	0	0	0	
		Recycling	0	53,635.52	53,635.52	0	54,139.97	54,139.97	0	56,730.99	56,730.99	0	56,557.25	56,557.25	
Other recovery operations		0	0	0	0	0	0	0	0	0	0	0	0		

Note 1: Other disposal methods include chemical and overseas treatment.

Note 2: The data is based on the amount of waste collected.



Waste Disposal Rate

	Total (tons)	Recovery	Landfilling	Incineration	Others
Hazardous waste	11,247.91	82.69%	0	17.29%	0.01%
Non-hazardous waste	59,386.50	93.10%	1.07%	5.83%	0
<b>Total</b>	<b>70,634.41</b>	<b>91.44%</b>	<b>0.90%</b>	<b>7.65%</b>	<b>0</b>

Environmental Accounting

Since 2009, AUO has been promoting an environmental accounting system and completed the global system implementation in 2012. Environmental accounting has become essential information in the field of environmental management. In 2024, AUO's environmental expenses amounted to approximately 2.129 billion.

Expenditure Categories		Unit	2024	
			Current expenditure	Capital expenditures
Operating costs	Pollution control	NTD 1,000	621,131	19,198
	Global environmental protection		570,099	38,832
	Resource sustainability usage		410,834	512
Upstream and downstream related costs			235,401	887
Management costs			47,256	0
R&D costs			8,025	0
Social activity costs			3,209	0
Loss and remedy costs			7	0
Other environmental protection costs			174,605	0
Subtotal			2,070,567	59,429
Total costs			2,129,996	
Annual Environmental Provisions			0	



## Correspond to CH 4. Inclusive Growth

Reporting period: 1<sup>st</sup> Jan. 2024 to 31<sup>st</sup> Dec. 2024

The definitions of sites and offices of AUO in various regions are as follows, applicable to various statistics below.

Taiwan	China	Other Asian regions	Europe	Americas
Taipei, Huaya, Longke, Longtan, Hsinchu, Taichung, Houli, Tainan and Kaohsiung	Kunshan, Suzhou and Xiamen	Japan, Korea, Singapore and Vietnam	Slovakia, the Netherlands and Germany	United States

### Number of Employees by Hiring Type

GRI 2-7

Employee (Employment contract)							
Gender	Employment contract	Taiwan	China	Other Asian regions	Europe	Americas	Total
Male	Permanent employee	10,816	9,471	316	57	48	20,708
	Temporary employee	1,115	1,109	19	1	0	2,244
	Non-guaranteed hours employee	0	0	0	0	0	0
	Total	11,931	10,580	335	58	48	22,952
Female	Permanent employee	5,734	5,048	174	53	14	11,023
	Temporary employee	569	375	1	0	1	946
	Non-guaranteed hours employee	0	0	0	0	0	0
	Total	6,303	5,423	175	53	15	11,969
Total	Permanent employee	16,550	14,519	490	110	62	31,731
	Temporary employee	1,684	1,484	20	1	1	3,190
	Non-guaranteed hours employee	0	0	0	0	0	0
	Total	18,234	16,003	510	111	63	34,921

Employee (Type of employment)							
Gender	Type of employment	Taiwan	China	Other Asian regions	Europe	Americas	Total
Male	Full-time	11,928	10,580	335	58	48	22,949
	Part-time	3	0	0	0	0	3
	Total	11,931	10,580	335	58	48	22,952
Female	Full-time	6,301	5,423	175	53	15	11,967
	Part-time	2	0	0	0	0	2
	Total	6,303	5,423	175	53	15	11,969
Total	Full-time	18,229	16,003	510	111	63	34,916
	Part-time	5	0	0	0	0	5
	Total	18,234	16,003	510	111	63	34,921

Number of Employees Over the Years

	2024	2023	2022	2021
People	34,921	34,993	36,702	39,480

Note: Starting in 2024, Vietnam sites are newly included under "other Asian regions" in the calculation.

Not Employed Staff

Gender	Type of employment	Taiwan	China	Other Asian regions	Europe	Americas	Total
Male	Contractor	0	1,727	51	0	0	1,778
Female		0	536	27	0	0	563
Total		0	2,263	78	0	0	2,341

Employee Distribution

By Region

Taiwan	48.93%
China	49.02%
Other Asian regions	1.58%
Europe	0.3%
Americas	0.17%

By Age & Gender

Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Male	Under 29	1,014	6,307	143	3	4	7,471
	30-49	9,250	5,914	206	46	33	15,449
	Over 50	1,667	86	37	9	11	1,810
	Total	11,931	12,307	386	58	48	24,730
Female	Under 29	378	2,673	72	2	1	3,126
	30-49	4,999	3,269	120	40	13	8,441
	Over 50	926	17	10	11	1	965
	Total	6,303	5,959	202	53	15	12,532
Total		18,234	18,266	588	111	63	37,262



By Employee Category, Age & Gender GRI 405-1

Category		Item	Male	Female	Under 29	30-49	Over 50	2030 Target Female (%)
Total		Total employees (%)	66.37	33.63	28.44	64.11	7.45	31-37
Management	Level	Junior level management <sup>Note 1</sup> (%)	70.58	29.42	0.44	77.48	22.08	30
		Direct labor management <sup>Note 2</sup> (%)	46.79	53.21	0.11	83.49	16.40	50
		Mid-level management <sup>Note 3</sup> (%)	84.32	15.68	0	37.84	62.16	15
		Senior level management <sup>Note 4</sup> (%)	93.22	6.78	0	20.34	79.66	10
	Total	Management (%)	71.58	28.42	0.41	74.71	24.88	30
	Revenue generating unit	Management (%)	73.69	26.31	0.37	75.44	24.20	25
Employee structure		Indirect labor (%)	73.04	26.96	14.05	72.67	13.28	-
		Direct labor (%)	63.53	36.47	34.56	60.47	4.97	-
		STEM (Science, Technology, Engineering, Mathematics)	77.46	22.54	14.32	72.67	13.01	19-25

Note 1: The junior level management: management of directly leading personnel, managing nonmanagement employees.  
 Note 2: Direct labor management: team leader and foreman.

Note 3: The mid-level management: management of three to four levels lower than the CEO.  
 Note 4: The senior level management: management of two levels lower than the CEO.

Number of New Employees GRI 401-1

Employees with Disabilities	
Number of employees hired	228
Percentage of employees hired	1.25%

Note: The scope of employees with disabilities reporting is limited to Taiwan.

Percentage of Employee Nationalities and Management Positions

Nationalities	Total	Management
Taiwan	45.12	81.79
China	48.70	15.85
Philippines	4.35	0
Vietnam	1.19	0.03
Slovakia	0.20	0.31
Others	0.44	2.02

Number of New Employees							
Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	181	6,141	189	1	1	6,513
	30-49	131	1,647	160	6	3	1,947
	Over 50	5	0	4	0	0	9
	Total	317	7,788	353	7	4	8,469
Male	Under 29	547	19,151	389	2	2	20,091
	30-49	348	5,949	253	6	6	6,562
	Over 50	24	1	5	1	0	31
	Total	919	25,101	647	9	8	26,684
Total		1,236	32,889	1,000	16	12	35,153

Number of New Employees Over the Years

	2024	2023	2022	2021
People	35,153	27,936	31,993	53,286

Internal transfers among global indirect personnel in relation to the total recruitment demand

	2024	2023	2022	2021
Ratio	73.99%	79.13%	76.02%	69.66%

New Hire Rate GRI 401-1

Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	0.99%	33.62%	32.14%	0.9%	1.59%	17.48%
	30-49	0.72%	9.02%	27.21%	5.41%	4.76%	5.23%
	Over 50	0.03%	0	0.68%	0	0	0.02%
	Total	1.74%	42.64%	60.03%	6.31%	6.35%	22.73%
Male	Under 29	3%	104.85%	66.16%	1.8%	3.17%	53.92%
	30-49	1.91%	32.57%	43.03%	5.41%	9.52%	17.61%
	Over 50	0.13%	0.01%	0.85%	0.9%	0	0.08%
	Total	5.04%	137.42%	110.03%	8.11%	12.7%	71.61%
Total		6.78%	180.06%	170.07%	14.41%	19.05%	94.34%

New Employee Distribution

By Region				
Taiwan	China	Other Asian regions	Europe	Americas
3.52%	93.56%	2.84%	0.05%	0.03%

By Age		
Under 29	30-49	Over 50
75.68%	24.21%	0.11%

By Gender	
Male	Female
75.91%	24.09%

Note: The calculation method for the new hire rate is the number of new employees of a specific age and gender/ the total number of employees in the same year.

Number of Voluntary Turnover GRI 401-2

Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	54	1,277	0	0	0	1,331
	30-49	289	431	1	1	0	722
	Over 50	19	0	0	0	1	20
	Total	362	1,708	1	1	1	2,073
Male	Under 29	213	2,829	1	0	0	3,043
	30-49	513	930	3	0	2	1,448
	Over 50	52	0	1	0	1	54
	Total	778	3,759	5	0	3	4,545
Total		1,140	5,467	6	1	4	6,618



Voluntary Turnover Rate GRI 401-2

Voluntary Turnover Rate							
Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	0.3%	6.99%	0	0	0	3.57%
	30-49	1.58%	2.36%	0.17%	0.9%	0	1.94%
	Over 50	0.1%	0	0	0	1.59%	0.05%
	Total	1.99%	9.35%	0.17%	0.9%	1.59%	5.56%
Male	Under 29	1.17%	15.49%	0.17%	0	0	8.17%
	30-49	2.81%	5.09%	0.51%	0	3.17%	3.89%
	Over 50	0.29%	0	0.17%	0	1.59%	0.14%
	Total	4.27%	20.58%	0.85%	0	4.76%	12.2%
Total		6.25%	29.93%	1.02%	0.9%	6.35%	17.76%

Note: The calculation method for turnover rate is the number of employees of a specific age and gender who left the job during that year/ the total number of employees during that year.

Voluntary Turnover Distribution

Number of Voluntary Turnover Rate Over the Years				
	2024	2023	2022	2021
Ratio	17.76%	17.52%	18.46%	22.81%

By Region				
Taiwan	China	Other Asian regions	Europe	Americas
17.23%	82.61%	0.09%	0.02%	0.06%

By Age		
Under 29	30-49	Over 50
66.09%	32.79%	1.12%

By Gender	
Male	Female
68.68%	31.32%

Number of Employees Turnover GRI 401-2

Number of Employees Turnover							
Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	82	1,886	28	2	0	1,998
	30-49	409	641	62	4	0	1,116
	Over 50	47	14	9	1	1	72
	Total	538	2,541	99	7	1	3,186
Male	Under 29	241	5,011	59	0	0	5,311
	30-49	710	1,454	130	1	2	2,297
	Over 50	81	2	50	0	1	134
	Total	1,032	6,467	239	1	3	7,742
Total		1,570	9,008	338	8	4	10,928

Turnover Rate

Turnover Rate							
Gender	Age	Taiwan	China	Other Asian regions	Europe	Americas	Total
Female	Under 29	0.45%	10.33%	4.76%	1.8%	0	5.36%
	30-49	2.24%	3.51%	10.54%	3.6%	0	3%
	Over 50	0.26%	0.08%	1.53%	0.9%	1.59%	0.19%
	Total	2.95%	13.91%	16.84%	6.31%	1.59%	8.55%
Male	Under 29	1.32%	27.43%	10.03%	0	0	14.25%
	30-49	3.89%	7.96%	22.11%	0.9%	3.17%	6.16%
	Over 50	0.44%	0.01%	8.5%	0	1.59%	0.36%
	Total	5.66%	35.4%	40.65%	0.9%	4.76%	20.78%
Total		8.61%	49.32%	57.48%	7.21%	6.35%	29.33%

Number of Turnover Rate Over the Years				
	2024	2023	2022	2021
Ratio	29.33%	28.32%	29.33%	48.46%

Turnover Distribution

By Region					By Age			By Gender	
Taiwan	China	Other Asian regions	Europe	Americas	Under 29	30-49	Over 50	Male	Female
14.37%	82.43%	3.09%	0.07%	0.04%	66.88%	31.23%	1.89%	70.85%	29.15%

Proportion of Management Hired from the Local Community

GRI 202-2

	Direct labor management	Junior level management	Mid-level management	Senior level management	All management
Taiwan	100%	99.86%	100%	100%	99.9%
China	No direct labor manager	86.81%	51.52%	25%	84.8%
Other Asian regions	100%	62.32%	75%	33.33%	62.34%
Europe	100%	93.94%	100%	No senior level manager	95%
Americas	No direct labor manager	95.45%	100%	No senior level manager	95.83%

Ratios of Standard Wage Compared to Local Minimum Wage

GRI 202-1

	Male	Female
Taiwan	1.29	1.26
Suzhou	1.53	1.54
Kunshan	1.66	1.66
Xiamen	1.87	1.77
Vietnam	1.09	1.09
Slovakia	2.06	1.63
Singapore	No minimum wage regulations	
Japan		
Korea		
Germany		
The Netherlands		
Americas		



Parental Leave GRI 401-3

Parental Leave Policy

The number of paid parental leave weeks provided to the primary caregiver	24 weeks
The number of paid parental leave weeks provided to the non-primary caregiver	0 week

Note: The disclosed data only covered Taiwan sites. All related maternity leave policies comply with Taiwanese regulations.

Parental Leave Application Statistics

	Male	Female
Number of employees eligible for parental leave	530	304
Total number of employees actually using parental leave	62	90
The number of employees expected returning to job after parental leave during the year	70	116
The total number of employees actually returning to job after parental leave	48	89
The total number of employees returning to job and still on the job for 12 months after parental leave	44	57
Reinstatement rate after parental care leave <sup>Note 1</sup> (%)	69	77
Retention rate after parental care leave <sup>Note 2</sup> (%)	70	86

Note 1: Reinstatement Rate is calculated as: Actual number of reinstatements during the year / Number of people expected to be re-instated during the year \*100%.

Note 2: Retention Rate is calculated as: Number of employees reinstated and continued to work for 1 year in the previous year/Actual number of employees re-instated in the previous year \*100%.

Internal Communication Channel

Item	Region	Internal communication mailbox	Sexual harassment grievance mailbox	Please help me hotline
Cases accepted	Taiwan	71	1	2,674
	China	1,024	0	316
	Other	0	0	0
Cases processed	Number of cases	1,095	1	2,990
	Completed (Taiwan)	71	1	2,674
	Completed (China)	1,024	0	316
	Not yet completed	0	0	0

Note: Multiple channels can be used for sexual harassment grievances. There were 1 sexual harassment-related case in 2024, of which is came from the sexual harassment grievance mailbox and the case has been closed.

Retirement GRI 201-3 | GRI 401-2

	Percentage of salary contributed by employee or employer				Employee participation (%)
	Employer (%)		Employee (%)		
	Old system	New system	Old system	New system	
Taiwan	2	6	0	0-6	100
Suzhou	16		8		100
Kunshan	16		8		100
Xiamen	16		8		100
Vietnam	14		8		100
Singapore	9-17		7.5-20		100
Slovakia	14		4		100
Americas	6.2		6.2		100
Japan	9.2		9.2		100
Korea	4.5		4.5		100
Germany	9.3		9.3		100
the Netherlands	2.6-17.8		1.3-8.9		100

Note: AUO strictly follows the laws of location of business operations. All employees participate in retirement plans in accordance with local regulations.

Labor Union GRI 102-41

Region	Participation
AUO	50.29%
Taiwan	Union has not yet organized
Suzhou (included Shenzhen)	100%
Xiamen	100%
Kunshan	100%
Vietnam	100%
Singapore	8%
Slovakia	Union has not yet organized
United States	
Japan	
Korea	
the Netherlands	
Germany	

Note: AUO determines employee working conditions and terms of employment in accordance with local labor regulations, employment contracts, internal work rules, or through legally established labor-management consultation mechanisms (such as those in Taiwan). AUO also respects employees' freedom of assembly and association, as well as their right to form labor unions. The current status of "no union formed" or "0% participation" reflects the fact that employees have not initiated any union formation. In Singapore, only direct employees have expressed interest in unionizing and have joined a union accordingly.

Employee Engagement Survey

By Employee Category		
	Percentage of Highly Engaged Employees (%)	Average score (out of 10 points)
AUO	86.82	8.64
Indirect labor	90.25	8.75
Direct labor	85.49	8.75
Management	92.4	8.87
Non-management	86.39	8.59

Human Rights Related Disputes GRI 406-1 | GRI 407-1 | GRI 408-1 | GRI 409-1 | GRI 411-1

Region	Taiwan	Suzhou	Kunshan	Xiamen	Vietnam	Singapore	Slovakia	Regional office	Supplier
Discrimination cases	0								0
Incidents involving the rights of aborigines	0								Not investigated
Incidents involving forced labor	4				0				0
Incidents involving child labor	0								0
Hampering freedom of association (labor union) organization	0								Not investigated

Note: All forced labor cases in Taiwan have been completely resolved. Please see 4.1 Human Rights Protection.

Human Right Assessment

	AUO	Subsidiary	Joint venture	Tier-1 Supplier
The proportion of total human right assessed in last three years	100%	100%	100%	100%
The proportion of total human right assessed where risks have been identified	100%	100%	100%	100%
The proportion of human right risk with mitigation actions taken	100%	100%	100%	100%

By Gender & Nationalities		
	Percentage of Highly Engaged Employees (%)	Average score (out of 10 points)
Male	86.95	8.68
Female	86.6	8.51
Native	81.66	8.13
Foreign	90.31	8.66

Note: The coverage rate of the Q12 Employee Engagement Survey in 2024 was 84%.



Average Hours of Training

GRI 404-1

By Age & Gender (hours)						
	Male	Female	Under 29	30-49	Over 50	
Global Employees	28.98	18.36	22.01	26.61	28.1	
Taiwan	45.17	24.24	83.34	35.13	28.98	
China	Suzhou	6.84	8.24	5.66	8.37	16.53
	Kunshan	32	26.39	42.36	18.01	12.64
	Xiamen	18.11	14.79	11.41	26.21	27.41
Other Asian regions	Japan	11.75	4.57	0	10.88	9.35
	Korea	1.87	1.16	0	1.26	3.21
	Singapore	5.48	3.2	4.24	6.27	2.99
Europe	Vietnam	2.28	2.27	0.83	3.24	13.58
	Slovakia	3.4	2.2	4.62	3.03	1.39
	Germany	0.84	1.53	0	1.4	0.56
Americas	the Netherlands	0	2.83	0	0	2.83
	United States	67.3	56.46	96.27	68.13	38.49

By Management Level						
	AUO	Indirect labor	Direct labor	Management	Non-management	
Global Employees	25.41	81.11	1.71	26.69	25.26	
Taiwan	37.93	83.32	2.32	25.43	40.42	
China	Suzhou	7.31	55.75	0.57	31.04	6.45
	Kunshan	30.19	95.86	6.45	14.74	30.96
	Xiamen	17.07	106.05	0.8	49.9	15.69
Other Asian regions	Japan	10.23	10.23	Not applicable	8.69	11.11
	Korea	1.65	1.65	Not applicable	3.04	0.91
	Singapore	5.01	5.44	0	0.88	8.76
Europe	Vietnam	2.28	3.13	2.05	2.01	2.29
	Slovakia	2.79	7.25	0	4.29	2.41
	Germany	1.09	1.09	Not applicable	1.73	0
Americas	the Netherlands	2.83	2.83	Not applicable	0	2.83
	United States	64.72	64.72	Not applicable	43.15	77.99

Employee Training Statistics

Item	2024
Average training costs for the courses (NTD)	56,312,715
Average training costs for employees (NTD)	5,061
Average satisfaction for the year (out of 10 points)	9.6

Career Development

Item	2024
Total Number of Individual Job Changes and Department Transfers (Including Promotions to Managerial Positions)	3,718

Coverage Rate of Occupational Health and Safety Management System

Category of Management System	Item	Coverage rate
ISO 45001 (Mainly production sites)	Certified	100%
	Verified by a third party	100%
	Verified by an internal audit at the company's headquarters	100%

Note: Calculated based on production sites

Work-related Injuries

GRI 403-9

**Remark: The total working hour calculation is different in response to the labor conditions of each location of business operations and the calculation required by the competent authority. The calculation principles for each region are as follows.**

- Taiwan: (1) Indirect Labor = Working days of the month (excluding company holidays) × 8 hours/day × Total number of indirect labor/month + (2) Direct labor = 15 days/month × 10 hours/day × Total number of direct labor/month (use 14 days for February)
- China: According to the Company's vacation attendance system
- Singapore: (Direct Labor x 10 hrs x 15 days) + (Indirect Labor x 8.75 hrs x Working days per month)
- Slovakia: (Direct Labor x 11 hrs x Working days per month + Indirect Labor x 8 hrs x Working days per month)



The coverage rate of occupational injury statistics (based on employees) is **100%**

Note 1: Occupational injury refers to the disease, injury, disability or death of workers caused by buildings, machinery, equipment, raw materials, materials, chemicals, gases, steam, dust, etc. in the workplace, or work activities and other occupational causes. Excluding traffic injuries.

Note 2: Ratio of occupational injury deaths calculation method is number of occupational injury deaths \*1,000,000 / Working hours that is the ratio of occupational injury deaths of every 1,000,000 working hours.

Note 3: Serious occupational injury refers to occupational injury with disability for more than 180 days.

Note 4: The number of recordable occupational injuries refers to the number of occupational injuries legally reported to the occupational safety and health administration.

Employee	By Gender & Region						
	All	Male	Female	Taiwan	China	Vietnam	Slovakia
Number of employees covered by the occupational injury management system	36,481						
Coverage rate of employees under the occupational injury management system (headcount-based)	97.9%						
Number of Employees Covered by the Occupational Health and Safety Management System	36,481						
Number of occupational injury deaths (fatalities)	0	0	0	0	0	0	0
Ratio of occupational injury deaths	0	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0	0
Ratio of serious occupational injuries	0	0	0	0	0	0	0
Number of recordable occupational injuries	27	22	5	15	10	2	0
Ratio of recordable occupational injuries (LTIFR)	0.32	0.4	0.18	0.42	0.21	3.13	0
Working hours	82,073,999	54,752,392	27,321,607	35,217,256	46,052,844	647,843	166,056



Contractor	By Gender & Region						
Number of contractors covered by the occupational injury management system	1,923,280						
Coverage rate of employees under the occupational injury management system (headcount-based)	99.97%						
	All	Male	Female	Taiwan	China	Vietnam	Slovakia
Number of Employees Covered by the Occupational Health and Safety Management System	1,621,741						
Number of occupational injury deaths (fatalities)	0	0	0	0	0	0	0
Ratio of occupational injury deaths	0	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0	0
Ratio of serious occupational injuries	0	0	0	0	0	0	0
Number of recordable occupational injuries	5	4	1	4	1	0	0
Ratio of recordable occupational injuries (LTIFR)	0.32	0.32	0.32	0.5	0.13	0	0
Working hours	15,390,704	12,312,563	3,078,141	7,899,688	7,304,264	182,288	4,464

Employee	By Type of Injury						
	Slipping/falling	Pinching/rolling/crushing	Bashing/hitting	Spraining/bruising	Stabbing/scratching/cutting	Falling	Others
Number of occupational injury deaths (fatalities)	0	0	0	0	0	0	0
Ratio of occupational injury deaths	0	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0	0
Ratio of serious occupational injuries	0	0	0	0	0	0	0
Number of recordable occupational injuries	8	5	4	5	4	0	1
Ratio of recordable occupational injuries (LTIFR)	0.09	0.06	0.04	0.06	0.04	0	0.01

Historical Data on Work-Related Fatalities and Recordable Injury Rates					
Category	Item	2024	2023	2022	2021
Employee	Number of occupational injury deaths (fatalities)	0	0	0	1
	Ratio of recordable occupational injuries (LTIFR)	0.32	0.49	0.28	0.2
Contractor	Number of occupational injury deaths (fatalities)	0	0	0	0
	Ratio of recordable occupational injuries (LTIFR)	0.32	0.19	0.2	0.18

Contractor	By Type of Injury						
	Slipping/falling	Pinching/rolling/crushing	Bashing/hitting	Spraining/bruising	Stabbing/scratching/cutting	Falling	Others
Number of occupational injury deaths (fatalities)	0	0	0	0	0	0	0
Ratio of occupational injury deaths	0	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0	0
Ratio of serious occupational injuries	0	0	0	0	0	0	0
Number of recordable occupational injuries	1	1	0	0	1	1	1
Ratio of recordable occupational injuries (LTIFR)	0.06	0.06	0	0	0.06	0.06	0.06

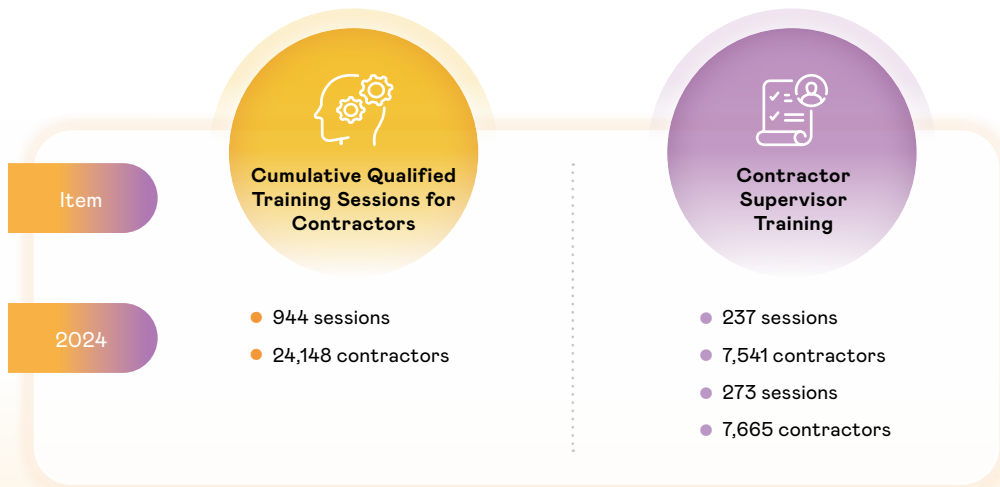


Work-related ill health GRI 403-9

Employee		Contractor	
Item	2024	Item	2024
Number of recordable occupational diseases	0 case	Number of recordable occupational diseases	0 case
Number of occupational disease deaths	0	Number of occupational disease deaths	0
Ratio of occupational disease deaths	0%	Ratio of occupational disease deaths (%)	0%
Main types of occupational diseases	0	Main types of occupational diseases	0

Note: Occupational disease refers to the disease, injury, disability or death of workers caused by buildings, machinery, equipment, raw materials, materials, chemicals, gases, steam, dust, etc. in the workplace, or work activities and other occupational causes. Excluding traffic injuries.

Occupational Safety Training



Sustainability Foundation Operations and Volunteer Services

Item	Unit	2024
Donations made by the AUO Foundation	NTD	14,204,341
Total annual corporate volunteer hours contributed	Hours	12,138
Annual number of four main volunteer participations	People	15,197
Annual number of charity volunteer participations		3,659
Annual number of culture volunteer participations		309
Annual number of green initiatives volunteer participations		9,554
Annual number of education volunteer participations		1,675
Cumulative total service hours for the four main volunteer		Hours
Cumulative total service hours for the charity volunteer	47,041	
Cumulative total service hours for the culture volunteer	1,561.5	
Cumulative total service hours for the green initiatives volunteer	43,398	
Cumulative total service hours for the education volunteer	29,793	



# Appendix

Response to Material News in 2024

GRI Index

SASB Index

TWSE Sustainability Disclosure Index - Optoelectronics Industry

TWSE-listed & OTC-listed companies' Climate Information

ISO 26000 Comparison Table

UN Global Compact Comparison Table

2023 Sustainability Report Corrigenda

ISO 14064 Verification Statement

ISAE 3000 Assurance Statement

SASB Assurance Statement





# Response to Material News in 2024

June

## Senior Management Restructuring

Following a resolution by the Board of Directors, Benjamin Tseng, previously Deputy General Manager, has been appointed as Executive Director of BHTC. In addition, David B.Y. Chang, Deputy General Manager, will succeed the outgoing Chief Financial Officer, concurrently assuming the roles of Head of Corporate Governance and Company Spokesperson. These leadership changes will take effect on July 1, 2024.

July

## Acquisition of Avocor Technologies USA, Inc. (Avocor)

AUO, through its subsidiary AUO Display Plus, has announced the full acquisition of Avocor Technologies USA, Inc. (Avocor) and has subscribed to its new cash capital increase. This strategic move injects fresh momentum into AUO's ongoing biaxial transformation strategy, driving deeper penetration into vertical market segments and extending its global development framework. By leveraging the acquisition, the two companies aim to integrate their respective strengths in interactive display expertise, sales capabilities, and channel resources—enabling an enriched product portfolio and a more comprehensive suite of services for global education and corporate clients. This transaction also enhances the ecosystem value chain and reinforces AUO's leadership position in the smart display solutions space.



For more information, see [AUO Display Plus-News](#)

October

## Capital Structure Reorganization of StarShining Energy Corp.

To support the business expansion of StarShining Energy Corp. (hereinafter referred to as "StarShining Energy") and accelerate its transformation into a full-spectrum net-zero solutions provider through vertical integration and horizontal expansion across the renewable energy value chain, AUO's Board of Directors has approved a capital structure reorganization plan for StarShining Energy. Under this plan, AUO will contribute its entire equity holdings in StarShining Energy as capital through a share swap, participating in the establishment of StarShining Energy Holdings Co., Ltd. (tentative name; hereinafter referred to as "StarShining Holdings"). Following the restructuring, StarShining Energy will become a wholly owned subsidiary of StarShining Holdings.

Established in 2017, StarShining Energy has actively invested in solar power plant development. With a growing portfolio of large-scale grid-connected projects, the company has demonstrated strong and consistent operational performance in recent years. As of today, it has successfully connected approximately 359MW of installed capacity to the grid.

Upon completion of the share swap, AUO's ownership interest will remain unchanged within the holding structure. StarShining Holdings plans to pursue an initial public offering (IPO) as a next step, further expanding into other renewable energy sectors and complementary services. This initiative aims to build a comprehensive green energy platform and reinforce a sustainable renewable energy ecosystem.



For more information, see [AUO-Newsroom](#)

November

## Establishment of AUO Mobility Solution Corporation (AMS)

AUO has deepened its commitment to the automotive display sector and, through the strategic acquisition of BHTC, has achieved concrete synergies across product offerings, customer portfolios, and manufacturing ecosystems. By integrating a unified management structure, AUO aims to enhance operational efficiency and scalability, driving its transformational strategy and maximizing shareholder value. Following approval by the Board of Directors, AUO will consolidate its Mobility Solution Business Group and BHTC under a newly established, wholly owned subsidiary—AUO Mobility Solution Corporation (AMS) (hereinafter referred to as "AUO Mobility")—which will focus exclusively on serving the intelligent mobility industry. This business group-to-subsidary model is expected to accelerate cross-border management and system integration, while continually expanding its automotive business and fostering innovation in R&D. The goal is to position AUO Mobility as a comprehensive smart mobility solutions provider, capturing early opportunities in the evolving market and enhancing the operational performance and competitiveness of both the company and the broader AUO Group.

AUO Mobility will be a 100%-owned subsidiary of AUO, with its operational launch targeted for January 1, 2026. There are no plans for equity diversification, and the restructuring will not affect AUO shareholders' rights or interests. Going forward, AUO's Board will uphold high corporate governance standards in overseeing its subsidiary and will leverage AUO's solid financial foundation to support AUO Mobility's growth. This initiative reinforces AUO's commitment to unlocking greater business potential in intelligent mobility, seizing global smart display opportunities, and delivering sustainable value to customers, employees, and shareholders.



For more information, see [AUO-Newsroom](#)



# GRI Index

AUO discloses the following indicators in accordance with the GRI Standards revised in 2021, covering the information of global locations from January 1, 2024 to December 31, 2024. The content has been verified by the third impartial unit, and the limited assurance report is attached in the Appendix.



Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>GRI 2: General Disclosures 2021</b>				
<b>The organization and its reporting practices</b>				
2-1	Organizational details	1.1 Company Profile	011	Assured by KPMG
2-2	Entities included in the organization's sustainability reporting	About the Report	004	
2-3	Reporting period, frequency and contact point	About the Report	004	
2-4	Restatements of information	Appendix-2023 Sustainability Report Corrigenda	266	
2-5	External assurance	About the Report	004	
<b>Activities and workers</b>				
2-6	Activities, value chain and other business relationships	1.1 Company Profile 2.2.2 Material Topic Analysis 2.4 Responsible Supply Chain	011 048 067	Assured by KPMG
2-7	Employees	Fact Sheet-Employee related information	237	
2-8	Workers who are not employees	Fact Sheet-Employee related information	238	
<b>Governance</b>				
2-9	Governance structure and composition	1.3 Governance Organization	019	Assured by KPMG
2-10	Nomination and selection of the highest governance body	1.3.1 Board of Directors 1.3.3 Corporate Governance and Nomination Committee	020 023	
2-11	Chair of the highest governance body	1.3.1 Board of Directors	020	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3.1 Board of Directors 1.3.5 Sustainability and ERM Committee 1.5 Risk Governance 2.1 Sustainable Governance 2.2.2 Material Topic Analysis	020 025 030 044 048	

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
2-13	Delegation of responsibility for managing impacts	1.3.1 Board of Directors 1.3.5 Sustainability and ERM Committee 1.5 Risk Governance 2.1 Sustainable Governance 2.2.2 Material Topic Analysis	020 025 030 044 048	Assured by KPMG
2-14	Role of the highest governance body in sustainability reporting	1.3.1 Board of Directors 2.1 Sustainable Governance	020 044	
2-15	Conflicts of interest	1.3.1 Board of Directors AUO Annual Report Chapter 2	020	
2-16	Communication of critical concerns	1.3.1 Board of Directors 2.1 Sustainable Governance	020 044	
2-17	Collective knowledge of the highest governance body	1.3.1 Board of Directors	020	
2-18	Evaluation of the performance of the highest governance body	1.3.1 Board of Directors	020	
2-19	Remuneration policies	1.3.4 Remuneration Committee	024	
2-20	Process to determine remuneration	1.3.4 Remuneration Committee	024	
2-21	Annual total compensation ratio	Fact Sheet-Salary related information	242	
<b>Strategy, policies and practices</b>				
2-22	Statement on sustainable development strategy	Letter from the Chairman Letter from the CSO	005 006	Assured by KPMG
2-23	Policy commitments	AUO ESG Website-CSR Policy and Principles 2.4 Responsible Supply Chain 4.1 Human Rights Protection	067 122	
2-24	Embedding policy commitments	Foreword-CSR EPS 2025 Goals 2.1 Sustainable Governance 4.1 Human Rights Protection	008 044 122	



Standard	Disclosure	Chapter in the Report/Response	Page	Assurance	
2-25	Processes to remediate negative impacts	1.4 Business Integrity	026	Assured by KPMG	
		2.2 Stakeholder Management	045		
		4.1 Human Rights Protection	122		
2-26	Mechanisms for seeking advice and raising concerns	For integrity, see 1.4 Business Integrity and Employee Ethics Violations Reporting System at AUO website.	026		
		For human rights issues, see 4.1 Human Rights Protection	122		
		For employees' feedback, see 4.2.4 Happy Workplaces	138		
2-27	Compliance with laws and regulations	1.4.2 Regulation Compliance Fact Sheet-Annual Violations	028		
2-28	Membership associations	Fact Sheet-Participate in Associations/organizations	228		
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	2.2 Stakeholder Management	045		Assured by KPMG
2-30	Collective bargaining agreements	Fact Sheet-Labor Union	245		
<b>GRI 3: Material Topics 2021</b>					
3-1	Process to determine material topics	2.2.2 Material Topic Analysis	048	Assured by KPMG	
3-2	List of material topics				
3-3	Management of material topics				
<b>Human rights</b>					
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No suppliers violated freedom of association and collective bargaining, see 4.1 Human Rights Protection & Fact Sheet-Human Rights Related Disputes	122 245	Assured by KPMG	
<b>GRI 408: Child Labor 2016</b>					
408-1	Operations and suppliers at significant risk for incidents of child labor	Suppliers have no risk of child labor use, see 4.1 Human Rights Protection & Fact Sheet-Human Rights Related Disputes	122 245	Assured by KPMG	
<b>GRI 409: Forced or Compulsory Labor 2016</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4.2 Risk Governance 4.1 Human Rights Protection Fact Sheet-Human Rights Related Disputes	068 122 245	Assured by KPMG	

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>GRI 411: Rights of Indigenous Peoples 2016</b>				
411-1	Incidents of violations involving rights of indigenous peoples	There were no incidents of indigenous rights violations during the reporting year, see Fact Sheet-Human Rights Related Disputes	245	Assured by KPMG
<b>2024 Material Topics</b>				
<b>Sustainable product, Technological innovation and market strategy</b>				
<b>GRI 301: Materials 2016</b>				
301-1	Materials used by weight or volume	Fact Sheet-Materials	234	Assured by KPMG
301-2	Recycled input materials used			
301-3	Reclaimed products and their packaging materials			
<b>GRI 416: Customer Health and Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories	2.3.1 Product Quality 2.3.3 Sustainable Products Green product hazardous substance management regulations 100% cover key customer specifications.	059 063	Assured by KPMG
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	AUO develops and manufactures products in compliance with relevant laws and regulations, and there has been no instance of penalty due to violations.	-	
<b>GRI 417: Marketing and Labeling 2016</b>				
417-1	Requirements for product and service information and labeling	All of AUO's display products have ROHS and lead-free labels. In terms of product disposal, since display products are not end products, there are no related labels. Solar products have passed IEC certification and are marked in the specification documents.	-	Assured by KPMG
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no violations of any relevant laws and regulations or voluntary codes in the reporting year.	-	
417-3	Incidents of non-compliance concerning marketing communications		-	

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>Circular &amp; clean production</b>				
<b>GRI 306: Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	3.4.4 Reuse of Waste	107	Assured by KPMG
306-2	Management of significant waste-related impacts			
306-3	Waste generated	Fact Sheet-Waste	234	
306-4	Waste diverted from disposal	3.4.4 Reuse of Waste Fact Sheet-Waste	107	
306-5	Waste directed to disposal		234	
<b>Climate change</b>				
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	3.2.1 Inventory & Mitigation Fact Sheet-Emissions	087 233	Assured by DNV
305-2	Energy indirect (Scope 2) GHG emissions			
305-3	Other indirect (Scope 3) GHG emissions			
305-4	GHG emissions intensity	Fact Sheet-Energy	231	Assured by KPMG
305-5	Reduction of GHG emissions	3.2.1 Inventory & Mitigation	087	
305-6	Emissions of ozone-depleting substances (ODS)	Fact Sheet-Emissions	233	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions			
<b>Energy management</b>				
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization	Fact Sheet-Energy	231	Assured by KPMG
302-2	Energy consumption outside of the organization	Information has not been fully obtained, thus it is not disclosed in this report.	-	
302-3	Energy intensity	3.2.2 Improve Energy Efficiency Fact Sheet-Energy	092 231	

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
302-4	Reduction of energy consumption	3.2.2 Improve Energy Efficiency	092	Assured by KPMG
302-5	Reductions in energy requirements of products and services	2.3.3 Sustainable Products 3.2.2 Improve Energy Efficiency	063 092	
<b>Talent attraction and retention</b>				
<b>GRI 401: Employment 2016</b>				
401-1	New employee hires and employee turnover	Fact Sheet-New employee & employee turnover	239	Assured by KPMG
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.2 Diversity & Inclusion 4.2.3 Remuneration & Benefits 4.2.4 Happy Workplaces	131 135 138	
401-3	Parental leave	4.2.2 Diversity & Inclusion Fact Sheet-Parental Leave	131 244	
<b>GRI 402: Labor/Management Relations 2016</b>				
402-1	Minimum notice periods regarding operational changes	AUO handles significant operational change notifications in accordance with local laws and regulations.	-	Assured by KPMG
<b>GRI 404: Training and Education 2016</b>				
404-1	Average hours of training per year per employee	Fact Sheet-Average Hours of Training	246	Assured by KPMG
404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Talent Development	135 143	
404-3	Percentage of employees receiving regular performance and career development reviews	4.3.2 Performance Management & Career Development	148	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	1.3.1 Board of Directors 4.2.2 Diversity & Inclusion Fact Sheet-Board Composition & Diversity Fact Sheet-Employee Category & Percentage of Gender	020 131 225 238	Assured by KPMG
405-2	Ratio of basic salary and remuneration of women to men	Fact Sheet-Ratio of Basic Salary and Remuneration of Gender	243	
<b>GRI 406: Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting year, see 4.1 Human Rights Protection and Fact Sheet-Human Rights Related Disputes	122 245	Assured by KPMG

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>Supply chain management</b>				
<b>GRI 204: Procurement Practices 2016</b>				
204-1	Proportion of spending on local suppliers	2.4.2 Risk Governance Fact Sheet-Percentage of local suppliers	068 230	Assured by KPMG
<b>GRI 308: Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	2.4.2 Risk Governance Fact Sheet-Risk Assessment for Suppliers	068 230	Assured by KPMG
308-2	Negative environmental impacts in the supply chain and actions taken			
<b>GRI 414: Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	2.4.2 Risk Governance Fact Sheet-Risk Assessment for Suppliers	068 230	Assured by KPMG
414-2	Negative social impacts in the supply chain and actions taken			
<b>Other Topics</b>				
<b>GRI 201: Economic Performance 2016</b>				
201-1	Direct economic value generated and distributed	Fact Sheet-Economic Value Distribution	224	Assured by KPMG
201-2	Financial implications and other risks and opportunities due to climate change	3.1.2 Climate Risk Management	081	
201-3	Defined benefit plan obligations and other retirement plans	4.2.3 Remuneration & Benefits Fact Sheet-Retirement	135 244	
201-4	Financial assistance received from government	Fact Sheet-Financial Assistance Received from Government	224	
<b>GRI202: Market Presence 2016</b>				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Fact Sheet-Ratios of Standard Wage Compared to Local Minimum Wage	242	Assured by KPMG
202-2	Proportion of senior management hired from the local community	4.2.1 Talent Distribution Fact Sheet-Ratio of Management Hired from the Local Community	127 242	
<b>GRI203: Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	1.5 Risk Governance 4.5 Social Engagement	030 159	Assured by KPMG
203-2	Significant indirect economic impacts	4.5 Social Engagement	159	

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>GRI205: Anti-corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	In 2024, AUO has conducted anti-corruption audits at 100% of our global operating locations (Taiwan, China, Japan, Korea, Singapore, United States and Europe), and no significant corruption risks have been identified.	-	Assured by KPMG
205-2	Communication and training about anti-corruption policies and procedures	The number of members of AUO's governance unit who have received anti-corruption training and communication is 9, accounting for 100%; for information on employees receiving anti-corruption training and communication, please refer to section 1.4 Business Integrity. In 2024, the number of suppliers with transactions who have received anti-corruption communication is 5,688, accounting for 100%.	-	
205-3	Confirmed incidents of corruption and actions taken	In 2024, there was one confirmed case related to fraud or ethical misconduct. The employee involved received a demerit for violation of internal work regulations.	028	
<b>GRI 206: Anti-competitive Behavior 2016</b>				
206-1	Legal actions for anticompetitive behavior, antitrust, and monopoly practices	1.4.2 Regulation Compliance For more about other cases, see AUO Annual Report	028	Assured by KPMG
<b>GRI 207: Tax 2019</b>				
207-1	Approach to tax	1.2.2 Tax Governance	018	Assured by KPMG
207-2	Tax governance, control, and risk management			
207-3	Stakeholder engagement and management of concerns related to tax			
207-4	Country-by-country reporting	AUO has established operational and manufacturing sites worldwide and submits country-by-country reporting data annually to the relevant tax authorities.	-	





Standard	Disclosure	Chapter in the Report/Response	Page	Assurance		
<b>GRI 303: Water and Effluents 2018</b>						
303-1	Interactions with water as a shared resource	3.3 Water Resource Management	099	Assured by KPMG		
303-2	Management of water discharge-related impacts	3.4.2 Wastewater and Pollution Management	106			
303-3	Water withdrawal	Fact Sheet-Water	232			
303-4	Water discharge					
303-5	Water consumption					
<b>GRI 403: Occupational Health and Safety 2018</b>						
403-1	Occupational health and safety management system	4.4.2 Safe Workplace	153	Assured by KPMG		
403-2	Hazard identification, risk assessment, and incident investigation					
403-3	Occupational health services					
403-4	Worker participation, consultation, and communication on occupational health and safety					
403-5	Worker training on occupational health and safety					
403-6	Promotion of worker health				4.4.1 Health Care	151
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				4.4.2 Safe Workplace	153
403-8	Workers covered by an occupational health and safety management system					
403-9	Work-related injuries				4.4.2 Safe Workplace Fact Sheet-Work-related Injuries	153 247
403-10	Work-related ill health				4.4.2 Safe Workplace Fact Sheet-Work-related Injuries	153 249

Standard	Disclosure	Chapter in the Report/Response	Page	Assurance
<b>GRI 413: Local Communities 2016</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	4.1 Human Rights Protection 4.5 Social Engagement The Company's major production sites are located in Taiwan (Taipei, Huaya, Longtan, Lungke, Hsinchu, Houli, Taichung, Tainan, Kaohsiung), China (Xiamen, Suzhou, Kunshan), and Vietnam, totaling 13 sites. As of 2024, the Company has implemented community engagement, impact assessments, and development programs at 85% of its major production sites (excluding Kaohsiung and Kunshan).	122 159	Assured by KPMG
413-2	Operations with significant actual and potential negative impacts on local communities	No operational activities with significant negative impacts on local communities were identified during the reporting year.	-	Assured by KPMG
<b>GRI 415: Public Policy 2016</b>				
415-1	Political contributions	There were no political contributions in the reporting year.	-	Assured by KPMG
<b>GRI 418: Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no actual complaints of customer privacy violations and loss of customer data in the reporting year.	039	Assured by KPMG



# SASB Index

Topic/Code	Accounting Metric	Category	Summary	Reference Chapter	Page																		
<b>Product Security</b> TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	To ensure the safety of products provided to customers, AUO adheres to the NIST Secure Software Development Framework (SSDF) in its software and system development projects. This framework, issued by the U.S. National Institute of Standards and Technology (NIST), encompasses procedures such as regulatory and customer requirement analysis, risk assessment, secure design and development, verification and deployment, and incident response management.	1.5.2 Information Security & Privacy Protection	034																		
<b>Employee Diversity &amp; Inclusion</b> TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative	<p>AUO employee structure by gender information as follow:</p> <table border="1"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Senior Level Management (%)</td> <td>93.22%</td> <td>6.78%</td> </tr> <tr> <td>Management (%)</td> <td>71.58%</td> <td>28.42%</td> </tr> <tr> <td>Technical Staff/Indirect Labor (%)</td> <td>73.04%</td> <td>26.96%</td> </tr> <tr> <td>All other employees/Direct Labor (%)</td> <td>63.53%</td> <td>36.47%</td> </tr> <tr> <td>Overall Employees (%)</td> <td>66.37%</td> <td>33.63%</td> </tr> </tbody> </table> <p>Note: In adherence to the principle of equal treatment and with respect for personal data privacy, AUO does not collect or report statistics on employees' racial identities. For complete data disclosures, please refer to the Fact Sheet.</p>		Male	Female	Senior Level Management (%)	93.22%	6.78%	Management (%)	71.58%	28.42%	Technical Staff/Indirect Labor (%)	73.04%	26.96%	All other employees/Direct Labor (%)	63.53%	36.47%	Overall Employees (%)	66.37%	33.63%	4.2.1 Talent Distribution	127
	Male	Female																					
Senior Level Management (%)	93.22%	6.78%																					
Management (%)	71.58%	28.42%																					
Technical Staff/Indirect Labor (%)	73.04%	26.96%																					
All other employees/Direct Labor (%)	63.53%	36.47%																					
Overall Employees (%)	66.37%	33.63%																					
<b>Product Lifecycle Management</b> TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	AUO regularly updates the "AUO Green Products Hazardous Substances Management Regulations" in response to domestic and international regulations on environmental protection and prohibited substances, which covers the list of declarable controlled substances listed in IEC 62474 and with a 100% inclusion rate for products containing IEC 62474 declarable substances. Although limited by the fact that some materials cannot be replaced due to current industrial technology or a trace amount remains in the product, the content of the IEC 62474 declarable controlled substances contained in the product does not reach the declared proportion required by the directive.	2.3.1 Product Quality	059																		
<b>Product Lifecycle Management</b> TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	AUO's product are not end product, thus those could not apply for EPEAT, which verify end electronic and electrical product. However, AUO continues to develop and support our customers with products that meet the standards and specifications, such as installation of fluorinated gas destruction and removal equipment which EPEAT required. Furthermore, AUO continues to develop sustainable products through the management of hazardous substances, the use of circular materials, the reduction of packaging materials, and low-energy consumption designs.	2.3.1 Product Quality 2.3.3 Sustainable Products 3.1 Climate Action 3.4 Circular & Clean Production	059 063 078 104																		
<b>Product Lifecycle Management</b> TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	Most of AUO's product are not end product, thus those could not apply for energy efficiency certification such as Energy Star, which verify end electronic and electrical product. However, AUO continues to develop and support our customers with products that meet the standards and specifications. For desktop display modules, in 2024, 62.62% of product by revenue assisting customers to meet the standards.	2.3.3 Sustainable Products	063																		



Topic/Code	Accounting Metric	Category	Summary	Reference Chapter	Page
<b>Product Lifecycle Management</b> TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	Not applicable, due to AUO's product are not end product, it is difficult to collect data. Note: AUO provides product repair service to customers within the product warranty period. In 2024, a total of 155,459 pieces were processed, 39.48% of which were restored to their original functions after repairs, and 60.52% were diverted for other purposes. In 2024, the total weight of electronic waste recycled and sold in the factory are 29.79 metric tons.	2.3.1 Product Quality 3.4.4 Reuse of Waste	059 107
<b>Supply Chain Management</b> TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	In 2024, percentage of tier 1 supplier facilities <sup>Note</sup> audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities was 7.79% and (b) high-risk facilities was 100%. Note: Annual purchase amount > NTD 10 million	2.4 Responsible Supply Chain	067
<b>Supply Chain Management</b> TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non[1]conformances and (b) other non-conformances	Quantitative	In 2024, tier 1 suppliers'(1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent is 15.38%, and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances are both 100%.	2.4 Responsible Supply Chain	067
<b>Materials Sourcing</b> TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	AUO establishes the Conflict-free Minerals policy according to the due diligence investigation procedures of the Organization for Economic Cooperation and Development (OECD), and requests suppliers to attach importance, fulfill jointly, and submit related documents to regular monitoring to ensure the implementation of the conflict-free mineral policy. In addition, AUO's risk identification and supply chain management also include key material risk management and response.	1.5.1 Risk Evaluation & Management 2.4.2 Supply Chain Risk Governance	030 059 068



Code	Activity Metrics	Category	Summary	Reference Chapter	Page
TC-HW-000.A	Number of units produced by product category	Quantitative	In 2024, AUO's panel product shipments totaled 156.34 million units, with 103.20 million units of panels 10 inches and above, and 53.14 million units of panels below 10 inches.	1.2.1 Financial Performance	016
TC-HW-000.B	Area of manufacturing facilities	Quantitative	The total floor area of manufacturing facilities is 4.93 million square meters.	-	-
TC-HW-000.C	Percentage of production from owned facilities	Quantitative	In 2024, production of panels from owned facilities is 94.92% <sup>Note</sup> . Note: Data calculated by plant input cost and without outsourcing.	-	-

# TWSE Sustainability Disclosure Index – Optoelectronics Industry

Code/SASB Reference Code	Activity Metrics	Category	Annual Disclosure		Remark		Assurance
			Summary	Unit	Reference Chapter	Page	
1 TC-CS-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	In 2024, total energy consumed 16,481,260.09 GJ, percentage grid electricity 94.55%, 6.37% of renewable energy, 6.67% green electricity (as a percentage of total electricity consumption).	Gigajoules (GJ), Percentage (%)	3.2.1 Inventory & Mitigation Fact Sheet- Energy	087 231	Assured by KPMG
2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions	Quantitative	In 2024, total water withdrawn 23,735.32 m <sup>3</sup> , total water consumed 6,328.07 m <sup>3</sup> .	Thousand cubic meters (1,000 m <sup>3</sup> )	3.3 Water Resource Management Fact Sheet- Water	099 232	
3 TC-SC-150a.1	Amount of hazardous waste generated, percentage recycled	Quantitative	In 2024, hazardous waste generated 11,247.91 metric tons, 82.69% recycled.	Metric tons (t), Percentage (%)	3.4.4 Reuse of Waste Fact Sheet- Waste	107 234	
4	Description of the type, number and rate of workrelated injuries	Quantitative	In 2024, recordable lost-time injury frequency rate (LTIFR) is 0.32, number of recordable occupational injuries are 27, number of recordable occupational diseases is 0, number of occupational injury deaths is 0. The main types of occupational injuries are slip/fall, sprain/brush and pinch/roll/crush. The ratio of the annual number of occupational accidents to the total number of employees at the end of the year is 0.07%.	Quantity, Percentage (%)	4.4.2 Safe Workplace Fact Sheet- Work-related injuries/ill health	153 247	
5	Description of the management of product lifecycle, amount of weight of end-of-life products and e-waste recovered, percentage recycled Note: Including the sale of tailing or other recycling	Quantitative	Not applicable, due to AUO's product are not end product, it is difficult to collect data. Note: AUO provides product repair service to customers within the product warranty period. In 2024, a total of 155,459 pieces were processed, 39.48% of which were restored to their original functions after repairs, and 60.52% were diverted for other purposes. In 2024, the total weight of electronic waste recycled and sold in the factory are 29.79 metric tons.	Metric tons (t), Percentage (%)	2.3.1 Product Quality 3.4.4 Reuse of Waste	059 107	
6 TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	AUO establishes the Conflict-free Minerals policy according to the due diligence investigation procedures of the Organization for Economic Cooperation and Development (OECD), and requests suppliers to attach importance, fulfill jointly, and submit related documents to regular monitoring to ensure the implementation of the conflict-free mineral policy. In addition, AUO's risk identification and supply chain management also include key material risk management and response.	N/A	1.5.1 Risk Evaluation & Management 2.4.2 Supply Chain Risk Governance	030 068	
7 RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	In 2024, no monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	Reporting currency	1.4.2 Regulation Compliance	028	
8 TC-HW-000.A	Number of units produced by product category	Quantitative	In 2024, AUO's panel product shipments totaled 156.34 million units, with 103.20 million units of panels 10 inches and above, and 53.14 million units of panels below 10 inches.	Varies by product type	1.2.1 Financial Performance	016	

# TWSE-listed & OTC-listed Companies' Climate Information

Item	Progress	Chapter in the Report/ Response	Page
<p>1 Describe the board of directors and management's supervision and governance of climate-related risks and opportunities</p>	<p>AUO places importance on the governance functions of high-level management regarding climate change. The board of directors, being the highest management and decision-making unit of the company. AUO includes significant decision-making topics related to climate risk in the board of directors' report, enabling the organization's top management to lead the company in dealing with the challenges brought about by climate change and ensuring legal compliance. The Sustainability and ERM Executive Committee is responsible for coordinating sustainability development and climate action, including setting and tracking goals, coordinating resources, and other tasks.</p>	<p>3.1.1 Governance &amp; Strategy AUO TCFD Report</p>	<p>079</p>
<p>2 Describe how the identified climate risks and opportunities affect the company's business, strategy, and financials (short-term, medium-term, long-term)</p>	<p><b>Business</b></p> <ul style="list-style-type: none"> <li><b>Risk</b> <ul style="list-style-type: none"> <li>Short-term: Organization and supply chain disruption</li> <li>Mid-term: Regulatory, product standards, and carbon finance transformation risks</li> <li>Long-term: Transition to low-carbon products and services, along with the necessary infrastructure conditions</li> </ul> </li> <li><b>Opportunity</b>: Develop green solutions, such as green manufacturing, green energy, and green products</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li><b>Risk</b> <ul style="list-style-type: none"> <li>Short-term: Operational resilience transformation under net-zero (SSP1-1.9) and extreme climate (RCP8.5) scenarios, including SBT and RE100 commitments</li> <li>Mid-term: Renewable energy and low-carbon technology</li> <li>Long-term: Implement solutions under transition/physical risk scenarios</li> </ul> </li> <li><b>Opportunity</b> <ul style="list-style-type: none"> <li>Actively negotiate with customers and jointly develop green products</li> <li>Seize key strategic in the public sector's net-zero initiatives and develop relationships with ecosystem partners</li> </ul> </li> </ul> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li><b>Risk</b> <ul style="list-style-type: none"> <li>Short-term: The need for internalizing climate external costs</li> <li>Mid-term: Impact of external regulations, such as carbon fees and international Carbon Border Adjustment Mechanisms (CBAM) on operating costs</li> <li>Long-term: (No specific text listed)</li> </ul> </li> <li><b>Opportunity</b> <ul style="list-style-type: none"> <li>Invest in technologies, tools, and services required for the industry under low-carbon transition</li> <li>Development and creation of high-value green solutions</li> </ul> </li> </ul>	<p>3.1.2 Climate Risk Management AUO TCFD Report</p>	<p>081</p>



Item	Progress	Chapter in the Report/ Response	Page
<p><b>3</b> Describe the impact of extreme climate events and transition actions on financials</p>	<p>AUO conducts an annual assessment of potential climate risks. In 2023, AUO initiated evaluation and management processes for 6 risk topics. For illustrative purposes, the estimated financial impacts of 2 of these risks are outlined below. AUO’s corresponding response strategies can be found in 3.1.2 Climate Risk Management.</p> <p><b>Case 1. More Stringent Targets Set by International Initiatives</b></p> <ul style="list-style-type: none"> <li>● Carbon Border Adjustment Mechanism (CBAM): Carbon taxes imposed by export markets will cost AUO an additional 200 million to 300 million NTD each year.</li> <li>● Introduction of carbon fees in Taiwan in 2025: Carbon fees will cost AUO an additional 800 million NTD each year (No preferential rates).</li> <li>● Impact on revenue from canceled orders: Transferred orders due to not meeting the expectations of green customers to reduce revenue by 1.4 billion to 5.8 billion TWD per quarter.</li> </ul> <p><b>Case 2. Preparation for Disclosure Through the New Type of Climate-Related Financial Reports that Stakeholders are Concerned About</b></p> <ul style="list-style-type: none"> <li>● Maximum possible fine of 220 million NTD being imposed by the competent authority for false disclosure.</li> <li>● Lowering of ESG rating or removal as a component stock from sustainable ETFs resulting in failure to meet the criteria for preferential interest rates on syndicated loans may increase the cost of interest rates by up to 30 million NTD per year.</li> </ul>	<p>3.1.2 Climate Risk Management AUO TCFD Report</p>	<p>081</p>
<p><b>4</b> Describe how the identification, assessment, and management process of climate risks is integrated into the overall risk management system</p>	<p>AUO constructed the foundation for the TCFD operating management framework and established a TCFD working group in 2019. The following year, AUO integrated the TCFD mechanism with the company’s annual risk identification, with supervisors jointly reviewing climate issues related to corporate operations. After categorization and convergence, the annual key risk issues were generated and incorporated into the annual TCFD risk project management plan, with the working group coordinating follow-up tracking and management.</p>	<p>3.1.2 Climate Risk Management AUO TCFD Report</p>	<p>081</p>
<p><b>5</b> If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and main financial impacts should be described</p>	<p>Please refer to the above explanation (the third item).</p>	<p>3.1.2 Climate Risk Management AUO TCFD Report</p>	<p>081</p>



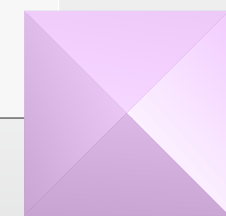
Item	Progress	Chapter in the Report/ Response	Page
<p>6</p> <p>If there are transition plans to address the management of climate related risks, describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks</p>	<p>The transformation and physical risk scenarios adopted by AUO are based on the most severe situations. Risks are identified by substantial impacts and quantifiable indicators, focusing on five categories: personnel, machinery, materials, methodology, and environment.</p> <p><b>Physical scenario</b></p> <p>A severe climate deterioration scenario RCP 8.5 was adopted. According to AUO’s assessment, heavy rainfall may result in operational disruptions due to flooding in low-lying facility areas. Inconsistent rainfall patterns may also lead to production interruptions or increased operational costs, as manufacturing processes require substantial water resources. Furthermore, grid instability caused by global warming may disrupt production activities.</p> <p><b>Transformation scenario</b></p> <p>AUO sets targets based on the "Taiwan 2050 Net-Zero Emission Pathways and Strategies," international climate regulations, stakeholder expectations, and net-zero commitments. These factors serve as the foundation for defining transitional risk scenarios and establishing corresponding climate action goals.</p>	<p>AUO TCFD Report</p>	<p>-</p>
<p>7</p> <p>If internal carbon pricing is used as a planning tool, the basis for price setting should be explained</p>	<p>Since the Paris Agreement came into effect in 2016, AUO has actively promoted an internal carbon pricing mechanism, converting external climate regulatory costs into an internalized carbon price. To better align with future decarbonization pathways in the manufacturing sector, AUO revised its carbon pricing methodology in 2023, incorporating energy market costs and the influence of public sector policies as key estimation factors. In 2024, AUO announced an internal carbon price of NTD 6,999.</p>	<p>3.2.1 Inventory &amp; Mitigation</p>	<p>087</p>
<p>8</p> <p>If climate-related goals are set, information on the covered activities, GHG emission categories, planning period, and annual progress should be provided. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of the offset carbon reductions or the number of RECs should be specified</p>	<p><b>Carbon Reduction Goal of 6.5 million tons</b></p> <p>In 2018, AUO established a carbon reduction target grounded in a life cycle perspective, continuously lowering greenhouse gas emissions across four key dimensions: organizational operations, products, supply chain, and raw materials (including Scope 1, 2, and 3). As of 2024, cumulative emissions reductions have reached 13.29 million metric tons, surpassing the original goal ahead of schedule.</p> <p><b>SBT</b></p> <p>AUO has committed to its first-phase SBTi (Science Based Targets initiative) carbon reduction target—an absolute 25% reduction by 2025, using 2018 as the base year—and successfully achieved this ahead of schedule in 2022. Looking ahead to a more ambitious low-carbon transition, AUO continues to align its targets with the 1.5°C scenario. With 2021 as the new baseline, the Company aims to achieve a 42% absolute reduction in organizational greenhouse gas emissions (Scope 1 and Scope 2) by 2030. For Scope 3 (indirect emissions), AUO has set a 25% absolute reduction target, aligned with the Well Below 2°C (WB2C) pathway.</p> <p><b>RE100</b></p> <p>AUO pledges to achieve 30% usage of renewable energy by 2030, and 100% usage by 2050.</p> <p>As of 2024, AUO has signed contracts for 232 MW of solar power capacity, which is progressively being connected to the grid and utilized through wheeling agreements in line with contractual terms. In the same year, AUO consumed 101,030 MWh of green electricity. Additionally, its China-based facilities launched direct renewable energy procurement programs, with 97,910,000 kWh supplied via direct power purchase. A total of 62,530,000 kWh was self-generated and consumed on-site, and 30,000 MWh of green electricity certificates (GECs), verified by China’s National Renewable Energy Information Center, were purchased. In total, AUO’s green electricity consumption in 2024 reached approximately 291,680,000 kWh, representing a renewable energy usage ratio of 6.67%.</p>	<p>3.2.1 Inventory &amp; Mitigation 3.2.3 Use of Renewable Energy AUO TCFD Report</p>	<p>087 097</p>
<p>9</p> <p>GHG inventory and verification status, including emission reduction targets, strategies, and concrete action plans</p>	<p>The following provides a detailed explanation.</p>	<p>3.2.1 Inventory &amp; Mitigation</p>	<p>087</p>



# GHG inventory and assurance for the most recent two years

	Company	Parent/ Subsidiary Company	Total Emissions (tCO <sub>2</sub> e)		Emissions Intensity (tCO <sub>2</sub> e/million NTD)		Assurance Provider	Assurance Statement Overview
			2024	2023	2024	2023		
Scope 1	AUO Corporation	Parent Company	48,512.03	51,350.45	0.22	0.24	DNV	Verified by an inspection agency accredited by the Environmental Protection Administration. Please refer to the assurance statement in the Appendix.
	AUO (Kunshan) Co., Ltd.	Subsidiary Company	8,791.12	8,135.39	0.40	0.38		
	AUO (Xiamen) Co., Ltd.		2,444.86	1,931.96	0.05	0.04		
	AUO (Suzhou) Co., Ltd.		7,518.78	2,608.20	0.17	0.06		
	AFPD Pte. Ltd.		0.03	2,691.61	0.01	0.70		
	AUO (Slovakia) s.r.o.		87.79	91.58	0.57	0.55		
	AUO (Vietnam) Company limited		19.41	-	0.02	-		
	AUO Corporation America		-	-	-	-		
	AUO Corporation Japan		1.35	-	0.01	-		
	AUO Korea Ltd.		4.49	-	0.04	-		
	<b>Total</b>		<b>67,379.86</b>	<b>66,809.19</b>	<b>-</b>	<b>-</b>		
Scope 2	AUO Corporation	Parent Company	1,801,675.99	1,925,571.12	8.05	8.97	DNV	Verified by an inspection agency accredited by the Environmental Protection Administration. Please refer to the assurance statement in the Appendix.
	AUO (Kunshan) Co., Ltd.	Subsidiary Company	166,793.45	230,535.22	7.65	10.69		
	AUO (Xiamen) Co., Ltd.		48,666.20	57,660.76	0.96	1.26		
	AUO (Suzhou) Co., Ltd.		72,731.41	79,704.15	1.64	1.94		
	AFPD Pte. Ltd.		5,970.60	67,541.26	2,044.73	17.60		
	AUO (Slovakia) s.r.o.		31.52	43.22	0.21	0.26		
	AUO (vietnam) Company limited		3,183.91	-	3.37	-		
	AUO Corporation America		86.22	-	0.14	-		
	AUO Corporation Japan		28.32	-	0.23	-		
	AUO Korea Ltd.		9.82	-	0.08	-		
	<b>Total</b>		<b>2,099,177.45</b>	<b>2,361,055.73</b>	<b>-</b>	<b>-</b>		
Scope 3	<b>Total</b>		<b>4,631,035.07</b>	<b>4,913,317.18</b>	<b>-</b>	<b>-</b>		

<b>Total</b>	<b>6,797,592.38</b>	<b>7,341,182.10</b>	<b>-</b>	<b>-</b>
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GHG emissions intensity is calculated based on revenue:

Company	Parent/ Subsidiary Company	Revenue (NTD)	
		2024	2023
AUO Corporation	Parent Company	223,751,194,539	214,680,794,374
AUO (Kunshan) Co., Ltd.	Subsidiary Company	21,813,244,672	21,558,356,736
AUO (Xiamen) Co., Ltd.		50,774,872,959	45,709,925,499
AUO (Suzhou) Co., Ltd.		44,378,150,774	41,044,823,651
AFPD Pte. Ltd.		2,919,989	3,836,955,355

Company	Parent/ Subsidiary Company	Revenue (NTD)	
		2024	2023
AUO (Slovakia) s.r.o.	Subsidiary Company	152,979,264	167,813,414
AUO (vietnam) Company limited		944,800,503	0
AUO Corporation America		595,708,988	573,112,456
AUO Corporation Japan		122,966,897	91,390,188
AUO Korea Ltd.		73,926,471	68,920,025

## GHG Emissions Reduction Targets, Strategies, and Action Plans

The SBTi Phase 1 carbon reduction target (25% reduction in absolute carbon emission by 2025 with 2018 as the base year) has already been met ahead of schedule in 2022. AUO is now following a vision of a more aggressive low-carbon transformation by proposing a 42% reduction in absolute organizational carbon emissions (Scope 1+2) by 2030 with 2021 as the base year based on the 1.5°C scenario, the reduction target path is the same as the carbon fee industry-specific standards. For indirect emissions (Scope 3), AUO is proposing to conform with the Well Below 2°C (WB2C) target of a 25% reduction in absolute carbon emissions.

Item	Base Year	Base Year Total Emissions (tCO <sub>2</sub> e)	Target	Management Approach	2024 Target Achievement
<b>Organizational Carbon Emissions (Scope 1 and Scope 2)</b>	2021	2,920,400	2030 SBT 42% reduction in absolute carbon emissions	<ul style="list-style-type: none"> <li>● <b>Improve energy efficiency:</b> Continue to promote energy efficiency improvements through ISO 50001 as well as production automation, smart technology, upgrades, and light-assetization</li> <li>● <b>Use of renewable energy:</b> Use wheeling from power plants established by AUO while continuing to add COOA and I-REC from diverse renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>● Indirect energy carbon reduction by 11.16%</li> <li>● Absolute reduction YoY -10.83%</li> <li>● Intensity reduction YoY -16.95%</li> <li>● Introduced renewable energy at 6.67%</li> </ul>
<b>Indirect Emissions (Scope 3)</b>	2021	1,286,100	2030 SBT 25% reduction in absolute carbon emissions	<ul style="list-style-type: none"> <li>● <b>Carbon reduction for raw materials:</b> Require suppliers to engage in carbon reduction. A target of 20% reduction in carbon emissions by 2030 is also set for critical suppliers</li> <li>● <b>Carbon reduction for raw combustibles:</b> Reduce carbon emissions from the development stage of raw combustibles through reduced consumption of electricity and fuel</li> <li>● <b>Product energy consumption during use:</b> Use improvements to materials and power consumption during the product design phase to help products conform to future Energy Star scenarios on energy-efficiency performance standards</li> </ul>	<ul style="list-style-type: none"> <li>● Purchased products and services emissions have been reduced by 19.14% compared to the base year</li> <li>● Fuel and energy related activities emissions have been reduced by 13.96% compared to the base year</li> <li>● Use of products sold emissions have been reduced by 22.65% compared to the base year</li> <li>● Total Scope 3 emissions have been reduced by 20.92% compared to the base year</li> </ul>

Note: The target scope includes AUO Corporation (parent company) and its subsidiaries with major operational and manufacturing sites in Taiwan, China, other parts of Asia, the Americas, and Europe. Data from the subsidiary, AUO Crystal, is also included in the calculation.

# ISO 26000 Comparison Table

	Topic	Chapter in the Report/Response	Page
<b>Governance Organization</b>	Decision and implementation system for execution of objectives	1.3 Governance Organization	019
<b>Human Rights</b>	Compliance audit	4.1 Human Rights Protection	122
	Risk situation of human rights	4.1 Human Rights Protection	122
	Complicit relationship prevention - direct, interested and implied complicit relationships	1.3 Governance Organization 1.4.1 Integrity Culture	020 026
	Resolve labor complaints	4.1 Human Rights Protection	122
	Discriminated and disadvantaged groups	4.1 Human Rights Protection 4.2.2 Diversity & Inclusion 4.2.3 Remuneration & Benefits	122 131 135
	Citizen and political rights	4.1 Human Rights Protection	122
	Economic society and culture rights	4.2.2 Diversity & Inclusion 4.2.3 Remuneration & Benefits	131 135
	Basic rights of working	4.1 Human Rights Protection	122
	<b>Labor Practices</b>	Employment and employment relationship	4.2.3 Remuneration & Benefits
Working criteria and social protection		4.2.3 Remuneration & Benefits	135
Social dialogue		4.2.4 Happy Workplaces 4.4.2 Safe Workplace	138 153
Work health and safety		4.4 Health & Safety	151
Personnel development and training		4.3 Talent Development	143
<b>Environment</b>	Pollution prevention	3.4.2 Wastewater and Pollution Management	106
		3.4.3 Air Pollution Management	106
		3.4.4 Reuse of Waste	107
	Sustainable resource utilization	3.4.1 Circular Economy Performance 3.4.4 Reuse of Waste	104 107
	Lessening and adapting to climate change	3.1 Climate Action	078
Protection and restoration of the natural environment	3.5 Biodiversity	109	

	Topic	Chapter in the Report/Response	Page	
<b>Fair Operation Practices</b>	Anti-corruption	1.4 Business Integrity	026	
	Responsible political participation	There were no political event participation in the reporting year.	-	
	Fair competition	1.4 Business Integrity	026	
	Promote social responsibility of influential groups	1.1 Company Profile 2.4 Responsible Supply Chain	011 067	
	Respect intellectual property rights	5.1.1 Intellectual Property	172	
<b>Consumer Issues</b>	Fair marketing, information and contract practices	1.4 Business Integrity	026	
	Protect health and safety of consumers	2.3.1 Product Quality	059	
	Sustainable consumption	2.3.3 Sustainable Products CH 3. Environmental Sustainability	063 075	
	Consumer service, support, complaint and dispute resolution	2.3 Customer Relations	059	
	Consumer data protection and privacy	1.5.2 Information Security & Privacy Protection	034	
	Provide necessary services	2.3 Customer Relations	059	
	Education and awareness	2.3.1 Product Quality	059	
	<b>Social Participation Development</b>	Community participation	4.5 Social Engagement	159
		Education and culture	4.5.2 Charity Care	160
4.5.4 Popular Science & Environment Education			164	
Create job opportunities and technological development		4.2.1 Talent Distribution 4.3 Talent Development	127 143	
Technology development		5.1 Innovative R&D 5.3 Affordable & Clean Energy	172 181	
Create Wealth and Income	1.2 Economic Performance	016		
Health	4.4 Health & Safety	151		
Social investments	4.5 Social Engagement	159		

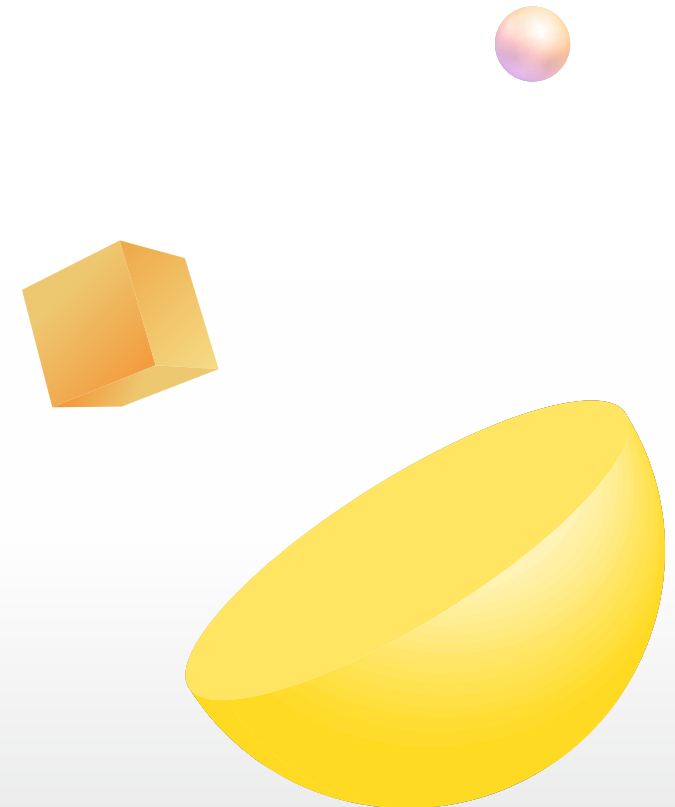


# UN Global Compact Comparison Table

	Principle	Chapter in the Report/Response	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.1 Human Rights Protection	122
	Make sure that they are not complicit in human rights abuses	4.1 Human Rights Protection	
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.1 Human Rights Protection	122
	The elimination of all forms of forced and compulsory labor	4.1 Human Rights Protection	
	The effective abolition of child labor	4.1 Human Rights Protection	
	The elimination of discrimination in respect of employment and occupation	4.1 Human Rights Protection	
Environment	Businesses should support a precautionary approach to environmental challenges	CH 3. Environmental Sustainability	075
	Undertake initiatives to promote greater environmental responsibility	CH 3. Environmental Sustainability	
	Encourage the development and diffusion of environmentally friendly technologies	5.1 Innovative R&D	172
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	1.4 Business Integrity	026

# 2023 Sustainability Report Corrigenda

Chapter	Page	Correct
3.2.1 Inventory & Mitigation	82	Indirect GHG emissions from the use of the organization's products (downstream): The total emissions for 2023 amounted to 2,794,783.58 tCO <sub>2</sub> e, compared to 49,729.2 tCO <sub>2</sub> e in 2021.



# ISO 14064 Verification Statement



## Verification Opinion

Verification Opinion No.: C738252-2024-AG-TWN-DNV Issued Place and Date: Taipei, 30 June, 2025 Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Management Report (2024) of

### AUO Corporation

#### Scope of Verification

DNV Business Assurance (DNV) has been commissioned by AUO Corporation (hereafter "the Organization") to perform a verification of the greenhouse gas statements of Greenhouse Gas Inventory Management Report (2024) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the sites listed in Appendix A.

The Reporting Boundary for the verification including direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, indirect GHG emissions from products used by the Organization and indirect GHG emissions associated with the use of products from the Organization. The further descriptions for the Reporting Boundary listed in Appendix B.

#### Verification Criteria and GHG Programme

The verification was performed on the basis of Financial Supervisory Commission Sustainable Development Roadmap Scheme and ISO 14064-1:2018 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO14064-3:2019.

#### Verification Opinion

It is DNV's opinion that the Inventory Report (2024), which was published on May 23, 2025, is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,

- For the Direct (Category/Scope 1) GHG emissions and Indirect GHG emissions from imported energy (Category/Scope 2), the reliability of the information within the Inventory Report (2024) was verified with reasonable level of assurance.
- For the other indirect GHG emissions, the involved information was verified with limited level of assurance.

Also, the GHG information as stated in Appendix C has been verified during the process.

GHG Verifier :  
Po-Chien Tai

For the issuing office:  
DNV Business Assurance Co., Ltd.

Management Representative

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix. Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification Opinion invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.  
The issuing office : 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-82537800. <https://www.dnv.com/tw/>  
DNV ZNATW-OP-F50, Rev.14, 2025-03



Verification Opinion No.:  
C738252-2024-AG-TWN-DNV

Issued Place and Date:  
Taipei, 30 June, 2025

Page 2 of 2

#### Supplement to Verification Opinion

##### Process and Methodology

The reviews of the Inventory Report and relevant documents, and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfillment of stated criteria.

##### Quantification of Greenhouse Gas Emission

The Inventory Report covering the period 1st January, 2024 to 31st December, 2024, it is DNV's opinion that GHG emissions and removals identified within the Reporting Boundary has been included in the Inventory Report as claimed in accordance with the verification criteria identified as stated above, and results in quantification of GHG emissions that are real, transparent and measurable.

##### Organizational Boundary of Verification

Financial Management Control;  Operational Management Control;  Equity Share

##### GHGs Verified

CO<sub>2</sub>  CH<sub>4</sub>  N<sub>2</sub>O  HFCs  PFCs  SF<sub>6</sub>  NF<sub>3</sub>

##### Quantification of Emissions (in tonnes CO<sub>2</sub>e)

The Quantification of GHG emissions and removals in Direct and Indirect Emission Source:

Category	Emission (tonnes CO <sub>2</sub> e)
<b>Category 1</b>	<b>Direct GHG emissions and removals</b>
	<b>67,379.82</b>
<b>Category 2</b>	<b>Indirect GHG emissions from imported energy</b>
	<b>2,115,039.41</b>
<b>Category 3</b>	<b>Indirect GHG emissions from transportation</b>
	<b>199,359.03</b>
	Upstream transportation and distribution
	166,477.55
	Business travel
	1,423.10
	Employee commuting
	17,537.92
	Downstream transportation and distribution
	13,920.46
<b>Category 4</b>	<b>Indirect GHG emissions from products used by an organization</b>
	<b>1,829,552.44</b>
	Purchased goods and services
	930,953.50
	Purchased capital goods
	463,972.76
	Fuel-and-energy-related activities (not included in Scope 1 or 2)
	412,424.88
	Waste generated in operations
	22,201.30
<b>Category 5</b>	<b>Indirect GHG emissions associated with the use of products from the Organization</b>
	<b>2,602,123.59</b>
	Processing of sold products
	40,810.70
	Use of sold products
	2,422,521.74
	Downstream leased assets
	106,758.04
	Investments
	32,033.11

\*\*The Imported Energy Indirect Emissions was calculated based on 2024 electricity emission factor of 0.474 kg CO<sub>2</sub>e/kwh in Taiwan, which was announced by Energy Administration, Ministry of Economic Affairs. Additionally, an electricity emission factor of 0.5856 kg CO<sub>2</sub>e/kwh was used in China, as announced by the Ministry of Ecology and Environment of the People's Republic of China. The Global Warming Potential (GWP) defined in IPCC AR5 (2013) has been chosen and correctly referred by the Organization.

\*\* Accumulated 101,032.50 Mwh renewable energy, solar power, was purchased and used in Taiwan during 2024.  
\*\* Another 30,000 Mwh Green Electricity Certificate Purchased in China.

##### Type of Opinion

unmodified  modified  adverse

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix. Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification Opinion invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.  
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DNV ZNATW-OP-F50, Rev.14, 2025-03



**APPENDIX A**

The reporting boundaries of greenhouse gas statements of AUO Corporation Greenhouse Gas Inventory Management Report (2024) with respect to the following sites:

	Site /Name	Site Address	Total Emissions (tonnes CO2e)	Total Direct Emissions (tonnes CO2e)	Total Energy Indirect Emissions (tonnes CO2e)	
FAB	Headquarters (ATC/L3B)	No. 1, Li-Hsin Rd. 2, Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.	10,056.90	689.72	9,367.18	
	AUHC-L3C	No. 23, Li-Hsin Rd., Hsinchu Science Park, Hsinchu, Taiwan, R.O.C.	24,078.00	979.19	23,098.81	
	AULT-L4A/L5A/L5B	No. 1, Xinhé Rd., Aspire Park, Lungtan, Taoyuan, Taiwan, R.O.C.	144,698.39	6,734.23	137,964.16	
	AULK-L6B	No. 226, Lungke St., Lungtan, Taoyuan, Taiwan, R.O.C. / No. 288, No. 338, No. 338-1, Lungyuan Rd. 1, Lungtan, Taoyuan, Taiwan, R.O.C.	229,762.34	7,962.23	221,800.11	
	AUHY-L3D/L5D	No. 189, Hwaya Rd. 2, Kueishan, Taoyuan, Taiwan, R.O.C.	226,507.83	6,763.66	219,744.17	
	AUTC-L5C/L6A/L7A/L7B/L6A	No. 1, JhongKe Rd., Central Taiwan Science Park, Taichung, Taiwan, R.O.C. / No. 2, No. 3, Keya Rd., Central Taiwan Science Park, Taichung, Taiwan, R.O.C.	829,867.88	18,692.25	811,175.63	
	AUHL-L8B	No. 1, Machang Rd., Houli Dist., Taichung City, Taiwan, R.O.C.	343,384.77	6,127.94	337,256.83	
	AUTN-C4A/C5D/C6C	No.36, Keji 1st Rd., Annan Dist., Tainan City, Taiwan, R.O.C.	14,447.64	162.87	14,284.77	
	AUKH-C6D	No.9, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Taiwan, R.O.C.	22,202.21	190.02	22,012.19	
	AUSZ-S01/ S02/ S06	No. 398, Suhong Zhong Road, Suzhou Industrial Park, 215021, China	86,106.19	7,518.78	78,587.41	
	AUXM-S11/S16/ S17	No. 1689, Xiang An North Road, Xiang An Branch, Torch Hitech Industrial Development Zone, Xiamen, 361102, China	56,967.06	2,444.86	54,522.20	
	AUKS-L6K	No. 6, Longtang Rd., Kunshan Economic-Technological Development Area, China	181,391.50	8,791.12	172,600.38	
	AUSK-E11/ E12	Bratislavská 517, 911 05 Trenčín , Slovak Republic	119.31	87.79	31.52	
	AUVN-S21	RBF 3 - GNP Dong Van III Industrial Center, Dong Van III Supporting Industrial Park, Dong Van Ward, Duy Tien Town, Ha Nam Province, Vietnam	3,203.32	19.41	3,183.91	
	Office	Global Research Center (GRC)	No. 1, Gongye E. 3rd Rd., Hsinchu City, Taiwan (R.O.C.)	1,813.76	99.02	1,714.74
		Office I in Taipei	9F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City 115018, Taiwan, R.O.C.	83.29	-	83.29
		Office II in Taipei	9F., No.618, Songhe St., Nangang Dist., Taipei City 115023,Taiwan, Taiwan, R.O.C.	90.61	-	90.61
Office in Kaohsiung		8F., No.189, Linsen 4th Rd., Kaohsiung City 806023, Taiwan, R.O.C	22.76	-	22.76	
Shenzhen Office		Room 2501, Building 11, Tianan Yungu Phase II, Bantian, Longgang District, Shenzhen	49.07	-	49.07	
AUO Singapore		10 Tampines Industrial Avenue 3, Singapore 528798	5,970.60	-	5,970.60	
Office in Tokyo & Osaka		3-24-21 Sanwa Bld. 5F , Shiba, Minato-Ku, Tokyo, 105-0014, Japan / Shin-Osaka 3rd DOI Bld. 5F 1-f-24 Nishimiyahara, Yodogawa-ku, Osaka-city, Osaka 532-0004, Japan	29.67	1.35	28.32	
AUO Korea		No.906, 9F, Gwanggyo Business Center, 156, Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 16506, Korea	14.31	4.49	9.82	
AUO Germany		Charles Lindbergh Strasse 7, Boeblingen, 71034	0	-	0	
AUO Corporation America		37085 Grand River Ave, Suite 340, Farmington, MI 48336, USA	85.40	-	85.40	
Dormitory	AUHL-Dormitory No. 300, Machang Rd., Houli Dist., Taichung City, Taiwan, R.O.C.	1,466.42	110.89	1,355.53		

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**APPENDIX B**

The Reporting Boundary of AUO Corporation Greenhouse Gas Inventory Management Report (2024):

Category	Subcategory	Boundary
Direct GHG emissions and removals	-	Mainly from fuel consumption and process gas, other GHG sources or sinks inside organizational boundaries and that are owned or controlled by the organization
Indirect GHG emissions from imported energy	-	The amount of greenhouse gas emissions produced by the input of electricity and energy
Indirect GHG emissions from transportation	Upstream transportation and distribution	Transportation emissions for the procurement of direct materials,
	Business travel	Transportation of employees for business-related activities
	Employee commuting	Transportation of employees travelling between company and residence place, factory shuttle bus included (employees located at Mainland and overseas sites were not included)
	Downstream transportation and distribution	Transportation of products sold by the Company
Indirect GHG emissions from products used by organization	Purchased goods and services	Upstream (cradle-to-gate) emissions of selected purchased direct materials
	Purchased capital goods	Upstream (cradle-to-gate) emissions of purchased capital goods
	Fuel-and-energy-related activities (not included in Scope 1 or 2)	Upstream emissions of purchased fuels and electricity
	Waste generated in operations	Transportation and disposal or treatment of plant's waste
Indirect GHG emissions associated with the use of products from the organization	Processing of sold products	Processing of annual sold products
	Use of sold products	Annual shipment of IT panel module products
	Downstream leased assets	Annual energy use emissions from downstream leased assets
	Investments (subsidiary)	100% owned subsidiaries

The scope of other indirect emissions (other than Imported Energy with specified/limited list of sources) was defined by the Organization's own pre-determined criteria for significance of indirect emissions, considering the intended use of the GHG inventory.

**APPENDIX C**

The fluorinated greenhouse gases emissions with implementing abatement equipment, according to the Tier 2c method referred to 2019 IPCC Guidelines for National Greenhouse Gas Inventories Volume 3 Industrial Processes and Product Use, Chapter 6 Electronics Industry Emissions.

Fluorinated greenhouse gases	Fluorinated GHG emissions from manufacturing (tonnes CO2e)	Reduced Fluorinated GHG emissions by abatement system (tonnes CO2e)	Fluorinated GHG emissions if without abatement system (tonnes CO2e)
PFCS, SF6, HFCs, NF3	9,608.52	1,743,387.83	1,752,996.35

\*\*Fluorinated GHG emissions reduction rate by abatement system:

Reduced Fluorinated GHG emissions / Fluorinated GHG emissions if without abatement system= 99.45%

The information related to Indirect GHG emissions from imported energy and the Green Electricity Certificate purchased with the emission factor as 0 kgCO2e/kWh in China sites as follow:

Site	Scope 2 GHG emissions from import electricity (tonnes CO2e)	Green Electricity (MWh) [B]	Scope 2 GHG emissions with the purchased Green Electricity Certificate subtracted (tonnes CO2e)
AUSZ-S01/S02/ S06	80,478.90	3,230.00	78,587.41
AUKS-L6K	228,044.02	94,678.35	172,600.38

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix. Lack of fulfillment of conditions as set out in the Verification Agreement may render this Verification Opinion invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion. The issuing office : 29FL, No. 293, Sec. 2, Wenhua Rd., Banqiao District, New Taipei City 220, Taiwan Tel.: +886-2-82537800. https://www.dnv.com/w/ DNV ZNATW-OP-F50, Rev.14, 2025-03

# ISAE 3000 Assurance Statement



**安侯建業聯合會計師事務所**  
**KPMG**  
 110, Sec. 1, Roosevelt Rd., 7th Fl., No. 3, Sec. 3, Taipei 110, Taiwan R.O.C.  
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## Independent Limited Assurance Report

**To: AUO Corporation:**

We were engaged by AUO Corporation ("AUO") to provide limited assurance on the 2024 Sustainability Report of AUO ("the Report") for the year ended December 31, 2024.

**Applicable criteria of the Subject Matter Information**

AUO shall prepare the Subject Matter Information in accordance with applicable criteria required by Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation") and Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board.

**Management's Responsibilities**

AUO is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. AUO is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

The disclosure of information on greenhouse gas emission (scope 1, scope 2 and scope 3) in the Report has been verified by other third-party verification organization. Thus, we did not provide any assurance on whether the aforementioned disclosure is in compliance with applicable standards.

**Independence and Standards on Quality Management**

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

- 1 -



**Summary of Work Performed**

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of AUO;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis for our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Inherent Limitations**

The Report for the year ended December 31, 2024 includes the disclosure of non-financial information that involved significant judgments, assumptions and interpretations by the management of AUO. Therefore, the different stakeholders may have different interpretations of such information.

**Emphasis of Matter**

Subject Matter Information includes and covers materiality assessment process, as well as the economic, environmental, and social KPIs within the scope of this report.

**Conclusion**

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

**Other Matters**

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditor's report is Yu, Chi-Liang.

**KPMG**

Taipei, Taiwan (Republic of China)  
June 26, 2025

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

- 1 -



# SASB Assurance Statement



安侯建業聯合會計師事務所  
 KPMG  
 台北市11063信義區信義路五段7號11樓  
 40F., TAPEI 101 TOWER, No. 7, Sec. 5,  
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總機 Tel: +886 2 0101 0000  
 傳真 Fax: +886 2 0101 0007  
 網址 URL: kpmg.com/ta

## Independent Limited Assurance Report

**To: AUO Corporation:**

We were engaged by AUO Corporation ("AUO") to provide limited assurance on the 2024 Sustainability Report of AUO ("the Report") for the year ended December 31, 2024.

**Applicable criteria of the Subject Matter Information**

AUO shall prepare the Subject Matter Information in accordance with applicable criteria required by the Sustainability Accounting Standards for Hardware issued by Sustainability Accounting Standards Board ("SASB").

**Management's Responsibilities**

AUO is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. AUO is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

The disclosure of information on greenhouse gas emission (scope 1, scope 2 and scope 3) in the Report has been verified by other third-party verification organization. Thus, we did not provide any assurance on whether the aforementioned disclosure is in compliance with applicable standards.

**Independence and Standards on Quality Management**

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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### Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of AUO;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information;
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis for our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Inherent Limitations

The Report for the year ended December 31, 2024 includes the disclosure of non-financial information that involved significant judgments, assumptions and interpretations by the management of AUO. Therefore, the different stakeholders may have different interpretations of such information.

### Emphasis of Matter

Subject Matter Information includes and covers materiality assessment process, as well as the economic, environmental, and social KPIs within the scope of this report.

### Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report is Yu, Chi-Liang.

**KPMG**

Taipei, Taiwan (Republic of China)  
June 26, 2025

Note to readers

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TAP INTO THE POSSIBILITIES