

2024 企業永續報告書

Environmental Social Governance
Sustainability Report



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1. About the Report

Asia Optical attaches great importance to the sustainable development issues of stakeholders' concern and responds from the different aspects of corporate governance, partnerships, environmental sustainability, friendly workplace, and social feedback. We will continue to make improvements on each issue to meet the needs of the expectations of the stakeholders, enhance the performance of sustainable development, and demonstrate our determination for corporate sustainable development.

■ Preparation Principles

The Report has been prepared in accordance with the GRI Universal Standards. In addition, in order to remain consistent with international trends and synchronize with benchmark companies, we also extensively use international sustainability indicators and external initiatives as a reference for writing the ESG Report, including:

- 17 Sustainable Development Goals (SDGs) of the United Nations
- Responsible Business Alliance Code of Conduct (RBA Code of Conduct - Responsible Business Alliance)
- ISO 26000 Social Responsibility Guidelines (Guidance for Social Responsibility)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)

■ Boundary and Data

The information shown in the Report covers the period from January 1, 2024 to December 31, 2024. Except for the financial information disclosure that covers the domestic and overseas affiliates and subsidiaries of Asia Optical, the disclosures in the Report cover the headquarters, the An-He Branch, and the R&D centers in Hsinchu and Changhua and other overseas operating locations. The disclosure of impacts on the value chain will focus on Asia Optical's management or future management planning.

■ Report Management

The Report is managed by the "Asia Optical Sustainability Report Editorial Committee" under the direction of the Chairman, the most senior management position in Asia Optical. The Committee members include all the Company's production and operation units, and is responsible for confirming the management approaches and implementation of ESG issues. The Committee confirms and analyzes the Company's ESG report and overall strategies, directions, and goals every year, conducts reviews and comes up with improvement measures on what has not been achieved, and reports the implementation results to the Chairman.

The Sustainability Report is released on an annual basis. The next Sustainability Report is expected to be released in August 2026. No information was restated this year. Any subsequent restatements of information will be disclosed in accordance with applicable regulations.

■ Internal Audit

All information disclosed in the Report was provided and compiled by the members of the teams in the Asia Optical Sustainability Report Editorial Committee. The Report was edited by the Offices according to the preparation structure and disclosure direction and then checked for correctness by the heads of responsible units. The Report was presented by the chairperson of the Corporate

Sustainability Committee to the Chairman for approval for release in the current year.

■ External Audit

In order to enhance the accuracy and credibility of data in the Report, the Company will engage a third party to provide assurance. Some data from 2024 have been verified by an impartial third party. For unverified data, international indicators are used to present the data. Any estimates are indicated in the relevant chapters.

- The annual certification of the Company's management systems related to ISO 9001, IATF 16949, ISO 14001 and ISO 45001 have been completed by DQS Taiwan Inc.
- The financial data disclosed by the Company are derived from the consolidated financial statements audited and certified by Deloitte Taiwan in accordance with the International Financial Reporting Standards (IFRSs). The consolidated financial statements and auditor's report for the previous year are released every March, and the Company's annual report for the previous year is released every May.
- For the greenhouse gas inventory completed in accordance with ISO 14064:2018, DNV completed the 2024 annual verification and issued a verification statement in July 2025.

■ Contact Information

If you have any suggestions or questions about the content of the Report or about the sustainable development of the Company, please contact Mr. Shih-Chung Chang of the Corporate Sustainability Committee.

Address: No.158, Fengli Rd., Tanzi Dist., Taichung City, Taiwan

Tel.: 04-25342550-1700

Email: ESG@aoci.com.tw

ESG Section on the Corporate Website: <https://www.asia-optical.com/>

2. Message from the Chairman

Natural resources are limited but human intelligence is infinite. Working together to produce enjoyable and environmental friendly high-tech electro “optical products”

I-Jen Lai

In recent years, human society has faced the impact of the spread of the COVID-19 pandemic and the threat of extreme climates. This further confirms our long-term belief that: “Natural resources are limited but human intelligence is infinite. Working together to produce enjoyable and environmental friendly high-tech electro-optical products.” As a key link in the high-tech optoelectronics industry chain, Asia Optical is duty bound to fulfill its ESG responsibilities. In addition to pursuing good operational performance and continuous R&D breakthroughs, we are also eager to make continuous improvements in environmental (E), social (S), corporate governance (G) and sustainable management aspects.

We are aware that climate change is one of the major risk factors affecting corporate operations. While actively implementing the policy of “energy savings, pollution reduction, continuous waste reduction, environmental conservation,” the Company also focuses on global environmental development trends, greenhouse gas reduction, the effective use of water and energy resources, net zero carbon emissions, and other issues in the face of global extreme climate events. We are planning to conduct a carbon inventory and set carbon reduction targets and disclose related reports. We also set environmental goals and targets, continue to supervise their management and implementation to achieve environmental performance, and actively expand sustainable actions.

Natural resources are limited but human intelligence is infinite. There is a long way to go to achieve sustainability. We hope that the ESG spirit can take root. Asia Optical puts the spirit into practice through the wisdom and actions of all employees in order to achieve the goal of the long-term sustainable development of enterprises, human beings, and the earth.

3. Asia Optical's Milestones

Asia Optical's Milestones 1980 - 2023

Year	Milestone
1980	Asia Optical Co., Inc. was founded
1998	Asia Optical was certified to ISO 9001
2000	The Company was officially listed on over-the-counter markets
2001	Laser Rangefinder won the 4th Outstanding Photonics Product Award
2001	Relocation of the An-He Branch was completed
2001	Asia Optical was certified to ISO 14001
2002	We won the Outstanding Award in the 10th Award for Industrial Technology Advancement of the Ministry of Economic Affairs
2002	The Company was recognized in the National Invention and Creation Award of the Ministry of Economic Affairs
2002	Asia Optical's shares were listed for trading on the Taiwan Stock Exchange
2003	The President visited Asia Optical
2004	"Image Capturing Binocular" won the Silver Award in the National Invention and Creation Award of the Ministry of Economic Affairs
2004	Asia Optical was ranked 29th among the top 100 technology companies in Taiwan selected by Business Next Biweekly
2005	The Chinese name of Taiwan Top Optical Co., Ltd. was changed from 台灣理光股份有限公司 to 台灣禮光股份有限公司 after Asia Optical received the stock of the company
2005	The Company was granted the Outstanding Innovative Enterprise Award in the 13th Award for Industrial Technology Advancement of the Ministry of Economic Affairs
2006	We were ranked 3rd in the optoelectronics industry in CommonWealth Magazine's Benchmark Enterprise Reputation Survey
2007	Opti-fault Locator won the 10th Outstanding Photonics Product Award
2009	4V4H1G Line Laser won the 12th Outstanding Photonics Product Award
2010	"SHOWWX" Pico Projector was selected as the Last Gadget Standing at CES
2010	The Company was recognized in the National Invention and Creation Award of the Intellectual Property Office, Ministry of Economic Affairs
2010	GE E1486TW and GE C1033 Digital Cameras were Gold Award winners at the 2010 Visual Grand Prix (VGP) Summer Awards in Japan
2012	Asia Optical received a bronze medal for the Taiwan Train Quality System from the Bureau of Employment and Vocational Training, Council of Labor Affairs, Executive Yuan
2012	The Company was awarded a "Badge of Health Engagement" under the Workplace Health Accreditation Program by the Health Promotion Administration, Ministry of Health and Welfare, Executive Yuan
2013	Laser Sight won the National Invention and Creation Award
2013	The Company received the "Healthy Workplace - Science Park Benchmark Award" under the Workplace Health Accreditation Program by the Health Promotion Administration, Ministry of Health and Welfare, Executive Yuan

Year	Milestone
2014	The Company was awarded a “Badge of Health Promotion” under the Workplace Health Accreditation Program by the Health Promotion Administration, Ministry of Health and Welfare, Executive Yuan
2014	We received a subsidy for our image identification system used as an instrument for blood matching testing under the A+ Industrial Innovation R&D Program/Integrated R&D Program of the Department of Industrial Technology, Ministry of Economic Affairs
2014	PIXPRO SP360 was picked as the Best of CTIA 2014
2015	PIXPRO SP360 was selected as the Digital Camera Product of the Year in 2014 by PCPOP.COM in China
2015	Asia Optical’s SL5 was recognized as the BEST OF CES 2015 at CES
2015	SP360 won the 18th Outstanding Photonics Product Award
2015	Laser Rangefinder was a winner of Field & Stream’s Best of the Best Awards
2015	The Company launched the “Non-invasive Vascular Screening Device,” marking our first official step into the medical equipment field, to capture the business opportunity of health management
2015	Asia Optical won the Best Service Award in the “Taichung City Friendly Lactation Room Competition”
2016	KILO 2000 won the 19th Outstanding Photonics Product Award
2017	SP360 4K was selected as a winner of the TWICE Picks Awards by TWICE, an authoritative rating website for CES
2020	The Company was IATF 16949 certified (Requirements of a Quality Management System for Organizations in the Automotive Industry)
2020	We were awarded the “Enthusiastic Public Welfare Contribution Award” by the Export Processing Zone Administration, Ministry of Economic Affairs in 2020
2021	An-He Branch received a certification badge for CPR training and AED installation
2021	Our “Lens Screw Fitting Device - Self-development” project received a subsidy under the thematic R&D program titled “Innovative R&D in COVID-19-affected Conventional Industries”
2022	Asia Optical won the Qisda Supplier Sustainability Performance Award
2022	Multi-task Delivery AMR was approved for subsidization under the “Smart Innovation Service Promotion Program” of the Industrial Development Bureau, Ministry of Economic Affairs
2023	The Company received a “Badge of Health Promotion for Workplace Health Promotion”
2023	Asia Optical received the Enthusiastic Public Welfare Contribution Award from the Export Processing Zone Administration, Ministry of Economic Affairs
2023	The Company was recognized as an “Outstanding Vendor for the Implementation of Plant Safety Protection in 2022” by the Export Processing Zone Administration, Ministry of Economic Affairs
2024	Asia Optical received the “2024 Award for Excellent Labor-Management Relations” from the Ministry of Economic Affairs Bureau of Industrial Parks.

Awards Won by Asia Optical

Award-winning Year	Award Name	Product	Award Name
2001	Outstanding Photonics Product Award	Laser Rangefinder	Photonics Industry & Technology Development Association
2002	MOEA's Award for Industrial Technology Advancement		Chinese Association for Industrial Technology Advancement
2002	The Company was recognized in the National Invention and Creation Award of the Ministry of Economic Affairs	High-precision Laser Rangefinder	Intellectual Property Office, MOEA
2004	MOEA's National Invention and Creation Award, Creation Award		Intellectual Property Office, MOEA
2005	MOEA's Award for Industrial Technology Advancement		Chinese Association for Industrial Technology Advancement
2007	Outstanding Photonics Product Award	Opti-fault Locator	Photonics Industry & Technology Development Association
2009	Outstanding Photonics Product Award	4V4H1G Line Laser	Photonics Industry & Technology Development Association
2013	MOEA's National Invention and Creation Award	Laser Sight – Silver Award	Intellectual Property Office, MOEA
2014	PIXPRO SP360 was picked as the Best of CTIA 2014	PIXPRO SP360	
2015	PIXPRO SP360 was selected as the Digital Camera Product of the Year in 2014	PIXPRO SP360	PCPOP.COM in China
2015	SL5 was recognized as the BEST OF CES 2015 at CES	SL5	CES
2015	Laser Rangefinder was a winner of Field & Stream's Best of the Best Awards	Laser Rangefinder	
2015	PIXPRO SP360 won the 18th Outstanding Photonics Product Award	PIXPRO SP360	Photonics Industry & Technology Development Association
2016	KILO 2000 Laser Rangefinder won the 19th Outstanding Photonics Product Award	KILO 2000 Laser Rangefinder	Photonics Industry & Technology Development Association

Award-winning Year	Award Name	Product	Award Name
2017	SP3604K was selected as a winner of the TWICE Picks Awards by TWICE, an authoritative rating website for CES	SP3604K	
2020	The Company was certified to IATF 16949 (Requirements of a Quality Management System for Organizations in the Automotive Industry)		
2021	Our “Lens Screw Fitting Device - Self-development” project received a subsidy under the thematic R&D program titled “Innovative R&D in COVID-19-affected Conventional Industries”		
2022	Asia Optical won the Qisda Supplier Sustainability Performance Award		
2022	Multi-task Delivery AMR was approved for subsidization under the “Smart Innovation Service Promotion Program” of the Industrial Development Bureau, Ministry of Economic Affairs		
2023	The Company received a “Badge of Health Promotion for Workplace Health Promotion”		
2023	Asia Optical received the Enthusiastic Public Welfare Contribution Award from the Export Processing Zone Administration, Ministry of Economic Affairs		
2023	The Company was recognized as an “Outstanding Vendor for the Implementation of Plant Safety Protection in 2022” by the Export Processing Zone Administration, Ministry of Economic Affairs		
2024	Asia Optical received the “2024 Award for Excellent Labor-Management Relations” from the Ministry of Economic Affairs Bureau of Industrial Parks.		

■ List of Awards Won by Asia Optical

2001 Photonics Industry & Technology Development Association - Outstanding Photonics Product Award (Laser Range Finder (400M))



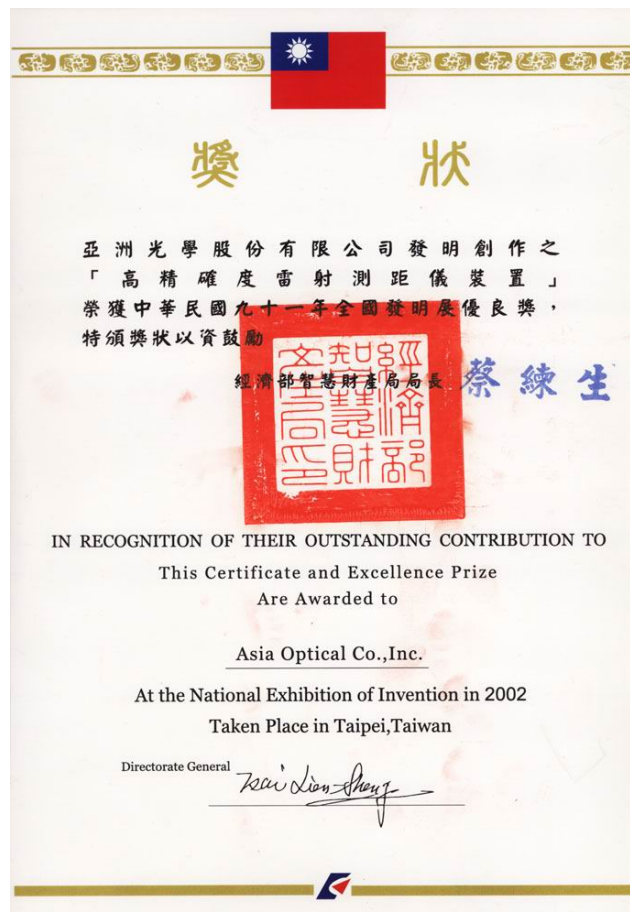
2002 MOEA – Award for Industrial Technology Advancement, Outstanding Award



2002 MOEA – National Invention and Creation Award



2002 MOEA - National Exhibition of Invention, Excellence Prize (High-precision Laser Rangefinder)



2004 MOEA - National Invention and Creation Award, Creation Award (Binocular with an Image Capture Device)



2005 MOEA - Award for Industrial Technology Advancement, Outstanding Innovation Award



2007 Photonics Industry & Technology Development Association - Outstanding Photonics Product Award (Opti-fault Locator)



2009 Photonics Industry & Technology Development Association - Outstanding Photonics Product Award (4V4H1G Line Laser)



2010 MOEA's National Invention and Creation Award, Contribution Award



2010 MOEA's National Invention and Creation Award, Silver Award under the Category of Personal Invention (Laser Sight)



2015 SL5 was recognized as the BEST OF CES 2015 at CES

Presenting iPhone Life's Best of CES 2015 Winners!

By Dorna Schill | Updated 01/15/2015



2015 Photonics Industry & Technology Development Association - Outstanding Photonics Product Award (PIXPRO SP360)



2016 Photonics Industry & Technology Development Association - Outstanding Photonics Product Award (KILO 2000 Laser Rangefinder)



2016 SP3604K was selected as a winner of the TWICE Picks Awards by TWICE, an authoritative rating website for CES

<https://www.twice.com/ces-2016/honoring-best-ces-2016-twice-picks-awards-60117>

HOME > CES-2016

Honoring The Best Of CES With The 2016 TWICE Picks Awards

JOHN LAPOSKY - PUBLISHED: JANUARY 12, 2016

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TWICE is pleased to announce the winners of the 2016 TWICE Picks Awards, honoring some of the most innovative, ground-breaking, disruptive products introduced at CES 2016.

Action Video Cameras: **Kodak PixPro SP360 4K Action Cam**

2023 The Company was recognized as an “Outstanding Vendor for the Implementation of Plant Safety Protection in 2022” by the Export Processing Zone Administration, Ministry of Economic Affairs



In 2024, Asia Optical received the “Award for Excellent Labor-Management Relations” from the Ministry of Economic Affairs Bureau of Industrial Parks.



4. Stakeholder Identification and Communication

4.1 Stakeholder Communication

Asia Optical values the feedback and opinions of stakeholders. We have set up a Stakeholders section on our website and provided an exclusive email address for communication and contact with the stakeholders. We also gather their needs and expectations related to ESG issues through the contact of each unit, analyze and summarize issues of concern, and continue to maintain smooth communication channels with our stakeholders.

We openly communicate with the nine types of identified stakeholders, i.e., employees, suppliers, neighboring communities, social groups, shareholders, customers, government agencies, academic institutions, and affiliates by adding and analyzing any further sustainability issues they bring to our attention. We hope that by doing so, we can expand communication with our stakeholders and use the valuable opinions we obtain as the cornerstone for internal management and sustainable development strategies in the future.

4.1.1 Stakeholder Classification and Communication Channels

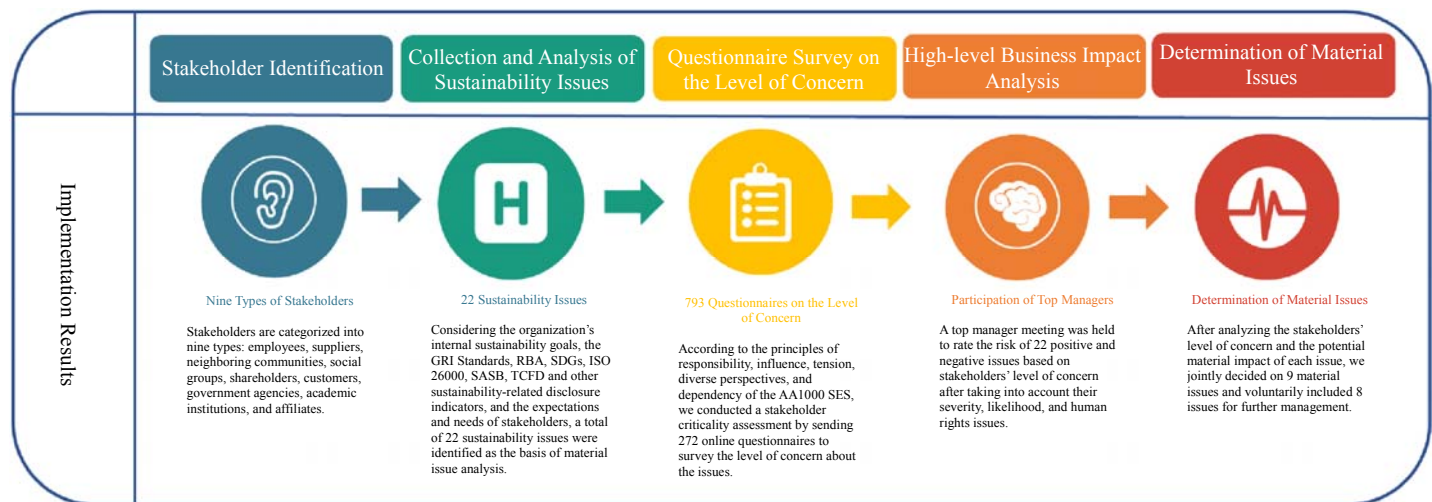
Stakeholder	Major Issues of Concern	Countermeasures and Communication Channels	Communication Performance in 2024	Corresponding Sections in the Report
Employees	Occupational safety and health, respect for human rights, employment and labor-management relations, employee diversity and equality, training and education, patents and intellectual property	<ul style="list-style-type: none"> ■ Provide a two-way and transparent channel for employees to express opinions, hold regular labor-management meetings, and set up an employee suggestion box to continuously understand various suggestions from employees. ■ Implement performance management and employee development systems. ■ Organize employee health checkups, employee family days, and employee care events. ■ Contact: services@aoci.com.tw 	<ol style="list-style-type: none"> 1. Hold 4 Occupational Safety and Health Committee meetings each year 2. The number of participants in the Family Day event held on November 16, 2024 was 1,024. 3. In 2024, 4 health promotion activities were held. <p>A total of 55 employees received influenza vaccinations; 250 participants joined the weight loss program; 32 bags of blood were collected through blood drives; and 40 participants attended the aerobic exercise classes.</p>	05 - Corporate Governance 09 - Employee Care

Suppliers	Occupational safety and health, risk management, supplier management, product and service innovation, product responsibility	<ul style="list-style-type: none"> ■ Conduct investigations, audits and evaluations on the supply chain and require suppliers to comply with the EU's RoHS. ■ Continue to require all suppliers to fulfill social responsibilities, including environmental protection, labor rights and ethics, health and safety, risk management, integrity and morality; ask the suppliers to sign the Anti-bribery Declaration; and specify the policies and terms and conditions related to integrity and probity in the transaction contracts with the suppliers. ■ Contact: maggic.chen@aoci.com.tw 	<ol style="list-style-type: none"> 1. Signed 37 different RBA Code of Conduct Statements 2. Signed 15 different Anti-bribery Statements 3. 6 factory maintenance surveys are completed each year 	06 - Products and Technology 08 - Sustainable Supply Chain
Neighboring communities	Legal compliance, risk management, waste and resource utilization, social contribution and participation	<ul style="list-style-type: none"> ■ Care for neighboring communities and communicating with them about environmental issues on a regular basis. ■ Contact: services@aoci.com.tw 	<p>2024</p> <ol style="list-style-type: none"> 1. Support for community development and safety maintenance <ol style="list-style-type: none"> A. Support for development of two neighboring communities B. Promote community care activities: Four open events in which disadvantaged and elderly members of the community were invited to use the Company's cardiovascular arteriosclerosis product, PASESA, providing comprehensive health care services. C. Sponsorship for community safety maintenance: 2 communities/NTD 150,000/year 2. Donations to social welfare organizations: 9 	05 - Corporate Governance 10 - Social Care and Welfare

			organizations/year	
Social groups	Legal compliance, market presence, risk management, product and service innovation,	<ul style="list-style-type: none"> ■ Regularly update ESG-related performance on the website. ■ Contact: esg@aoci.com.tw 	<ol style="list-style-type: none"> 1. 296 employees completed confidentiality training 2. A 100% response rate was achieved for internal legal consulting cases 3. There were no major violations of laws in 2024 	05 - Corporate Governance 06 - Products and Technology
Shareholders	Respect for human rights, legal compliance, anti-corruption, product and service innovation, product responsibility, patents and intellectual property	<ul style="list-style-type: none"> ■ Establish a comprehensive spokesperson system and investor relations contact to not only regularly provide various financial information, but also organize investor conferences from time to time to continue to enhance the timeliness and transparency of information disclosure. ■ Provide shareholders with a reasonable return on investment with a long-term stable dividend policy. ■ Continue to disclose information on corporate governance to investors through various communication channels, such as shareholders' meetings, annual reports, the Market Observation Post System, and the Company's website. ■ Contact: ir@aoci.com.tw 	In 2024, 2 online investor conferences were held on May 8 and August 9, respectively. Dividends were distributed within one month after the ex-dividend date, and dividends of NTD 1.8 were distributed on July 19.	05 - Corporate Governance 06 - Products and Technology
Customers	Anti-corruption, product and service innovation, legal compliance, risk management, product responsibility, customer privacy, occupational health and safety, supply chain management, energy, and climate change	<ul style="list-style-type: none"> ■ Actively meet customer needs, continuously provide high-quality, high-tech, cost-effective, and high-efficiency professional services, conduct customer satisfaction surveys and ratings to enhance customer satisfaction. ■ Obtain various management system certifications such as ISO 9001, ISO 14001 and IATF 16949 to ensure the highest standard of product design and manufacturing processes. ■ Contact: cmo@aoci.com.tw 	Customer satisfaction 100% Establishment of anonymous mailbox to receive whistle-blowing accusations or evidence and subsequent mechanisms to deal with such cases.	05 - Corporate Governance 06 - Products and Technology 07 - Green Sustainability 08 - Sustainable Supply Chain

Government agencies	Employment and labor-management relations, legal compliance, anti-corruption, occupational safety and health, water consumption and wastewater management, waste and resource use	<ul style="list-style-type: none"> ■ Make regular reports in accordance with the law. ■ Contact: services@aoci.com.tw 	<p>Employees take one session per year of a course on the ethical management and protection of whistleblowers</p> <ol style="list-style-type: none"> 1. Ethical management concepts - 2024: 1,368 people, totaling 1,108 hours/year 2. Whistleblower protection course - 2024: 980 people, 944 hours/year 	<p>05 - Corporate Governance 07 - Green Sustainability 09 - Employee Care</p>
Academic institutions	Social contribution and participation, energy, climate change action, product and service innovation, product responsibility, patents and intellectual property	<ul style="list-style-type: none"> ■ Provide industry-academia collaboration and share related technologies and experience on campus. ■ Regularly update ESG-related performance on the website. ■ Contact: services@aoci.com.tw 	<p>*Social contribution and participation</p> <ol style="list-style-type: none"> 1. One partner school (National Taichung University of Science and Technology) 2. Industrial Department: 1 Department 3. Industry-academia visits and exchanges: 1 times/year 4. Sponsored club activities to encourage the promotion of health: NTD 100,000 per school 	<p>06 - Products and Technology 07 - Green Sustainability 10 - Social Care and Welfare</p>
Affiliates	Risk management, product and service innovation, product responsibility, supply chain management	<ul style="list-style-type: none"> ■ Cooperate with affiliates to continuously serve customers with high-quality, high-efficiency, and high-tech professional services. ■ Contact: cmo@aoci.com.tw 	Presentation on the achievements of the comprehensive task delivery robot and collaborative platform services	<p>05 - Corporate Governance 06 - Products and Technology 08 - Sustainable Supply Chain</p>

4.2 Material Issue Analysis Process



4.2.1 Stakeholder Identification

Asia Optical attaches great importance to the communication and feedback of stakeholders, and has categorized them into 9 types: i.e., employees, suppliers, surrounding communities, social groups, shareholders, customers, government agencies, academic institutions, and affiliates. We also conducted assessments according to the five principles (responsibility, influence, tension, diverse perspectives, dependency) of the AA1000 Stakeholder Engagement Standards (SES) to identify customers, suppliers, employees, competent government agencies, and participants as stakeholders that may have a greater impact on the Company. Through diverse communication channels, the Company receives and responds to stakeholders' needs in real time to jointly promote corporate sustainability.

4.2.2 Identification and Analysis of Material Issues

In terms of issue collection, the Company analyzed sustainability-related disclosure indicators, such as sustainable development goals as well as the GRI Standards, RBA, SDGs, ISO 26000, SASB, and TCFD, to produce a list of sustainability issues. The issues are classified into economic issues, environmental issues, and social issues, and there are 22 issues in total.

In order to analyze these issues of concern, the Company chose as the survey stakeholders clearly belonging to one of the nine aforementioned stakeholder types. In 2022, a total of 272 stakeholders participated in the issue identification survey, and 272 effective questionnaires were returned, allowing us to understand the level of concern of stakeholders on all sustainability issues. The Sustainability Report Editorial Committee ranked the sustainability issues based on the stakeholders' level of concern to discuss positive and negative, and actual and potential impacts, and presented the results at the top manager meeting. The meeting then analyzed each issue, taking into account the severity, likelihood, and potential human rights impact, according to the ESG Issue Business Impact Analysis and Risk Assessment Sheet, and prepared a matrix for analysis to then rank each issue by priority to the Company. A total of 9 material issues were eventually sent to the General Manager for discussion. Considering major business impacts in the future, we voluntarily included 8 further issues for management. All these issues correspond to a total of 11 GRI Topic Standards. Relevant sustainability information is collected and disclosed in accordance with the reporting requirements and management approaches for each topic.

The 2024 Sustainable Development Committee did not add any further issues to the list. It was therefore resolved in the senior management meeting that if no new sustainability issues arise in the future, the existing risk assessment results will continue to be managed, with reassessments conducted every three years. The outcomes and management performance will also be disclosed and explained in the report.

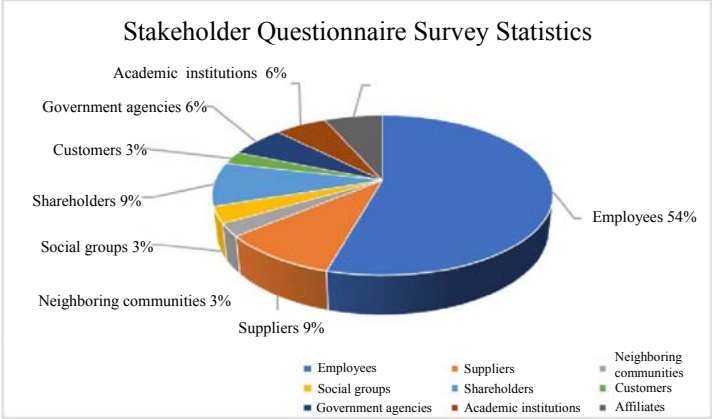
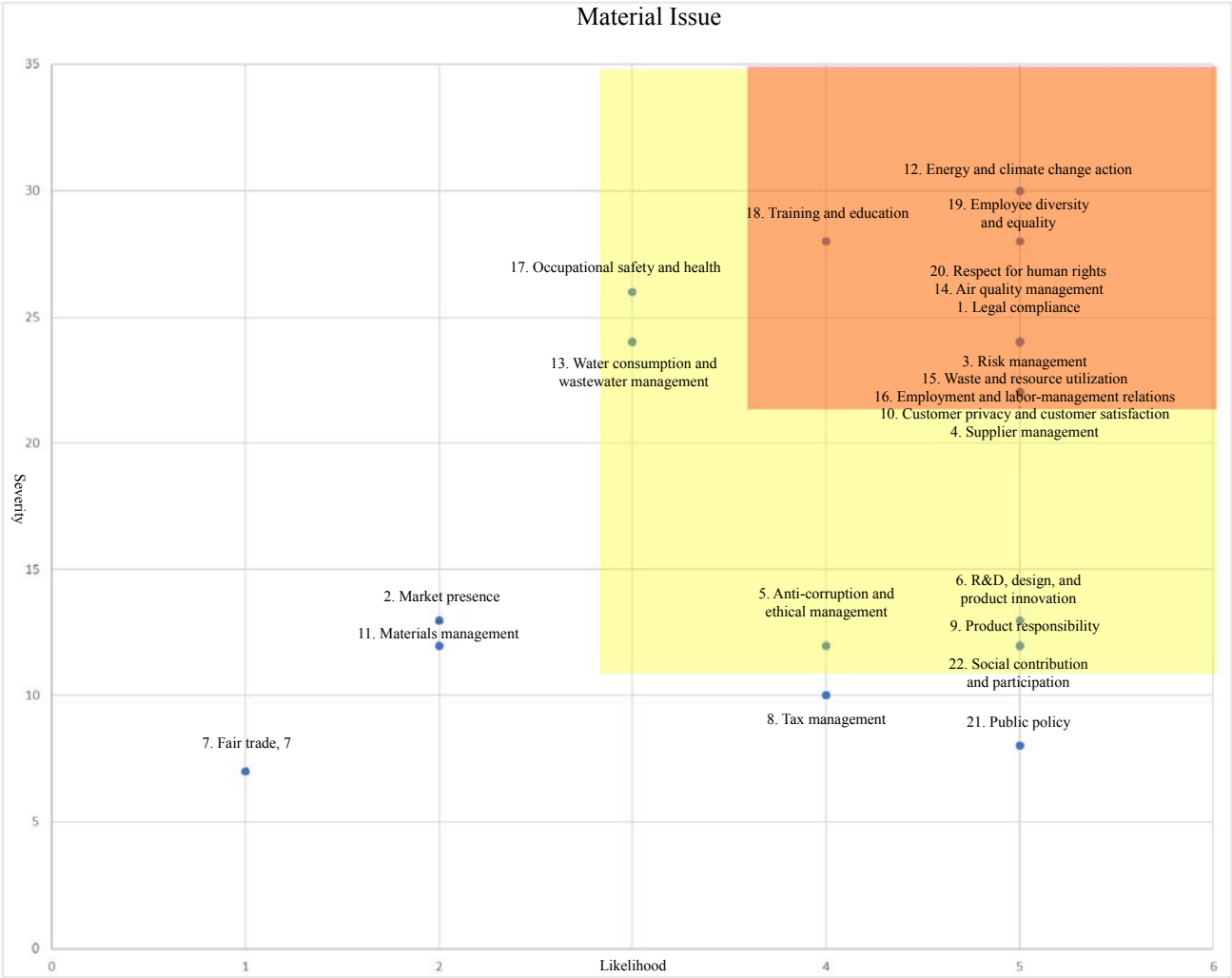


Figure 3. Material Issue Analysis Matrix









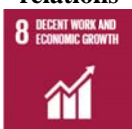

Item	Category	Issue of Concern	Impact of Issues
Material Issue	Environmental	12. Energy and climate change action	[Potential opportunity] Positive impact In response to the opportunities and challenges from climate change issues to the Company's development, it is necessary to set aggressive carbon reduction goals, as well as adaptation and mitigation strategies.
	Social	19. Employee diversity and equality	[Future opportunity] Positive impact We value the work environment, development, and care of employees, and aim to create a balanced, healthy and happy workplace.
	Economic	1. Legal compliance	[Actual risk] Negative impact Compliance with domestic and foreign economic, environmental, and social laws and regulations is the foundation of business operations.
	Environmental	14. Air quality management	[Potential risk] Negative impact Air pollution emissions are monitored to comply with laws and regulations, and greenhouse gas emissions are reduced.
	Environmental	15. Waste and resource utilization	[Potential risk] Negative impact Waste is reduced and sorted for proper disposal.
	Social	20. Respect for human rights	[Potential risk] Negative impact The Company respects and protects human rights, complies with relevant international labor standards, protects labor rights and interests, fulfills the responsibility for better management of the supply chain, and conducts regular audits.
	Social	18. Training and education	[Potential opportunity] Positive impact We provide a comprehensive training and development system and offer integrated and diversified training resources to strengthen employees' professional skills and enhance their future career development.
	Economic	3. Risk management	[Potential risk] Negative impact Potential business risks must be identified and effectively monitored and controlled to protect the interests of employees, shareholders, partners, and customers.
	Social	16. Employment and labor-management relations	[Actual opportunity] Positive impact We value employment relations, secure employees' salaries and benefits, and maintain smooth two-way communication channels.
Self-management	Social	10. Customer privacy and customer satisfaction	[Actual risk] Negative impact Customer satisfaction and the confidentiality and management of customer confidential information are relatively important. The Company values customer privacy, confidentiality agreements, and confidential information management.
	Economic	4. Supplier management	[Actual risk] Negative impact Suppliers are important partners of the Company. We implement sustainable supply chain management, reduce business risks, and continue to provide quality products and services to our customers.
	Economic	5. Anti-corruption and ethical management	[Potential risk] Negative impact Anti-corruption and ethical management are the basic elements of corporate governance to improve ethical corporate management and establish a corporate culture of ethical management.





	Social	17. Occupational safety and health	[Actual risk] Negative impact Employees are the Company's most important partners. Therefore, we have the responsibility to manage employee health and prevent accidents, injuries, and occupational diseases. To this end, regular emergency response training and health promotion management are conducted.
	Economic	6. R&D, design, and product innovation	[Actual opportunity] Positive impact The Company takes into account environmental impact reduction during the R&D and design process, pursue product innovation, and value green design and patent R&D/design, creating value together with customers and suppliers to bring competitiveness to the Company.
	Social	9. Product responsibility	[Potential risk] Negative impact Our products are produced in accordance with international standards. We strictly control the quality of our products and fulfill our responsibilities.
	Environmental	13. Water consumption and wastewater management	[Potential risk] Negative impact Asia Optical thoroughly implements water conservation, increases water use efficiency, reduces the generation of wastewater, and discharges the wastewater legally.
	Social	22. Social contribution and participation	[Potential opportunity] Positive impact We survey and assess the impact of the Company's operating activities on local communities, collect social feedback, conduct industry-academia collaboration, and engage in social welfare.


4.3 Material Topic Boundary

In order to reflect the overall value chain of Asia Optical, the impacts of the 9 material issues and 8 issues for self-management were mapped to define the impact boundary, ensure the transparency of the value chain, assess the implication of its extension, and analyze the significance of material sustainability topics to Asia Optical as well as management approaches and short-term/medium-term/long-term goals. Please refer to the corresponding chapters for the complete management approaches, goals, and performance.

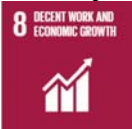
Material Issue	Issue’s Impact and Significance on Asia Optical	Corresponding Sustainability Standards and Topics	Impact Boundary								
			Internal		External						
			Managers and employees	Affiliates	Shareholders	Customers	Government agencies	Suppliers	Social groups	Academic institutions	Neighboring communities
<div>Energy and climate change action</div> <div>Air quality management</div> <div></div>	Old equipment is replaced progressively with energy-efficient models to improve energy efficiency, reduce energy consumption, and reduce carbon emissions. In the future, we will conduct carbon inventories and plan for emission reduction to do our part for the earth.	GRI 201-2 GRI 302 Energy	V			V	V				
		GRI 305 Emissions	V			V	V				
<div>Employee diversity and equality</div> <div></div>	We provide comprehensive welfare measures in a diversified, inclusive, and friendly work environment. Effective communication and exchange channels and a comprehensive promotion system are established to allow employees to actively engage in work while achieving physical and mental balance, so as to bring out their best at work.	GRI 405 Diversity and Equal Opportunity	V			V	V				
		SASB Employee Diversity and Inclusion TC-HW-330a.1	V			V	V				
<div>Risk Management</div> <div></div>	When encountering problems, effective identification and management allow us to quickly restore operations.	GRI 201 Economic Performance	V	V	V	V		V			





Legal Compliance	The Company complies with laws, regulations, and policies, and fulfills our corporate social responsibilities.	2-27	V			V	V				V
Waste and resource utilization 	We reduce waste from the source and ensure proper and legal waste disposal to reduce the waste of the earth's resources.	GRI 306 Waste: 2020 Effective from January 1, 2022 SASB: Product Lifecycle Management TC-HW-410a.4	V				V	V			
Respect for human rights 	By establishing a comprehensive human rights policy and smooth channels, Asia Optical has built good labor-management relations, thereby reducing social costs and avoiding a negative image for the Company.	GRI 406 Non-discrimination GRI 408 Child Labor	V	V		V	V				
Training and education 	For talent development blueprint planning and key talent, we have established a quality learning environment, implemented holistic talent development, and created a comprehensive career development plan.	GRI 404 Training and Education	V								
Employment and labor-management relations 	The Company offers competitive salaries and benefits to attract and retain talent.	GRI 202 Market Presence GRI 401 Employment GRI 402 Labor/Management Relations	V			V	V				
Anti-corruption and ethical management (self-management) 	We possess sound management policies and smooth communication channels to prevent anti-corruption and anti-competition violations, allowing the Company to create stable operating results.	Voluntary disclosure	V	V	V	V					




Occupational safety and health (self-management) 	By reducing work-related risks, we ensure the safety of the work environment, protect the health of employees and contractors, and prevent occupational disasters.	Voluntary disclosure	V			V	V	V			
Product and Service Innovation (self-management) 	1. Maximum value is created for shareholders and employees, and the Company's operating performance is improved.	Voluntary disclosure	V	V	V	V		V			
Customer privacy (self-management)	As we value information security management and customer privacy, we strengthen our information security protection software and hardware and employee training to implement information security and customer privacy protection and control.	Voluntary disclosure	V			V					
Product responsibility (self-management) 	The Company manages hazardous substances in products and takes product safety seriously. All products must comply with regional green product regulations and automotive product safety standards.	Voluntary disclosure	V			V					
		SASB Product Safety TC-HW-230a.1	V			V					
		SASB Product Lifecycle Management TC-HW-410a.1~3	V			V					
			V			V					
Supplier Management (self-management) 	Asia Optical works together with suppliers and will support industries with good ESG performance through regular assessments to move towards sustainable development together.	Voluntary disclosure		V		V		V			
		SASB: Supply Chain Management TC-HW-430a.1~2		V		V		V			
				V		V		V			
		SASB: Materials Sourcing TC-HW-440a.1		V		V		V			


Water consumption and wastewater management (self-management) 	Water consumption in the production process is managed and reduced, and through the improvement of technology, recycling and reuse can be achieved in the manufacturing process to reduce water use, thereby improving the efficiency of energy and water resources.	GRI 303 Water and Effluents	V					V				
Social contribution and participation (self-management)	The Company gives back to society, fulfills social responsibilities, and demonstrates our social influence.	Voluntary disclosure	V									V


4.4 ESG Sustainable Development Goals


Sustainability Issue	Issue's Impact on Asia Optical	Management Approach	KPI in 2024	Short-term Goals (within 3 years)	Medium-term/Long-term Goals (5 years)
Legal Compliance	Risk of violating the law or breaching contracts when the Company or employees fail to comply with customer confidentiality agreements	Comply with laws and regulations and related requirements and ensure there are no major violations of the law.	<ol style="list-style-type: none"> 462 employees completed confidentiality training A 100% response rate was achieved for internal legal consulting cases There were no major violations of laws in 2024 481 contracts were reviewed 	<ol style="list-style-type: none"> Establish a process for evaluating departments where confidentiality is key Provide regular education and training for the said departments Check and update regulations every six months Ensure there are no major violations of the law 	<ol style="list-style-type: none"> Review the effectiveness of education and training annually Achieve a 100% completion rate for confidentiality training Ensure there are no major violations of the law
Anti-corruption 	Integrity and honesty are our most fundamental and most important philosophies.	Implement the Company's business philosophies of integrity and honesty.	<ol style="list-style-type: none"> Each employee is required to take the Ethical Management Course once per year. For 2024: 1,320 course participants, totaling 1,178 hours Educational programs were prepared for external promotion of ethical management philosophies 	<ol style="list-style-type: none"> Establish a process for evaluating departments at high risk of corruption Provide regular education and training for high-risk departments 	For the high-risk departments: <ol style="list-style-type: none"> Review the effectiveness of education and training annually Achieve a 100% completion rate for integrity education and training for the high-risk departments


<p>Respect for human rights</p> 	<p>Corporate growth depends on the continuous contributions of employees. The Company strictly abides by international human rights standards, implements the “RBA Code of Conduct,” treats every employee with dignity, protects personal data, and avoids employment discrimination.</p>	<p>The Company also complies with labor laws and regulations and formulates foreign worker management regulations to protect their labor rights.</p>	<p>A 100% completion rate for employee human rights policy promotion was achieved</p>	<p>Conduct human rights propaganda annually</p>	<p>Continuously conduct human rights propaganda</p>
<p>Risk Management</p> 	<p>Enterprises are moving toward digitalization to improve efficiency and commercial interests, and thus will only continue to face more complex network security threats and attacks. Hackers may take advantage of any oversight of information security issues to steal important personal data on websites, leading to customer data leakage and seriously affecting the corporate reputation.</p>	<p>Implement computer asset management and upgrade network security technologies to prevent hacker attacks and eliminate confidential data leakage</p>	<p>Achieve a 100% completion rate for information security education and training</p>	<p>Regularly enhance employees' awareness of information security Business Continuity Exercise Plan Strengthen the resilience and backup capability of critical systems Implemented ISO27001</p>	<p>Ensure there are no major information security incidents Make early warnings of information security threats and ensure quick inventory and response Establish a zero trust network access policy</p>
<p>Customer privacy</p>	<p>Customers are our partners. Therefore, we are customer-focused and strive to become our customers' most reliable and trusted partner.</p>	<p>Endeavor to establish meaningful partnerships with global customers to develop sustainable and better environment-friendly products</p>	<p>The customer satisfaction target in 2024 was achieved</p>	<p>Implement NDA signing and conduct customer satisfaction surveys</p>	<p>Strictly adhere to customer confidentiality, stick to the principle of integrity, and establish a customer information protection mechanism</p>
<p>Product and Service Innovation</p> 	<p>We respect intellectual property rights; innovation is the source of our growth.</p>	<p>Put words into action, work tenaciously, and make changes—do not just think about them</p>	<p>The number of patents obtained has increased every year</p>	<p>Create an open and innovative R&D environment, stimulate the potential of employees, create maximum value, and achieve the goal of sustainable corporate management.</p>	<p>Provide high-quality sustainable products through innovative technology and advanced manufacturing processes to meet customer needs and promote well-being and health around the world.</p>
<p>Product responsibility</p> 	<p>Only with the recognition and support of our customers, combined with our high standards in quality, can we ensure the sustainable management of the Company.</p>	<p>Regularly maintain and renew ISO certification</p>	<p>The annual ISO certification process was completed</p>	<p>Reduce customer complaints and improve customer satisfaction</p>	<p>Continue to improve and optimize the quality management system to achieve the corporate goal of sustainable management.</p>


<p>Supplier Management</p> 	<p>In the future, Asia Optical will strengthen the management of supply chain sustainability risks to gradually enhance the sustainability performance of the supply chain. We will also review and mitigate the sustainability risks faced by the supply chain through the four steps of “risk review,” “risk assessment,” “material risk identification,” and “risk mitigation.”</p>	<p>Strengthen supply chain management and establish a sustainable procurement system</p>	<ol style="list-style-type: none"> 1. Signed RBA letters of undertaking totaled 37 (signing rate) 2. Signed Anti-bribery Statements totaled 15 (signing rate) 3. 6 factory maintenance surveys are completed each year 	<ol style="list-style-type: none"> 1. Require important suppliers to sign an Anti-bribery Statement and a Letter of Undertaking of Compliance with RBA Code of Conduct 2. Provide risk assessment questionnaires for important suppliers 3. Sign a Sustainability Policy Statement 	<ol style="list-style-type: none"> 1. Have important counterparties complete a Supplier Factory Management Audit Form 2. Maintain a sound supply chain management system
<p>Water consumption and wastewater management</p> 	<p>Water shortage results in stopped production.</p>	<p>Continue managing process water use Recycling and reuse of pure water and wastewater</p>	<p>A process water conservation plan was promoted It was necessary to reduce at least 2,448 metric tons of wastewater in 2024, which was equal to 5% of the wastewater discharged (48,944 metric tons) in 2019. In 2024, the actual reduction was 2,459 metric tons, achieving the target</p>	<p>Reduce the wastewater discharged from the An-He Branch by 5% (based on the volume of effluents in 2019)</p> <ol style="list-style-type: none"> 1. Recycle the pure water for rinsing from processes 2. Achieve the process water conservation target 3. Control water use in each process through water meters 	<p>Evaluate the feasibility of reducing the wastewater discharged from the An-He Branch by 8% (based on the volume of effluents in 2019)</p> <ol style="list-style-type: none"> 1. Evaluate the feasibility of installing a water recycling system for the final effluents for process use 2. Evaluate the feasibility of introducing the ISO 46001 water resource efficiency management system
<p>Waste and resource utilization</p> 	<p>The use of raw materials and waste disposal cause rising costs</p>	<p>Reduce and control process solvent use Improve the waste recycling rate</p>	<p><u>Goal in 2024:</u> To reduce process solvent usage by 2% from the base year <u>Actual achievement:</u> The goal in 2024 was to reduce solvent use by 2,582 kg. The actual solvent reduction in 2024 was 2,639 kg, surpassing the goal and achieving a total reduction of 102%.</p>	<p>Reduce solvent use in the An-He Branch by 3% (based on the solvent use in 2019)</p> <ol style="list-style-type: none"> 1. Recycle isopropyl alcohol (according to the required purity of the cleaning tank) 2. Install a high-boiling-point solvent recycling system 	<p>Evaluate the feasibility of reducing solvent use in the An-He Branch by 5% (based on the solvent use in 108)</p> <ol style="list-style-type: none"> 1. Evaluate the feasibility of introducing a recycling machine for isopropyl alcohol, which is a process raw material 2. Evaluate the feasibility of purchasing and using recycled isopropyl alcohol from waste liquid treatment companies 3. Evaluate the feasibility of purchasing and using acid-washed carbon regenerated from spent activated carbon

<p>Energy and climate change action</p> 	<p>Energy</p> <ol style="list-style-type: none"> 1. Power shortage 2. Rising energy costs 	<p>Reach the electricity savings target each year in accordance with the calculation criteria of the Bureau of Energy, Ministry of Economic Affairs</p>	<p><u>Goal in 2024:</u> Reduce electricity by an average of 1% every 10 years</p> <p><u>Actual achievement:</u> The average 10-year energy savings rate in 2024 reached 3.12%.</p>	<ol style="list-style-type: none"> 1. Reduce electricity use by 1% every year, and 3% every 3 years, as required by the Bureau of Energy, Ministry of Economic Affairs 2. Continuously promote energy saving activities 	<ol style="list-style-type: none"> 1. Evaluate the feasibility of replacing utility systems, air compressors, and air conditioners with new ones 2. Evaluate the feasibility of promoting the ISO 50001 energy management system 3. Evaluate the feasibility of setting renewable energy utilization goals
	<p>Greenhouse gas emissions</p> <ol style="list-style-type: none"> 1. International and customer carbon reduction requirements 2. Government's net zero carbon emissions target by 2050 	<p>Carbon reduction goals</p> <p>Progressively assess the Company's carbon neutrality target by 2050</p>	<p><u>Goal in 2024:</u> Obtain ISO 14064 inventory certification</p> <p><u>Actual achievement:</u> The calculation of GHG emissions from 2021 to 2024 was completed, and the verification statements for 2021, 2023, and 2024 were obtained</p>	<p>Introduce the TCFD and plan carbon reduction paths</p>	<ol style="list-style-type: none"> 1. Evaluate the feasibility of setting a carbon neutrality target 2. Evaluate the feasibility of including subsidiaries in ISO 14064 inventory certification

<p>Occupational safety and health</p> 	<p>Occupational disasters are prevented to ensure the occupational safety and health of all employees</p>	<p>Establish an ESH management system and require all employees to participate in its implementation</p> <p>Comply with ESH laws, regulations, and requirements</p> <p>Ensure employee safety and health management in the workplace</p> <p>Implement training for all employees to enhance their ESH awareness</p>	<ol style="list-style-type: none"> 1. Work environment testing: Goal: 2 times/year; achievement rate: 100% 2. Self-defense firefighting team training: Goal: 2 times/year; achievement rate: 100% 3. Number of statutory occupational safety and health audits: Goal: 1 audit/quarter; achievement rate: 100% 4. Number of safety and health inspections: Goal: 1 inspection/month; achievement rate: 100% 5. Disabling injury frequency rate (FR): Goal < 4, (actual: 1.5); achievement rate: 100% 6. Disabling injury severity rate (SR): Goal < 10, (actual: 1.5); achievement rate: 100% 7. Number of violations related to occupational safety and health (with penalties imposed): Goal: 0 violation/year; achievement rate: 100% 8. Ergonomic Hazard Prevention Plan: 893 employees completed the musculoskeletal questionnaire. 9. 2 cases of suspected unlawful infringement were handled 10. Abnormal workload prevention: Completed tracking of 23 people. 11. Health checkup: 1,085 employees received a health checkup, with a participation rate of 95.76%. 	<ol style="list-style-type: none"> 1. Ensure there are no major violations of occupational safety and health regulations 2. Implement contractor evaluation management and have contractors with a total score of 80 or higher (according to the contractor evaluation form under the ISO Standards) accounting for more than 90% of the total number of contractors evaluated 3. Conduct necessary occupational safety and health education and training based on the needs of the workplace of each factory and implement at least 2 hours of education and training per year for the relevant occupational hazards in the workplace according to the annual education and training plan 4. Improve metabolic syndrome and hold health improvement seminars 5. Organize seminars on special hazardous operations and provide health education 6. Carry out health checkups superior to regulations 7. Maintain accreditation as a Healthy Workplace 8. Organize health checkups and suitability assessments for employees aged 45-65 	<ol style="list-style-type: none"> 1. Verify and improve the implementation of relevant procedures and standards under ISO 45001 (Occupational Health and Safety Management System) 2. Promote all factories' accreditation as a Healthy Workplace, establish a healthy, safe, and comprehensive workplace, enhance occupational health promotion, and maintain occupational safety and health in the workplace 3. Implement contractor evaluation management and have contractors with a total score of 90 or higher (according to the contractor evaluation form under the ISO Standards) accounting for more than 90% of the total number of contractors evaluated 4. Reduce cases of metabolic syndrome by 10% 5. Reduce the risk of special hazardous operations 6. Optimize employee health management and protect employees' physical and mental health. 7. Improve or optimize the work environment, protect the health of employees, and extend their working years
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<p>Employment and labor-management relations</p> 	<p>Employees are important partners. Competitive remuneration and benefit strategies and a statutory retirement system are provided to build employee cohesion</p>	<ol style="list-style-type: none"> 1. Provide competitive remuneration and a benefit system that is better than the industry standard 2. Actively care for employees, build employee cohesion and enhance labor-management interactions to enhance their recognition towards the Company through effective communications and coordination. 	<ol style="list-style-type: none"> 1. Ranking in the top 50% of the median salary of the optoelectronic industry (source: The information on the salary of full-time employees who are not in managerial positions is published by the Securities and Futures Institute) 2. Number of complaints: 11 in 2022, 15 in 2023, and 12 in 2024. Most of the complaints were related to the workplace environment, all of which have been resolved, showing a decrease of 3 cases compared with the previous year. 3. 99.15% employee satisfaction with the Company was achieved 4. 82.43% of employees used travel subsidies 	<ol style="list-style-type: none"> 1. Adjust employee salaries from time to time with reference to the annual non-management salaries announced by the Securities and Futures Commission to attract and retain talent 2. Achieve a complaint resolution rate of 100% 3. Achieve 95% or higher employee satisfaction with the Company 4. Have 80% of employees using travel subsidies 	<ol style="list-style-type: none"> 1. Continuously adjust employee salaries from time to time with reference to the annual non-management salaries announced by the Securities and Futures Commission to attract and retain talent 2. Achieve a complaint resolution rate of 100% 3. Achieve 98% or higher employee satisfaction with the Company 4. Have 85% of employees using travel subsidies
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<p>Employee diversity and equality</p> 	<p>Building harmonious labor-management relations and a diversified and equal relationship with employees is the foundation for the Company's sustainable management.</p>	<ol style="list-style-type: none"> 1. Encourage the use of the native language of migrant workers at meetings and when communicating important information in order to enhance their job security and happiness 2. Organize holidays and events based on migrant workers' nationalities 3. Promote equal rights in the workplace through regular employee care interviews and regular education, training, and promotion campaigns 	<ol style="list-style-type: none"> 1. There were 12 migrant worker care sessions, with a total of 37 migrant workers; 12 local employee care sessions, with a total of 120 employees; 12 interviews with expatriate employees, with a total of 12 personnel 2. To enhance employees' awareness and response capability regarding workplace unlawful infringement issues, the Company continues to organize relevant training sessions and promotional seminars each year. The content covers legal regulations, case analyses, and practical responses, aiming to strengthen workplace safety, foster a culture of respect, and implement gender equality policies. 3. Information promoting gender equality and workplace respect is regularly published on bulletin boards and through the internal announcement system to create a friendly working environment and enhance employees' awareness and understanding of gender-related issues. 4. All female employees are entitled to menstrual leave in accordance with the law. The Company has also established a non-discriminatory leave culture to protect women's labor rights and safeguard their physical and mental well-being. 5. A total of 1024 people (including employees and their family members) participated in the factory celebration 	<ol style="list-style-type: none"> 1. Organize sexual harassment/gender-friendliness/unlawful infringement/maternity protection education/seminars/activities annually: 3 times/year 2. Implement a care system for migrant workers to help them adapt to the company culture: 12 times/year 	<ol style="list-style-type: none"> 1. Organize sexual harassment/gender-friendliness/unlawful infringement/maternity protection education/seminars/activities annually: 3 times/year 2. Implement a care system for migrant workers to help them adapt to the company culture: 12 times/year
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<p>Training and education</p> 	<p>Training not only enhances the skills, knowledge and attitudes of employees, but also boosts the overall performance and cohesion of the organization, while strategies for the sustainable development of the Company can be formed.</p>	<p>Promote a learning culture and strengthen key talent development; establish a sound talent cultivation and development system that aligns upward with the Company's overall development strategy and guides key talents downward for effective implementation.</p>	<p>The training program execution rate reached 90%</p>	<p>Establish competency development programs to plan key talent training based on talent inventory and needs analysis.</p>	<p>Provide employees with learning resources for self-growth, including digital learning, to create an atmosphere of organizational learning and sharing</p>
<p>Social contribution and participation</p>	<p>“Care for the Community, Hope for the Future.” We believe in giving back to the communities in which we operate. We hope that everyone can live in peace, creating a sustainable future.</p>	<p>Talent Cultivation</p>	<ol style="list-style-type: none"> 1. One partner school (National Taichung University of Science and Technology) 2. Industrial Department: 1 Department 3. Industry-academia visits and exchanges: 1 times/year (National Central University, National Chin-Yi University of Technology) 	<p>Promote industry-academia collaboration for higher education with 2 schools 1 industry-academia collaboration class Industry-academia visits and exchanges: 1 time/year</p>	<p>Promote industry-academia collaboration for higher education with 2 schools 1 industry-academia collaboration class Industry-academia visits and exchanges: 2 time/year</p>
		<p>Technology on campus</p>	<ol style="list-style-type: none"> 1. Sponsorship of badminton club to promote health of students: 1 <p>Donation amount: NTD 100,000/school</p>	<p>Provide 1 school with industrial scholarships for students from low-income families</p> <p>Donation amount: NTD 100,000/school</p>	<p>Provide a total of 2 schools with industrial scholarships for students from low-income families</p> <p>Donation amount: NTD 100,000/school</p>
		<p>Social innovation</p>	<p>Participation in industry forums: 1 time (Taiwan Optics & Photonics Forum) A proposal was made for cognition of industrial applications Sponsorship in 2024: None</p>	<p>Promote the advancement of optical technology to increase public cognition of its use</p> <ol style="list-style-type: none"> 1. Participation in industrial innovation-related activities: 3 times in total 2. Organization of experiential optics popularization activities: 1 times in total 	<p>Promote the advancement of optical technology to increase public cognition of its use</p> <ol style="list-style-type: none"> 1. Participation in industrial innovation-related activities: 5 times in total 2. Organization of experiential optics popularization activities: 3 times in total

		Care for the disadvantaged & community stability	<p>2024</p> <ul style="list-style-type: none"> Support for community development and safety: 1 community/year, with a total of NTD 100,000 Implementation of community care activities: 4 communities/year, with a total of NTD 13,000 Sponsorship for community safety maintenance: 2 communities/NTD 150,000/year Donations to social welfare organizations: 9 organizations/year A. Uniform donations: 2,335 in 2024 B. Charity lunch box: NTD 360 thousand (Eden) C. Case-based disability allowance: NTD 50,000 (Taichung City Government) 	<p>Support local communities and promote campaigns to deliver care to the disadvantaged</p> <p>1. Support for community safety and local development: 2 communities/year</p> <p>2. Implementation of community care activities: 1 community/year</p> <p>3. Active donations to social welfare organizations: 6 organizations/year</p> <p>4. Sponsorship for community safety maintenance: NTD 150,000/year</p>	<p>Support local communities and promote campaigns to deliver care to the disadvantaged</p> <p>1. Support for community safety and local development: 3 communities/year</p> <p>2. Implementation of community care activities: 2 communities/year</p> <p>2. Donations to social welfare organizations: 7 organizations/year</p> <p>3. Sponsorship for community safety maintenance: NTD 200,000/year</p>
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5. Corporate Governance

5.1 Company Profile



Company name: Asia Optical Co., Inc.

Date of establishment: October 9, 1980

Address: No. 22-3, South 2nd Rd., Tanzi Dist., Taichung City

Tel: (04)2533-5175

An-He Branch: No.158, Fengli Rd., Lilin Vil., Tanzi Dist., Taichung City

Tel: (04)2534-2550

Capital: 2,792,439,010

Number of employees: 996

Major industry: Optoelectronics

5.1.1 Company's Products

The Company mainly engages in the manufacturing of various optical components, which are mainly used in precision optical lenses and other lenses, including the production, processing and sale of mobile phone camera lenses, digital camera lenses, sights, laser rangefinders, image sensing components, projector lenses, and other products. In recent years, in addition to successfully expanding the development and production capabilities of optical lenses to related application markets such as automotive lenses, surveillance lenses and street view lenses; laser sensor modules have also been favored by IoT smart home appliances and other related application markets.

Optics is one of the oldest traditional fundamental sciences in the field of optoelectronics. In addition, these products only use light without using electricity. Most of the existing optoelectronic products need an optical system to produce various subsequent interactions of light and electricity. The various optical lens-related products that have been popular for a long time are actually one of the most common application products in the field of optics. The optical lens industry is an industry consisting of the markets of various parts, components, equipment and applications centered around optoelectronics technology.

With the development of modern technology, optical lenses are now being used in more fields than ever. In recent years, due to the rapid advancement of related technologies such as electronics, mobile Internet, Internet of Things, cloud computing, and biometrics, security video surveillance, consumer electronics, and other downstream applications are becoming digitized, high-definition, networked, and intelligent. High-quality lenses have become the core component of security surveillance cameras, ADAS, automotive visual systems, smart home and aerial photography drones, medical devices and other products, which is one of the important factors affecting the application effect of these products.

Changes in the Macro Environment		Main Applications	Product Change
1980s	Japanese companies set up factories in Taiwan	Precision lenses for traditional cameras, traditional binoculars, microscopes, projectors, photocopiers, image scanners, barcode scanners, etc.	High unit price, large caliber
1990s	Rise of network applications and camera digitalization	Optical components used in digital cameras accounted for more than 80%; the proportion of optoelectronic applications such as scanners and projectors also increased	Due to the low labor cost in Mainland China, Taiwanese manufacturers moved out or adopted automated equipment
After 2000	Rise of the NB market	Shift from imaging products to computer peripherals such as CD-ROM drives and NB cams	Miniaturization, standardization, and short life cycle
2009–2010	Popularity of smartphones	Mobile phone applications represented the highest percentage in 2009 at 39.7%	A leap to high pixel count
After 2011	Gradual trend of smart TVs in the market	Displays such as TVs and tablet PCs have been equipped with built-in sensing lenses	Development towards optical touch lens and optoelectronic technology

Source: Digitimes, 2010/10

5.1.2 Correlation between Upstream, Midstream and Downstream Sectors

Taiwan's precision optical component industry has a fairly complete top-to-bottom industrial chain. According to its vertical division of labor, it can be divided into the upstream optical material sector, midstream optical component sector, and downstream optical application product and peripheral sector. The main products and major suppliers are shown in the following table.

Optics Industry Structure

Upstream, Midstream and Downstream Sectors		Main Products	Major Suppliers
Upstream sector	Optical materials	Optical glass blanks	Unique Opto-Electronics Taiwan Ohara Optical Material (Japan) Taiwan HOYA
		Traditional plastic optical materials	Mainly imported

Upstream, Midstream and Downstream Sectors		Main Products	Major Suppliers
Midstream sector	Optical design Optical components Module manufacturing Optical coating	Optical system design Optical engines Glass polished lenses Plastic injection lenses Lens coating Low Pass Filter Various lens and optical lens sets	Genius Electronic Optical, LARGAN Precision, Asia Optical, Kinko Optical, Young Optics, Calin Technology, Jinzhun Optical, Ability opto-Electronics Technology, Newmax Technology, H.P.B. Optoelectronics, BASO Precision Optics, E-PIN Optical, Hokuang Optics, Litefilm Tech., Apex Optech, Canon Marketing Taiwan (Japanese-invested), etc.
Downstream sector	Application sector: Optical equipment Computer peripherals Consumer electronics	Digital cameras Image scanners PC Camera Projectors Mobile phone imaging modules Microscopes, binoculars	More than 100 suppliers

Source: Data from the PIDA (Photonics Industry & Technology Development Association), by the upstream, midstream and downstream sectors of the optics industry

Asia Optical has successfully integrated 17 diversified businesses vertically and horizontally to provide comprehensive services.



5.2 Financial Revenue

Financial Performance Over the Years

Unit: NTD million

	The Group in 2022	The Group in 2023	The Group in 2024
Operating revenue	19,077	17,830	23,047
Operating cost	15,316	14,645	18,768
Operating expenses	2,425	2,271	2,517
Income tax expense	372	232	457
Employee benefit expense	4,433	4,404	5,316
Bonus (dividends) Unit: NTD	3.70	1.90	1.80
Social investment/donation expenses	0.37	1.13	0.45

5.3 Subsidy Application

List of Government Financial Subsidies Received in 2024

Unit: NTD

Item	2024
Subsidy under the Ministry of Economic Affairs' Taiwan Industry Innovation Platform Program (for R&D plans for the Multi-task Delivery AMR and collaborative platform services)	1,000,000
Total subsidy amount	1,000,000

5.4 Governance Body's Operations

5.4.1 Board Member Diversity Policy in the Corporate Governance Best Practice Principles:

The Company's Board of Directors guides the Company's strategies, supervises the management, and is responsible to the Company and shareholders, and the operations and arrangements of its corporate governance system ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Company's Articles of Incorporation, and the resolutions of the shareholders' meeting. (The board chairperson's approval authority shall be governed separately by the Company's relevant regulations)

The Board of Directors shall consists of a minimum of five directors, to be determined based on actual operational needs and depending on the Company's business development scale and the shareholding of major shareholders. Consideration should be given to the diversity of board members. It is advisable that no more than one-third of directors concurrently serve as the Company's managerial officers. Appropriate diversity guidelines have been formulated based on the Board of Directors' operations, business type, and development needs, in following aspects:

1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- Board members possess the necessary knowledge, skills, and attainments to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the following capabilities:
1. Operational judgment.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management capability.
 5. Industry knowledge.
 6. An international market perspective.
 7. Leadership.
 8. Decision-making ability.

The nomination and selection of the Company's directors and independent directors follow the candidate nomination system in accordance with Article 192-1 of the Company Act. Shareholders holding 1% or more of Company shares may submit nominations, which are then reviewed and discussed by the board before being included in the election proposal at the shareholders' meeting. The director with the highest voting rights elected at the shareholders' meeting convenes the board meeting to elect the chairperson. To strengthen corporate governance, the board plans to establish a functional committee, the Nomination Committee, to be responsible for related matters.

(For the record of Board of Directors training, please refer to pp. 30-32 of the Company's 2024 Annual Report. For details on recusals of directors due to conflicts of interest, please refer to p. 22 of the Annual Report)

5.4.2 Implementation of the Board Member Diversity Policy:

The board members of the Company have diverse and complementary backgrounds. Directors who are concurrently serving as employees account for 43% of all directors, and female directors account for 14%. Three directors are aged between 71 and 80, three directors are aged between 61 and 70, and one director is aged between 51 and 60. All of them possess professional knowledge in industry, management, marketing, finance, accounting, and law.

Name	Gender/ Age	Core Competencies								Professional knowledge and skills
		Operational judgment	Accounting and financial analysis ability	Business management ability	Crisis management capability	Industry knowledge	An international market perspective	Leadership	Decision-making ability	
I-Jen Lai	Male 71–80	✓		✓	✓	✓	✓	✓	✓	Industry/ management/ marketing
Shu-Ping Wu	Female 61–70	✓	✓	✓	✓	✓	✓	✓	✓	Industry/ management/ finance/ accounting
Tai-Lang Lin	Male 71–80	✓		✓	✓	✓	✓	✓	✓	Industry/ management/ marketing
Yu-Liang Lin	Male 61–70	✓		✓	✓		✓	✓	✓	Industry/ management
Hui-Ming Lu	Male 71–80	✓	✓	✓	✓	✓	✓	✓	✓	Finance/ accounting
Teng-Ko Chung	Male 51–60	✓		✓	✓		✓	✓	✓	Law
Chyan-Long Jan	Male 61–70	✓	✓	✓	✓		✓	✓	✓	Finance/ accounting

5.4.3 Achievement of Specific Management Objectives in the Board Member Diversity Policy:

Management Objective	Status of Achievement
At least one-third of directors have expertise in the optoelectronic industry, marketing, or technology	Achieved
At least one-third of independent directors have expertise in law, finance/accounting, or technology	Achieved

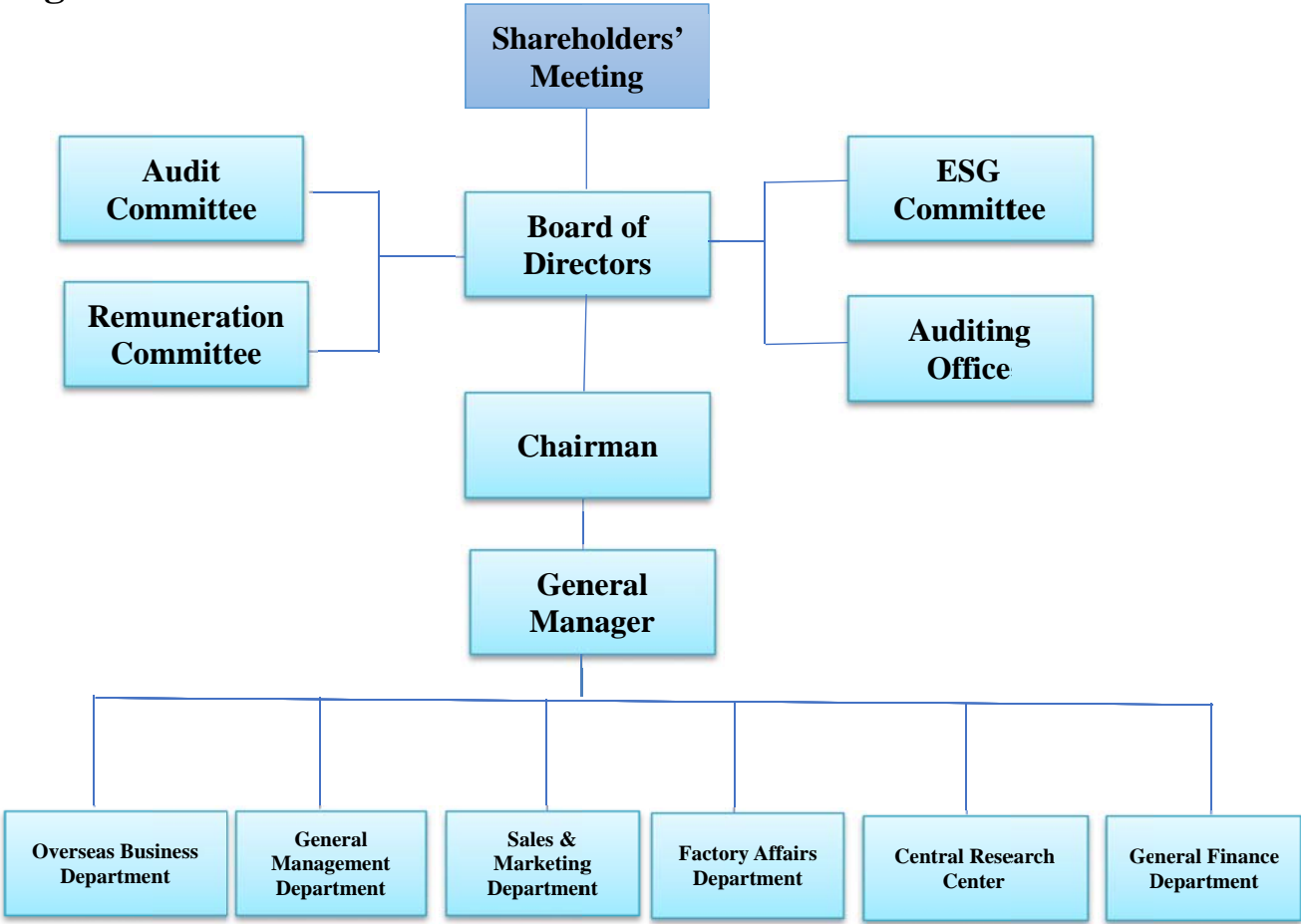
The specific objectives of the diversity policy of the Company's Board of Directors include the following: Independent directors should serve a maximum of three consecutive terms; it is advisable that no more than one-third of directors concurrently serve as the Company's managerial officers; and there should be at least one female director in the Company.

The Company's Board of Directors is independent. There are 3 independent directors, accounting for 43% of all directors. None of the independent directors have served three consecutive terms, and all of them have complied with the independence regulations of the Securities and Futures Bureau, Financial Supervisory Commission. There is no spousal relationship or relationship within the second degree of kinship between directors. 5 directors are not concurrently serving as managerial officers of the Company, accounting for 71%. The number of directors concurrently serving as managerial officers does not exceed the limit of one-third.

In August 2023, the Board of Directors promoted 5 Deputy General Managers and tasked them with achieving KPIs, hitting operational targets, and implementing and tracking ESG-related performance.

(Please refer to pp. 14–15 and p. 20 of the Company's 2024 Annual Report for the appointment and duties of the managers designated by the Board of Directors)

Organizational Chart



5.5 Audit and Remuneration Committees

5.5.1 Audit Committee

To enhance the quality and integrity of the Board of Directors’ supervision of accounting, auditing, financial/non-financial reporting processes, financial and operational control, Asia Optical has set up the “Audit Committee” subordinate to the Board of Directors, consisting of three independent directors. In 2024, the Audit Committee was convened four times, with an average member attendance rate of 100%.
(Please refer to p. 26 of the Company’s 2024 Annual Report for the Board of Directors’ supervision and evaluation of the Audit Committee’s performance)

5.5.2 Remuneration Committee

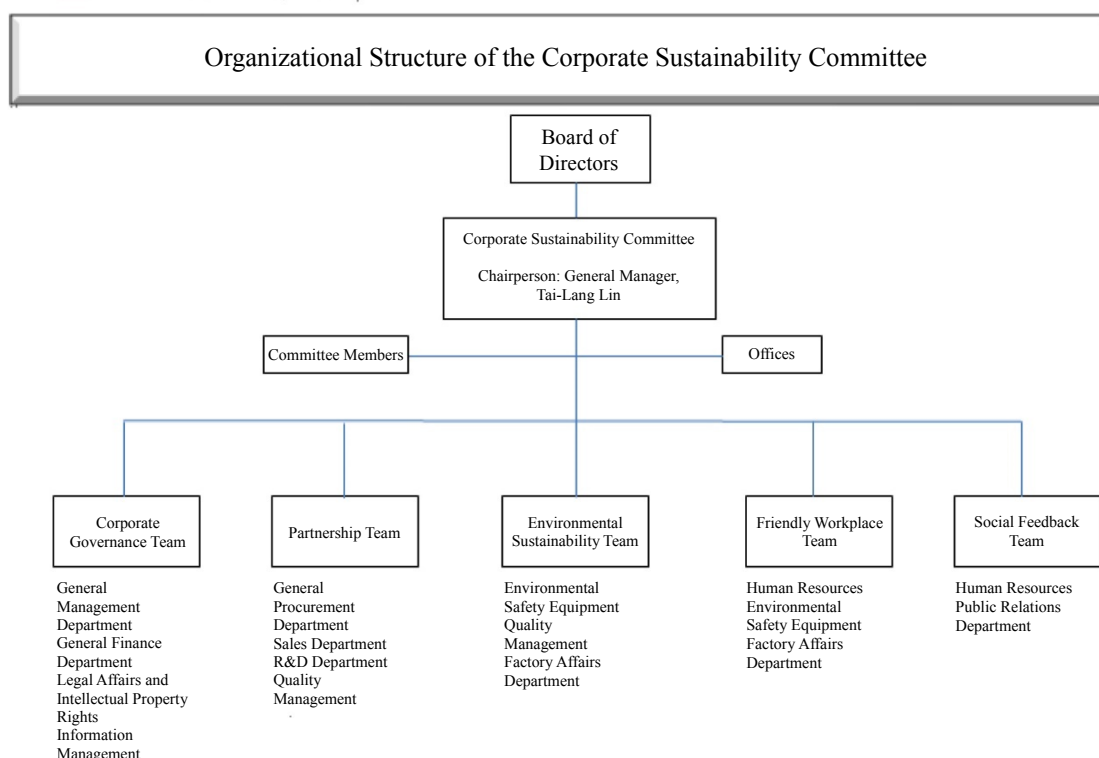
The Remuneration Committee consists of three directors. The Remuneration Committee is tasked with establishing and regularly reviewing the policies, systems, standards and structures for the performance evaluation and remuneration of directors, supervisors (Audit Committee members), and managerial officers. The remuneration of the directors, supervisors (Audit Committee members), and managers is regularly reviewed and determined to ensure that the Company’s remuneration arrangements comply with relevant laws and regulations and are good enough to attract outstanding talent. In addition to fixed amounts of remuneration for independent directors, the remuneration to the directors is

reasonable, as the results of the Company's operations and the extent of their performance and involvement are considered. In 2024, the Remuneration Committee was convened two times, with an average member attendance rate of 100%.

(Please refer to p. 35 of the Company's 2024 Annual Report for information on the performance of the Board of Directors and the Remuneration Committee, and pp. 16-17 and p. 20 for the overview of the remuneration to the Board of Directors)

5.6 ESG Management System Implementation Committee

ESG Implementation Organization Chart



5.6.1 Organizational Responsibility

1. Board of Directors/Chairman: The highest decision-maker responsible for coordinating the Company's operating rules, supervising the Company's ESG practices, reviewing the effectiveness of implementation, and making continual improvements.
2. Corporate Sustainability Committee: Planning of the overall management strategy, planning and promotion of the Company's ESG policies.
3. Offices: Implementation and maintenance of the ESG management system and document control.
4. Chairperson/Deputy Chairperson: The chairperson and deputy chairperson of the Company should be appointed by the Company's top executive from the management within the organization.
 - (1) Establishing, implementing, and maintaining the Company's ESG management system.

- (2) Reporting the implementation effectiveness of the ESG system to the management and conducting reviews as the basis for ESG system improvement.
- (3) Give all employees a clear understanding of the Company's ESG goals through internal process management or appropriate communications/propaganda.
- (4) Convening management review meetings, tracking implementation effectiveness, and maintaining normal operations.
- (5) Implementing and reviewing annual internal and external audit plans.
- (6) Liaising with external parties regarding ESG matters.
- (7) Reviewing system and procedure documents.
- (8) Reviewing and supervising the implementation and achievement of quality goals.
5. Corporate Governance Team: Promotion of corporate governance and disclosure of information on social responsibility issues of concern to stakeholders. ESG promotion, integration of the Company's ISO systems, and cooperative monitoring of the operation of the audit system.
6. Partnership Team: Ensuring that the supply chain and R&D products comply with the Company's ESG policy.
7. Friendly Workplace Team: Promotion of policies on human rights, labor rights, employee health, healthy workplace, shared areas, salaries, reward and punishment systems, corporate ethics education, and competency development.
8. Environmental Sustainability Team: Promotion of policies on industrial safety, fire safety, and environmental protection.
9. Social Feedback Team: Promotion of corporate governance and disclosure of information on social responsibility issues of concern to stakeholders.
10. Other units: Cooperate with the implementation of the Company's ESG policies.

5.7 Legal Compliance

5.7.1 Information Disclosure

In accordance with the regulations of the competent authority, investors may find the relevant information of the Company through the "Market Observation Post System." In addition to the disclosure of the Company's basic information, technology research and development, and corporate social responsibilities, there is also an Investor Relations section on the Company's website, where the Company's financial information and corporate governance related-written documents and regulations are available. We hold regular investor conferences to explain the quarterly consolidated financial figures, operating conditions, and future prospects. Relevant information and video files of the conferences are also available on the Company's website and the "Market Observation Post System" for investors' reference. The Company also communicates with investors through various investment conferences, overseas visits, and the investor relations communication channels. In 2024, Asia Optical participated in 2 external or self-organized investor conferences.

The Company was not involved in major violations of ethics or integrity, such as anti-corruption or data leaks, in 2024.

No violation of the Labor Standards Act in 2024.

5.7.2 Legal Risk Management

Asia Optical has established a management system for the acquisition, identification, risk assessment, and implementation of relevant laws and regulations that must be complied

with by the organization’s operations, processes, products, or services. The Company has also enhanced employees’ awareness and performance of legal compliance, maintained its corporate image, and reduced the operational risks of the organization. We value the corporate culture of legal compliance.

5.7.3 Ethical Management Education and Training

In 2024, the Company’s ESG promotion team and ethical management unit (Ethics Management Committee) implemented “Ethical Management” and “Whistleblower Protection” training for 267 managers, totaling 259.5 hours, and 2,081 employees, totaling 1,792.5 hours. The training was offered to a total of 2,348 people for 1,818 hours. A total of 944 people participated in promotion activities relating to laws and regulations governing insider trading, with 934.5 hours in total, including 85 managers for 108 hours and 859 employees for 826.5 hours.

	Number of Managers	Hours/ Manager	Number of Employees	Hours/ Employee
Ethical Management	173	146.5	1,195	961.5
Whistleblower Protection	94	113	886	831
Insider Trading Propaganda	85	108	859	826.5

5.8 Values, Principles, Standards, and Code of Conduct

5.8.1 Professional Code of Ethics

Adhering to the principle of legal compliance, Asia Optical has formulated the “Procedures for Acquisition and Identification of Regulations and Other Requirements” and the “Notes for the U.S. Antitrust Laws.” In addition to regular review by the legal affairs department, all business management departments are required to review and improve systems regularly, as well as cooperate with the audit department’s audits to ensure that the legal requirements are fully implemented. Due to its rigorous management, Asia Optical was not subject to any large fines (over NTD 1 million) by competent authorities for violating laws and regulations in 2024. There were also incidents of corruption of anti-competitive behavior in 2024.

Asia Optical has established the “Code of Integrity” and the “Employee Code of Ethics and Code of Conduct” for all employees, and stipulated the rules for the appointment of relatives and business relationships. We upholds integrity and honesty in our dealings with customers. Every year, Asia Optical ensures the implementation of relevant mechanisms through the following measures, covering all factories in Taiwan and Mainland China.

1. The “Regulations of Corporate Integrity” are taught during new employee orientation, and the relevant terms are included in the employment contract.
2. Managers and executives sign a “Letter of Undertaking to Compliance with the Code of Integrity for Employees” every year. The signing rate in 2024 reached 100%.
3. An “Integrity Investment” and an “Investigation on the Investment or Employment Status of Employees and Their Relatives in the Company, Partnered Vendors, or Competitors” are conducted annually for personnel at or above engineer/manager level in each unit. No violations were found related to the appointment of relatives and

integrity compliance in 2024.

Statistics on Asia Optical's Anti-corruption Education and Training in 2024

Year		2024					
Item		Number of Participants		Total Training Hours/Participant		Average Hours	
		Male	Female	Male	Female	Male	Female
Functions	Administrative staff	64	212	71	214.5	2.96	2.82
	Technical staff	1,355	1,309	1,306.5	1,027	3.30	1.28
	Managerial staff	293	59	310	57.5	4.08	2.50
Total		1,712	1,580	1,688	1,299	3.40	2.68

1. Managerial staff at section level or above
2. Excluding expatriate staff

If employees find any violation of ethical management, they can anonymously report the violation or file a complaint to the Asia Optical Audit Team or the Human Resources Department by phone or through the suggestion box in accordance with the “Code of Integrity.” The handling unit will form a project investigation team. If the violation reported involves directors or top managers, the handling unit will report the violation to the independent directors or top managers of the Group. In 2024, no integrity-related reports were received, and there were no related corruption and bribery cases.

5.8.2 Human Rights Policy

Asia Optical recognizes and supports the spirits and fundamental principles for human rights protection stated in the “Universal Declaration of Human Rights,” “United Nations Global Compact,” and “International Labor Conventions.” We abide by the relevant human rights and labor laws and regulations in the place where the Company is located to ensure that the Company’s operations comply with local regulations.

The Company has formulated the “Asia Optical Human Rights Policy” (hereinafter referred to as the “Human Rights Policy”), which is not only applicable to subsidiaries, but also to suppliers and partners in the hope that we can work together to thoroughly implement the Human Rights Policy. The Company’s Human Rights Policy is the highest guiding principle for human rights protection, and relevant human resources rules and regulations have been formulated in accordance with the Policy and in compliance with laws and regulations. For example, we have established the “Work Rules” to protect the rights and interests of employees; developed the “Regulations for Sexual Harassment Prevention, Complaints and Disciplinary Measures in the Workplace” and the “Unlawful Workplace Infringement Prevention Plan” and set up a whistleblowing hotline and email address in order to provide employees with a work environment free from discrimination and harassment; and announced relevant regulations on the Company’s intranet. In 2024, no human rights-related reports were received.

Human Rights Policy's Implementation Results

Item	Goals in 2024	Implementation Results in 2024
Provide a safe and healthy work environment	<ol style="list-style-type: none"> 1. Track and manage 23 employees with abnormal workload and at low risk of overwork annually 2. Assess hazards and risks and conduct assessment for 5 employees/year in accordance with the Ergonomic Hazard Prevention Plan annually 3. Health education in accordance with the Workplace Maternal Health Protection Plan 4. Organize an annual physical examination for employees engaging in special hazardous operations 5. Carry out PASESA measurements and blood pressure high risk tracking health services implementation health education 6. Work resumption assessment after injury or illness 	<ol style="list-style-type: none"> 1. The Company maintained its ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) certifications. We also actively promoted improvement activities such as energy conservation, disaster prevention, and pollution prevention to reasonably ensure a safe work environment. 2. In accordance with the Abnormal Workload Prevention Plan, health education was provided to 23 employees at low, medium and high risk of overwork 3. In accordance with the Ergonomic Hazard Prevention Plan, the Company assessed hazards and risks, evaluated and selected improvement methods, and conducted assessment for 5 departments/year. 4. Health education was provided for 13 employees in accordance with the Workplace Maternal Health Protection Plan. 5. The Company provided a physical examination for a total of 61 employees engaging in special hazardous operations. 6. The numbers of occupational injuries/deaths, serious occupational injuries, deaths due to occupational diseases, and recordable occupational diseases were all 0. The number of occupational injuries for non-employees and contractors was 0. 7. A total of 167 employees received PASESA measurements and health education and blood pressure tracking. 8. 5 employees were assessed for reinstatement after an injury or illness

Eliminate illegal discrimination to reasonably ensure equal job opportunities.	<ol style="list-style-type: none"> 1. Employment of 9 employees with disabilities as specified by law 2. Employment of 17 indigenous persons 3. Increase job opportunities for local residents (in Tanzi District) 	<ol style="list-style-type: none"> 1. The Company has implemented the Human Rights Policy in internal control procedures, and does not treat employees and job applicants unfairly based on their race, class, language, ideology, religion, political affiliation, nationality, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, zodiac sign, blood type, etc. 2. The Company takes concrete actions to support disadvantaged groups by providing them with job opportunities. We employ 11 people from groups recognized as disadvantaged (the minimum statutory requirement is 9; no new hires in 2024). 3. 17 indigenous employees (5 of them hired in 2024). 4. Job opportunities were provided to local residents (in Tanzi District). A total of 153 people were employed.
Prohibit child labor	<ol style="list-style-type: none"> 1. Prohibit the employment of child labor as required by law 	In order to ensure compliance with corporate social responsibilities and ethical standards, the Company has explicitly prohibited the employment of child labor from the beginning of recruitment, and has never hired any child labor. All suppliers of Asia Optical are required to sign a Letter of Undertaking of Compliance with RBA Code of Conduct for compliance and implementation. Each year, we select 6 important suppliers for on-site audits to verify that their risk of child labor use and forced labor is low and that they have fully implemented their human rights commitments.
Prohibit forced labor	<ol style="list-style-type: none"> 1. Comply with laws and regulations 2. Monthly review and control working hours 	<ol style="list-style-type: none"> 1. The Company does not force or coerce any unwilling person to perform services. Our employees' daily and weekly working hours and extended working hours, vacations, special leaves, and other types of leave are in

		<p>compliance with laws and regulations.</p> <p>2. There are dedicated personnel responsible for inspecting and controlling the working hours of employees in factories on a monthly basis. If employees apply for overtime, they will be provided with overtime pay or compensatory time off.</p>
Help employees maintain physical and mental health and work-life balance	<p>1. Engage physicians and nurses to provide 182 employees with regular medical consultations and health education/care</p> <p>2. Conduct 45 employee care interviews</p>	<p>1. In order to encourage employees to exercise voluntarily and manage their health, health education and health promotion activities are held from time to time to provide information about physical and mental health.</p> <p>2. Physicians and nurses paid regular on-site visits to respective workplaces and provided a total of 182 employees with abnormal health checkup results, or those in need of assessment for return to work or maternal health protection, with medical consultations and health education/care.</p> <p>3. 214 employee care interviews were conducted (45 new employees; 120 domestic employees; 12 expatriate employees; and 37 migrant workers).</p> <p>4. A Family Day was organized for employees to achieve health and life balance outside of work.</p> <p>5. The Company's Welfare Committee encourages employees to participate in outdoor leisure activities to relax their body and mind, and provides travel-related subsidies.</p>
Compliance with laws and regulations	<p>1. Comply with labor laws and regulations without violating them</p>	<p>1. We have ensured that all our employees are directly hired or are provided by legitimate labor dispatch companies, that there is no coercion involved to work for pay that is not commensurate with their job duties.</p> <p>2. Asia Optical has complied with</p>

		labor laws and regulations.
Education and Training	<ol style="list-style-type: none"> 1. Implement occupational safety and health education and training 2. Conduct human rights propaganda 	<ol style="list-style-type: none"> 1. 2,877 employees received occupational safety and health education and training (courses include new employee orientation, on-the-job occupational safety training, occupational safety certification training, and fire safety or environmental protection training). 2. Human rights-related information was distributed and displayed, reaching 7,935 employees, relating to company regulations; workplace sexual harassment prevention, complaints, and disciplinary measures; and corporate social responsibilities, etc.

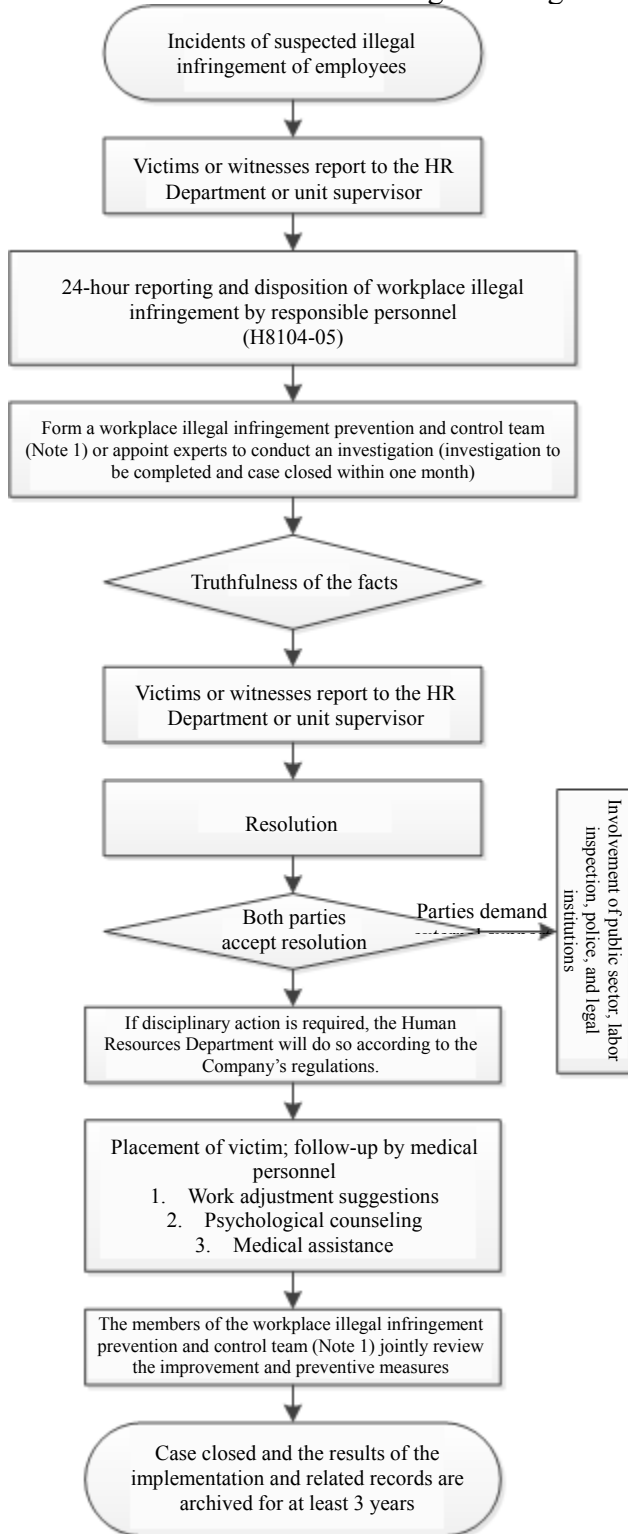
Statistics on Asia Optical's Human Rights Education and Training in 2024

Year		2024					
Item		Number of Participants		Total Training Hours/Participant		Average Hours	
		Male	Female	Male	Female	Male	Female
Functions	Administrative staff	137	486	146.5	527.5	6.10	6.94
	Technical staff	3325	3231	4031	2966.5	10.18	3.69
	Managerial staff	615	141	666	136.5	4.08	2.50
Total		4,077	3,858	4,844	3,631	9.77	7.49

Note:

1. Managerial staff at section level or above
2. Excluding expatriate staff

Procedures for Prevention of Illegal Infringement in the Workplace



Note 1: Members of the workplace illegal infringement prevention and control team: The highest-ranking executive of the General Management Department, the Human Resources Department, the Medical Center, and other relevant personnel

5.9 Risk Management

Asia Optical's risk management scope covers information security risks, occupational safety risks, intellectual property rights, financial risks, trade secrets, climate change risks, and supply chain management. The respective departments carry out risk management for uncertain business risk factors to strengthen the Company's preventive measures and the systematic strategies and management measures in the face of risks. In the future, we will improve our risk management measures, appoint the Board of Directors as the highest advisory body for risk management, and have the independent audit unit under the Board of Directors perform internal audits to ensure the continuous and effective implementation of the risk management system, thereby securing the continuous operation of the Company and reducing the possible impact of risks.

Risk Type	Risk Source	Management Strategy	Performance in 2024
Information Security Risk	Email account takeover	<ol style="list-style-type: none"> 1. Users are required to use complex combinations of characters, letters, and numbers when setting passwords. 2. The server will voluntarily suspend accounts that send large amounts of emails, and notify the administrator. 3. If a large number of emails are sent from different IP addresses at the same time, the server will stop operating and notify the administrator immediately. 4. The email server automatically filters out marketing emails and emails with attachments. 5. Plan: Update the mail server to add security policies and real-time updates of anti-virus mechanisms. 	<ol style="list-style-type: none"> 1. The IT Section will monitor the server usage and check whether there are any abnormal email sending/receiving patterns from time to time. 2. Regularly send information security messages to enhance employees' information security knowledge.
	Hacker invasion	<ol style="list-style-type: none"> 1. Produce host detection and scanning reports regularly for important servers. 2. Regularly back up critical servers. 3. Update backup software and server equipment to enhance backup capacity and shorten recovery time. 	<ol style="list-style-type: none"> 1. Vulnerability scanning is conducted for important servers on a quarterly basis. 2. Server backup is performed daily, weekly, and monthly. 3. Disaster recovery drills are organized annually.

Occupational Safety Risk	<ol style="list-style-type: none"> 1. Operational safety risk 2. Construction safety risk 	<ol style="list-style-type: none"> 1. Introduce ISO 45001 Occupational Health and Safety Management System 2. Regularly implement work safety inspections and education and training to enhance hazard awareness 3. Organize employee health checkups and health promotion activities every year 	<ol style="list-style-type: none"> 1. Compliance audits are carried out regularly 2. Daily, weekly, monthly, and yearly voluntary inspections and construction safety inspections are carried out
Intellectual Property Rights	<ol style="list-style-type: none"> 1. Copying or stealing of products, technologies, or secrets by others 2. Products infringing upon the intellectual property of others 	<ol style="list-style-type: none"> 1. Apply for patents and trademarks for intellectual property protection 2. Design around existing patents in R&D and design 	Patent proposal management + order demand related to intellectual property rights
Financial Risk	Exchange rate risk	<ol style="list-style-type: none"> 1. Focus exchange rate hedging strategies on using the foreign currency deposits (USD, JPY, HKD) for export bill negotiation to repay the purchase price of imported materials in response to the risk of exchange rate fluctuations. 2. Keep abreast of exchange rate trends and take the bank's advice to appropriately adjust the foreign currency deposit position based on the actual fund demand and exchange rate changes. 3. In terms of business quotations, consider the impact of exchange rate changes and adjust the selling price in a timely manner to secure a minimum profit. 	In 2024, foreign exchange gains amounted to NTD 120 million, which did not have a significant impact on the Company's operations.

Trade Secrets	Employees' failure to implement confidentiality management	Education and Training	<ol style="list-style-type: none"> 1. Education and training are conducted for new employees in sales, procurement, and development departments. 2. The Intellectual Property Rights Section formulated the "Regulations Governing the Classification of Confidential Information Assets." 3. There were no reports related to customer privacy or loss of customer data in 2024
Climate Change Risk	Energy conservation and carbon reduction Green design Green production	<ul style="list-style-type: none"> ■ Strategies for transformation risks 1. Collaborate with value chain partners to continue to research and develop innovative designs, and take green design and green procurement into consideration for the product life cycle. 2. Continue to monitor international trends and requirements on climate change and proactively disclose information on responses to climate change. ■ Strategies for physical risks 1. Continue to develop and promote water saving, energy conservation and carbon reduction projects, and improve the efficiency of resource use. ■ Strategies for transformation opportunities 2. Develop innovative products with higher energy efficiency to meet customer demand for low-carbon products. 3. Optimize existing building equipment and energy management. 	<ol style="list-style-type: none"> 1. An electricity savings target is set for all factories every year. 2. A water use reduction target is set annually. 3. A solvent waste reduction target is set every year.

Supply Chain Management	Asia Optical Green Procurement Standards RBA Supply Chain Management	<ol style="list-style-type: none"> 1. All raw materials and parts/components delivered to Asia Optical must comply with the Asia Optical Green Procurement Standards 2. Voluntary testing for hazardous substances 3. Inspect and audit 6 factories for ESH and CSR every year. 	<ol style="list-style-type: none"> 1. Suppliers included in the supplier evaluation list are required to sign and return an RBA statement. 2. The pass rate of the voluntary hazardous substance tests was 100%
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5.10 Supervisory Mechanisms (Internal Control, Internal Audits, and Early Warning Mechanism)

The Company's internal audit unit is directly subordinate to the Board of Directors. In addition to making regular reports at board meetings, the internal audit unit should also immediately report to the Audit Committee and the Chairman when necessary in order to implement corporate governance.

The Company's internal audit rules specify that the internal audit unit should review the internal controls of the Company's operating procedures and report on whether the design of such controls and routine practical operations are appropriate to achieve the purpose of the internal control system. The internal control system and audit scope covers all operations within the Company and the subsidiaries of the Company.

The audit work is mainly carried out in accordance with the audit plan approved by the Board of Directors, which is prepared based on the identified risks. Project audits or reviews may be carried out as necessary. The execution of the above-mentioned general audits and project audits provides information on the operational status of the management's internal control function and offers the management another channel to understand existing or potential internal control deficiencies in a timely manner. After implementing the audit plan, the internal audit unit issues a written audit report and a follow-up report, and submits them to the Audit Committee for review on a regular basis.

The internal audit unit reviews the self-assessment of the internal control system implemented by each department, including review on its implementation, reviewing documents to ensure the quality of implementation, and organizing the assessment results. The results together with the internal control deficiencies and abnormality improvements identified by the audit unit are used as the basis for recommending the issuance of a statement of internal control by the Board of Directors and the CEO.

The Company's internal audit unit is staffed with full-time auditors who are also responsible for the supervision of the audit operations of subsidiaries. According to the Company's Corporate Governance Best Practice Principles, the appointment/dismissal, evaluation, and remuneration of the internal auditors should be approved by the chief auditor and reported to the Chairman for approval. The Corporate Governance Best Practice Principles have been disclosed in the Corporate Governance section of the Company's official website.

5.11 Participation in External Organizations

Asia Optical's Role in Associations					
NO.	Association	Membership Period	Role	Term	Member Representative
1	Taiwan Optics Association	Before 2018–2024	Chairman/ Director/ Supervisor	2015-2020: Chairman 2021-2024 Supervisor/ Director	3
2	Friends of the Police Association of the Second Special Police Corps., Friends of the Police Association of the R.O.C.	2018–2024	Member	2018–2024	1
3	Taiwan Export Processing Zone Optical & Precision Instrument Association	Before 2018–2024	Director/ Supervisor/ Member	Before 2018–2024	4
4	Taiwan Photonics Society	2019–2024	Director	2019–2024	1
5	Industrial Development and Investment Promotion Committee of Taichung City	Before 2021–2024	Committee Member	2021–2024	1
6	National Taichung University of Science and Technology - Career and Counseling Committee	2022–2024	Committee Member	2022–2024	1
7	Photonics Industry & Technology Development Association: Member	Before 2018–2024	Member	Before 2018–2024	22

6. Partnership

6.1 Product and Service Innovation

The Company's main products include optical lenses, sights, and laser rangefinders and their parts/components. Our optical lenses are mainly produced with the ODM method. We offer various lens sets to customers according to their needs. Our sights are used as aids in recreational sports, and their customers are relatively fixed. The main function of our laser rangefinders and their parts/components is distance measurement. They are used in leisure and recreational activities (such as mountain climbing, sailing, and golf) or various construction projects.

6.1.1 Important Uses of Main Products

1. **Optical Components**
They are produced with the ODM method, and are designed and manufactured according to customers' requirements for the overall mechanical structure. They are mainly used in digital cameras, mobile phone cameras, projectors, video cameras, photocopiers, scanners, etc. The Company provides a variety of lens sets for the assembly of various products.
2. **Image Sensing Components**
They are mainly used in multifunction printers, image scanners, business card scanners, photocopiers, and fax machines.
3. **Optoelectronic products**
They are mainly used as shooting aids. We also offer monoculars with cross-hair lines, which are equipped with a zoom function, and the focus can be adjusted. Such products are now widely used in recreational sports.



► Optical Lens

PGM (precision glass molding) aspherical lenses, glass spherical lenses, plastic lenses, prisms, precision coating components.



► Laser Products

Hand-held monocular and binocular laser rangefinders and important sensing components in laser rangefinder products.



► Digital cameras

We provide high-quality digital cameras that are characterized by high precision, high magnification, high zooming, and 4K ultra-HD action shooting.



► Lens

Compact lenses, DSC lenses, projector lenses.



► Fiber Optics

Global ODM/OEM integration capability to meet different requirements from customers.



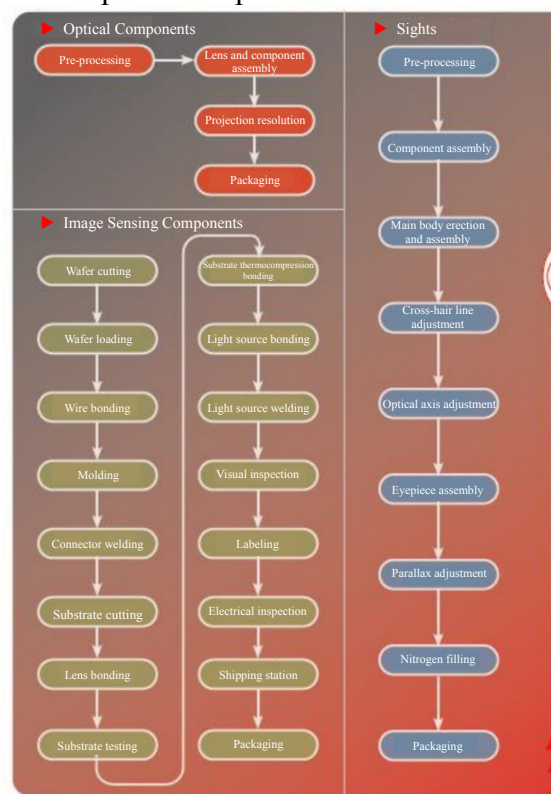
► Pico Projector Engine

Currently, our thinnest optical projector is 5.5mm, which is the thinnest projector module in the world.

6.1.2 Production Process of Main Products

The Company's products are mainly classified into three major categories, which are described individually as follows:

1. Optical components:



6.1.3 Product and Technology Development



1. Master Key Technologies and Create Key Strength

With a stable attitude and positive spirit, Asia Optical never forgets innovation, quality, service, and steadfastness. We also continue to integrate mechanical and electronic talent to make our technology more comprehensive and develop fast-growing high-tech products continuously. The Company has been successfully transformed into a company with optical, mechanical and electrical technologies to develop and introduce many new technologies and equipment. Therefore, many related business departments and affiliates have been established to allow for the business diversification of the Company, successfully integrating the upstream and downstream operations. Such business model enables Asia Optical to provide customers with total solutions. Everything from parts to optoelectronic products can be produced through the Group's affiliates, offering customers comprehensive services.

Asia Optical's Technology R&D:

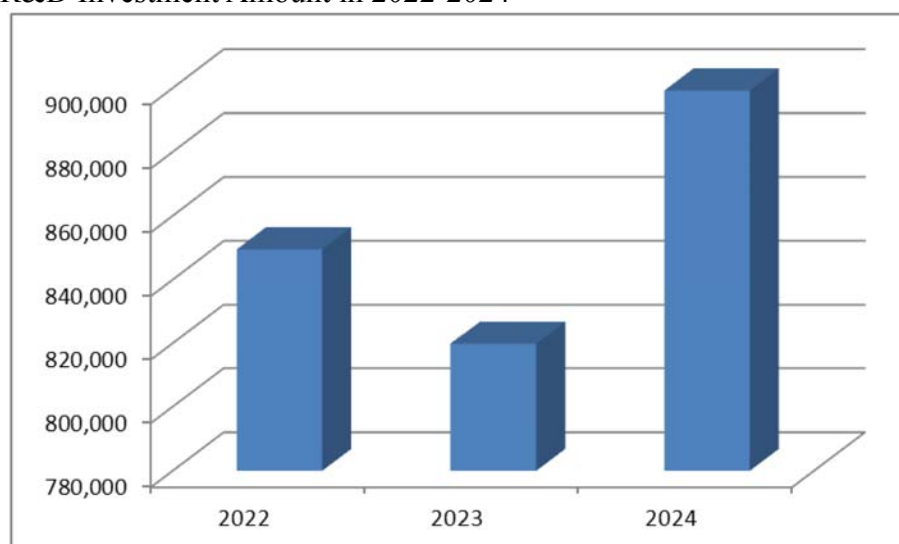
- Optical lens: Plastic injection lenses, PGM aspherical lenses, precision coating components, glass spherical lenses, prisms, flat glass lenses.
- Lens: Compact lenses, DSC lenses, projector lenses, mobile phone lenses.
- VR & AR: AR, VR projectors
- Fiber optics: Lens Array, CWDM/Lan WDM Z-Block, Compact CWDM, DWDM
- Compact LiDAR Module
- Sports optics: Laser rangefinders, sights, and laser modules for household robot vacuums.
- Automotive optronics: Automotive lenses.
- Precision parts and components: Tooling, plastic projection, stamping, pouches & cases, surface treatment.
- World's Only External Sound Localization Stereo Headphone
- Non-invasive Vascular Screening Device
- Digital cameras
- SMT

2. Competitive Advantage

Accelerate the R&D of AR, VR and LIDAR and implement the “Only 1, No. 1” policy

Asia Optical has established a number of related business departments and affiliates to allow for the business diversification of the Company, successfully integrating the upstream and downstream operations. Everything from parts to optoelectronic products can be produced consistently, providing customers with comprehensive services. In addition, we have continuously expanded our core optical technology to develop new products while integrating mechanical and electronic talent to make our technology more comprehensive. Asia Optical has been successfully transformed into a group enterprise with optical, mechanical and electrical technologies. The Central Research Center has been established to integrate the Company’s optical core technology. NTD 899 million was invested in R&D in 2024. Asia Optical’s R&D expenses in the past three years are shown below:

R&D Investment Amount in 2022-2024



Our emphasis on R&D is reflected in our innovation results. Furthermore, many of our products such as automotive lenses, mobile phones, projectors, sights, VR, AR, and LiDAR are widely used. In view of the fact that LiDAR is suitable for automotive lenses for Level 4 autonomous vehicles, the demand and acceptance for using 2D LiDAR in robot vacuums is growing rapidly. However, obstacle avoidance modules and visual recognition systems are indispensable for making sensors more intelligent. Asia Optical has also committed to and succeeded in the development of cost-effective, micro, high-precision LiDAR and visual recognition systems for obstacle avoidance.

Consolidated R&D Expenses in the Most Recent Year and up to the Publication Date of The Annual Report

Unit: NTD thousand

Year	2022	2023	2024
Net operating revenue	19,077,048	17,830,192	23,047,473
R&D expenditure	849,500	819,860	899,238
R&D ratio	4.45%	4.60%	3.90%

Successfully Developed Technologies or Products

- A. Development of laser modules for household robot vacuums.
- B. Development of rangefinders for OIS binoculars.
- C. Development of new sights/laser sights.
- D. Development of automotive lens modules.
- E. Development of IP cam lens modules.
- F. Continuous development of 10X zoom periscope optical lenses for mobile phones.

6.1.4 Product Innovation: Automotive Lenses

Automotive lenses were initially widely used in dashcams, rearview cameras, and surround-view systems. With the rapid development of advanced driver assistance systems (ADAS) and autonomous driving technologies, the demand for automotive lenses has continued to increase. In particular, to achieve fully autonomous driving, cameras are used to replace the driver's "eyes." To prevent misjudgment by the visual system, more optical lenses will be required.

The automotive lens market is growing rapidly, with a market size of USD 10 billion in 2023 and an estimated value of USD 19.7 billion by 2031, representing a compound annual growth rate of 8.2%.

The working environment for automotive lenses is often harsh, as they must withstand various extreme conditions such as high and low temperatures, varying light intensities, and hot and humid climates. Moreover, while vehicles are traveling at high speeds, the lenses must quickly and accurately detect the external environment. Therefore, continuous improvement in lens resolution is required to provide clearer and more detailed images, enabling autonomous vehicles to accurately identify objects and road conditions, thereby enhancing driving safety.

Due to the physical limitations of plastic lenses and their inability to withstand prolonged high temperatures, they are rarely used in lenses for autonomous driving systems, which primarily adopt glass lenses.

Given the high reliability and environmental resistance requirements of automotive lenses, the Company has long dedicated efforts to developing glass molding technology. With its advanced processing and coating techniques, coupled with excellent precision, yield rate, and production scale, the Company holds significant advantages in producing automotive lenses that demand a long service life.

As the most critical component in autonomous vehicles, automotive lenses must meet stringent requirements, including a storage temperature range of -40°C to +125°C, an operating temperature range of -40°C to +105°C, and 500 cycles of thermal shock between -40°C and +105°C. Under such harsh temperature conditions, the design incorporates the Group's advanced molded glass technology combined with spherical glass lenses to achieve high-resolution imaging of up to 5 million pixels, excellent image quality, and superior weather resistance.

To counter issues such as ghosting and glare caused by strong direct light sources like headlights and sunlight, as well as to maintain optical imaging stability, surface material strength, and color consistency under prolonged sunlight exposure, the Company continues to enhance overall technical quality through advancements in coating and other manufacturing processes.



Image Source: Toyota, ZKW Group

To meet customers' increasing monthly demand while ensuring excellent process yield, the Company employs fully automated production lines for all stages, from component preparation and assembly to performance testing, to eliminate discrepancies that may arise from differences among assembly or inspection personnel.

Each lens is labeled with a QR code, which can be used for the traceability of production data records.



- ▲ The automated production process consists of nearly a dozen workstations, covering component placement, assembly, and inspection.
- ▲ Through complete automation of production, manual operation errors can be reduced, and working hours can be shortened.

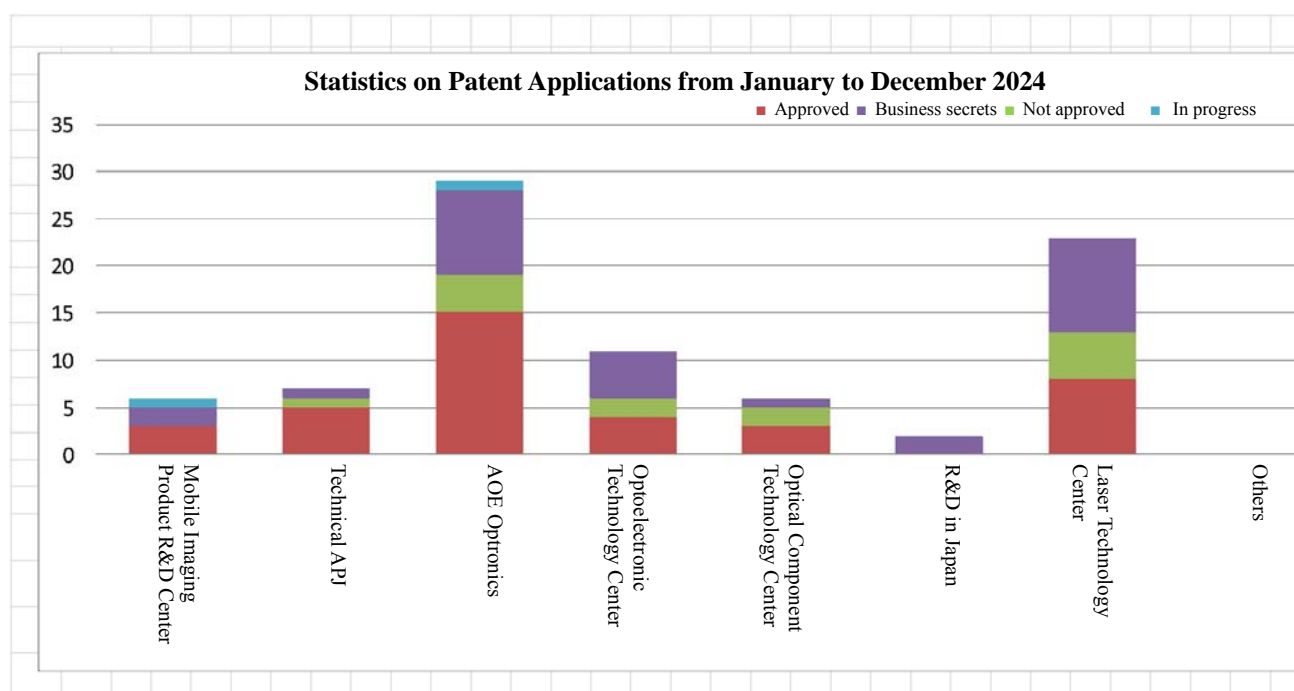
6.1.5 Patent Portfolio

Asia Optical values and respects intellectual property rights since innovation is the source of our growth. We pursue innovation in technology, manufacturing, strategy, marketing, and management, and implement and turn innovative ideas into action. In the meantime, we have built a patent protection network in Taiwan, Japan, the United States, and other countries, to raise the industry's entry threshold and protect every innovation result. The patent results in 2024 are as follows:

Statistical period: January 1 to December 2024

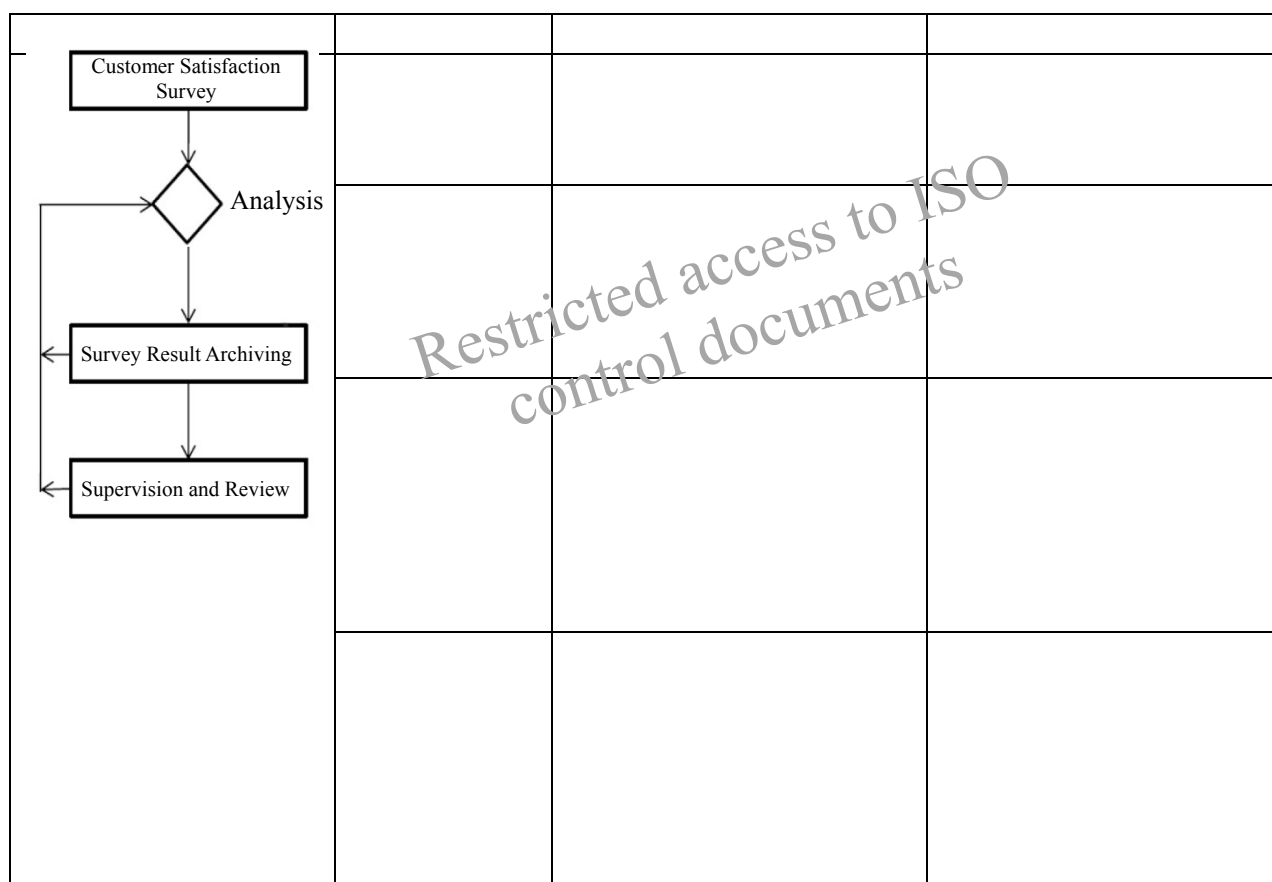
1. Proposal and Patent Statistics from January to December

Unit/Procedure		Mobile Imaging Product R&D Center	Technical APJ	AOE Optronics	Optoelectronic Technology Center Optical Component Technology Center		R&D in Japan	Laser Technology Center	Others	Total
Proposals from January to December	Number of Proposals	6	7	29	11	6	2	23	0	84
	Approved	3	5	15	4	3	0	8	0	38
	Business secrets	0	1	4	2	2	0	5	0	14
	Failed	2	1	9	5	1	2	10	0	30
	In progress	1	0	1	0	0	0	0	0	2
Patents from January to December	Number of Applications	7	6	27.5	1	19.5	7	16	2	86
	Approved	5	4	27.5	10	12.5	1	12	5	77



6.2 Product/Service Violations and Customer Satisfaction

In order to understand customer needs and provide better services, Asia Optical actively conducts a customer satisfaction survey every year, and grasps customer needs and market trends based on the customer survey results, which are used as the basis for improving service quality and adjusting the Company's business strategies and development directions. To pinpoint customer expectations, the "Customer Satisfaction Evaluation" is conducted for important customers every year. The survey items include delivery, technology, quality, R&D, and customer service. Customer satisfaction is rated on a 10-point scale. If the average score of a single item is below 6.5 points (the target value), the item must be reviewed.



In response to customer complaints, Asia Optical establishes a rectification team to find the root cause of the problem and current situation to in order to plan permanent rectification measures. After verification of the effect, recurrence is prevented in order to achieve the promised quality and standard for customers.

In 2024, the Company received a total of three customer complaints. All problems were handled one by one in accordance with the standard operating procedure, and the production and shipping inspection methods were improved to meet the standards required by customers.

"Cause Analysis" Statistics for Customer Complaints in 2024

Analysis of Defect Causes	Engineering Management	Personnel Negligence	Education and Training	Equipment Error	Design-oriented
Incidence	00.00%	33.33%	0.00%	66.67%	0.00%

Rectification action:

1. Improve the production process
2. Verification of the rationality of equipment maintenance frequency and implementation of equipment maintenance records
3. Regular verification of compliance with operating standards is required
4. Re-education on the identified errors and reconfirmation of personnel management during engineering processes

There were no reports from customers related to the leak, stealing or loss of customer data in 2024.

6.3 Product Quality and Safety

6.3.1 Product Quality

Adhering to the quality policy of “Perfect Design, Quick Improvement, and Customer Satisfaction”, Asia Optical aims to achieve a quality level that satisfies customers with products and services. To achieve this goal, the Company has established and maintained a quality control system (QMS) in accordance with the ISO 9001 and IATF 16949 requirements. Through the QMS, we ensure the promotion of the PDCA (Plan, Do, Check, Act) management cycle and carry out process improvement in order to obtain better quality. The Company also continues to conduct self-improvement education and training to enhance the quality of the professional team’s expedited service on a non-stop basis, thereby satisfying customers’ needs.

When providing products and services, we put ourselves in the shoes of customers. This is not only the main focus of the design review stage, but also a key point for review in each stage of the development and production process. During the development and production stages, we conduct product reviews by continuously confirming “whether customer needs and expectations are met.”

We value the voice of customers and make management improvements on a customer-oriented basis. To continuously understand customer requirements, we conduct customer satisfaction surveys regularly and initiate product and service improvements based on customer feedback, consistently enhancing the Company’s structure and core competitiveness to design and manufacture products that meet customer expectations.

The Company is committed to building a good quality assurance system and implementing the following policies:



6.3.2 Product Safety

Adhering to the Chairman’s business and environmental protection philosophy of “Working together to produce enjoyable and environmental friendly high-tech electro-optical products,” all of our related products are compliant with international environmental protection regulations (RoHS, WEEE, etc.) and other requirements and directives in line with development trends. For example, to actively promote green products, the EU promulgated RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) and WEEE (Waste from Electrical and Electronic Equipment) directives in 2003 to explicitly prohibit the use of six hazardous substances (lead, cadmium, mercury, hexavalent chromium, PBB's and PBDE's) and require the compliance of electronic and electrical products imported into Europe with RoHS and WEEE from July 2006. The promulgation of RoHS and WEEE led to a revolution of green products around the world. Many international manufacturers such as SONY and EPSON have actively promoted and enhanced their industrial green competitiveness ever since to achieve sustainable management.

There were no incidents of non-compliance of products and services with health and safety regulations in 2024.

Year	2022	2023	2024
Number of samples tested	741	658	501
Number of nonconformities	0	0	0

Note: RoHS regulates hazardous elements such as Pb, Cd, Hg, Cr, Br, and Cl.

7. Environmental Sustainability

7.1 Climate Change and Energy Use

The serious impact of global warming caused by the greenhouse effect is well known to mankind. Extreme climate changes, abnormal water cycles, sea level rises, along with other effects, have led to changes in agricultural ecology and significantly affected the global economy. Even though we are not a major energy user in Taiwan, facing global energy shortages and climate change issues, each enterprise has the responsibility to develop energy reduction plans, fulfill its responsibility as a global citizen, and do its part for the Earth.

7.1 Climate Change and Energy Management

7.1.1 Climate Change

In response to the operational impacts that may be brought about by global warming and extreme weather, Asia Optical has assessed and participated in the mitigation and adaptation of climate change with concrete actions on the “Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)” published by the Financial Stability Board (FSB) in June 2017.

In 2024, the Asia Optical ESG Sustainability Committee will launch a TCFD risk and opportunity inventory promotion plan, involving key personnel training and the discussions by departments including business units, to identify the most important risks based on climate change risk survey results and then map out the direction of climate change response strategies. It is hoped that comprehensive inventory and plan implementation can mitigate the possible risks to the Company’s sustainable operations and that the information of the current year will be disclosed in the annual Sustainability Report.

Climate Change Risk Management

Governance	<p>Board of Directors’ supervision of climate-related risks and opportunities</p> <ul style="list-style-type: none">• Climate change-related issues were presented at the board meeting in August 2024. In the future, climate change results and related plans will be reported to the Board of Directors on a regular basis, including the Company’s carbon reduction strategies, measures, and results. <p>Management’s supervision of climate-related risks and opportunities</p> <ul style="list-style-type: none">• Responsible units identify the risks and opportunities of climate change issues, take countermeasures, regularly report the implementation status and results to the General Manager and senior management, and publish them in the annual Sustainability Report.• Supervised by the General Manager and senior management, the equipment department and production department are responsible for the assessment of energy, water resources, waste and other issues, as well as the planning and implementation of short-term, medium-term, and long-term action goals and strategies.• Climate change-related development plans and implementation measures are reported to the General Manager and senior management from time to time.
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Strategy	<p>Strategies for transformation risks</p> <ul style="list-style-type: none"> • Collaborate with value chain partners to continue to research and develop innovative designs, and take green design and green procurement into consideration for the product life cycle. • Continue to monitor international trends and requirements on climate change and proactively disclose information on responses to climate change. <p>Strategies for physical risks</p> <ul style="list-style-type: none"> • Continue to develop and promote water saving, energy conservation and carbon reduction projects, and improve the efficiency of resource use. <p>Strategies for transformation opportunities</p> <ul style="list-style-type: none"> • Develop innovative products with higher energy efficiency to meet customer demand for low-carbon products. • Optimize existing building equipment and energy management.
Risk Management	<p>Climate change risk identification, assessment and management processes</p> <p>In 2025, the top managers and ESG members will hold a “TCFD Risk and Opportunity Identification” meeting to set up change issues according to the sources of TCFD risks and opportunities, identify Asia Optical’s main risks and opportunities, and develop response strategies and goals.</p>
Indicators and Targets	<p>Assessment and management of indicators and targets for climate-related issues</p> <ul style="list-style-type: none"> • Asia Optical introduced the ISO 14064-1 greenhouse gas inventory and initiated the 2021 greenhouse gas inventory in 2022. The inventory was verified by the DNV in June 2023, and a verification statement was obtained. We will set greenhouse gas reduction targets in the future. • Asia Optical Group is expected to complete the ISO 14064-1 greenhouse gas inventory by 2026. • An electricity savings target is set for all factories every year, with a 1% reduction in electricity consumption compared to the previous year being the current target (as calculated by the Energy Administration). • A water use reduction target is set annually, with a 5% reduction compared to the statistics from 2019 being the current target set. • A solvent waste reduction target is set every year, with a 5% reduction compared to the 2021 solvent waste data being the current the target

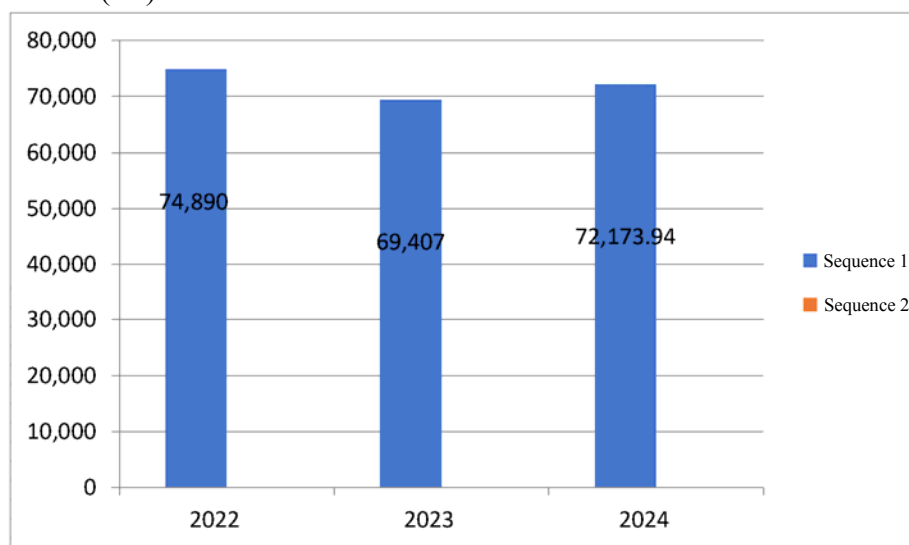
7.1.2 Company or Internal Energy Use

Asia Optical's business locations throughout Taiwan mainly use externally purchased electricity and diesel fuel, and do not use renewable energy. In 2024, total energy consumption was 72,174 MJ, and the energy use intensity was 3.13 MJ/NTD million of consolidated revenue.

Factory	Energy Type	Unit	2022	2023	2024
Headquarters	Electricity	Gigajoule (GJ)	7,267.32	7,090.92	6,935.04
	Diesel fuel	Gigajoule (GJ)	0.04	0.00	0.00
	Annual subtotal	Gigajoule (GJ)	7,267.36	7,090.92	6,935.04
An-He Branch	Electricity	Gigajoule (GJ)	67,367.52	61,052.75	64,088.21
	Diesel fuel	Gigajoule (GJ)	2.11	1.06	0.88
	Annual subtotal	Gigajoule (GJ)	67,369.63	61,053.81	64,089.09
Zhubei R&D Office	Electricity	Gigajoule (GJ)	250.39	440.88	424.90
Changhua R&D Office	Electricity	Gigajoule (GJ)	2.99	821.64	724.92
Total energy use		Gigajoule (GJ)	74,890	69,407	72,174
Energy intensity		GJ/NTD million consolidated revenues	3.93	3.89	3.13

Note:

1. The electricity use of the headquarters, An-He Branch, and Zhubei Office are calculated based on their electricity bills. The electricity use of the Changhua Office is calculated by converting the total electricity bill for the year based on the average tariff announced by Taiwan Power for the year. The average tariff in 2022, 2023 and 2024 was NTD 2.8458, NTD 3.0727, and NTD 3.4827, respectively.
2. 1 kWh of electricity = 0.0036 gigajoule (GJ); 1 liter of diesel fuel = 3.51691E-05 gigajoule (GJ)



Asia Optical aims to reduce carbon emissions and energy consumption every year, and the cumulative results have been outstanding. Since 2015, the annual electricity conservation rate has been uploaded to the online reporting system for energy verification every year. The An-He Branch effectively reduced its energy consumption by 3.12% between 2015 and 2024, the reduction rate is growing and reached 0.05% in 2024, saving 684,000 kWh of power and 324.216 tCO₂e in the year.

Energy Conservation Measures in 2024	Electricity Saved (kWh)/Year	Energy Saved in Gigajoule (GJ)/Year	Carbon Reduction (metric tons of CO ₂ e)
The “timer-type” automatic drainage used wasted a large amount of compressed air during drainage, and was replaced with a ball valve automatic drainage system to save energy	9,648	34.7328	4.5732
Connection pipes of the 200RT ice water machine condenser were cleaned to improve heat exchange and efficiency	674,352	2,427.6672	319.6428
Note: 1. 1 kWh of electricity = 0.0036 gigajoule (GJ) 2. The electricity emission coefficient was calculated at 0.474 kg of CO ₂ e/kWh in 2024 according to the electricity emission coefficient announced by the Ministry of Economic Affairs in 2024.			

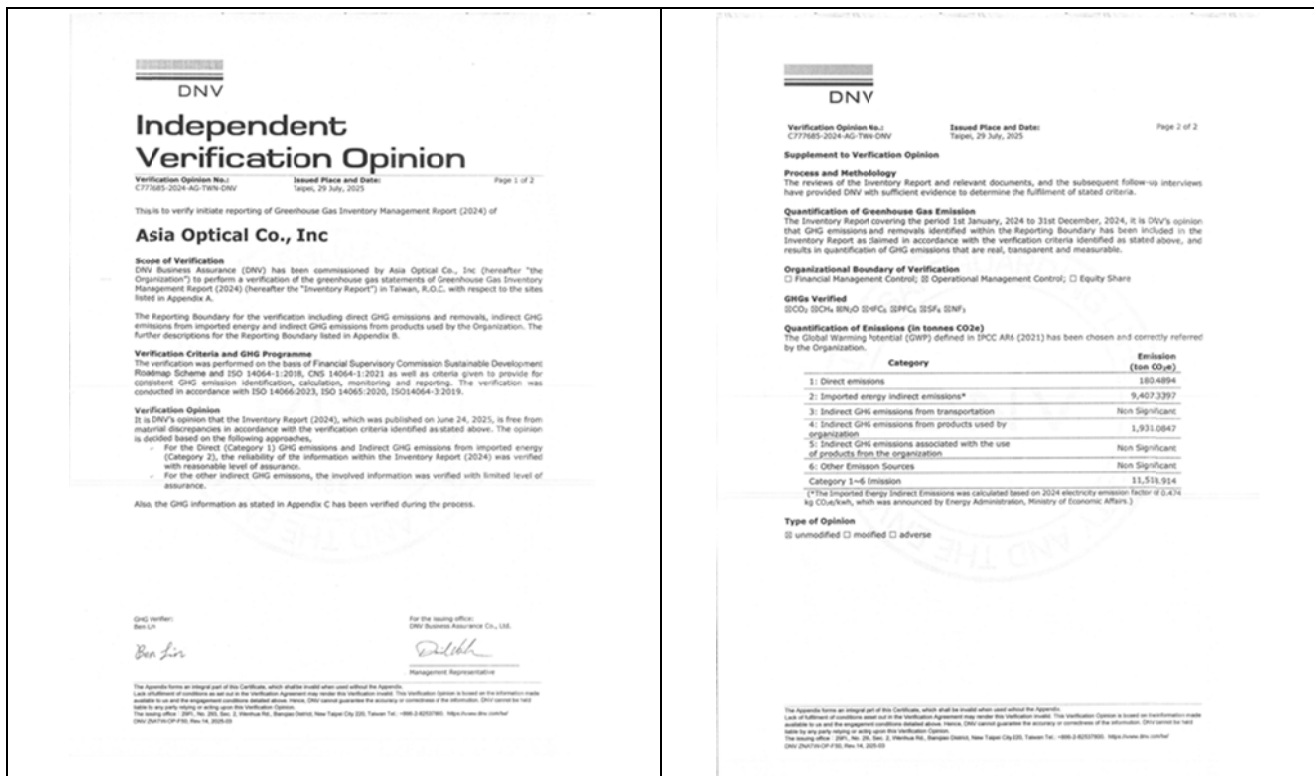
7.1.3 Greenhouse Gas Inventory

Asia Optical has set 2021 as the base year for its greenhouse gas inventory. In 2024, a greenhouse gas inventory was initiated, covering the headquarters, An-He Branch, and Hsinchu R&D Office of Asia Optical Co., Inc.. In 2024, the total greenhouse gas emissions were 9,587.83 tCO₂e, and the emission intensity was 0.42 tCO₂e/NTD million of consolidated revenues; the scope of GHG emissions is:

Factory	Emission Source	2023	2024
Total annual emissions of all factories (tCO ₂ e/year)	Scope 1	177.05	180.49
	Scope 2	9,411.33	9,407.34
	Total	9,588.38	9,587.83
Total annual emission intensity of all factories (tCO ₂ e/total revenue (NTD million))		0.54	0.42

Note:

- The GHG inventory was carried out using ISO14064:2018 with 2021 as the base year and the GHG emissions were 13,120.529 tCO₂e. Primary management of the Company is aware that the GHG emissions will add to global climate change, which will in turn impact the environment and communities in which the Company operates. The Company has planned a carbon inventory and carbon reduction measures, and disclosed relevant reports in accordance with the “Greenhouse Gas Inventory and Reduction”. The headquarters, An-He Branch, and Hsinchu R&D Office (excluding the Changhua R&D Office) were all inventoried.
- The inventory covers CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
- The emissions for 2023 and 2024 were both verified by a third party.
- The electricity coefficient in 2023 and 2024 was 0.494 kg of CO₂e/kWh and 0.474 kg of CO₂e/kWh, respectively.
- GWP refers to IPCC’s AR6 announcement.
- The other coefficients are from the Greenhouse Gas Emission Coefficient Management Table Version 6.0.4 announced by the National Greenhouse Gas Registration Platform.



7.1.4 Air Pollution Control

To prevent air pollution, Asia Optical has set up pollution prevention and treatment facilities. The An-He Branch is required to conduct regular inspections for emission pipelines and environmental perimeter VOCs in accordance with the Air Pollution Control Act. This is due to the fact that the inspection data over the years has been far below the regulatory emission standards, so Taichung City Environmental Protection Bureau made subsequent revisions to carry out an inspection of the yearly sources of pollution. The inspection results are in line with the emission standards.

7.2 Resource and Waste Management

7.2.1 Resource Input and Utilization

The main raw material used by Asia Optical is glass, with a total consumption of 33.73 metric tons in 2024. The main packaging material used is clamshells, with a total consumption of 9.31 metric tons in 2024. Currently, they are all disposable.

Type	Unit	2022	2023	2024
Spherical	PCS	2,231,430	875,296	994,608
	KG	14,407	8,233	8,067
Aspherical	PCS	9,103,046	5,657,873	8,926,877
	KG	16,952	16,465	16,947
Plate glass	PCS	151,231	155,394	128,351
	KG	16,174	7,786	8,714
Total	PCS	11,485,707	6,688,563	10,049,836
	KG	47,534	32,484	33,728

Type	Unit	2022	2023	2024
Clamshell	PCS	906,966	541,397	410,820
	KG	13,563	10,374	9,312

7.2.2 Waste Management

Waste at the Headquarters and An-He Branch can be divided into hazardous business waste from the production process, general business waste, and domestic and resource waste from employee activities. Waste generated by the Hsinchu and Changhua R&D Office is domestic and general resource waste. We commission legitimate waste disposal companies to dispose of waste generated in the Branches, all of which is reported according to the law. At the same time, the commissioned vendors are audited on an unscheduled basis every year on items relating to on-site environmental cleanliness, disposal permits and personnel, ensuring proper disposal of waste.

- General business waste: Waste glass, waste process sludge, sewage sludge, waste cleaning agent, waste lubricant oil, and wastewater activated carbon.
- Hazardous waste: Waste solvents such as waste isopropyl alcohol and waste acetone.
- Resource waste: Recyclable waste as announced by Ministry of Environment.
- General waste from employee activities: General waste generated from employee activities.

In the waste storage area, nameplates are set up according to the type for identification when employees are sorting and storing waste. When hazardous business waste is stored in containers, each container should be labeled with the type, date, serial number, and necessary icons. Waste storage facilities should not have waste escaping, seeping, or polluting the ground, and inspections should be conducted every month, at minimum, to keep the waste storage area clean and complete.

Headquarters:

Year	2022		2023		2024	
Item	General business waste	Hazardous business waste	General business waste	Hazardous business waste	General business waste	Hazardous business waste
Physical treatment	2.7	0.02	3.06	0	2.54	0.03
Chemical treatment	0	0.15	0	0	0	0
Announced as recyclable	0.24	0	1.06	0	1.5	0
Total for each item	2.94	0.17	4.12	0	4.04	0.03
Total	3.11		4.12		4.07	
Percentage	94.53%	5.47%	100%	0	99.26%	0.74%

Unit: Metric tons

An-He Branch:

Year	2022		2023		2024	
Item	General business waste	Hazardous business waste	General business waste	Hazardous business waste	General business waste	Hazardous business waste
Physical treatment	21.73	15.39	30.02	14.49	37.99	14.86
Chemical treatment	0.00	0.80	0.00	1.32	0	1.26
Solidification	11.13	0.00	8.675	0	10.32	0
Announced as recyclable	13.49	0.00	11.78	0	14.29	0
Total for each item	46.35	16.19	50.475	15.81	62.6	16.12
Total	62.54		66.285		78.72	
Percentage	74.11%	25.89%	76.15%	23.85%	79.52%	20.48%

Unit: Metric tons

Note: The main waste of the Hsinchu and Changhua R&D Offices is domestic garbage, which is centrally processed by the buildings and are not included in the statistics.

■ Waste Solvent Reduction Plan

The Company's An-He Branch has promoted a waste solvent reduction plan since 2019. A high-boiling-point solvent recycling machine was introduced into the process to recycle waste liquid. Isopropyl alcohol can be reused in the cleaning agent production process according to specific gravity to reduce the purchase of raw materials. The waste solvent generation in 2024 was reduced by 28% compared to 2019.

An-He Branch	Waste isopropyl alcohol	Waste acetone	Hazardous waste liquid
2019 (base year)	20.37	0.28	20.65
2022	14.81	0.58	15.39
2023	13.98	0.51	14.49
2024	13.97	0.89	14.86

Unit: Metric tons (waste disposed of)

Remark: The waste weight is based on the reporting system form, as completed by the waste removal or treatment operators.

7.3 Water Resource Management

The greenhouse effect on the global climate aggravates the water shortage crisis. Scientists predict that global warming will make the land sandy and lead to serious droughts. Many countries now rely heavily on groundwater. However, groundwater is not inexhaustible.

Water resources have become one of the most important issues facing mankind in the 21st century. According to a research report published by the United Nations, more than 1 billion people in the world do not have access to safe drinking water, and an average of over 5 million people die from diseases caused by drinking water annually.

If human beings continue to consume water resources at the current rate, by 2025, the water crisis will spread to 48 countries, and at least 2.7 billion people in the world will be threatened by a severe lack of fresh water. There will be as many as 5 billion people living in areas where they are unable to meet their freshwater needs, accounting for two-thirds of the world's population.

7.3.1 Water Source Management

Asia Optical mainly uses tap water. Currently, only Headquarters and the An-He Branch uses well water. The Liyutan Reservoir is the main water source for the headquarters and An-He Branch. The total water consumption in 2024 was of 96,917.59 M³. In response to the impact of droughts, the Company has adopted the following measures:

Water Supply Monitoring Index	Government Measure	Asia Optical's Response Measure
● Water supply normal	Stable supply	Water consumption management in each factory
● Water supply preparedness	Enhance water allocation	Set up a response team to formulate an emergency water plan.
● Reduced water pressure	Reduce pipe pressure for water supply during off-peak and specific time periods	Process water conservation/water storage
● Reduced water supply	5–20% reduction in water supply to industrial customers	Process water conservation/water storage
● Zoned water supply or fixed-point water supply	Shut off water supply by zone in rotation or in the entire zone at regular intervals	Process water conservation/use of secondary water source (well water) for process operations

Factory	Water Source	2022	2023	2024
Headquarters	Tap water	6,675.09	8,035.49	9,493.14
	Well water	60.00	29.00	109.00
An-He Branch	Tap water	86,057.97	77,525.53	77,813.29
	Well water	8,199.00	9,854	7,733.00
Zhubei R&D Office	Tap water	284.00	756.17	756.17
Changhua R&D Office	Tap water	1,012.99	1,012.99	1,012.99
Total water consumption		102,289.04	97,213.18	96,917.59

(Unit: M³)

Note:

- The water consumption of the Changhua R&D Office was calculated based on the average water price in Taiwan (NTD 9.24/m³).

7.3.2 Wastewater Discharge Management

Among all kinds of pollutions, water pollution has the longest-lasting impact on the environment because polluted river or lake water will seep into the ground and cause groundwater pollution, or flow into farmland or wetlands and cause soil pollution. Sewage from rivers or lakes continues to infiltrate and accumulate in groundwater or soil, and will eventually lead to unimaginable consequences.

All wastewater from Asia Optical's production processes is discharged after in-house treatment. The relevant treatment processes are as follows:

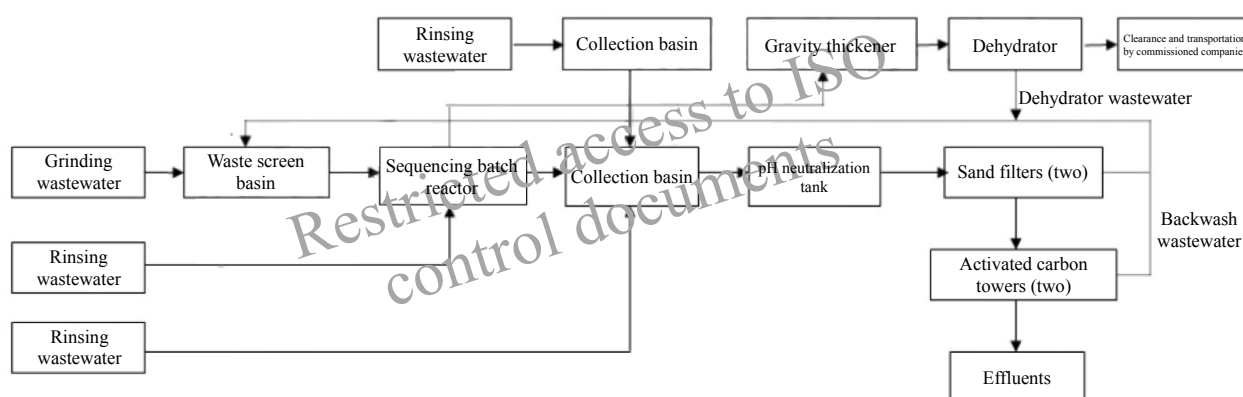


Figure: Wastewater Treatment Process at An-He Branch

In addition, according to environmental protection laws and regulations, Asia Optical's An-He Branch is required to have external testing for water volume, pH value, water temperature, chemical oxygen demand, suspended solids, and lead every six months. The wastewater test results in 2024 were in compliance with the regulations.

Factory	Emission Category	2022	2023	2024
An-He Branch	Effluent Volume	45,822.53	41,200.38	46,485.69

(Unit: M³)

8. Sustainable Supply Chain

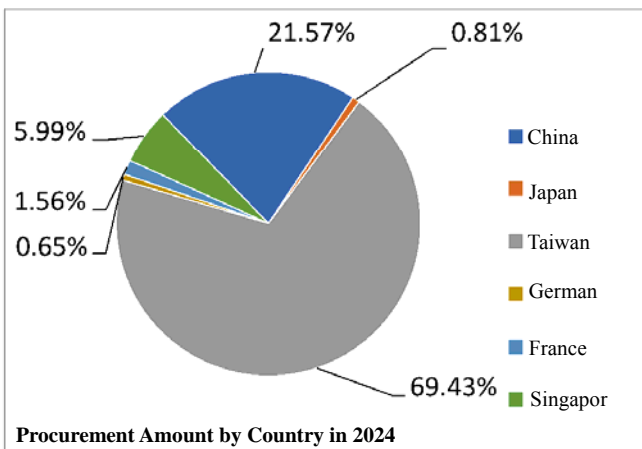
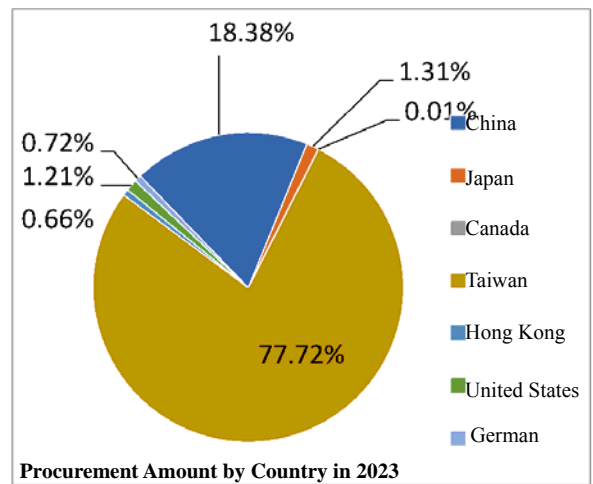
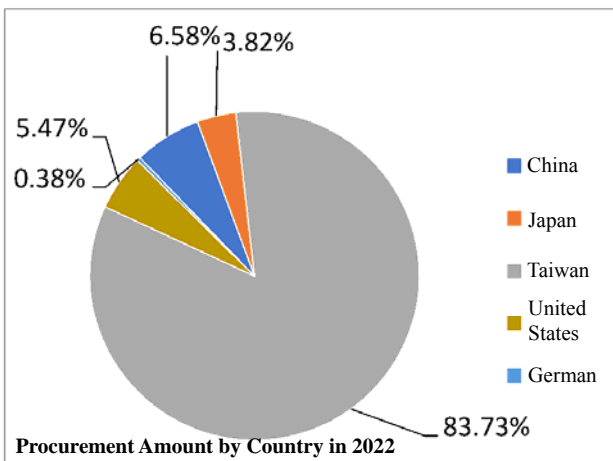
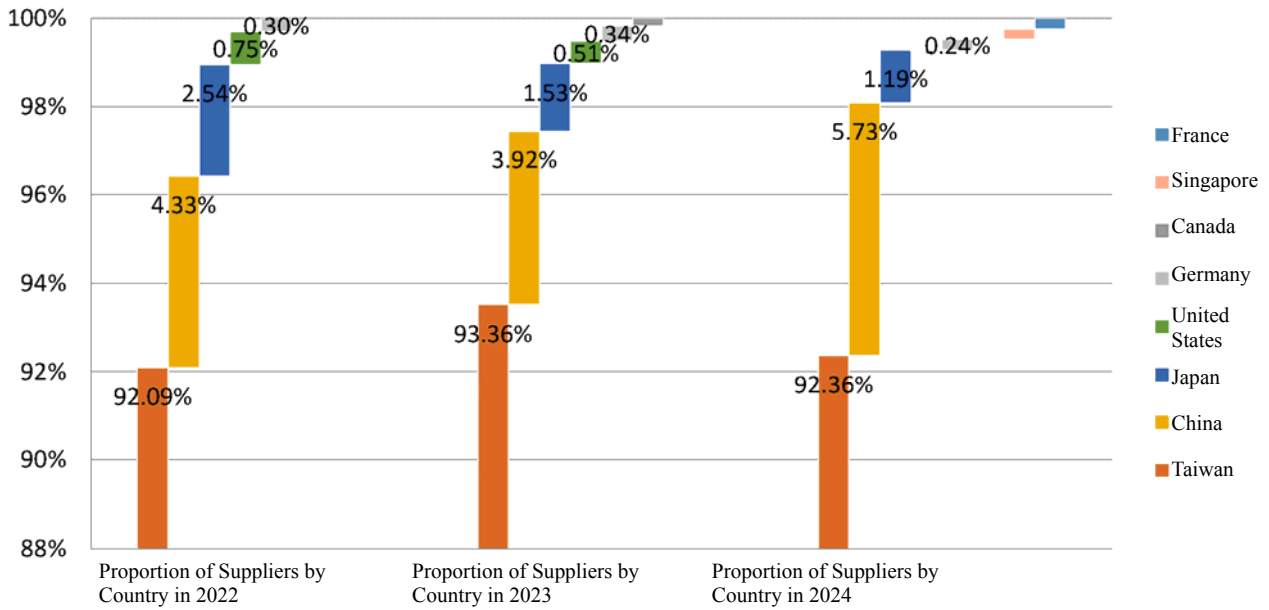
8.1 Supplier Management

8.1.1 Local Procurement Status

Adhering to the principles of corporate social responsibility and sustainability, Asia Optical hopes to drive the sustainable development of the entire supply chain. Therefore, in order to promote business activities and boost local economic development, we have actively implemented the localization of materials and supported the development of local suppliers. By doing so, the Company can reduce unnecessary air and sea freight and the carbon footprint generated during the material transportation process. The main business locations of Asia Optical are the Taichung Headquarters and An-He Branch. We are dedicated to local procurement by localizing general procurement and outsourced processing in Taiwan. In 2024, the local procurement ratio of Asia Optical in Taiwan was 69.43 %.

Region	Number of Suppliers by Country in 2022	Number of Suppliers by Country in 2023	Number of Suppliers by Country in 2024	Proportion of Suppliers by Country in 2022	Proportion of Suppliers by Country in 2023	Proportion of Suppliers by Country in 2024
China	29	23	24	4.33%	3.92%	5.73%
Japan	17	9	5	2.54%	1.53%	1.19%
Canada	0	1	-	-	0.17%	-
Taiwan	617	548	387	92.09%	93.36%	92.36%
Hong Kong	-	1	-	-	0.17%	-
United States	5	3	-	0.75%	0.51%	-
Singapore	0	-	-	-	0.00%	0.24%
Germany	2	2	1	0.30%	0.34%	0.24%
France	0	-	1	-	0.00%	0.24%
Total	670	587	419			

Proportion of Suppliers by Country from 2022 to 2024



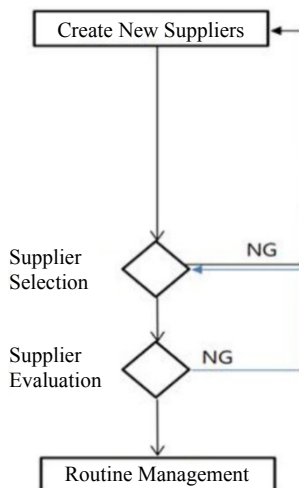
8.1.2 Supplier Sustainability Risk Management

In the future, Asia Optical will strengthen the management of supply chain sustainability risks to gradually enhance the sustainability performance of the supply chain by reviewing and mitigating the sustainability risks faced by the supply chain through the four steps of “risk review,” “risk assessment,” “material risk identification,” and “risk mitigation.”

We have integrated risk control into our daily procurement operations, and established a PDCA cycle-based process to constantly review potential risks and control the sustainability risks of the supply chain.

■ Supplier Sustainability Risk Assessment

To enhance and expand the sustainable management of the supply chain, we have included CSR as one of the key supplier selection criteria and demand suppliers complete a “Supplier Factory Management Audit Form” and sign an RBA letter of undertaking.



Restricted access to ISO
control documents

■ Sustainable Management Audits and Propaganda for Suppliers

Asia Optical is committed to establishing a supplier management system and related regulations, and regularly communicates with suppliers to build stable, sustainable and win-win strategic partnerships. We have included supply chain risks, continuous

operations, finance, and conflict minerals as supply chain management issues to build a more resilient sustainable supply chain. We have also established a cross-departmental “Supply Chain Management Committee” to assist suppliers in improving and upgrading their quality systems, environmental protection, green procurement and factory safety, etc. through regular guidance and auditing, thereby developing the suppliers’ sustainability. In an effort to promote sustainable supplier management, we have integrated our management system with the procurement process. Raw material suppliers are required to sign a “Supplier’s Letter of Undertaking”, the content of which is based on the RBA Code of Conduct, the International Labour Organization’s conventions, and the SA 8000 Standard, and includes terms covering ethics, human rights, and environmental considerations. In response to the newly-amended RBA Code of Conduct in 2021, the “Supplier’s Letter of Undertaking to Corporate Social Responsibility” will be reformulated, and we will continue to invite our supplier partners to make an undertaking and sign.

Number of Signing Suppliers	RBA Letter of Undertaking
2022	208
2023	212
2024	37

Note: Before 2020, suppliers signed CSR letters of undertaking. After 2021, they sign RBA letters of undertaking instead

LETTER OF UNDERTAKING OF COMPLIANCE WITH RBA CODE OF CONDUCT

責任商業聯盟行為準則遵守承諾書

By signing below, Supplier undertakes that:

簽署本承諾書後，供應商保證以下事項：

- Supplier agrees to thoroughly read, understand and continuously comply with RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT (“RBA Code of Conduct”) and its latest version.
供應商同意徹底地閱讀及理解，並持續遵守責任商業聯盟行為準則（“RBA 行為準則”）及其最新版本。
- Supplier agrees to regularly inspect the latest version of RBA Code of Conduct published on the RBA website (<http://www.responsiblebusiness.org/code-of-conduct/>).
供應商同意定期檢視 RBA 網站上所公佈的最新版本 RBA 行為準則。
- Supplier shall indemnify Asia Optical Co., Inc. and its Affiliates against any and all losses, damages, fees, or expenses arising out of Supplier’s breach of or non-compliance with RBA Code of Conduct. The “Affiliates” means any legal entity which, controls, is controlled by, or is under common control with, a Party. For this purpose, “control” shall mean (a) the ownership of more than fifty percent (50%) of the voting securities of the other entity; (b) the right to appoint the majority of the directors of the entity, or (c) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, as applicable.
供應商應賠償亞洲光學股份有限公司及其關係企業任何因供應商違反或未遵守 RBA 行為準則所引起所有損失、損害或費用。所謂關係企業，指任何法人或其他主體直接或間接控制本合約之任一方，或為本合約之任一方所控制，或與本合約之任一方為共同之法人或其他主體所控制。所謂控制係指，(a) 擁有超過百分之五十之有投票權之股票或股權，或 (b) 有資格選舉或指派過半數董事之權利，或 (c) 直接或間接擁有權力，可主導或促成主導該公司的管理或政策。

■ Continuous Improvement

Asia Optical will conduct on-site audits for important suppliers. The audits will cover ESH control and corporate social responsibility surveys. We also require the audited suppliers to formulate or submit an improvement plan by the improvement deadline. Asia Optical will

provide considerable assistance to suppliers with relatively poor performance. The Company will continue to require suppliers to rectify deficiencies found in audits and provide them with guidance on compliance with the Supply Chain Code of Conduct in order to reduce supply chain risks and drive supply chain growth. In 2024, six suppliers were audited, with an audit rate of 100%.

8.2 Supply Chain's Green Production

Asia Optical believes in the environmental protection philosophy of “Working together to produce enjoyable and environmental friendly high-tech electro-optical products.” In order to enhance the competitiveness of green products, all parts/components supplied to Asia Optical and all chemicals and raw materials processed into parts for our products must comply with the Asia Optical Green Procurement Standards. All raw materials and parts/components delivered to Asia Optical must also meet the Standards in order to achieve the goal of promoting the green products of Asia Optical. This requires the cooperation and efforts of all supplier partners of Asia Optical to initiate the green development of the industry and improve competitiveness, thereby “producing enjoyable and environmental friendly high-tech electro-optical products.”

We have organized activities such as the “Green Supply Chain Supplier Conference” and “Green Production Material Survey” to make sure that our supplier partners understand the “Asia Optical Green Product Strategy” and to ensure the smooth development of our green products. Suppliers qualified as green suppliers must provide green production materials that are reviewed and approved by the Asia Optical Green Office before they can be listed as green suppliers prioritized for procurement. If suppliers are not clear about the “Asia Optical Green Product Strategy” or how their products and processes are tested and verified to meet the “Asia Optical Green Product Requirements”, they may consult and ask for assistance from the GP Office. Regular on-site inspections are planned for high-risk “products” and “processes.”

■ Green Procurement Amount NTD

Year	Total
2022	339,839,048
2023	227,738,264
2024	126,294,624

Note: Procurement that complies with the Asia Optical Green Procurement Standards is included in the green procurement amount.

The suppliers covered are those who are included in Asia Optical’s monthly supplier evaluation and whose products are used for items assembled through production lines in Taiwan.

■ Suppliers Signing a Letter of Undertaking for Non-use of Prohibited Substances

Year	Quantity
2022	57
2023	24
2024	15

9. Employee Care

9.1 Talent Attraction and Retention

Talent management is an important strategic resource, a creator of corporate value, and a key cornerstone for the sustainable operation and growth of an enterprise. Viewing employees as our most important assets, we seek to develop individual and team potential and professional skills, cultivate key talent, master skills in key fields, create an open and innovative R&D culture and a creative environment, and pursue a high-performance organization with excellent talent. The Company has established comprehensive remuneration and welfare programs, and implemented a human resources development strategy of nurturing and developing diversified talent, creating shared value for the enterprise.

9.1.1 Manpower Distribution

Upholding the principle of fairness and employment diversity, Asia Optical treats employees of different ages, genders, races, religions, political stances, marital status, and unions, in recruitment, employment, evaluation, and promotion, equally. No child labor is used. We take putting the right person at the right place as the main consideration when providing employment opportunities globally and promoting economic growth.

In 2024, the total number of employees of Asia Optical was 996; senior management was made up solely of Taiwanese nationals. The Company had 61 non-employee workers, including 2 security guards, 3 catering members of staff, 6 cleaning members of staff, 2 factory nurses, 2 factory doctors, and 37 dispatched workers.

In accordance with Article 38, Paragraph 2 of the “People with Disabilities Rights Protection Act,” the Company takes practical action to support disadvantaged people with disabilities by providing them with job opportunities. As of the end of 2024, the Company has hired a total of 9 employees with disabilities.

In line with the Company’s localization policy, we have extensively recruited local talent to provide job opportunities for local residents and enhance the Company’s competitiveness.

Type of Employment			At the end of 2022					At the end of 2023					At the end of 2024				
			Locals		Foreign nationals		Subtotal	Locals		Foreign nationals		Subtotal	Locals		Foreign nationals		Subtotal
M	F	M	F		M	F	M	F		M	F	M	F				
Full-time employees	Permanent employees	≤ 29 years old	36	41		1	78	33	29		1	63	37	32			69
		30-50 years old	360	312		7	679	346	296		8	650	343	288		7	638
		≥ 50 years old	74	41			115	87	47			134	86	44			130
	Temporary employees	≤ 29 years old			7	28	35			7	25	32			17	40	57
		30-50 years old			19	61	80			18	57	75			21	61	82
		≥ 50 years old	3	1			4	2	1			3	2	1			3
	Employees without guaranteed hours	≤ 29 years old															
		30-50 years old															
		≥ 50 years old															

Type of Employment			At the end of 2022					At the end of 2023					At the end of 2024				
			Locals		Foreign nationals		Subtotal	Locals		Foreign nationals		Subtotal	Locals		Foreign nationals		Subtotal
M	F	M	F		M	F	M	F		M	F	M	F				
Part-time employees	Permanent employees	≤ 29 years old															
		30-50 years old															
		≥ 50 years old															
	Temporary employees	≤ 29 years old	10	4			14	8	4			12	7	2			9
		30-50 years old	3	1			4	3	1			4	3	2			5
		≥ 50 years old	3				3	4				4	3				3
	Employees without guaranteed hours	≤ 29 years old															
		30-50 years old															
		≥ 50 years old															
Total			489	400	26	97	1,012	483	378	25	91	977	481	369	38	108	996

Note: Senior management refers to the Company's managers. Part-time employees include temporary staff and industry-academia cooperation students, while full-time employees include temporary staff and foreign employees.

9.1.2 Talent Retention

Asia Optical recruits talent through diverse channels. In 2024, there were 101 new employees, with a new hire rate of 10.14%, and 82 employees leaving the Company, with an employee turnover rate of 8.23%. According to interviews on turnover conducted by Asia Optical, most of the reasons for employment separation were career planning or unsuitability. As such, Asia Optical has further taken countermeasures, such as increasing training courses, strengthening the communication and management skills of managers, and caring for new employees, to reduce problems in adapting to the work environment.

Gender/Age Number of Employees at the End of Year	At the end of 2022			At the end of 2023			At the end of 2024		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
≤ 29 years old	53	74	127	48	59	107	61	74	135
30-50 years old	382	381	763	367	362	729	367	358	725
≥ 50 years old	80	42	122	93	48	141	91	45	136
Total	515	497	1,012	508	469	977	519	477	996

● **Statistics on New Employees**

Type of New Employees	2022			2023			2024		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
≤29 years old	50	58	108	13	12	25	19	33	52
30-50 years old	36	72	108	12	13	25	14	30	44
≥50 years old	3	2	5	2	0	2	4	1	5
Subtotal	89	132	221	27	25	52	37	64	101

■ **Statistics on New Hire Rates**

Type of New Employees	2022			2023			2024		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
≤29 years old	94.34%	78.38%	85.04%	27.08%	20.34%	23.36%	31.15%	44.59%	38.52%
30-50 years old	9.42%	18.90%	14.15%	3.27%	3.59%	3.43%	3.81%	8.38%	6.07%
≥50 years old	3.75%	4.76%	4.10%	2.15%	0.00%	1.42%	4.40%	2.22%	3.68%
Subtotal	17.28%	26.56%	21.84%	5.31%	5.33%	5.32%	7.13%	13.42%	10.14%

Note: Formula: New hire rate = Number of separated employees by gender and age/Year-end number of employees by gender and age × %

■ **Statistics on Separated Employees**

Type of Separated Employees	2022			2023			2024		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
≤29 years old	25	35	60	6	14	20	6	18	24
30-50 years old	45	57	102	24	37	61	14	34	48
≥50 years old	4	3	7	5	1	6	6	4	10
Subtotal	74	95	169	35	52	87	26	56	82

■ **Statistics on Employee Turnover**

Type of Separated Employees	2022			2023			2024		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
≤29 years old	47.17%	47.30%	47.24%	12.50%	23.73%	18.69%	9.84%	24.32%	17.78%
30-50 years old	11.78%	14.96%	13.37%	6.54%	10.22%	8.37%	3.81%	9.50%	6.62%
≥50 years old	5.00%	7.14%	5.74%	5.38%	2.08%	4.26%	6.59%	8.89%	7.35%
Subtotal	14.37%	19.11%	16.70%	6.89%	11.09%	8.90%	5.01%	11.74%	8.23%

Note: Formula: Turnover rate = Number of separated employees by gender and age/Year-end number of employees by gender and age × %

9.1.3 Salary and Benefits

We firmly believe that employees are our greatest assets. In order to attract and retain talent, we provide them with competitive salaries and make salary adjustments each year based on the market pay level of each job role and individual performance. Employee remuneration includes base salary, duty and professional allowances, various other allowances, bonuses, and operational dividends. The level of remuneration is determined based on educational background, past experience, personal professional skills, and work performance. The remuneration standard will never vary due to factors such as gender, religion, race, nationality, and political affiliation. The remuneration and working conditions of each and every one of our employees are guaranteed to be compliance with or even better than Taiwan's labor laws and regulations, ensuring remuneration competitiveness in the labor market.

■ Male-to-Female Remuneration Ratio

Year	2022				2023				2024			
Job Level	*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)		*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)		*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Managerial staff	1.40	1	1.17	1	1.3	1	1.24	1	1.34	1	1.29	1
Non-managerial staff	1.36	1	1.45	1	1.35	1	1.42	1	1.38	1	1.52	1

1. Managerial staff at section level or above

■ Basic Salary Ratio

Year	2022				2023				2024			
Job Level	*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)		*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)		*1. Basic salary = Base salary (Average)		*2. Full salary = Base salary + Bonus (Average)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Managerial staff	3.59	2.56	6.76	5.77	3.53	2.71	6.52	5.26	3.35	2.50	7.60	5.88
Non-managerial staff	1.69	1.24	2.76	1.90	1.69	1.26	2.68	1.89	1.68	1.22	3.14	2.06

Note:

1. Calculation: Managerial staff/Basic salary of the year; non-managerial staff/Basic salary of the year
2. Managerial staff at section level or above

9.1.4 Company Welfare Measures

The Company's welfare measures include national health insurance, labor insurance, contributions for labor retirement reserves, contributions for arrears of wages, contributions for occupational disaster insurance, contributions for labor pension, etc. We also have a sound salary structure and distribute employee dividends and performance bonuses, annual festival bonuses, patent invention bonuses, and proposal bonuses.

■ Thoughtful Welfare System

Asia Optical provides annual health checkups, regular health consultations with on-site physicians, regular health lectures by the medical center, free soothing massages, lactation rooms, legal consultation services, group insurance for expatriates/staff on business trips (life insurance/accident insurance), wedding/funeral allowances, injury and sickness solatium, maternity allowances, meal allowances, employee recreational activities regularly organized by the Welfare Committee, club activity subsidies, discounts at contracted stores, product promotion displays held from time to time to meet employees' living needs, allowances for domestic/overseas company trips, emergency assistance, regular birthday parties, factory celebrations (Family Day), year-end parties, comfortable employee restaurants, convenient canteens, free indoor/outdoor parking lots, arts and cultural recreation space, employee sports facility borrowing.

■ Quarterly Welfare Committee Meeting

Every year, we plan company trips and group activities, discounts at contracted stores and vendors' booths inside the Company, employee emergency assistance applications and fund-raising activities, birthdays, and gift vouchers for Labor Day, Dragon Boat Festival, and Mid-Autumn Festival.

Allowances' Proportion of Expenditure	2022	2023	2024
Birthday gift vouchers	14.99%	14.65%	11.59%
Festival gift vouchers	32.50%	39.25%	34.97%
Funeral allowances	2.54%	2.37%	1.76%
Maternity allowances	0.33%	0.60%	0.37%
Injury/sickness solatium	0.31%	0.45%	0.37%
Marriage allowances	0.43%	0.18%	0.26%
Group insurance	4.34%	6.38%	11.45%
Emergency assistance	0.23%	0.21%	0.19%
Others (including travel and activities)	44.34%	35.91%	39.04%

Note: The statistics cover the expenditure proportions of the Welfare Committee and the Company. The recipients of the allowances include temporary and part-time employees.

■ Comprehensive Retirement System

In accordance with the “Labor Standards Act” and the “Labor Pension Act,” Asia Optical provides stable pension contributions and payments with a sound financial system. In addition to the contributions required by law, the Company also makes sure that full contributions are made to protect the rights and interests of employees in claiming pensions in the future. For employees whose years of service are calculated under the Labor Pension Act’s old pension system, the Company adopts a defined benefit plan. For employees under the new labor pension system, the Company contributes 6% of their wage to their personal pension account. In addition, employees may also voluntarily make a pension contribution of up to 6% of their monthly wage. The consolidated net defined benefit liabilities are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 289,471	\$ 292,824
Fair value of planned assets	(<u>202,399</u>)	(<u>174,045</u>)
Net defined benefit liabilities	<u>\$ 87,072</u>	<u>\$ 118,779</u>

In addition, the Company calculates the number of employees who are qualified for retirement in March each year and makes up for the difference to meet the withdrawal schedule, which is about 8.1–10.7 years. (Please refer to pp. 131–135 of the Company’s 2024 Annual Report for the benefits after retirement)

■ Labor-Management Meeting

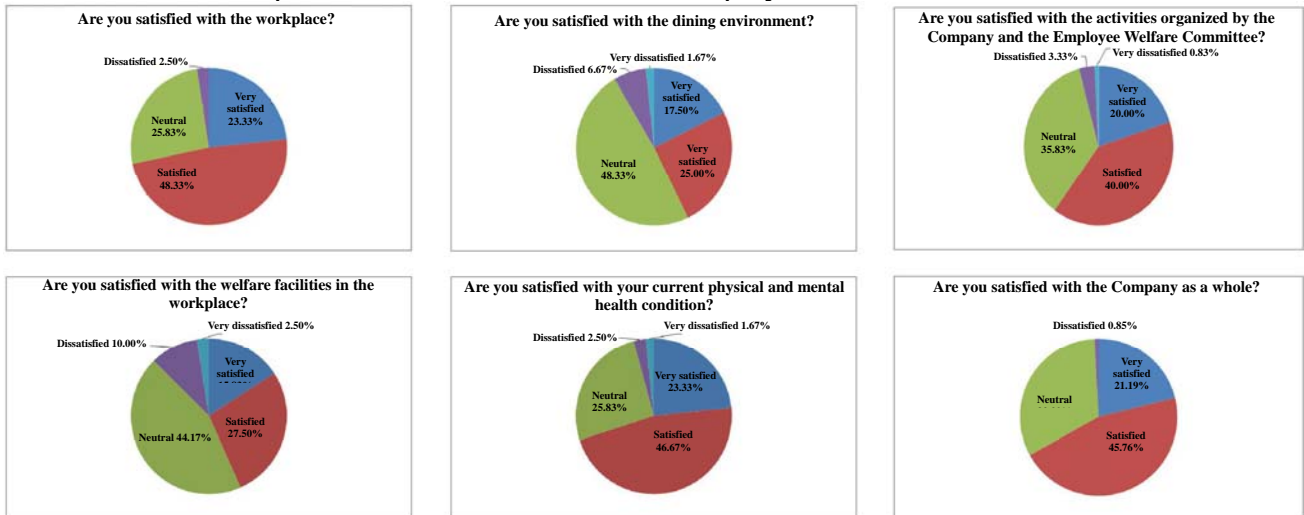
Asia Optical has no union and therefore no collective bargaining agreements are in place. However, we place great emphasis on communications with employees. In order to coordinate labor-management relations, promote labor-management collaboration, and improve work efficiency, the Company organizes labor-management meetings in accordance with the “Implementation Regulations for Labor-Management Meetings.” At least one labor-management meeting is held every three months. Extraordinary meetings may be called if necessary to exchange opinions. Both labor and management should discuss with each other to resolve problems through the principles of harmony and good faith. The Company has a complaint hotline and e-mail address to receive employees’ suggestions, establishes systematic communication and complaint channels, and provides reasonable and appropriate responses to employees’ doubts, grievances and expectations. There were no external reports or complaints in 2024. The main internal environmental issues have been properly improved.

There were no external reports or complaints in 2024.

Year	2022	2023	2024
Internal complaints (number of cases)	11	15	12

■ Employee Care Interviews

We conduct regular one-on-one interviews with employees in-person or over the phone. The opinions from our employees provide the Company with direction, allowing the Company to improve the work-life balance for employees and enhance employee benefits. We also perform an analysis on statistics and feedback data every six months and the results are posted on the bulletin board for employees.



■ Asia Optical Group Family Day

Venue: West Lake Resortopia (No. 11, Xihu, Sanyi Township, Miaoli County)

Event Date: November 16, 2024 (Saturday), 10:00 AM

Participants: All employees and their family members.

Fun events: Challenge games, raffles, and check-in gifts

Participants	Employees		Family Members	Total
	Locals	Foreign nationals		
Number of Participants	327	104	593	1,024

Highlights:





■ Care for migrant workers
Highlights:



9.2 Talent Cultivation and Development

9.2.1 Talent Cultivation

Asia Optical recruits outstanding talents and values talent cultivation. The “Education and Training Procedures” have been established to serve as the basis for employee education and training. Education and training are used to enrich employees’ knowledge and skills, improve work efficiency and quality, and combine employee growth with corporate development goals. From the time employees joined the Company, we have offered sufficient resources to employees with different positions and job levels in order to increase their value for mutual growth through knowledge transfer. Relevant training is organized for different employees and roles, and courses may be adjusted according to their needs and performance to maximize the effectiveness of the courses. External training courses can be assigned by unit managers or requested by employees according to their duties. After the courses are over, participants can share their learning experiences or obtain relevant certificates to convert them into internal training courses to share knowledge and experience. These training courses may be divided into:

- (1) Orientation Training for New Employees
- (2) Competency-based education and training
- (3) Level-based education and training
- (4) Self-development

Education and Training System

Education and Training System				
Level-based education and training				Top manager training
			Middle manager training	
	Entry-level manager training			
Competency-based education and training	Management functions, core functions, job functions			
Orientation Training for New Employees	Education and training on company profile, organizational rules and regulations, and work environment			
Self-development	Computer skills, language learning, continuing education (EMBA, junior college, etc.)			
	General Employees	Directors	Section Managers Deputy Section Managers	Managers Assistant managers

In 2024, the total number of training participants reached 11,030, and the accumulated training hours reached 11,848.

Year		2022						2023						2024					
Item		Number of Participants		Total Training Hours/ Participant		Average Hours		Number of Participants		Total Training Hours/ Participant		Average Hours		Number of Participants		Total Training Hours/ Participant		Average Hours	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Job Level	Managerial staff	732	120	850	157	8.4	9.2	754	155	1,280	242	13.3	12.1	786	185	981.5	182	12.9	7.9
	Non-managerial staff	6,499	5,937	7,623	6,443	18.0	12.7	5,744	6,082	9,127	6,939	21.6	8.8	4,786	5,273	5,774	4,911	13.7	10.1
	Total	7,231	6,057	8,473	6,600	26.4	21.9	6,498	6,237	10,407	7,181	35.0	20.8	5,572	5,458	6,755	5,093	26.7	18.0

Description: 1. Managerial staff at section level or above
2. Including temporary workers; excluding expatriates
3. Formula for calculating average hours = total training hours/number of male and female employees in the category at the end of the year

Year		2022						2023						2024					
Item		Number of Participants		Total Training Hours/ Participant		Average Hours		Number of Participants		Total Training Hours/ Participant		Average Hours		Number of Participants		Total Training Hours/ Participant		Average Hours	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Functions	Administrative staff	188	754	274	911	10.5	10.1	227	805	448	1,731	17.2	20.4	182	623	191.5	677.5	8.0	8.9
	Technical staff	6,311	5,183	7,350	5,532	18.5	13.3	5,517	5,277	8,679	5,208	21.9	12.8	4,604	4,650	5,582	4,233	14.1	10.3
	Managerial staff	732	120	850	157	8.4	9.2	754	155	1,280	242	13.3	2.8	786	185	981.5	182	12.9	7.29
Total		7,231	6,057	8,473	6,600	37.4	32.6	6,498	6,237	10,407	7,181	52.5	36.0	5,572	5,458	6,755	5,092.5	35.0	27.2

Description: 1. Managerial staff at section level or above
2. Including temporary workers; excluding expatriates
3. Formula for calculating average hours = total training hours/number of male and female employees in the category at the end of the year

9.2.2 Performance Management System

In order to improve the work performance of employees, understand the ability and adaptability of all employees, and truly implement a target-based approach, we regularly hold annual performance evaluations as a basis for decision-making relating to promotion, salary adjustment, work training, and job rotation. The performance evaluation of all employees is divided into monthly, quarterly, and annual stages, and employees are divided into three categories for evaluation: supervisors, indirect personnel, and direct personnel. In addition to the quarterly evaluation, indirect personnel must also participate in the annual evaluation, while direct personnel must participate in the annual evaluation and monthly evaluations. The evaluation results will be used as the basis for annual salary adjustment, year-end bonus, promotion, and participation in training and human resource activities. We respect the diversity and differences among employees, and explicitly stipulate that the performance management system and evaluation procedures will never discriminate based on gender, race, nationality, religion, age, physical disability, political stance, marital status, or union membership. In 2024, the completion rate for the employee performance evaluation was 100%.

9.2.3 Internal Transfer System:

The supervisor must perform evaluations and make adjustments according to the following: (1) labor or business needs; (2) those in need for adjustment to his/her position due to the length of service or the expansion of his/her professional skills; (3) those who need to adjust their duties regularly due to job characteristics; and (4) the consideration of the prohibition on female workers performing night shifts during pregnancy or while breastfeeding (within one year after childbirth) as stipulated in Article 49 of the Labor Standards Act. The Company will also consider the personal wishes of the employees and transfer them to other departments or classes when possible. In 2024, a total of 90 transfer applications were submitted and all were approved.

9.2.4 Friendly Workplace

Employees are Asia Optical's most important assets. We always value, cherish, and try our best to retain each employee who comes to Asia Optical.

■ Unpaid Parental Leave

Asia Optical values the work-life balance of employees and is devoted to providing a caring and respectful workplace. Employees with parental needs can apply for unpaid parental leave. The Company will also take the initiative to care for the employees and arrange reinstatement-related matters. In 2024, the reinstatement rate from unpaid leave was 93%, and the retention rate of employees who expected to and did return to work from unpaid parental leave and continued to work for more than 12 months thereafter was 83%.

Item	Gender	2022	2023	2024
Number of employees eligible for parental leave	Male	38	34	41
	Female	25	31	33
	Total	63	65	74
Number of employees applying for parental leave	Male	5	3	5
	Female	12	11	11
	Total	17	14	16
Number of employees expected to return to work in	Male	3	3	4

the current year (A)	Female	10	5	10
	Total	13	8	14
Number of employees returning to work in the current year (B)	Male	2	2	4
	Female	8	4	9
	Total	10	6	13
Reinstatement rate (B/A)	Male	67%	67%	100%
	Female	80%	80%	90%
Number of employees not returning to work from unpaid parental leave in the previous year (C)	Male	1	2	2
	Female	4	8	4
	Total	5	10	6
Number of employees expected to and did return to work from unpaid parental leave and continued to work for more than 12 months thereafter (D)	Male	1	1	1
	Female	4	6	4
	Total	5	7	5
Retention rate (D/C)	Male	100%	50%	50%
	Female	100%	75%	100%

■ Lactation room

1. The Company has set up breastfeeding rooms in compliance with the Gender Equality in Employment Act.
2. Opening hours: 00:00-24:00, Monday to Saturday.
3. Users: Employees with breastfeeding needs. Please log in to the “Breastfeeding Room User Register” to facilitate statistics gathering.
4. The chairs, sinks, refrigerators, and hot/cold water dispensers in the breastfeeding rooms are property of the Company. Please use them with care. Do not take them out, move or adjust them without authorization. Any damage shall be compensated at the original price. Other equipment such as breast pumps, baby bottles, ice buckets, and baby products must be prepared by the users.

★ Lactation room - 3F of the headquarters and 4F of the An-He Branch



★ Health information and education on the bulletin board



9.3 Occupational Health and Safety Management

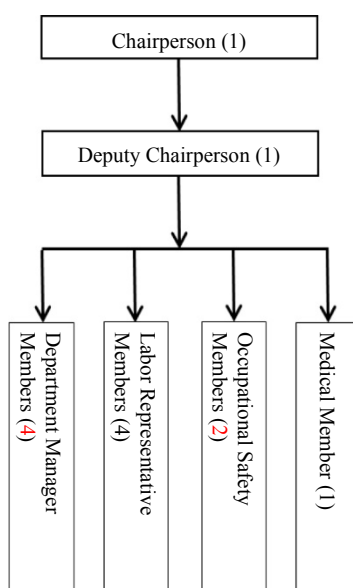
9.3.1 Occupational health and safety management system

Providing employees with a safe and healthy work environment is one of the most basic obligations of Asia Optical. In line with the PDCA spirit of the ISO 45001 Occupational Health and Safety Management System to which the Company has been certified, occupational health and safety personnel are appointed to plan, promote, supervise, and inspect the Company's safety and health management. In accordance with legal requirements, each factory forms an Occupational Health and Safety Committee consisting of labor and management, which meets regularly and is responsible for reviewing, coordinating and providing advice on safety and health management affairs.

9.3.2 Risk Assessment and Management

In order to effectively prevent the occurrence of occupational disasters, the Company has formulated hazard identification and risk assessment management procedures to identify potential hazards and assess risks in the work environment, processes, activities, products and services, define unacceptable risk levels, and prioritize unacceptable risks for engineering control measures. With regard to the procurement of new equipment and process changes, the purchase of mechanical equipment with occupational health and safety certifications and additional safety measures is prioritized, as is the selection of low-hazard chemicals instead of high-hazard chemicals and other source control measures to ensure the safety and health of personnel and factories. We also conduct hazard identification and risk assessment on operating procedures regularly to control unacceptable risks. In addition, for operations involving hazard risks, the responsible unit should file an application before starting the operation, and the operation may be performed only after being approved by the relevant units.

Organizational Chart of the Asia Optical Occupational Health and Safety Management Committee



■ Hazard Identification and Risk Assessment Process

Process	Responsible Unit	Resources Input	Output
<pre> graph TD A[Form a Hazard Identification and Risk Assessment Team] --> B[Hazard Factor Identification] B --> C[Risk Assessment] C --> D{Risk Classification} D --> E[Acceptable] D --> F[Unacceptable] E --> H[Employee Communication and Change Management] F --> G[Improvement] G --> I[Result Tracking] I --> H </pre>	Unit managers and employees, employee representatives	Hazard identification and risk assessment education and training	Training records
	Units	Hazard factors with the potential to cause personal injury or death, severe property damage, injury to the surrounding residents, or environmental impact.	Hazard Factor Identification Register
	Units	Hazard Factor Identification Register	Risk assessment information
	Units	Hazard Factor Identification Register, Risk Assessment Form	Improvement records
	Equipment Safety and Health Management Department	Hazard Factor Identification Register, Risk Assessment Form, improvement records Regularly review and make corrections, and communicate the implementation results to employee representatives	ESH review reports

■ Assessment of Major Sources of Occupational Health and Safety Risks and Impacts in 2024

Hazard Category	Hazardous Status	Hazard Factor	Health Effect
Chemical hazards	Particulate matter (dust, fumes, mist)	Mineral dust, cotton dust, metal fumes	Pneumoconiosis
		Chemical substances	Acute and chronic intoxication, cancer, etc.
	Gas, liquid	Hazardous gases and vapors, acid and alkali	Acute and chronic intoxication, burns, cancer, etc.
Physical hazards	Noise	Audible range	Hearing loss
	Non-ionizing radiation	Infrared	Cataract
		Visible light (laser)	Retinal injury, blindness
	Ionizing radiation	α -rays, β -rays, γ -rays, proton rays, neutron rays	Radiation disorders such as leukemia, pernicious anemia, dermatitis, infertility and other symptoms
Biological hazards	Microorganisms	Bacteria, viruses, molds	Infection, allergy
Ergonomic hazards	Posture	Standing or sitting for long periods of time	Foot pain, venous aneurysm, low back pain
	Posture	Repetitive action	Carpal tunnel syndrome
	Load	Excessive weight	Hernia, spinal cord injury

9.3.3 Occupational Safety and Health Audits

To ensure the safety of workers and factories, in addition to complying with legal requirements and the Company's operating standards as well as conducting self-inspections and voluntary inspections, the factories' occupational safety and health personnel also perform routine work safety inspections and inspect contractors' operational safety from time to time, and organize occupational safety meetings as needed to encourage employees to participate in various safety and health management tasks.

■ Hazardous Chemical Management and Work Environment Monitoring

To prevent the use of hazardous substances from affecting the health of employees, all factories prioritize the use of low-risk chemicals and install local exhaust devices as needed to effectively remove volatilized harmful gases. If the factories need to purchase new chemicals or change the chemicals used in the process, they should conduct prior risk assessment for chemical use hazards in accordance with the Company's environmental, safety and health change management procedures. The chemicals may be used in the factories only after being approved by the relevant units. Personal respiratory protective equipment that meet regulatory requirements must be used according to the chemical use status, and for operations with higher respiratory hazard risks, tightness tests are conducted

to ensure the effectiveness of the equipment. If there are non-local employees in the factories, they are provided with the relevant information of corresponding hazardous chemicals, translated into their native language so that they can understand the relevant hazard information. Each factory regularly commissions monitoring companies to implement work environment monitoring based on the actual operational hazards and regulatory requirements, thereby controlling the hazardous factors in the work environment and making improvements thereto based on the monitoring results to reduce the incidence of occupational diseases. Asia Optical's major chemical hazards are from organic solvents. The chemical factors monitored include methyl alcohol, acetone, isopropyl alcohol, and carbon dioxide; the physical factors monitored include noise and illumination. In order to prevent employees from being exposed to hazardous factors at work, resulting in health hazards, special health examinations for operations especially harmful to health are implemented for employees engaged in operations with special hazards in accordance with laws and regulations, and graded management is conducted according to the examination results.

Graded Management Table for Operations with Special Hazards in 2024

Hazardous Operation Category	Number of Employees	Level 1	Level 2	Level 3	Level 4
Ionizing radiation	8	6	2	0	0
Lead	23	22	1	0	0
Dust	33	33	0	0	0
Benzene	7	6	1	0	0
Noise	1	1	0	0	0

Total amount for purchasing personal protective equipment (gas masks, facemasks, protective gloves, protective clothing, protective glasses, helmets, etc.) between 2022 and 2024 in Asia Optical (headquarters and An-He Branch):

■ List of 2021-2023 Occupational Health and Safety Funding

Factory	Period	Total Amount for Purchasing Protective Equipment (NTD)
Asia Optical (Headquarters)	2022	4,000
	2023	26,800
	2024	9,660
Asia Optical (An-He Branch)	2022	114,180
	2023	130,600
	2024	129,295

9.3.4 Education and Training, Communication, and Propaganda

In an effort to improve the occupational safety and health knowledge and emergency response capabilities of workers, Asia Optical organizes relevant safety and health education and training courses in accordance with laws and according to operational requirements to increase employees' ability to recognize hazards in the work environment and equip them with the safety and health knowledge required for disaster prevention so as to avoid occupational disasters.



CPR training
Chemical spill emergency response training



Fire Safety Training



Emergency evacuation drill

In 2024, Asia Optical organized safety and health education and training for new and existing employees (with courses including hazardous chemical operational safety training, workplace chemical safety education, leakage drills, and traffic safety education), training for certifications required by law (e.g., first-aiders, managers in charge of overseeing organic solvent operations, managers in charge of overseeing specified chemical substance operations, forklift operators, and fixed crane operators), as well as emergency response and fire safety training. The relevant in-house (external) education and training courses are given in Chinese or in the languages used by non-local employees.

In addition, in order to strengthen safety management for in-house operations by contractors, the Safety and Health Management Regulations for Contracted Operations have been formulated, requiring contractors entering factories to comply with the occupational safety and health laws and regulations and Asia Optical's regulations. Contractor personnel should receive the necessary occupational safety and health training and attend a toolbox meeting (hazard notification) for in-house operations before entering the factories.

■ List of 2022-2024 Occupational Health and Safety Education and Training Hours

Occupational Safety Training Year		Orientation Training for New Employees	Occupational Safety Training for Existing Employees	Occupational Safety Certification Training	Occupational Safety Management Training	Fire Safety Training	Environmental Protection-related Training	Total
2022	Participants	156	3,245	29	155	297	29	3,911
	Hours	474	3,194.5	345	155	1,188	29	5,385.5
2023	Participants	155	2,198	19	907	708	21	4,008
	Hours	173	3,256.5	161	838	1,568.5	21	6,018
2024	Participants	167	1,233	23	1,050	371	33	2,877
	Hours	211	1,170	196	1,019	1,277	33	3,906

Workers Covered by the Occupational Health and Safety Management System in 2024:

Number of Workers in 2024

Factory	Asia Optical's Headquarters Employees		Asia Optical's An-He Branch employees		Contractors			
Male/ Female	Male	Female	Male	Female	Male (Number)	Male (Coverage)	Female (Number)	Female (Coverage)
Total	847	2,240	5,337	3,669	553	953	9	14

Note: Contractors refer to all workers who are not employees but whose work and/or workplace is controlled by the organization

9.3.5 Occupational Disaster Management

To ensure that relevant units can respond quickly to occupational disasters, the Company has formulated the Accident Management Regulations that stipulate that in the event of a near miss or an occupational injury or occupational disease occurring to the Company's employees or any workers entering the Company's factories, measures such as first aid, reporting, investigation should be employed and improvement countermeasures should be proposed based on the root cause of the accident. All improvement measures need to be implemented horizontally to prevent similar accidents from occurring again. If an employee who returns to work after an occupational injury or occupational disease still has a concern about the recurrence of the occupational injury or occupational disease in the workplace, they may report to the occupational health and safety personnel at any time. Putting the safety and health of our employees first, we take corresponding improvement measures to further ensure their safety and health.

In 2024, the numbers of occupational injury deaths, severe occupational injuries, deaths due to occupational diseases, and recordable occupational diseases were all 0. The number of occupational injuries for non-employees and contractors was 0.

The incidence of occupational injuries and occupational diseases in 2024 is shown in the table below:

■ Statistics on Occupational Injuries

Factory/Category	An-He Branch		Headquarters		Contractors	
	Male	Female	Male	Female	Male	Female
Occupational injury deaths	0	0	0	0	0	0
Occupational injury death rate	0.00	0.00	0.00	0.00	0.00	0.00
Severe occupational injuries	0	0	0	0	0	0
Severe occupational injury rate	0.00	0.00	0.00	0.00	0.00	0.00
Disabling occupational injuries	0	1	1	1	0	0
Frequency of disabling occupational injuries	0.00	1.63	7.09	2.68	0.00	0.00
Total hours worked	890,112	612,176	141,000	373,144	5,718	84

Note:

1. Excluding traffic injuries
2. Total hours worked: Monthly number of workers in January – December x Number of days worked x 8hr
3. Occupational injury death rate = Number of occupational injury deaths/Total hours worked x 1000000
4. Severe occupational injury rate = Number of severe occupational injuries/Total hours worked x 1000000
5. Frequency of disabling occupational injuries = Number of disabling occupational injuries/Total hours worked x 1000000

■ Statistics on Work-related Ill Health

Factory/Category	An-He Branch	Headquarters	Contractors
Number of recordable work-related ill health cases	0	0	0
Work-related ill-health deaths	0	0	0
Death rate of work-related ill-health	0	0	0
Major types of work-related ill health	No work-related ill health cases identified		

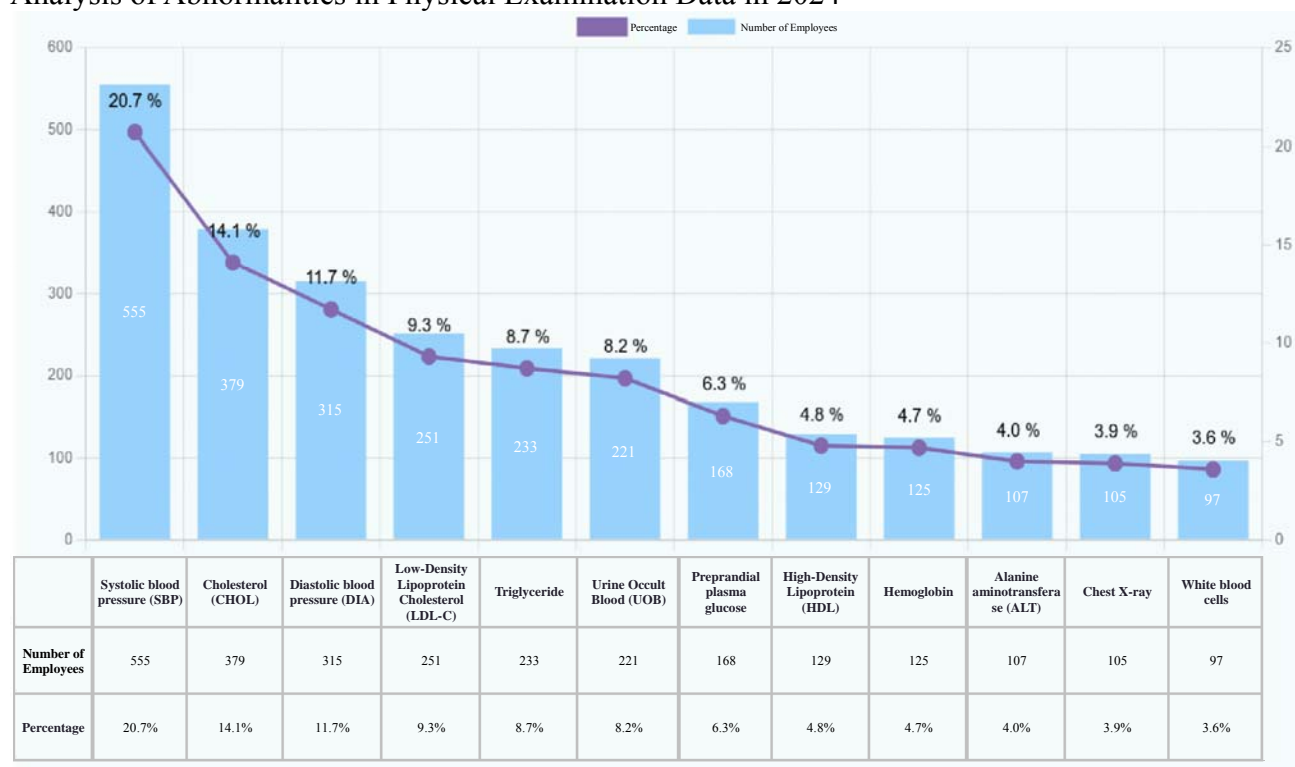
9.3.6 Health Promotion

According to Articles 6, 20, 21, 23, 29, 30 and 31 of the Occupational Safety and Health Act and Articles 10 to 12 of the Regulations Governing the Labor Health Protection, Asia Optical have formulated procedures, standards, management measures, and plans for the planning of labor health protection and the adoption of safety and health measures. The on-site occupational nurses have conducted health management according to the “Health Service Plan” published in 2024.

Plan Item	Implementation Time			
	Q1	Q2	Q3	Q4
List employees at high risk of overwork and with abnormal physical examination results and conduct individual health education interviews with them	●	●	●	●
Information provided by the Safety and Health Committee	●	●	●	●
CPR-related education/lectures			●	
1. Provide individual health education for employees with musculoskeletal disorders 2. Control and manage ergonomic hazards	●	●	●	●
1. Organize health care activities for women 2. Confirm the list of pregnant colleagues and arrange interviews	●	●	●	●
1. Interviews arranged for middle-aged and senior employees 2. Physical fitness	●	●	●	●
1. Weight loss 2. Exercise courses		●		
Health Education News	●	●	●	●
Illegal infringement prevention seminars		●		

In 2024, a total of 1,033 employees participated in health examinations, with a completion rate of 91.17%

Analysis of Abnormalities in Physical Examination Data in 2024



■ Overview of the Four Major Management Plans in 2024:

Maternity protection	Abnormal workload	Ergonomic	Illegal infringement
16 employees under Level 1 management 0 employee under Level 2 management 0 employee under Level 3 management	Follow-up on 4 mid- to high-risk employees	2 employees were suspected to be exposed to hazards: Simple ergonomic improvements were made. They were individually trained on adjusting body postures and movements	2 cases were handled

■ Health Promotion Seminars

Topic	Date	Number of Participants
Influenza vaccination	11/4 (Monday)	55
weight loss	2024 (March – May)	250
Blood Donation	10/29 (Wednesday) 09:30-16:30	Collected 32 bags of blood
Fat-burning sculpt aerobic course	8/23 (Friday) 15:00-16:00	Limited to 40 (full)
Annual health checkup	2024/11/11-14	1,033

■ **Statistics on the Effectiveness of On-site Services:**

Physicians and nurses pay regular on-site visits to respective workplaces and provide employees with abnormal health check results or those in need of assessment for return to work or maternal health protection with medical consultations and support.

➤ **Statistics on On-site Services by Medical Staff in 2024:**

Item	2024 Benefits		
Occupational Physicians	2		
Occupational Health Nurses	2		
Number of sessions	Physicians	12 sessions at Asia Optical	6 sessions at An-He Branch
	Nurses	Full-time work at Asia Optical	72 sessions at An-He Branch
Total service hours	Physicians	36 hours at Asia Optical	12 hours at An-He Branch
	Nurses	Full-time work at Asia Optical	144 hours at An-He Branch
On-site service details	13 employees were assessed for return to work 22 employees were tracked for physical examination abnormalities 112 new employees received consultations for physical examination abnormalities 13 employees received maternal health protection education Improvements were made for 3 employees with a musculoskeletal soreness score of 3 or more On-site visit to 4 units Blood Donation (10/29) Annual health checkup (2024/11/11-14) Fat-burning sculpt aerobic course (8/23) Influenza vaccination activities (11/4)		

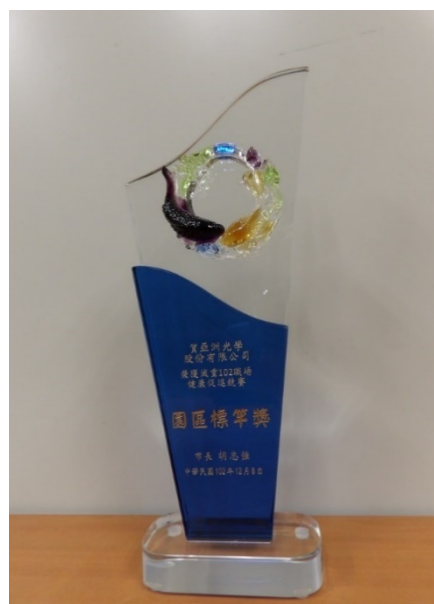
Item No.	Service	Description
1	Work environment hazard identification and health risk management	Assist occupational safety personnel in inspecting the work environment of employees and providing feasible improvements and suggestions.
2	Worker physical (health) examination results and analysis	Conduct four-level management according to examination results
3	Worker health checkups and health management for work-related abnormalities	Carry out general management, health consultations, and health interviews based on the level
4	Individual assessment and management of high-risk employees	Give timely referrals to medical institutions during health interviews
5	Health education, hygiene guidance, and health	Organize health lectures and health promotion activities

Item No.	Service	Description
	promotion	
6	Prevention of diseases due to abnormal workload	Provide work overload questionnaires and conduct analysis of the 10-year risk of cardiovascular diseases, graded management, and Level 2 and 3 management interviews
7	Workplace Maternal Health Protection Plan	Assist in risk assessment, provide improvement suggestions, and help with the implementation of the maternity protection plan
8	Ergonomic hazard prevention	Provide musculoskeletal questionnaires, assess the work environment, and arrange interviews
9	Prevention of illegal infringement in the workplace	Provide suggestions for the configuration of workplaces according to internal and external risks of illegal infringement and assist in plan implementation.
10	Safety and Health Plan for Middle-aged and Older Workers	Implement health management for middle-aged and older workers based on their health risk assessment results, such as providing suitable job placement and work adjustment suggestions
11	Plan for Work Adjustment and Workers' Return to Work from Occupational Injury or Disease	Conduct health checkup assessments for new employees, as well as occupational assessments and rehabilitation for workers returning to work
12	Occupational injury and disease prevention, case management, and record keeping	Create and maintain data case-by-case

■ AED Training Course



Badge of Health Promotion

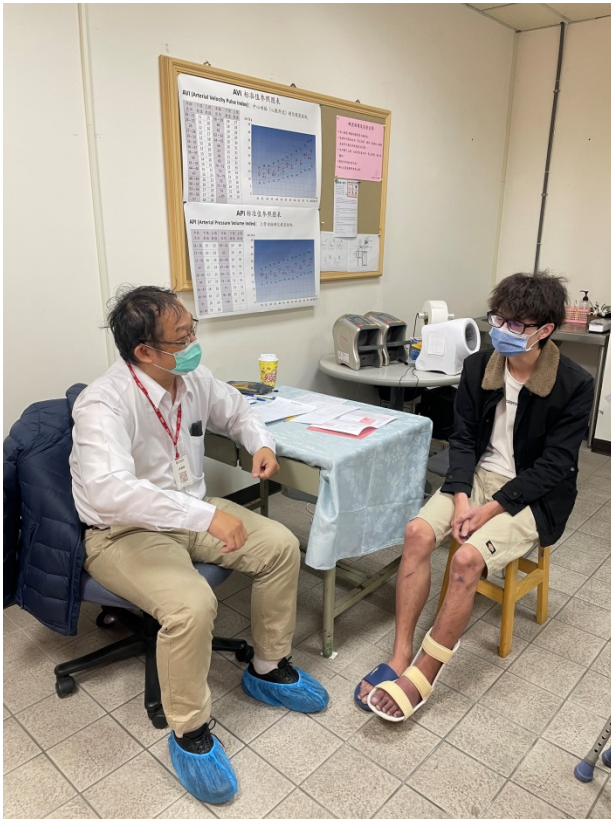


■ PASESA Measurement and Health Education at All Factories

The portable cardiovascular measuring instrument patented in Japan is equipped with medical-grade measuring functions. It is easy to operate, provides quick detection, and accurately measures arterial stiffness to ensure the real-time warning and prevention of arteriosclerosis and diseases associated therewith, such as strokes, brain hemorrhages, myocardial infarction, and hypertension, thereby reducing the incidence of the diseases. In 2022, the total number of employees receiving PASESA measurements was 763. In 2023, the total number of employees promoting community care services was 167. The Company developed the PASESA medical product independently and provided community care services to take care of the disadvantaged and the elderly. In 2024, the Company conducted patrol services in 3 communities, namely, Lilin Village, Sanchun Village, and Touzhangdong Village.



■ On-site Physician Consultations



Aerobics Video Automatically Played on the Computer during Breaks



10. Social Care and Welfare

10.1 Social Welfare

As a corporate citizen, Asia Optical not only pays attention to social needs in a long-term manner, but is also committed to participating in society, engaging in public affairs and local care, exerting social influence and promoting participation in social welfare activities, and cultivating outstanding local talent over a long period of time. This equips Taiwan with international-class community development when facing world-class challenges. To provide employees with peace of mind for their families, Asia Optical has signed contracts with excellent childcare institutions so that the employees can send their children to the institutions at preferential prices. With a focus on social needs, we extend a helping hand in a timely manner to social emergencies. Asia Optical also actively recruits talents to respond to emergencies. While supporting the disadvantaged and caring for employees through the three pillars of Charity, Relationships, and Education, we continue to advance our professional field in Taiwan further toward sustainability and prosperity with society.



Three Pillars of Social Participation for Asia Optical



Charity Sponsorship

Liaise with social welfare organizations and sponsor various charity events.



Contracting with Institutions

Contract with outstanding childcare institutions so that employees have no worries about their families.



Education Promotion

Collaborate with blue-chip universities and research institutes, sponsor their academic development, provide industry experience courses, etc.

In order to promote the employment of industrial talent and bridge the gap between industrial practices and school courses, Asia Optical supports Chairman Lai's alma mater through its self-designed program to cultivate outstanding young talent. In recent years, we have actively participated in the Dual-Track Vocational Training Project in Taiwan initiated by the Workforce Development Agency, Ministry of Labor and National Taichung University of Science and Technology to support schools in nurturing elites and encourage diversified learning policies for students, allowing them to develop workplace skills during their studies. We also provided our venues with industrial professional skill training to further link the students' courses with

practical training, and gave course suggestions to the schools as a reference for their curriculum planning. This not only enabled the students to find jobs right after graduation, but also helped Asia Optical recruit young talent, creating a win-win situation.

Social Welfare Achievements in 2024

Issue of Concern	Charity Sponsorship	Friendly Community	Education Promotion
Investment Amount (TWD)	410,172	263,000	100,000
Number of Participants	17,331	1,075	40

The Company developed the PASESA medical product independently and provided community care services to take care of the disadvantaged and the elderly. In 2024, the Company conducted patrol services in 3 communities, namely, Tanzih District Office, Sanchun Village, Shin-Wang-Ai, and Lilin Village. In response to participation in the National Taxation Bureau's campaign, we encouraged customers to choose to have their invoice delivered electronically.

Community Care Locations	Date	Number of Employees
Tanzi District Office	2024.3.30	900
Sanchun Village	2024.6.8	60
Shin-Wang-Ai Mental Development Center	2024.10.22	80
Lilin Village	2024.12.12	35



Social Welfare Achievements

Asia Optical's Social Welfare Activities in 2024					
Year	Issue of Concern	Partner	Development Plan	Number of Participants	Budget Utilization (TWD)
2024	Friendly Community	Community safety in Lilin Village	Sponsorship for Lilin Village's community safety events		100,000
		Sanchun Village Community	Sponsorship for activities supporting vulnerable populations in Sanchun Village		100,000
		Friends of the Police Association of the R.O.C.	Sponsorship for the events of the Friends of the Police Association of the Second Special Police Corps		50,000
		Lilin Village, Sanchun Village, Tanzi District Office, and Shin-Wang-Ai Mental Development Center	Community care health services		13,000
	Charity Sponsorship	Social Affairs Bureau, Taichung City	Donation of differential subsidies for the placement of disadvantaged people and social worker safety subsidies		50,000
		Taichung City Shin-Wang-Ai Mental Development Center	Indirect donation of invoices and change	2,335	4,160
		Fengyuan Cih Ji Gong	Participation in the centennial Wuchao Ancestral Worship and Blessing Ceremony through table offerings	4	45,000
		Taichung City Shin-Wang-Ai Mental Development Center	Charity gift box donation and sponsorship	13	7,000

		Eden Social Welfare Foundation	Ordering lunch boxes from the sheltered workshops for people with disabilities for support	114	146,906
		Huashan Social Welfare Foundation	Elderly Care and Reunion Event, herbal soap donation, Dragon Boat Festival care gift distribution, and Mid-Autumn Festival charity sale activity	116	68,026
		Chensenmei Social Welfare Foundation	Lunar New Year charity gift boxes and Mid-Autumn Festival charity sale sponsorship	39	27,750
		Renyou Home	Lunar New Year charity support for the underprivileged, Mother's Day charity gift boxes, and Mid-Autumn Festival mooncake sponsorship	69	35,990
		Genesis Social Welfare Foundation	Charity sale to support the construction of Hualien Branch Hospital and fundraising for 30 diapers for vegetative patients	31	14,340
		The Mustard Seed Mission	Christmas charity event - Christmas gift donation and fundraising	22	11,000
	Education Promotion	Nan Yang Elementary School, Fengyuan District, Taichung City	Sponsorship of the extra-curricular badminton program	4	100,000
	Industry-academia Collaboration	National Taichung University of Science and Technology	12 students were accepted to the Dual-Track Vocational Training Project in Taiwan for the Department of Intelligent Production Engineering in the 2024 Academic Year	12	0

	Industry-academia exchanges	National Yang Ming Chiao Tung University	Keynote speech - Swimming Upstream to Transform and Get Stronger	2	0
	Industry Exchange		Green Economy for Low-Carbon Transition - Corporate Sustainability Seminar	2	0
	Industry Exchange		Green Transformation for SMEs - The Path to Net-Zero Carbon Emissions	2	
Total					
Asia Optical's Social Welfare Activities in 2023					
Year	Issue of Concern	Partner	Development Plan	Number of Participants	Budget Utilization (TWD)
2023	Friendly Community	Community safety in Lilin Village	Sponsorship for Lilin Village's community safety events		100,000
		Sanchun Village Community	Funding for Sanchun Village community development activities		100,000
		Lilin Village, Sanchun Village, Toujia Village	Community care health services	190	16,160
		Dakeng Farmers Market	Consumer coupon event	933	571,271
		Fengyuan Taxation Bureau, Ministry of Finance	Promotion of cloud invoices	40	0
	Charity Sponsorship	Friends of the Police Association of the R.O.C.	Sponsorship for the events of the Friends of the Police Association of the Second Special Police Corps	-	50,000
		Social Affairs Bureau, Taichung City	Donation of differential subsidies for the placement of disadvantaged people and social worker safety subsidies	-	50,000
		Taichung City Shin-Wang-Ai Mental Development Center	Indirect donation of invoices and change	3,123	5,751

		Taichung City Shin-Wang-Ai Mental Development Center	Fundraiser for those with intellectual disabilities and their families	-	30,000
		Huashan Social Welfare Foundation	Indirect donation of invoices and change	331	1,883
		Huashan Social Welfare Foundation	Support for the Send Love and Care during Mid-autumn Festival Event	42	14,700
		Huashan Social Welfare Foundation	Support for the charity sale event (leguminosae soap)	50	5,000
		Huashan Social Welfare Foundation	Support for the Elderly Care and Reunion Event	65	69,865
		Huashan Social Welfare Foundation	Support for the Dragon Boat Festival Care Event	60	16,745
		Eden Social Welfare Foundation	Ordering lunch boxes from the sheltered workshops for people with disabilities for support	83	149,400
		Eden Social Welfare Foundation	Support for Mid-Autumn Festival mooncake	10	3,341
		Eden Social Welfare Foundation	Support for Mother's Day cake	3	2,637
		Chensenmei Social Welfare Foundation	Support for Mid-Autumn Festival mooncake	26	17,780
		Renyou Home	Support for Mid-Autumn Festival mooncake	24	9,700
		Taiwan Sunshine Women Association	Support for the charity sale event	34	12,750
	Industry-academia Collaboration	National Taichung University of Science and Technology	14 students were accepted to the Dual-Track Vocational Training Project in Taiwan for the Department of Intelligent Production Engineering in the 2022 Academic Year	14	0

	Education Promotion	National Formosa University	Scholarship	40	100,000
		Nan Yang Elementary School, Fengyuan District, Taichung City	Sponsorship of the extra-curricular badminton program	-	110,000
	Industry Exchange	Taiwan Optics & Photonics Forum	Attendance in the events and a keynote speech in Taiwan Optics & Photonics Forum	1	0
		Photonics Industry & Technology Development Association	Participation in PIDA membership activities	22	50,000
		Taiwan Photonics Society	Engagement in academic development as well as talent cultivation and development	1	10,000
		Industrial Development and Investment Promotion Committee of Taichung City	Participation in the provision of industrial and commercial development investment advice	1	
		Taiwan Optics Association	Participation in optics industry exchanges	3	36,000
		Taiwan Export Processing Zone Optical & Precision Instrument Association	Participation in optics industry exchanges	4	24,000
		Optical Component Technology Development Advisory Committee	Participation in optics industry exchanges	1	30,000
		Taiwan Industry Association of Intelligent Security and Safety	Participation in intelligent security and safety industry exchanges	2	10,000
	Total			18,103	1,486,983
	Asia Optical's Social Welfare Activities in 2022				

Year	Issue of Concern	Partner	Development Plan	Number of Participants	Budget Utilization (TWD)
2022	Friendly Community	Community safety in Lilin Village	Sponsorship for Lilin Village's community safety events	5,517	100,000
	Charity Sponsorship	Friends of the Police Association of the R.O.C.	Sponsorship for the events of the Friends of the Police Association of the Second Special Police Corps	-	50,000
		Social Affairs Bureau, Taichung City	Donation of differential subsidies for the placement of disadvantaged people and social worker safety subsidies	-	50,000
		Taichung City Shin-Wang-Ai Mental Development Center	Indirect donation of invoices and change	3,826	2,092
		Taichung City Shin-Wang-Ai Mental Development Center	Donation - Project for Helping Children with Developmental Delays Become Independent	32	10,000
		Huashan Social Welfare Foundation	Indirect donation of invoices and change	578	1,904
		Huashan Social Welfare Foundation	Support for the Send Love and Care on Mid-autumn Festival Event	14	4,900
		Huashan Social Welfare Foundation	Support for the charity sale event (popcorn/leguminosae soap)	60	11,200
		Eden Social Welfare Foundation	Ordering lunch boxes from the sheltered workshops for people with disabilities for support	809	123,550
		Eden Social Welfare Foundation	Support for Mid-Autumn Festival mooncake	6	2,160
		Chensenmei Social Welfare Foundation	2022 Support for Mid-Autumn Festival mooncake	3	1,200

		Taiwan Foundation for the Blind	Co-branded social welfare activities	28	25,137
	Industry-academia Collaboration	National Taichung University of Science and Technology	15 students were accepted to the Dual-Track Vocational Training Project in Taiwan for the Department of Intelligent Production Engineering in the 2022 Academic Year	15	0
	Education Promotion	National Formosa University	Scholarship	22	100,000
	Industry Exchange	Taiwan Optics & Photonics Forum	Attendance in the events and a keynote speech in Taiwan Optics & Photonics Forum	1	-
		Taiwan External Trade Development Council	Participation in Electronica (Munich, Germany)	-	60,000
		Photonics Industry & Technology Development Association	Participation in PIDA membership activities	1	50,000
		Taiwan Photonics Society	Engagement in academic development as well as talent cultivation and development	1	10,000
		Industrial Development and Investment Promotion Committee of Taichung City	Participation in the provision of industrial and commercial development investment advice	1	
		Taiwan Optics Association	Participation in optics industry exchanges	3	36,000
		Taiwan Export Processing Zone Optical & Precision Instrument Association	Participation in optics industry exchanges	4	24,000

		Optical Component Technology Development Advisory Committee	Participation in optics industry exchanges	1	30,000
		Taiwan Industry Association of Intelligent Security and Safety	Participation in intelligent security and safety industry exchanges	2	10,000
Total				10,924	702,143

Appendix I. GRI Standards Index

GRI Standards Table of Contents

Statement of Use	Asia Optical Co., Inc. has reported in accordance with the GRI Standards for the period [2024/1/1 - 2024/12/31].			
GRI 1 Used	GRI 1: Foundation 2021			
GRI Standards Content Index				
STANDARD DISCLOSURES PART I: Universal Standards				
GRI 2: General Disclosures 2021				
Index		Description	Chapter Name	Page Number
Governance	2-1	Organizational details	5. Corporate Governance	28
	2-2	Entities included in the organization’s sustainability reporting	5. Corporate Governance	28
	2-3	Reporting period, frequency, and contact point	About the Report	3
	2-4	Restatement of information	About the Report	3
	2-5	External assurance	About the Report	3
	2-6	Activities, value chains, and other business relationships	5. Corporate Governance	29
	2-7	Employees	9. Employee Care	68
	2-8	Workers who are not employees	9. Employee Care	68
	2-9	Governance structure and composition	5. Corporate Governance	33
	2-10	Nomination and selection of the highest governance body	5. Corporate Governance	31
	2-11	Chair of the highest governance body	5. Corporate Governance	31
	2-12	Delegation of responsibility for managing impacts	5. Corporate Governance	34
	2-13	Role of the highest governance body in overseeing the management of impacts	5. Corporate Governance	34
	2-14	Role of the highest governance body in sustainability reporting	5. Corporate Governance	34
	2-15	Conflicts of interest	5. Corporate Governance	31
	2-16	Communication of critical concerns	5. Corporate Governance	35
	2-17	Collective knowledge of the highest governance body	5. Corporate Governance	31
	2-18	Evaluation of the performance of the highest governance body	5. Corporate Governance	33, 43
	2-19	Remuneration policies	5. Corporate Governance	33
	2-20	Process to determine remuneration	5. Corporate Governance	33
	2-21	Annual total remuneration ratio	-	Not disclosed
	2-22	Statement on sustainable development strategy	5. Corporate Governance	37
Strategies, Policies, and Practices	2-23	Policy commitments	5. Corporate Governance	36
	2-24	Embedding policy commitments	5. Corporate Governance	34, 36
	2-25	Processes to remediate negative impacts	5. Corporate Governance	36
	2-26	Mechanisms for seeking advice and raising concerns	5. Corporate Governance	36
	2-27	Compliance with laws and regulations	5. Corporate Governance	36
	2-28	Membership associations	5. Corporate Governance	43

Stakeholder Communication	2-29	Approach to stakeholder engagement	4. Stakeholder Identification and Communication	17
	2-30	Collective bargaining agreements	9. Employee Care	72
GRI 3: Material Topics 2021				
Material Topics	3-1	Process to determine material topics	4. Stakeholder Identification and Communication	19
	3-2	List of material topics	4. Stakeholder Identification and Communication	19
	3-3	Management of material topics	4. Stakeholder Identification and Communication	22
Topic Standards				
GRI 200: Economic Series				
Series	Index	Description	Chapter Name	Page Number
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	5. Corporate Governance	30
	201-2	Financial implications and other risks and opportunities due to climate change	7. Environmental Sustainability	53
	201-3	Defined benefit plan obligations and other retirement plans	9. Employee Care	71
	201-4	Financial assistance received from government	5. Corporate Governance	30
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	9. Employee Care	70
	202-2	Proportion of senior management hired from the local community	9. Employee Care	67
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	8. Sustainable Supply Chain	62
GRI 205 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	5. Corporate Governance	36
	205-3	Confirmed incidents of corruption and actions taken	5. Corporate Governance	36
GRI 206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5. Corporate Governance	36
GRI 300: Environmental Series				
Series	Index	Description	Chapter Name	Page Number
GRI 302 Energy	302-1	Energy consumption within the organization	7. Environmental Sustainability	55
	302-3	Energy intensity	7. Environmental Sustainability	55
	302-4	Reduction of energy consumption	7. Environmental Sustainability	56
GRI 303 Water and Effluents (Non-material issue; voluntary disclosure)	303-3	Water withdrawal	7. Environmental Sustainability	60
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	7. Environmental Sustainability	56
	305-2	Energy indirect (Scope 2) GHG emissions	7. Environmental Sustainability	56
	305-4	GHG emissions intensity	7. Environmental Sustainability	56
GRI 306 Waste: 2020	306-1	Waste generation and significant waste-related impacts	7. Environmental Sustainability	58
	306-2	Management of significant waste-related impacts	7. Environmental Sustainability	58

GRI 308 Supplier Environmental Assessment (Non-material issue; voluntary disclosure)	308-1	New suppliers that were screened using environmental criteria	8. Sustainable Supply Chain	63
GRI 400: Social Series				
Series	Index	Description	Chapter Name	Page Number
GRI 401 Employment	401-1	New employee hires and employee turnover	9. Employee Care	68
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	9. Employee Care	70
	401-3	Parental leave	9. Employee Care	77
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	-	When there are operational changes, announcements are made in accordance with the Labor Standards Act
GRI 403 Occupational Health and Safety	403-1	Occupational health and safety management system	9. Employee Care	79
	403-2	Hazard identification, risk assessment, and incident investigation	9. Employee Care	79
	403-3	Occupational health services	9. Employee Care	85
	403-4	Worker participation, consultation, and communication on occupational health and safety	9. Employee Care	79
	403-5	Worker training on occupational health and safety	9. Employee Care	82
	403-6	Promotion of worker health	9. Employee Care	85
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	9. Employee Care	79
	403-8	Workers covered by an occupational health and safety management system	9. Employee Care	82
	403-9	Work-related injuries	9. Employee Care	84
	403-10	Work-related ill health	9. Employee Care	85
GRI 404 Training and Education	404-1	Average hours of training per year per employee	9. Employee Care	76
	404-3	Percentage of employees receiving regular performance and career development reviews	9. Employee Care	75
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	5. Corporate Governance	31
	405-2	Ratio of basic salary and remuneration of women to men	9. Employee Care	70
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions	5.8.2 Human Rights Policy	37 There were no discrimination incidents in 2024

GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	5. Corporate Governance	37
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5. Corporate Governance	37
GRI 414 Supplier Social Assessment (Non-material issue; voluntary disclosure)	414-1	New suppliers that were screened using social criteria	8. Sustainable Supply Chain	63
GRI 416: Customer Health and Safety (Non-material issue; voluntary disclosure)	416-1	Assessment of the health and safety impacts of product and service categories	6. Partnership	52
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6. Partnership	52

Appendix II. SASB Standards Index

Appendix II. SASB Standards Index				
Disclosure Topic	Metrics Code	Disclosure Metrics	Description	Page Number
Product Safety	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	6.3.2 Product Safety	52
Recruiting & Managing a Global & Skilled Workforce	TC-HW-330a.1	(1) Percentage of employees who are foreign nationals %	9.1.1 Manpower Distribution	67
		(2) Percentage of employees who are located offshore		
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	None	-
	TC-HW-410a.2	System-level processor energy efficiency: (1) Servers, (2) Desktop computers and (3) Notebook computers	No such products	-
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® certification	No such products	-
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	7.2.2 Waste Management	58
Supply Chain Management	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	At present, the Company only invites suppliers to sign a Letter of Undertaking to Sustainability	65
	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-conformances and (b) other non-conformances	At present, the Company only invites suppliers to sign a Letter of Undertaking to Sustainability	65
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	6.3.2 Product Safety	52

Appendix III. “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” Sustainability Disclosure Indicators - Optoelectronic Industry

No.	Index	Indicator Type	Annual Disclosure	Unit	Remarks
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	7.1.2 Energy Use P. 55	Gigajoules (GJ), percentage (%)	
2	Total water withdrawn, total water consumption	Quantitative	7.3.1 Water Source Management P. 60	Thousand cubic meters (1,000 m ³)	
3	Total hazardous waste generated and percentage recycled	Quantitative	7.2.2 Waste Management P. 58	Metric tons (t), percentage (%)	
4	Types of, amount of, and rate of occupational accidents	Quantitative	9.3.5 Occupational Disaster Management P. 84	Quantity, ratio (%)	
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	7.2.2 Waste Management P. 58	Metric tons (t), percentage (%)	
6	Description of the management of risks associated with the use of critical materials	Qualitative description	6.3.2 Product Safety P. 52	Not applicable	
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	5.8.1 Professional Code of Ethics P. 36 (No anti-competitive behavior litigation occurred in 2023)	Reporting currency	
8	Production by product category	Quantitative	Please refer to the financial statements	Varies by product category	

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASIA OPTICAL CO., INC.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASIA OPTICAL CO., INC. (hereinafter referred to as ASIA) to conduct an independent assurance of the Sustainability Report for 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/06/24 to 2025/07/29. The boundary includes ASIA Taiwan operational and production or service sites as disclosed in ASIA's Sustainability Report of 2024. The boundary is not the same as ASIA's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all ASIA's Stakeholders.

RESPONSIBILITIES

The information in the ASIA's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of ASIA.

SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from ASIA, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

ASIA has demonstrated its commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, ESG experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, ASIA may proactively consider using outputs of engagement to facilitate their understanding, learning and improvement.

MATERIALITY

ASIA has established a regular process for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

ASIA has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements. ASIA may consider establishing processes under the governance of senior management, with relevant cross-functional involvement, to identify, measure, evaluate, and manage its impacts for future reporting.

ADHERENCE TO GRI

The report, ASIA's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to ASIA's contributions to sustainability development.

For future reporting, ASIA is encouraged to prepare for the transition to reporting in accordance with the GRI Standards and expand the reporting boundary with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

Signed:

For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
10 September, 2025
WWW.SGS.COM



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2024



亞洲光學股份有限公司
ASIA OPTICAL CO., INC.