

2024

Young Optics
Sustainability Report

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Introduction

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About the report

Welcome to the 2024 Young Optics Sustainability Report. Since 2013, Young Optics has published an annual sustainability report, approved by the Board of Directors prior to publication. This report focuses on three key aspects—corporate governance, environment, and society—and is prepared in accordance with the principles of transparency and integrity. We aim to communicate to stakeholders the outcomes of our sustainability efforts and our strong commitment to becoming a sustainable enterprise.

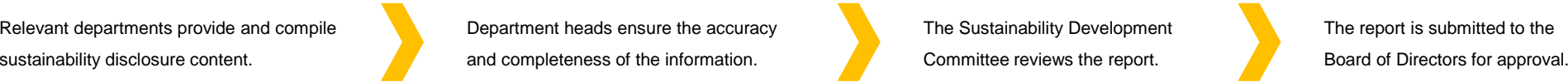
■ Consolidating Principles2-5

This report is compiled with reference to the GRI Standards issued by the Global Reporting Initiative (GRI). It also adopts the Sustainability Accounting Standards Board (SASB) and incorporates the TWSE Sustainability Disclosure Index-Optoelectronics Industry. The comparison tables of GRI, SASB, and TWSE Sustainability Disclosure Index are provided in the appendix. This report has not been certified by an independent third party.

■ Structure and Scope2-2, 2-4

This report consists of six chapters: About Young Optics, Sustainable Development, Corporate Governance, Sustainable Environment, Sustainable Innovation, and Friendly Workplace. The disclosure mainly covers Young Optics' Taiwan headquarters. Certain information also includes facilities in China (Kunshan and Suzhou) and Bangladesh, as noted in the report. If this report undergoes any data revisions, scope changes, or recalculations during preparation, it will be clearly noted and explained in the relevant sections.

■ Report Management – Internal Control



■ Publication Time2-3

Young Optics' annual Sustainability Report is downloadable from its official website and the TWSE Market Observation Post System.

- Issue time of the last report : August 2024
- Issue time of current report : August 2025
- Issue time of the next report : August 2026

■ Contact Information2-3

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Letter from the Chairman

Since 2013, Young Optics has published an annual sustainability report, regarding it as an important opportunity for corporate self-assessment. Through a systematic review of environmental protection, social responsibility, and corporate governance (ESG), we not only examine the progress and challenges of the past year but also provide a critical basis for future strategic adjustments and continuous improvement. This report demonstrates our firm commitment to the principle of “Excellence in Quality, Customer First” and enables stakeholders to clearly understand our efforts and achievements in advancing sustainable development, thereby building solid trust.

In terms of corporate governance, Young Optics has consistently upheld business ethics, ensuring employee integrity while safeguarding the interests of our assets, shareholders, and all stakeholders. Confronted with the challenges of international dynamics, climate change, and rapid social transformation, we view these as both opportunities and drivers for continued growth. The Risk Management Task Force plays a key role in this process, effectively identifying and addressing risks through systematic measures, thereby reducing risks, securing the achievement of operational objectives, and implementing corporate sustainability.

With respect to social responsibility, we commit to adhering to the highest standards of labor, human rights, environmental protection, and business ethics, and we actively participate in the “TALENT, In Taiwan” to promote a diverse and inclusive workplace. Through regular and ad hoc labor-management meetings and communications, we inform employees about company policies, systems, benefits, and activities, ensuring that their voices are fully heard and that timely responses and support are provided. Furthermore, we actively organize activities such as walking competitions, sports games, fitness courses, health seminars, free counseling, and participation in endangered plant restoration, all aimed at fostering a healthy and safe workplace environment while comprehensively implementing employee health care and self-management.

Today, the world faces severe challenges from climate change and environmental imbalance, while progressing toward the long-term goal of achieving net-zero emissions. Greenhouse gas reduction is one of our key sustainability objectives. We integrate sustainability concepts into product design and manufacturing processes, actively strengthen energy management, improve energy efficiency, and optimize production technologies and processes, while also striving to reduce waste. Our Taiwan factory has obtained ISO 14064-1:2018 greenhouse gas verification for two consecutive years, with Scope 1 and Scope 2 emissions reduced by 5.50% compared with the baseline year. Through concrete actions, we continue to fulfill our commitment to environmental sustainability and move toward a greener and more sustainable future.

Sustainable development is a long journey that requires continuous progress and practice. Only when enterprises take responsibility and act immediately can they coexist and thrive with human society. This is precisely the core goal that Young Optics has pursued with persistence and determination. We will continue to uphold this commitment and work together toward a more sustainable and prosperous future.



Chairman Sarah Lin

Key Performance



E

ENVIRONMENTAL

Achieved ISO 14064-1:2018 verification for two consecutive years.

Reduced Scope 1 and Scope 2 greenhouse gas emissions by 5.50% compared to the baseline year.

Achieved an average electricity savings rate of 1.58% in 2024.

Achieved a waste recycling rate of 67%.

Achieved a wastewater reuse rate of 15.61%.



S

SOCIAL

Achieved a 100% response rate for the Supplier Sustainability Self-Assessment Questionnaire.

Implemented 100% of programs supporting race, gender, and persons with disabilities.

Achieved 100% participation rate in sustainability education courses for indirect employees.

Recorded zero employee complaints in 2024.

Responded to the "TALENT, in Taiwan" for three consecutive years.

Held 26 sports classes with a total participation of 255 employees.

Held walking competition with 93 participants, accumulating a total of 44,886,794 steps.

Provided 60 free low-dose CT lung screenings and 60 free bone density (DXA) screenings for employees.

Held 9 health lectures and 1 therapy course.

A professional psychologist provides regular counseling services, with 109 employees participating.

Adopted 11 Daimyo Oaks and participated in endangered plant conservation efforts.

Held 2 blood donation drives, collecting 414 bags of blood.

Donated 50,000 Taka to assist disaster victims in Bangladesh.

Purchased 30 packs of "Ping An Rice" to support the Taiwan Autism Family Support Association.

Donated supplies and food to Boyo Social Welfare Foundation, Ai Heng Center for People with Intellectual Disabilities, Xiazhu Community Development Association, and Zhishan Foundation.



G

GOVERNANCE

Female directors accounted for 29% of the board.

No anti-corruption complaints were received in 2024.

Achieved 100% coverage for integrity management training courses.

No major information security incidents or related losses occurred in 2024.

The cyber threat intelligence score averaged 88 in 2024, surpassing the industry average by 2 points and improving 3 points from last year.

All 419 employees completed 209.5 hours of information security and data protection training in 2024.

The total number of approved global patents reached 960.

Achieved a 100% response rate in supplier sustainability evaluations.



01 About Young Optics

- 1.1 Company Introduction
- 1.2 Economic Performance
- 1.3 Future Development

1.1 Company Introduction2-1, 2-6, 2-28

Young Optics was established in the Hsinchu Science Park on February 18, 2002, and was listed on the Taiwan Stock Exchange on January 26, 2007, under stock code 3504. Young Optics specializes in the research and development, design, manufacturing, and sales of key components of optical engines and optical engines. It is the first major domestic manufacturer of key components that invests in the development of optical engines independently. It is also a member of several industry associations, including the Taiwan Science Park Science and Industry Association, the 3D Printing Association, the Science Park Information Security Information Sharing and Analysis Center, the Taiwan Computer Network Crisis Management and Coordination Center in the Hsinchu Science Park, and the CISO Association. Its global manufacturing and operational bases are located in Kunshan and Suzhou, China, as well as in the Dhaka Industrial Zone in Bangladesh. As of December 31, 2024, Young Optics and its subsidiaries employed a total of 1,413 people



• Young Optics’ Information

Establishment: February 18, 2002
Chairman: Sarah Lin
President: Cynthia Chang, Wayne Lin
Number of Employees: 1,413

• Global Location

Young Optics Inc	No.7, Hsin-Ann Rd.,Hsinchu Science Park, Hsinchu, Taiwan 30076, R.O.C.
Kunshan Young Optics	No. 20, Third Avenue, Kunshan Export Processing Park, Jiangsu, China
Suzhou Young Optics	2nd Floor, Building 6, No. 80 Tongyuan Road, Suzhou Industrial Park, China
Bangladesh Young Optics	Plot #104, 105, 124, and 125, DEPZ (Extension Area), Ashulia, Savar-1349, Dhaka, Bangladesh

Operational Philosophy

With the vision of "presenting the boundless charm of optics for humanity," Young Optics is dedicated to advancing expertise and innovation in the field while upholding its mission to harness the power of optics in helping people embrace a healthy, secure, and fulfilling life.

Techniques

Young Optics has a precision optical technology team from R&D, design to production and manufacturing, dedicated to optical design, mechanism design, electronic software design, glass lens grinding/polishing technology, molded glass forming technology, plastic lens injection, various mold core precision processing, non-Spherical precision measurement technology, various optical coatings (AR/IR/UVIR), metal processing technology, optical component and lens assembly production technology, and waveguide design and manufacturing. It has complete vertically integrated optical process capabilities and can provide customized integrated service solutions based on various optical needs. It hopes to form strategic partners with customers and suppliers to jointly compete for the target market and create new products under the fierce global competition and rapid technological changes and win-win competitive advantage.

Business Scope and Product/Service Applications

Micro projector	Used in various portable micro-projection products, white goods, smart speakers, robots and medical testing products, among others.
Imaging optics	Megapixel digital imaging optical components are primarily used in a variety of applications, including professional security systems, smart home devices, smart factories, and low-earth orbit satellites.
Optical components	Produces a variety of optical components, including plastic lenses, glass-molded lenses, ground glass lenses, waveguide lenses, color wheels, integrating rods, projection lens modules, reflectors, and filters. These components are primarily used in various optical systems, such as swimmer goggles and co-packaged optical transceivers.
3D printing additive manufacturing system and peripheral products	Mainly used in the jewelry industry, dental technology industry, micro-channels, and shock absorbers to improve production efficiency and achieve customized production. It also provides a more economical proofing method for the industrial, medical, and shoe industries.
Car use	Automotive digital headlights, Puddle Light, LIDAR lenses, HUD Combiner and Puddle light, among others.
Other	Oil testing optical instruments, handheld fundus and retina testing instruments, industrial testing lenses, and video wall optical machines are mainly used in control centers, security monitoring, 8 command centers, among others.

Technics

Diamond Turning	<p>Diamond Turning Pioneer</p> <ul style="list-style-type: none">We provide mockup with maximum dimensions < ψ350mm for machining of insert and lens.Accept customized mockup metal and plastic lens, including aspheric lens, free-form lens, and diffraction element.Professional manufacturing plastic injection and glass molding inserts.
CNC Machining	<p>Highly CNC Accurate Makes Stringent Go-To-Market Easy</p> <ul style="list-style-type: none">Full line and advanced precision measuring equipment.Application oriented cutting parameters selection.Optimize the characteristics of the tool substrate and geometry.Rigorous tools reliability control - Recognize and respect overall effects on the tooling.
Metrology Technology	<p>Highly accuracy ensures fine quality and fuels customer success.</p> <ul style="list-style-type: none">Full line measuring equipment.Optical component and lens module quality testing.Provides professional and comprehensive inspection reports.An engineer team with more than 30 senior quality testing engineers.Peak to Valley(PV) capability : < 0.05um.Size and geometric precision capability : < 0.7um.Optical performance at various thermal effect : σ<0.001 mm.Synchronous measurement of visible and 850nm invisible lights.
Plastic Injection Molding	<ul style="list-style-type: none">One-stop shop solutions from CAE / mold design and lens mockup to mass productionWe make good services in professional ,fast-delivery , fine quality and highly customized lensWe are capable of producing various types of optical lens with Ø 2mm ~ 330mm * 110mmInjection Size Capability : diameter Ø < 10mm · PV < 1um, D / T < 2um
Lens Processing Technology of Low-Z Coefficient	<p>Expertise of Low-Z-Coefficient Lens Machining</p> <p>Young's professional technical team is capable of machining for low-Z score lenses with 0.01 < Z < 0.04 providing the topnotch technology that you can fully trust.</p>
Large Size Lens(Max Ø230mm) Processing Technology	<p>Large-Diameter Lens Machining Settles Unconventional</p> <p>Young Optics possesses machining techniques in large-diameter lenses, being capable of machining for lenses with Ø 200 ~ 230mm, precisely developing excellent products conforming with your needs.</p>
Mini Size Lens(Min Ø2.6mm) Processing Technology	<p>Small-Diameter Lens Machining Settles Unconventional</p> <p>Young Optics possesses machining techniques in small-diameter lenses, being capable of machining for lenses with minimize Ø 2.6mm, precisely developing excellent products conforming with your needs.</p>

Precision Optical Coating	<ul style="list-style-type: none">We offer best-in-class performance products, not only able to meet the requirement of customer applications, but also reasonable leverage between performance and cost .Thin film coatings have many different characteristics which are leveraged to alter or improve some element of the substrate performance, Young Optics offers different technologies and methods that can be used to apply thin film coatings.Size Capability : 3mm ~ 200mmWideband Coating Capability : 250nm ~ 2500nmCoating Layer : 100+ LayerApplication Fields :<ul style="list-style-type: none">Anti-reflection (AR) Coating – single-layer coating, wideband multi-layer coating, ultra-low reflective coating for laser and LED, AR / AR + AF protective lens.Half Mirror – head up display (HUD), augmented reality (AR), and Google Glasses.Beam splitter – polarizing beam splitter, non-polarizing beam splitter.Prism – total reflection prism, polarizing cube beam splitter.Filter – dichromic filter, RGB filter, narrow band pass filter, multiple band pass filter, UV / IR cut filter, night vision filter, hard resin lens coating.Mirror – metal coating with enhanced protective layer and increased reflectivity such as Al-coating, Ag-coating, and Cr-coating, IR cut filter, IR pass filter, and multi-layer dielectric AR coating.Customized optical coating in various applications of UV, visible, and IR bands.
Micro Lens Assembly	With the topnotch R&D technology and remarkable assembling quality, Young Optics is capable of assembly for micro lens of 2mm~1.3mm, satisfying customer needs.
Waveguide Design and Manufacturing	Young's professional technical team achieves highly transparent and bright display in augmented reality; with size up to 90mm x 60mm, which is the best choice for your need in waveguide manufacturing.
Image Quality Assurance	<p>A Variety Capacity of Low Illuminance Environment</p> <ul style="list-style-type: none">Well focus shift control brings real time surveillance of both visible and invisible lights.Excellent Night vision performance at 850nm.Image displacement deviation at various thermal effect : -20~70°C ΔBFL <+/-0.01mm.
Outstanding Optical Reliability	<p>Magnitude Response Performance</p> <ul style="list-style-type: none">MTF : <15%.

Current Status and development

With continuous advancements in Micro-Opto-Electro-Mechanical integration technology, energy-efficient, and highly portable micro light-engine products, in addition to their traditional use in home theaters, have seen a significant increase in adoption in recent years in projection TV and other diversified application areas. However, the consumer market for erosion DLP micro projector is facing severe challenges due to the recent low-price dumping of single panel LCD projectors, coupled with sluggish domestic demand in China.

The resin materials for vat photopolymerization (VP) 3D printing are very diverse and widely used, such as model functional parts, biomedicine, dentistry, jewelry, wax-like casting, rubber-like, ceramics, metals, etc. As advances in material technology and printing technology change traditional production processes, more manufacturers will use 3D printing as production equipment in the future to directly print parts used in end products to reduce overall costs.

In addition, the output value of the precision optical component industry, which is used in products such as digital cameras, projectors, tablets, computer peripherals, and smartphones, has gradually moved towards other application markets such as security monitoring and wearable devices due to slowing demand from end consumers. It develops in the fields of equipment, medical, and automotive applications.

Industry Upstream, Midstream, and Downstream Linkages

All products produced by Young Optics are part of the optical industry. The upstream of the optical industry is optical materials, the midstream is optical components and opt mechanical products, and the downstream is optical application products. The company is committed to the design, manufacturing, and sales of optical component products in the midstream of the optical industry, and produces optical-mechanical engines and optical modules. Optical components can supply upstream and downstream optical products for various changes and integrations. Please refer to the table below for the overall optical industry supply chain relationship.

Upstream Industry Optical materials		Midstream Industry Optical components			Downstream Industry Optical applications					
Optical glass industry	Optical plastic industry	Optical components		Optical products industry	Tradition Optical equipment	Tradition imaging Products	Digital imaging products for Vehicles	Consumer digital imaging products	Consumer optical storage products	Computer peripheral digital imaging Products
<div><div>•</div>optical glass block</div> <div><div>•</div>glass blank</div>	<div><div>•</div>PC</div> <div><div>•</div>PMMA and other plastic blanks</div>	<div><div>•</div>color wheel</div> <div><div>•</div>Integrating column</div> <div><div>•</div>lens</div>	<div><div>•</div>prism</div> <div><div>•</div>mask</div> <div><div>•</div>filter</div>	<div><div>•</div>projection lens</div> <div><div>•</div>Orientation shot</div> <div><div>•</div>car light lens</div>	Optical storage devices for computer peripherals	Optics Instrument Industry	Measure Instrument industry	Medical, industrial, and commercial supplies	other	<div><div></div>Upstream, midstream, downstream Industry Product</div>

Competitive advantage

Young Optics has great quality and rich design experience. Each functional unit of the team has accumulated many years of practical experience. In addition to having the ability to integrate up and down the technical level, it also strengthens quality stability and meets customer needs. The cooperating operating units in the factory adhere to the purpose of striving to improve production and sales operation times. The complete product line and vertical integration of upstream and downstream manufacturing serve customer needs from a breadth and depth, creating market differentiation from other optical companies, thereby increasing competitive niches.

Company History

Year	Item	Year	Item	Year	Item
2002	<ul style="list-style-type: none"> YOI was established with a paid-in capital of NT\$230,000,000. Launched the first HD2 (720P) optical engine for micro-projectors. Launched the first XGA optical engine for video wall applications. 	2011	<ul style="list-style-type: none"> Cancellation of treasury stocks led to a capital reduction of NT\$ 7,550,000, resulting in a total paid-in capital of NT\$ 1,140,598,000. Established Young Optics (BD) Ltd. through third-party investment, to expand optical component production. 	2019	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent applicants in 2018. Ranked among the top 6-20% in the 5th Corporate Governance Evaluation" by the TWSE. Awarded the 28th Taiwan Excellence Gold Awards.
2003	<ul style="list-style-type: none"> Launched the first zoom lens for front projection. Established Young Optics (Suzhou) Co., Ltd. in China through third-party investment. 	2012	<ul style="list-style-type: none"> Received the Health Promotion Award from the Bureau of Health Promotion, Ministry of Health and Welfare. 	2020	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent announcements and certifications in 2019. Ranked among the top 6-20% in the 6th Corporate Governance Evaluation" by the TWSE. Awarded the 29th Taiwan Excellence Award.
2004	<ul style="list-style-type: none"> Increased the paid-in capital by NT\$ 130,000,000 through Follow-On Offering, raising the total paid-in capital to NT\$ 360,000,000. Acquired the total equity of Grace China Investments Limited, an reinvestment holding company of the parent's company, Coretronic Corporation and its subsidiary, Young Optics (Kunshan) Co., Ltd. Additionally, successfully completed the expansion of optical engines and related optical components production. Successfully mass-produced the HD2+ (720P) optical engine. 	2013	<ul style="list-style-type: none"> Received an "A" ranking award in the 10th "Information Transparency and Disclosure Ranking System", Securities and Futures Institute. 	2021	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent announcements and certifications in 2020. Ranked among the top 21-35% in the 7th Corporate Governance Evaluation" by the TWSE.
2005	<ul style="list-style-type: none"> Increased the paid-in capital by NT\$ 30,000,000 through Follow-On Offering, raising the total paid-in capital to NT\$ 601,765,000. 	2014	<ul style="list-style-type: none"> Received an "A" ranking award in the 11th "Information Transparency and Disclosure Ranking System", Securities and Futures Institute. 	2022	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent announcements and certifications in 2021. Ranked among the top 21-35% in the 8th Corporate Governance Evaluation" by the TWSE.
2007	<ul style="list-style-type: none"> YOI's stocks were listed on the Taiwan Stock Exchange (listing date: January 26, 2007). Increased the paid-in capital by NT\$ 92,460,000 through Follow-On Offering, raising the total paid-in capital to NT\$ 835,816,000. Successfully developed Pico Display engine technology. 	2015	<ul style="list-style-type: none"> Received an "A+" ranking award in the 12th "Information Transparency and Disclosure Ranking System", Securities and Futures Institute. Ranked among the top 20% in the 1st Corporate Governance Evaluation" by the TWSE. 	2023	<ul style="list-style-type: none"> The subsidiary Young Optics (Kunshan) Co., Ltd. and Young Optics (BD) Ltd. have obtained the IATF 16949 audit certification. Ranked among the top 100 domestic corporate invention patent announcements and certifications in 2022. Ranked among the top 36-50% in the 9th Corporate Governance Evaluation" by the TWSE. Merged the subsidiary Rays Optics Inc. in the form of absorption merger.
2008	<ul style="list-style-type: none"> Acquired all equity of Aptek Optical Corp. 	2016	<ul style="list-style-type: none"> Ranked among the top 20% in the 2nd Corporate Governance Evaluation" by the TWSE. Acquired 99% share of Mejiro Genossen Inc. 		
2009	<ul style="list-style-type: none"> YOI was awarded the 12th Outstanding Photonics Product Award by the Photonics Industry & Technology Development Association (PIDA). 	2017	<ul style="list-style-type: none"> Ranked among the top 6-20% in the 3rd Corporate Governance Evaluation" by the TWSE. Awarded the 20th Outstanding Photonics Product Award from the Photonics Industry & Technology Development Association. 		
2010	<ul style="list-style-type: none"> Increased the paid-in capital by NT\$ 75,000,000 through Follow-On Offering, raising the total paid-in capital to NT\$ 1,148,148,000. Awarded the "Outstanding Innovation Award" in the "Industrial Technology Advancement Award" by the Ministry of Economic Affairs. Successfully developed ultra-short-throw projection lenses and Megapixel car recorder lenses. Moved to 7, Hsin An Rd., Hsinchu Science Park, Hsinchu City, 300 	2018	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent applicants in 2017. Ranked among the top 100 domestic corporate patent applicants in 2017. Ranked among the top 6-20% in the 4th Corporate Governance Evaluation" by the TWSE. Awarded the "Badge of Accredited Healthy Workplace" from the Health Promotion Administration, Ministry of Health and Welfare. 	2024	<ul style="list-style-type: none"> Ranked among the top 100 domestic corporate invention patent announcements and certifications in 2023. Ranked among the top 36-50% in the 10th Corporate Governance Evaluation" by the TWSE.
				2025	<ul style="list-style-type: none"> Ranked among the top 36-50% in the 11th Corporate Governance Evaluation" by the TWSE.

1.2 Economic Performance

201-1, TC-HW-000.A

Young Optics' consolidated operating revenue for 2024 was NT\$2.572 billion, with an operating gross profit of NT\$302 million and a gross margin of 11.73%. The company reported an operating loss of NT\$267 million and a net loss after tax of NT\$248 million, which was attributable to the owners of the parent company. The basic after-tax loss per share was NT\$2.17.

• Consolidate Statement of Comprehensive Income

(Unit: NT\$ thousand)

Item	2022	2023	2024
Operating revenue	4,683,503	3,010,369	2,572,028
Gross profit	809,273	316,622	301,800
Operating income	18,008	(311,497)	(266,650)
Non-operating income and expenses	78,240	22,811	22,679
Net profit before tax	96,248	(288,686)	(243,971)
Income tax expense	29,877	(939)	(3,780)
Net income	66,371	(287,747)	(247,751)
Basic earning per share (in NTD)	0.57	(2.52)	(2.17)
Summary statement of employee benefits, depreciation and amortization expense by function			
Employee benefits expense	1,351,391	1,026,563	936,214
Financial cost			
Interest on borrowing from bank	13,015	11,950	5,770
Interest on lease liabilities	9,440	8,956	8,411
taxation	17,262	15,755	7,478

• Consolidated Balance Sheets in recent 3 years

(Unit: NT\$ thousand)

Item	2022	2023	2024
Total current assets	2,908,506	2,191,077	2,115,521
Property, plant and equipment, net	1,979,410	1,884,376	1,707,865
Total assets	5,566,258	4,716,656	4,436,069
Total current liabilities	1,481,347	1,262,359	953,344
Long-term borrowings	416,944	114,838	342,857
Total liabilities	2,253,811	1,720,574	1,626,264
Common stock	1,140,598	1,140,598	1,140,598
Capital surplus	1,648,711	1,648,205	1,648,205
Total retained earnings	663,186	375,683	132,875
Total equity	3,312,447	2,996,082	2,809,805



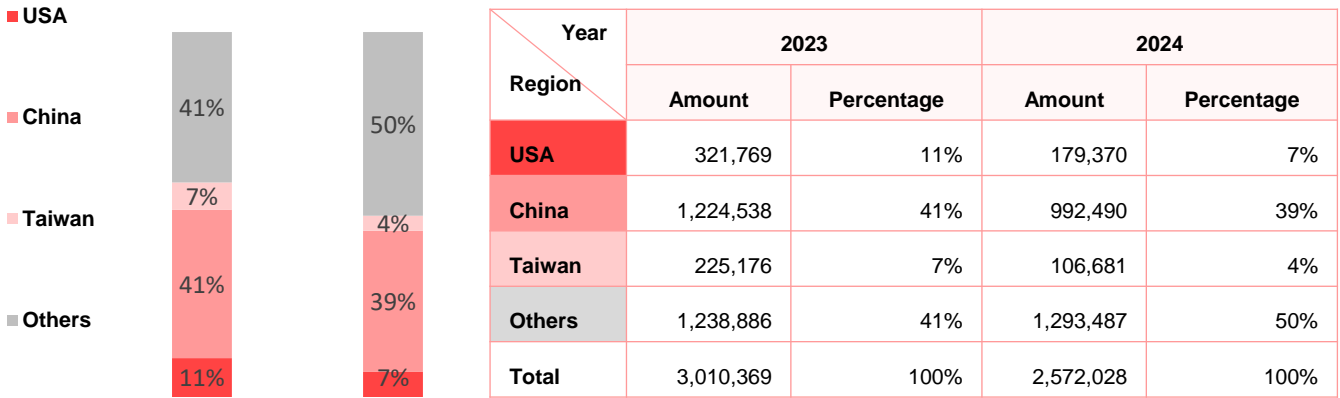
For detailed company operating performance and financial information, please refer to the company's website (<http://www.youngoptics.com>) or the 2024-year annual report of the Market Observation Post System.

In 2024, consolidated operating revenue was NT\$2.572 billion, representing a year-on-year decline of 15%. Sales of pico displays to non-China market customers remained in the inventory clearance stage, while sales to China market customers were affected by weak domestic demand and intense competition from low-cost single panel LCD projectors in the mid- to low-end segments, resulting in an overall shipment decrease of 40% compared with the previous year. Sales of 3D printing products decreased by 33% due to weak customer demand and conservative stocking. Sales of optical component products declined by 10%, primarily due to reduced shipments for emerging applications and the disposal of the Company’s Japanese subsidiary at the end of the third quarter. Smart home lenses benefited from the introduction of new models into mass production, recording a 6% year-on-year increase. Automotive products grew by 22%, driven by significant shipment growth of HUDs. Due to changes in the product sales mix, the capacity utilization rate improved compared with the prior year. As a result, the gross margin reached 11.7%, an increase of 1.2 percentage points from 10.5% in the previous year.

• The sales analysis of YOI’s major products in recent 2 years (Unit: NT\$ million)

Item \ Year	2023	2024	Increase (decrease) in amount
Pico Display	671	388	(283)
Image Optics	612	651	39
Optical Components	870	785	(85)
3D Printer	484	324	(160)
Auto	331	403	72
Others	42	21	(21)
Total	3,010	2,572	(438)

• Changes in sales (provision) regions of major goods (services) in the recent 2 years (Unit: NT\$ thousand)



Projection Products

According to the latest "China Smart Projector Retail Market Monthly Tracking Report" released by RUNTO Technology, sales volume in 2024 reached 6.042 million units, representing a 3% year-over-year increase. However, sales revenue declined by 3.5% compared to the previous year, primarily due to the price segment below RMB 1,000, which accounted for 54% of sales volume—an increase of 4.3% from 2023. In 2024, DLP projectors accounted for 31.4% of sales, down 0.5% from 2023, while low-cost single-panel LCD projectors held a 66.8% market share, up 0.7% year-over-year, indicating that low-priced single-panel LCD technology products have become the market dominant solution. In response to the competitive impact of low-priced single-panel LCD projectors in the Chinese market and the declining demand in the consumer projector segment, Young Optics plans to adjust its sales strategy by focusing on non-China markets and non-consumer projector applications.

Imaging Products

Benefiting from the AI boom, innovation in smart home security cameras—such as facial recognition and object detection—has accelerated, driving optimism for the broader market. The global smart home camera market is projected to reach USD 30.1 billion by 2030 (CAGR 20.7%). With the increasing adoption of Internet of Things (IoT) devices, the smart home product lineup has become more diversified. Beyond IP cameras and smart doorbells, products now span smoke detectors, smart locks, baby cameras, pet cameras, camera-equipped light bulbs, smart refrigerators, robotic vacuum cleaners, and pet monitoring devices. Any IoT-connected product has the potential to increase demand for camera modules. Young Optics sees strong long-term potential in this market and continues to invest for growth.

Automotive Products

Market research indicates sustained strong growth in demand for smart headlights, LiDAR products, and autonomous driving technologies. In particular, LiDAR and autonomous driving are projected to achieve a compound annual growth rate of over 20% by 2030. Smart headlights are evolving in safety (e.g., adaptive lighting), intelligence (e.g., Integrated with ADAS), and design (e.g., Micro LED, laser). LiDAR adoption is accelerating due to better performance and lower costs. it is also gradually being integrated into a broader range of mainstream vehicle models, enhancing their perception capabilities. The development of smart driving is expected to focus on mature and reliable L2 driver-assistance functions. Young Optics, long engaged in the automotive market, has seen growing shipments of HUDs, automotive lenses, LiDAR lenses, and smart headlight projection lenses. We remain positive on this sector's potential and continues to treat it as a strategic focus.

3D Printing Products

Young Optics' DLP 3D printing products are primarily used in dental and jewelry applications. The global dental 3D printing market is valued at US\$3.5 billion in 2024 and is projected to reach US\$11.01 billion by 2030. The jewelry 3D printing market is expected to grow from US\$1.1 billion in 2024 to US\$3.3 billion by 2030. To address price competition in China and expand into industrial sectors, we are developing next-generation DLP optical engines for both entry-level and high-end industrial applications.

1.3 Future Development

Business Policy

Incorporate a customer-focused approach and quality excellence in product design, production, and service to offer cost-effective products with essential features and superior user experience, ensuring accessibility for all. Prioritize employees, enhance operational efficiency, maintain a balance between environmental, social, and corporate concerns, consider short, medium, and long-term growth, optimize shareholder returns, and ensure sustainable operations.

Expected Sales Quantity and Basis

Considering market competition, customer inventory digestion, and the impact of low-cost projection solutions from China, 2025 sales are expected to be on par with 2024. The company will adjust its R&D and sales strategies by focusing on non-China markets and non-consumer projection applications. Additionally, newly developed economical and high-end industrial 3D printing optical engine modules will be used to counter low-price competition in China and expand the industrial customer base.

Important Production and Marketing Policies

- Track geopolitical risks and overall economic development trends in various countries, understand the competitive dynamics of customers and products in the market, maintain the accuracy of sales forecasts and reduce collection risks, and make good use of data analysis to improve process stability and yield.
- Based on the changes in the external political, economic, and social environment of each manufacturing site and the characteristics of the man-machine ratio in the manufacturing process, we will continue to adjust and configure the most suitable manufacturing sites to create a fast, cost-effective, precise and stable supply system.

Future Development Strategy

Looking to the future, Young Optics will develop towards the following strategies:

- Actively explore virtual and augmented reality optical components, CPO, automotive optical machines, 3D printing markets and customers in international markets.
- Continuously improve process management and technology to enhance cost advantages and improve profit margins.
- Implement quality excellence in every detail of products, processes and services, and become the most trustworthy supply partner for customers.
- Cooperate with the group's operational layout and raise low-cost funds as a backing for the company's sustainable development.



02 Sustainable Development

- 2.1 Sustainable Development Committee
- 2.2 Stakeholders Communication
- 2.3 Material Topics
- 2.4 ESG Policy and SDGs



2.1 Sustainable Development

2-9, 2-13, 2-14, 2-23, 2-24

Sustainability Policies and Guidelines

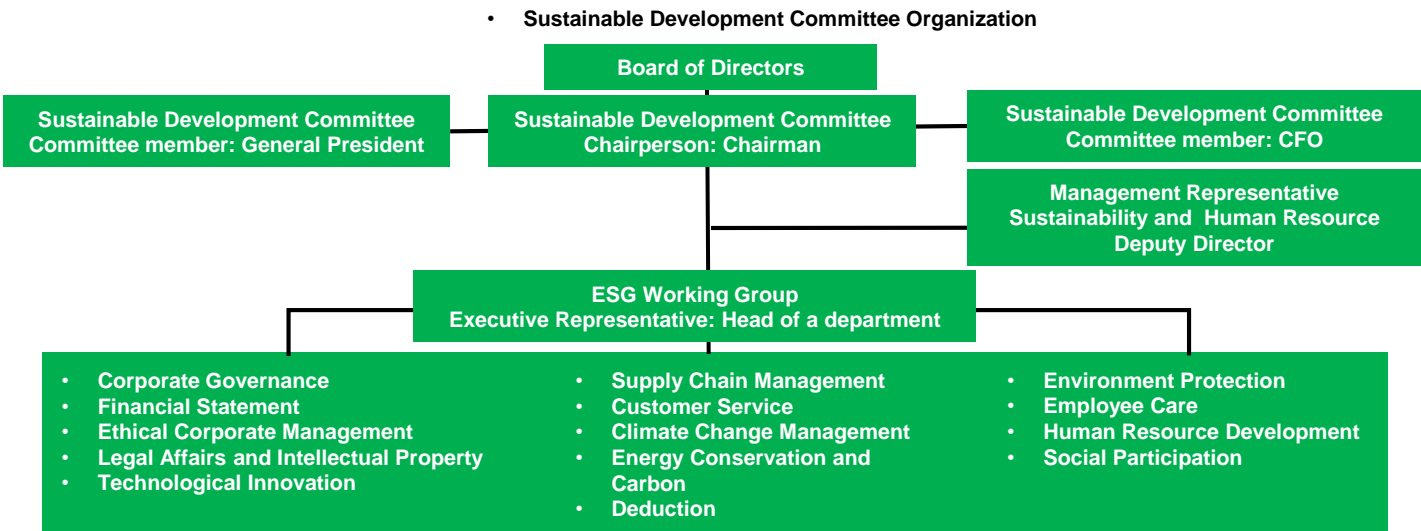
Young Optics' Sustainability Committee has adopted a sustainability policy that encompasses corporate governance, environmental sustainability, social welfare, and enhanced disclosure of sustainability-related information. To fulfill its corporate social responsibility and promote progress in economic, environmental, and social dimensions, Young Optics has established a "Sustainability Code of Practice" to guide Young Optics' sustainability vision and strategy. This Code applies to all operational activities of Young Optics and its subsidiaries. To further implement Young Optics' sustainability policy, Young Optics has established a documented "Sustainability Management Procedure" to be integrated into the daily operations of all departments.

Sustainability Committee

The Sustainability Committee was established in 2022. The Sustainability Committee is chaired by the Chairman of the Board, with the General President and Chief Financial Officer as Members. Business unit heads serve as Executive Representatives, and the Head of the Sustainability and Human Resources Department acts as the Management Representative. The Committee is responsible for driving sustainability initiatives, formulating annual priorities and action plans, and reviewing their progress. The Chief Financial Officer reports annually to the Board of Directors on sustainability and integrity management performance.

Implementation of Sustainable Development and Integrity in Business Operations

The Chief Financial Officer presented a report on the implementation of sustainable development and integrity practices in business operations at the 4th meeting of the 9th Board of Directors, held on October 25, 2024. The report covered the following topic



- Implementation of annual target performance indicators
 - Sustainability Report published in Chinese and English
 - Progress in the collection and analysis of material topics
 - Results of internal and external audits of the ISO 14001
- Results of internal and external audits of ISO 9001, IATF 16949, and QC 080000
 - Progress in GHG inventory and certification
 - Implementation of smart disaster prevention management measures
 - Promotion of employee EHS initiatives
- Implementation of DEI efforts in the workplace
 - Implementation of workplace health promotion initiatives
 - Promotion of endangered plant species restoration programs
 - Achievements in the social welfare project
 - Implementation of integrity and ethical business practices

Sustainability Management Goals

In 2024, the Sustainable Development Committee promoted 11 sustainability goals, including two economic/governance goals, five environmental goals, and four social goals, achieving an overall achievement rate of 100%. The specific goals are listed below, and the progress of each indicator is explained in the relevant sections.

Item	Number	Goal	Strategy	Performance Indicators	Achievement	Results
Economic	G01	Executive compensation linked to ESG performance	Business unit managers' annual performance indicators align with the sustainable development plan, driving top-down implementation of the Company's sustainability strate	ESG indicator achievement rate of 90%	✓	All 10 initiatives achieved their targets.
Governance	G02	Improve operational performance	Reduce production losses during the manufacturing process.	Losses decreased 5% year-over-year	✓	The defect rate was 7.6% in 2023, exceeding the target of 7.22%. In 2024, the defect rate improved to 4.3%.
Environmental	E01	Climate change management	GHG reduction targets, actions, and results	Greenhouse gas emissions reduced by 3%	✓	Greenhouse gas emissions (Category 1 and Category 2) were reduced by 5.50% compared to the baseline year.
	E02	Reduce electricity usage	Electricity reduction targets, measures, and results	The average annual electricity saving rate exceeded 1%.	✓	The average electricity saving rate in 2024 was 1.58%.
	E03	Reduce waste	Waste reduction targets, measures, and results	The resource recycling rate for the year reached 50%.	✓	The resource recycling rate for 2024 was 67%.
	E04	Save water	Water reduction targets, measures, and results	The wastewater recycling and reuse rate reached 15%.	✓	The wastewater recycling and reuse rate in 2024 was 15.61%.
	E05	Develop energy-saving products	Optimize product design	Product power consumption decreased by 10%.	✓	Lighting simulation of the LD+p47" DMD product indicates a 50% decrease in overall power consumption.
Social	S01	Supplier sustainability assessment	Implement supplier annual sustainability self-assessment questionnaire.	The questionnaire response rate reached 98%.	✓	Distributed 81 supplier sustainability self-assessment questionnaires with a 100% return rate.
	S02	DEI support	Ethnicity, Gender, and Disability Support Programs.	The implementation rate of the programs reached 100%.	✓	Executed 7 projects at 100% implementation rate, with 1,146 total participant sessions.
	S03	Promote sustainable education	Incorporating local township characteristics, we organized a series of sustainability education activities to raise employees' awareness of sustainable development.	Employee participation rate reached 80%.	✓	Conducted 2 sustainability trainings with 399 attendees, achieving a 99.5% participation rate.
	S04	Friendly workplace	Smooth the channels for complaints and improve the processing time of various complaints	100% response and resolution rate within 7 working days.	✓	No employee complaints were filed in 2024. All 24 issues raised through the employee mailbox, labor-management meetings, and migrant worker forums were addressed, with responses provided and meeting minutes published.

2.2 Stakeholders communication

2-25, 2-26, 2-29

We believe that establishing effective interaction and communication channels with stakeholders not only enables us to better understand their needs and expectations of Young Optics, but also assists us in addressing economic, social, and environmental challenges. This creates greater value for both the Company and society, while fostering sustainable development. We engage with stakeholders through multiple channels and monitor their level of concern regarding sustainability issues. The following table presents Young Optics' stakeholder communication mechanisms and practices.

Stakeholder	What it values to Young Optics	Concerned Issues	Communication channels and frequency	Communication Effectiveness
Government/ Authority	All operations are subject to review and oversight in accordance with relevant government regulations.	Labor Relations Occupational Health and Safety Environmental Protection	<ul style="list-style-type: none">Official Document System(Irregularly)Information sharing and exchange platform(Irregularly)Security & Defense Union Committee of Hsinchu Science Park, Hsinchu Science Park Fire Safety Communication Platform, Regulatory Briefing Sessions, Training Seminars, Inspections (Irregularly)	<ul style="list-style-type: none">Regular/irregular responses to relevant filingsNo major violations or complaints
Shareholders/ Investors	Shareholders and investors are the owners of Young Optics, which is therefore accountable to them.	Business Performance Corporate Governance Innovative Research & Development	<ul style="list-style-type: none">IR Mailbox (Ms. Chang) : ir.yo@youngoptics.com (Promptly)Spokesman and Deputy Spokesman: +886-3-6206789 (Promptly)Corporate Public Website (Promptly)Public Information Observation Station (Regular)Shareholders' Meeting (Regular)Corporate Presentation (Regular)Quarterly and Annual Reports	<ul style="list-style-type: none">Regular meeting of shareholders: June 19, 2024Corporate briefing meeting held once every six months, a total of 2 times
Customers	Customer-centricity and quality excellence are core values of Young Optics. We carefully consider our customers' needs and strive to provide products and services that meet their expectations.	Business Performance Green Products	<ul style="list-style-type: none">Contact Support : webmail1@youngoptics.com (Promptly)Meetings, Visits, Electronic Communication, Exhibition Marketing (Irregularly)	<ul style="list-style-type: none">2024 India Electronics Supply Chain Exhibition2024 Questionnaire on stakeholder concerns

2.2 Stakeholders communication2-25, 2-26, 2-29

Stakeholder	What it values to Young Optics	Concerned Issues	Communication channels and frequency	Communication Effectiveness	
Employees	Employees are the important cornerstone of corporate development.	Remuneration and benefits Talent Training Occupational Health and Safety	<ul style="list-style-type: none">HR Mailbox(Ms. Lin) : employees@youngoptics.com(Promptly)New Employee Education and Training, Various Meetings and Seminars(Irregularly)Questionnaire on stakeholder concerns(Once every two years)	<ul style="list-style-type: none">2 new employee training sessions2024 Questionnaire on stakeholder concerns4 labor-management meetings	<ul style="list-style-type: none">8 migrant worker seminars5 training sessions for new migrant workers4 employee welfare committee meetings
Suppliers/ Contractors	Suppliers and contractors are important partners of Young Optics. We maintain strong relationships with them to achieve mutually beneficial outcomes.	Supply Chain Management	<ul style="list-style-type: none">Contact Support : webmail1@youngoptics.com (Promptly)Meetings, Visits, Electronic Communication (Irregularly)Regular Supplier Audits (Once a year)	<ul style="list-style-type: none">The response rate of supplier sustainability assessment questionnaire is 100%2024 Questionnaire on stakeholder concerns	
International Organization for Standardization	Global policy frameworks and standards provide strategic direction and operational guidelines for companies, playing a key role in guiding their actions on sustainability issues.	Sustainable Development	<ul style="list-style-type: none">Sustainability Report (Once a year)	<ul style="list-style-type: none">2024 Sustainability Report (Chinese and English versions)	
Non-Profit Organizations/ Local Communities	Communities and non-profit organizations serve as bridges for understanding local needs and social issues, and are indispensable partners in advancing public welfare initiatives and sustainable development.	Community Care and Participation Environmental Protection	<ul style="list-style-type: none">CSR Mail box : csr.yo@youngoptics.com (Promptly)Community Care and Community Participation(Irregularly)	<ul style="list-style-type: none">Organized two corporate blood drives, donating a total of 414 bags of blood.Donated 50,000 takas in response to the flood disaster in Bangladesh.Donated supplies to the Boyo Social Welfare Foundation, the Ai-Heng Center for Disabled People, the Hsinchu Xiazhu Community Development Association, and the Zhi-Shan Foundation.	<ul style="list-style-type: none">In support of the “Three Reductions for Incense Burning” policy promoted by the Ministry of Environment, we purchased 30 packs of “Peace Rice” from the Taiwan Autism Family Care Association, thereby reducing pollution from traditional religious rituals while supporting individuals with autism

2.3 Material Topics

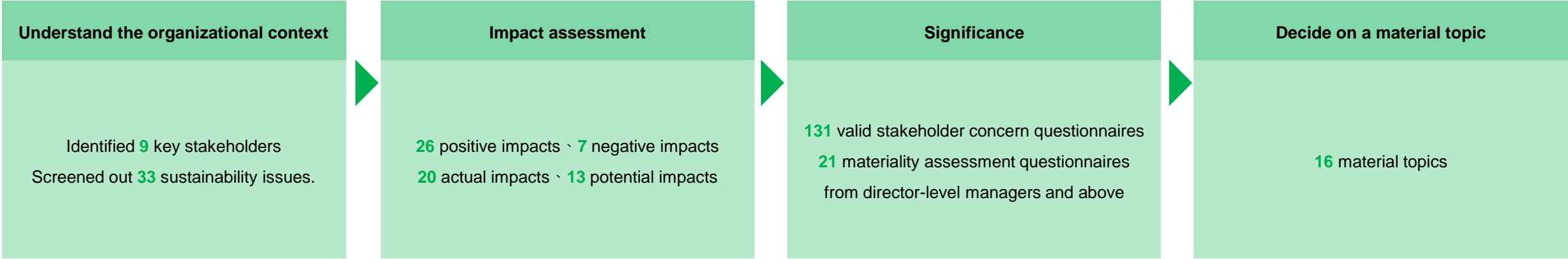
2-16, 3-1, 3-2, 3-3

Material Topic Identification Process

Young Optics conducts a materiality assessment every two years. In 2024, we carried out the assessment in accordance with GRI 3: Material Topics 2021. The assessment boundary was defined primarily as Young Optics' Taiwan factory, and the evaluation criteria were “the degree of impact of operational activities on sustainable development” and “the level of stakeholder concern regarding the issues.” The results serve as a reference for identifying the potential positive and negative impacts of Young Optics' future operations, enabling the Company to formulate relevant strategies in advance and proactively manage such impacts.

Identification of Stakeholders

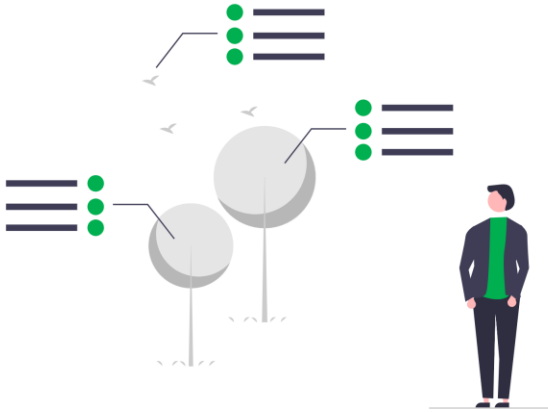
Young Optics values the expectations and needs of its stakeholders. Based on industry context and characteristics, we have compiled a stakeholder list and, with reference to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES), identified its key stakeholders. The Sustainability Development Committee identified the following nine key stakeholder groups: management, government/ authorities, shareholders/investors, customers, employees, suppliers, contractors, international standard organizations, and local communities/non-profit organizations.



Understanding Organizational Context and Identifying 33 Sustainability Topics

In 2024, Young Optics identified relevant sustainability topics through the collection and review of international sustainability trends, sustainability reporting standards, the United Nations Sustainable Development Goals (SDGs), issues related to the optoelectronics industry, sustainability reports of peer companies, and announcements from government agencies. In addition, sources such as the Global Risk Report, industry-specific sustainability focus areas (e.g., SASB, TWSE Sustainability Disclosure Index-Optoelectronics Industry), benchmark peers' areas of concern, and customer requirements were also referenced. Through this process, 33 sustainability topics relevant to Young Optics were identified: 10 in the area of environmental protection, 10 in social responsibility, and 13 in corporate governance, as listed in the following table.

Environment		
<ul style="list-style-type: none">Circular EconomyClimate Change and Energy ManagementGreen Process and ProductGreen Procurement	<ul style="list-style-type: none">Raw Material ManagementWater ManagementWaste Management	<ul style="list-style-type: none">Hazardous Substance ManagementPollution Prevention and ControlEcological Conservation and Biodiversity
Social		
<ul style="list-style-type: none">Labor RelationsSalary and BenefitsOccupational Health and SafetyTraining and Education	<ul style="list-style-type: none">Diversity, Equity and Inclusion'sworking environmentSocial Participation and Technology careTalent Attraction and Retention	<ul style="list-style-type: none">Forced LaborProhibition of Child Labor and Equal Pay for Work of Equal ValueConflict Minerals
Governance		
<ul style="list-style-type: none">Corporate Governance and Financial PerformanceEthical Corporate and RegulationsCompliancesSustainable Strategy and PromotionInformation and Privacy Security	<ul style="list-style-type: none">Shareholder rightsCustomers 'Privacy and Relations ManagementProduct Quality and Lead TimeSupply Chain ManagementInnovative Research and Development Management	<ul style="list-style-type: none">Local Supply ChainRisk ManagementCorporate ImageStakeholders Communication and Channels

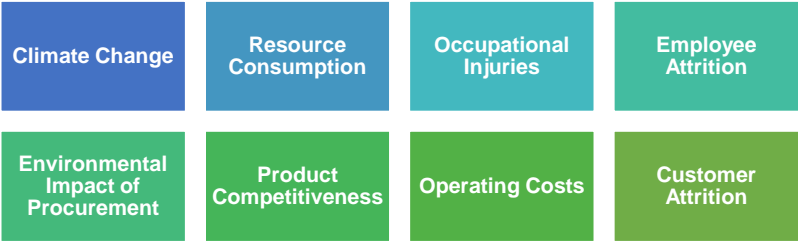


Impact Assessment

In accordance with the disclosure principles of GRI 3: Material Topics 2021, Young Optics conducted a materiality assessment to evaluate the impacts of its economic activities on the economy, the environment, and people (including human rights). The assessment covered actual and potential, positive and negative, as well as short-term and long-term impacts. In addition to using “the level of stakeholder concern regarding the issues” as an evaluation criterion, eight sustainability assessment factors were also applied to evaluate “the degree of impact of operational activities on sustainable development.”

The assessment results are presented in the figure on the right.

Sustainability Assessment Factors

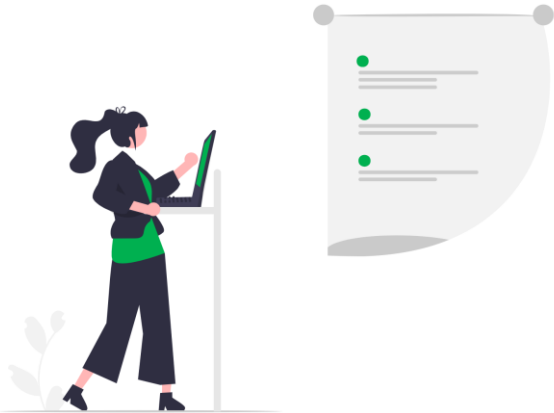


Category	Topics	Sustainability Assessment Factors							
		Climate Change	Resource Consumption	Occupational Injuries	Employee Attrition	Environmental Impact of Procurement	Product Competitiveness	Operating Costs	Customer Attrition
Environment	Hazardous Substance Management	○	○	○					○
	Pollution Prevention and Control	○	○	○					○
	Circular Economy	○	○			○	○		
	Climate Change and Energy Management	○	○			○	○	○	
	Green Process and Product	○	○			○	○	○	
	Green Procurement	○				○	○	○	○
	Raw Material Management	○	○			○	○	○	
	Water Management	○	○						
	Waste Management	○	○			○			
	Ecological Conservation and Biodiversity	○	○					○	
Social	Prohibition of Child Labor and Equal Pay for Work of Equal Value				○			○	○
	Occupational Health and Safety			○	○				
	Salary and Benefits			○	○			○	
	Labor Relations			○	○				
	Training and Education			○	○				
	Diversity, Equity and Inclusion's working environment			○	○				
	Social Participation and Technology care							○	
	Talent Attraction and Retention				○				
	Forced Labor			○	○				
	Conflict Minerals		○			○			
Governance	Ethical Corporate and Regulations Compliances			○	○	○	○	○	○
	Product Quality and Lead Time					○	○		
	Information and Privacy Security								○
	Sustainable Strategy and Promotion	○		○					
	Risk Management						○		○
	Corporate Image						○		○
	Corporate Governance and Financial Performance						○		
	Shareholder rights							○	
	Innovative Research and Development Management								○
	Customers 'Privacy and Relations Management						○		
	Supply Chain Management					○			
	Local Supply Chain						○		
	Stakeholders Communication and Channels								○

Significance

In 2024, Young Optics conducted a questionnaire on stakeholder concerns. The questionnaire respondents included employees, customers, suppliers, and contractors, resulting in 131 valid stakeholder responses. In addition, 21 managers at the director level and above were invited to complete the material topics assessment questionnaire, with all 21 responses successfully collected, achieving a 100% response rate.

The top three issues of concern from each stakeholder group, together with the top one-third of significant impact issues arising from business activities on sustainable development, were identified as our annual material topics. Sixteen material topics will be disclosed in each chapter in accordance with the GRI Standards, thereby meeting stakeholders' expectations of Young Optics.



Category	Topics	Stakeholders' Highly Concerned Issues	Significant Impact Issues Arising from Sustainable Development	Material Topics
Environment	Hazardous Substance Management	●	●	●
	Pollution Prevention and Control	●	●	●
	Circular Economy		●	●
	Climate Change and Energy Management		●	●
	Green Process and Product		●	●
	Green Procurement		●	●
	Raw Material Management		●	●
	Water Management			
	Waste Management			
	Ecological Conservation and Biodiversity			
Social	Prohibition of Child Labor and Equal Pay for Work of Equal Value	●	●	●
	Occupational Health and Safety	●		●
	Salary and Benefits		●	●
	Labor Relations			
	Training and Education			
	Diversity, Equity and Inclusion's working environment			
	Social Participation and Technology care			
	Talent Attraction and Retention			
	Forced Labor			
	Conflict Minerals			
Governance	Ethical Corporate and Regulations Compliances	●	●	●
	Product Quality and Lead Time	●	●	●
	Information and Privacy Security	●		●
	Sustainable Strategy and Promotion		●	●
	Risk Management		●	●
	Corporate Image		●	●
	Corporate Governance and Financial Performance			
	Shareholder rights			
	Innovative Research and Development Management			
	Customers 'Privacy and Relations Management			
	Supply Chain Management			
	Local Supply Chain			
	Stakeholders Communication and Channels			

Material Topics List

Material topics	Effect/Impact	Actual/Potential Positive/Negative impact	Affected stakeholders					Chapter
			Employees	Customers	Shareholders/ Investors	Government/ Authority	Suppliers/ Contractors	
Circular Economy	Product design incorporates circular economy concepts to promote resource reuse, reduce waste and pollution, enhance resource efficiency, and extend product lifespan.	Positive/Potential		●	●			4.1 Climate Change Management
Climate Change and Energy Management	In response to climate change, Young Optics conducts greenhouse gas inventories, sets reduction targets, optimizes energy use, and implements carbon reduction measures to comply with regulations and meet customer requirements.	Positive/Actual		●		●	●	5.2 Green Product
Green Process and Product	Adopting eco-friendly manufacturing processes to minimize environmental impact, designing environmentally friendly products in line with environmental regulations and market trends.	Positive/Actual		●	●		●	5.2 Green Product
Green Procurement	Selecting environmentally friendly product and service suppliers to enhance corporate image and social responsibility, thereby attracting environmentally conscious customers and investors.	Positive/Actual		●	●		●	5.2 Green Product
Raw Material Management	Effectively managing raw material sourcing and utilization to ensure supply stability, reduce production costs, and mitigate risks of waste and resource inefficiency.	Positive/Actual		●	●		●	5.2 Green Product
Hazardous Substance Management	Reducing the use and discharge of hazardous substances to prevent adverse impacts on the environment and human health. Improper waste disposal may lead to social responsibility disputes and fines.	Negative/Potential	●	●	●	●		5.2 Green Product
Pollution Prevention and Control	Controlling pollutant emissions to minimize negative environmental impacts, comply with environmental regulations, and avoid legal risks and fines.	Negative/Potential	●	●	●	●		4.4 Waste Management
Salary and Benefits	Providing competitive compensation and benefits to attract professionals and enhance overall employee remuneration.	Positive/Potential	●	●				6.4 Remuneration and Benefits
Occupational Health and Safety	Reducing occupational injuries and health risks to ensure workplace safety and employees' physical and mental well-being. Inadequate workplace safety measures may result in occupational accidents.	Negative/Actual	●			●		6.5 Occupational Health and Safety
Prohibition of Child Labor and Equal Pay for Work of Equal Value	Ensuring equal pay for employees of different genders under the same working conditions, strictly prohibiting child labor, and complying with international and local regulations.	Positive/Actual	●	●				6.4 Remuneration and Benefits
Ethical Corporate and Regulations Compliances	Complying with environmental and labor regulations, safeguarding employee rights, and upholding integrity in business to prevent corruption and unfair competition, thereby ensuring lawful and compliant operations.	Negative/Potential	●	●	●	●	●	3.2 Integrity Management 4.3 Environment Policy and Promise 6.2 Inclusion and Employee Rights
Sustainable Strategy and Promotion	Establishing and implementing sustainability goals to promote long-term value creation for Young Optics.	Positive/Potential	●	●		●		2.4 ESG Policy and SDGs
Information and Privacy Security	Protecting company and customer data to prevent information security risks. Data breaches may result in significant legal liabilities.	Negative/Potential	●	●			●	3.4 Information Security Management
Risk Management	Identifying and controlling operational risks to ensure stability and resilience.	Positive/Actual		●	●		●	3.3 Risk Management
Product Quality and Lead Time	Ensuring high product quality and on-time delivery to meet customer needs. Unstable delivery capacity may affect long-term customer partnerships.	Negative/Potential		●	●		●	5.2 Green Product
Corporate Image	Building and maintaining a strong brand image to enhance corporate reputation.	Positive/Potential	●	●	●			1.1 Company Introduction

Material Topics' Boundary

Category	Material topics	GRI Topic-specific standards	Chapter	Scope							
				YOI		Stakeholder					
				Company	Employees	Investors	Customers	Suppliers	Local Community	NPO	Government
Environment	Climate Change and Energy Management	GRI 305 : Emissions	4.1 Climate Change Management	●			●	●			●
	Green Process and Product	Custom Topic	5.2 Green Product	●		●	●	●			
	Green Procurement	GRI 204 : Procurement Practices	5.2 Green Product	●		●	●	●			
	Hazardous Substance Management	Custom Topic	5.2 Green Product	●	●	●	●	●			●
	Pollution Prevention and Control	GRI 306 : Effluents and Waste	4.4 Waste Management	●			●	●			●
	Circular Economy	Custom Topic	5.2 Green Product	●		●	●	●			
	Raw Material Management	Custom Topic	5.2 Green Product	●		●	●	●			
Social	Salary and Benefits	GRI 401 : Employment	6.2 Inclusion and Employee Rights	●	●						●
	Occupational Health and Safety	GRI 403 : Occupational Health and Safety	6.5 Occupational Health and Safety	●	●						●
	Prohibition of Child Labor and Equal Pay for Work of Equal Value	GRI 408 : Child Labor GRI 405 : Diversity and Equal Opportunity	6.2 Inclusion and Employee Rights 6.4 Remuneration and Benefits	●	●						●
Governance	Ethical Corporate and Regulations Compliances	GRI 206 : Anti-competitive Behavior Custom Topic	3.2 Integrity Management 4.3 Environment Policy and Promise 6.2 Inclusion and Employee Rights	●	●	●	●	●			●
	Risk Management	Custom Topic	3.3 Risk Management	●	●	●	●	●			
	Information and Privacy Security	Custom Topic	3.4 Information Security Management	●		●	●	●			
	Sustainable Strategy and Promotion	Custom Topic	2.4 ESG Policy and SDGs	●		●					
	Product Quality and Lead Time	Custom Topic	5.2 Green Product	●		●	●	●			
	Corporate Image	Custom Topic	1.1 Company Introduction	●		●	●				

Topic Changes

Category	2023	2024	Topic Changes
Environment	Hazardous Substance Management	Hazardous Substance Management	Maintain
	Waste Management	Pollution Prevention and Control	Renamed to Pollution Prevention and Control
	Environmental Regulation Compliance	-	Merged with Ethical Corporate and Regulations Compliances
	Green Process and Product	Green Process and Product	Maintain
	-	Circular Economy	New Topic Added
	-	Climate Change and Energy Management	New Topic Added
	-	Green Procurement	New Topic Added
	-	Raw Material Management	New Topic Added
Social	Salary and Benefits	Salary and Benefits	Maintain
	Occupational Health and Safety	Occupational Health and Safety	Maintain
	Talent Attraction and Retention	-	Topic Removed
	Labor Relations	-	Topic Removed
	-	Prohibition of Child Labor and Equal Pay for Work of Equal Value	New Topic Added
Governance	Ethical Corporate and Regulations Compliances	Ethical Corporate and Regulations Compliances	Maintain
	Product Quality and Lead Time	Product Quality and Lead Time	Maintain
	Corporate Governance and Financial Performance	-	Topic Removed
	Innovative Research and Development Management	-	Topic Removed
	-	Information and Privacy Security	New Topic Added
	-	Sustainable Strategy and Promotion	New Topic Added
	-	Risk Management	New Topic Added
	-	Corporate Image	New Topic Added



2.4 ESG Policy and SDGs

Young Optics pays close attention to the Sustainable Development Goals (SDGs) announced at the United Nations Sustainable Development Summit in 2015. By aligning the Company's core expertise with material topics, Young Optics seeks to leverage its professional capabilities to contribute to the achievement of the SDGs and to continuously strive for a better life for humanity.

SDGs	Implementation Results	Chapter
SDG 3 Good Health and Well-Being	<ul style="list-style-type: none"> Arranged free health checkups for employees, with a participation rate of 99.7% in 2024. Taiwan and China plants passed the stringent ISO 14001:2015 certification standards (valid from July 4, 2024, to July 4, 2027). Provided 60 free slots for low-dose lung CT scans and 60 free slots for bone mineral density (DXA) tests to employees across all plants. Organized nine health seminars and one healing course. Held a walking activity with the participation of 93 colleagues, achieving a total of 44,886,794 steps. Employed an occupational medicine specialist and a full-time nurse stationed on-site. Awarded the Health Promotion Mark by the Bureau of Health Promotion, Department of Health, Executive Yuan. 	4.3 Environment Policy and Promise 6.4 Remuneration and Benefits 6.5 Occupational Health and Safety 6.6 Social Participation
SDG 4 Quality Education	<ul style="list-style-type: none"> 201 courses in 2024, 758 training hours, 3,528 participants. 	6.3 Talent Development
SDG 5 Gender Equality	<ul style="list-style-type: none"> Female board representation reached 29%. Breastfeeding support program; implemented child-friendly workplace guidelines. Parking and facilities with lactation rooms; two consecutive certifications from Hsinchu Health Bureau. 	6.2 Inclusion and Employee Rights 6.5 Occupational Health and Safety
SDG 8 Decent Work and Economic Growth	<ul style="list-style-type: none"> Compliance with People with Disabilities Rights Act; employed 8 individuals with disabilities. Continued Youth Employment Pilot Program; 8 participants. Established Occupational Safety and Health Rules. 	6.2 Inclusion and Employee Rights 6.3 Talent Development
SDG 12 Responsible Consumption and Production	<ul style="list-style-type: none"> Resource recycling rate 67%. Sustainability Report included environmental information. 	4.3 Environment Policy and Promise
SDG 13 Climate Action	<ul style="list-style-type: none"> Obtained ISO 14064-1 verification; 2024 GHG emissions reduction 5.50%. Published TCFD report, held communication meetings. Energy efficiency improvements saved 4,055,674 kWh (2015–2024); 15.80% reduction, average 1.58%/year. 100% participation rate of indirect employees in annual continuing education courses. 	4.1 Climate Change Management 4.2 Greenhouse Gas Reduction and Management 6.3 Talent Development
SDG 16 Peace, Justice, and Strong Institutions	<ul style="list-style-type: none"> Established the "Code of Integrity Management," the "Procedures for Ethical Management and Guidelines for Conduct," and the "Supplier Conflict of Interest Management Measures" as the basis for ethical compliance for all members and suppliers. Formulated procedures for handling whistleblowing cases, including confidentiality provisions for the whistleblower's identity and reported content, and set up a dedicated whistleblowing mailbox for all stakeholders. 100% of Young Optics employees comply with the Employee Code of Integrity. The employment contract includes the Employee Code of Integrity, and the principles of ethical business conduct are emphasized as a key item in new employee orientation training. Arranged for directors to participate in the "2024 Advocacy Conference on Preventing Insider Trading" and the "2024 Legal Compliance Briefing on Insider Equity Transactions." In 2024, 100% of indirect employees (including current managers) in Taiwan sites completed online training courses on ethical business practices. In 2024, Young Optics added 117 new suppliers; among them, 110 suppliers submitted Integrity Commitment Letters, while the remaining 7 were exempted in accordance with internal regulations. The internal audit unit reviewed operational systems and processes, and the audit results were submitted to the Board of Directors. 	3.2 Integrity Management



03 Corporate Governance

- 3.1 Corporate Organization
- 3.2 Integrity Management
- 3.3 Risk Management
- 3.4 Information Security Management

3.1 Corporate Organization

2-9, 2-10, 2-11, 2-15, 2-17, 2-18, 2-20, 405-1

To fulfill the responsibilities of corporate managers and safeguard the legitimate rights of shareholders while balancing the interests of other stakeholders, Young Optics adheres to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” as the foundation of its governance operations. The Company aims to establish an effective corporate governance structure, strengthen the functions of the Board of Directors, and enhance information transparency to protect the rights and interests of shareholders and all stakeholders.

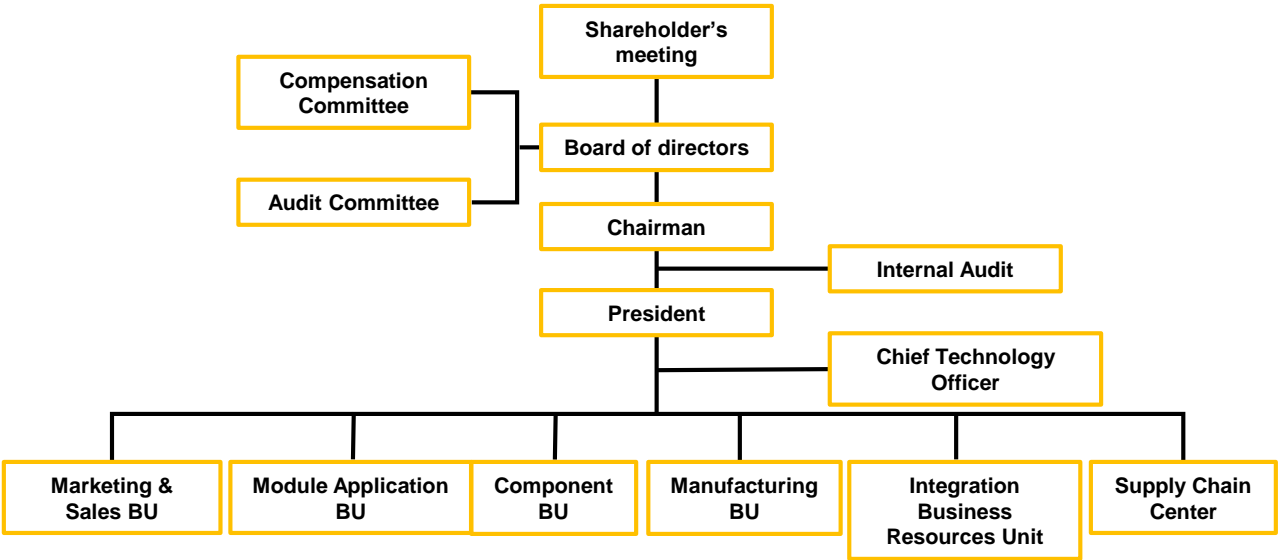
Board of Directors

The Board of Directors is the Company’s highest governance body and the center of major business decision-making. Its primary responsibilities include overseeing business performance, preventing conflicts of interest, and ensuring compliance with applicable laws and resolutions of the shareholders’ meeting, all while striving to maximize shareholder value. The term of the 8th Board of Directors was from July 15, 2021 to June 19, 2024, and the term of the 9th Board of Directors is from June 19, 2024 to June 18, 2027. The Board convenes at least once every quarter and held six meetings in 2024. At these meetings, management reported business performance to the Board, which then resolved on major business strategies and investment plans. In 2024, the overall attendance rate of all directors was 98%, and the attendance rate of each individual director also met the standards set forth in the Compensation Policy and System for Directors and Managers as well as the Performance Evaluation Guidelines.

Corporate governance performance

Performance of Corporate Governance	2023	2024
Corporate Governance Evaluation Rating	Listed Company 36~50%	Listed Company 36~50%
Board of Directors Attendance Rate	100%	98%
Audit Committee Attendance Rate	100%	100%
Compensation Committee Attendance Rate	100%	100%
Directors’ Training Hours	51	60

Organization structure



Board Diversity and Independence

According to the company's "Code of Corporate Governance Practice", the composition of the board of directors should consider diversity and formulate appropriate diversity policies based on its operations, operating types, and development needs, which should include but not be limited to the following two major standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.

The Board of Directors of Young Optics is composed of seven external directors, including three independent directors. There are no marital or second-degree kinship ties among members. Independent directors represent 43% of the Board. Wan-Ting Yuan and Chin-Do Lai have served for less than nine years, while Hsiang-Hsun Wu is currently in his fourth term, bringing deep expertise in business model innovation, venture evaluation, strategic management, and industry analysis. The Board comprises two members aged 61–70, two aged 51–60, and three under 50, with an average age of approximately 54. To promote gender equality, the Board includes two female directors (29%), below the one-third threshold. We will assess the feasibility of appointing additional female independent directors to improve gender diversity.

To enhance professional diversity, Board members come from various fields, including technology, finance, academia, and management. Sarah Lin, Ken Wang, and Miranda Wang have expertise in business management, leadership, and the optoelectronics industry knowledge. Ker-Jev Huang specializes in optoelectronics. Hsiang-Hsun Wu brings academic experience and financial management knowledge. Wan-Ting Yuan and Chin-Do Lai have strong backgrounds in business management and decision-making.

Diversity, professional ability and attendance of the 9th Board of Directors

Title	Name	Gender	Age	Education and Experience	Professional qualification and experience				In-person attendance rate(%)
					Business Management	Leadership	Industry knowledge	Investment management	
Chairman	CORETRONIC Corporation Legal Representative: Sarah Lin	Female	61-70	Bachelor of International Business, National Chengchi University President,Coretronic Corporation	●	●	●		100%
Director	CORETRONIC Corporation Legal Representative: Ken Wang	Male	51-60	Master of Electronic and Computer Engineering, National Taiwan University of Science and Technology Vice President, Coretronic Corporation	●	●	●		100%
Director	CORETRONIC Corporation Legal Representative: Miranda Wang	Female	41-50	Bachelor of Business Administration, National Cheng Kung University Vice President, Coretronic Corporation	●	●	●		100%
Director	Huang, Ker-Jer	Male	61-70	PhD of Power Mechanical Engineering, National Tsing Hua University Team Leader of Materials and Electro-Optics, National Chung Shan Institute of Science and Technology			●		100%
Independent director	Hsiang-Hsun Wu	Male	41-50	PhD of International Business, National Taiwan University Assistant Professor, College of Management, Yuan Ze University				●	100%
Independent director	Wan-Ting Yuan	Male	51-60	Master of Guanghua School of Management EMBA, Peking University Chairman, Aces Electronics Co., Ltd.	●	●			100%
Independent director	Chin-Do Lai	Male	41-50	Master of Institute of Computer and Communications Engineering, National Taipei University of Technology CEO, GranDen Corp.	●	●			100%

Board of Directors Remuneration Payment Policy

According to Young Optics' Articles of Incorporation, directors' remuneration is determined by the Board of Directors with reference to industry standards both domestically and internationally. Young Optics has established a Compensation Committee to formulate the remuneration policies and systems for directors and managers. Directors' fixed remuneration is determined with attendance at Board meetings as a key factor in their performance evaluation. Managers' compensation is reviewed and assessed annually by the Compensation Committee, and consists of salaries and bonuses. Bonuses are highly tied to performance targets, which include financial indicators (such as revenue, gross margin, and pre-tax profit achievement rates), non-financial indicators (such as new product development, expansion into new application markets/customers, and leadership training), as well as the achievement of sustainability goals. The compensation system is also reviewed from time to time based on actual business conditions and applicable regulations, in order to balance sustainable business operations and risk management. For 2024, the actual remuneration for directors and managers was reviewed by the Compensation Committee and subsequently approved by the Board of Directors.

Board Performance Evaluation

Young Optics has established policies and systems for the compensation and performance evaluation of directors and managers, as well as a Board performance evaluation procedure. At the end of each fiscal year, we conduct online questionnaires to assess the performance of the Board of Directors, individual board members, and functional committees. The Board performance evaluation procedure has been approved by the Board, and internal self-assessments are conducted annually. In 2024, the evaluation results received positive feedback from all committee members. The evaluation subjects and performance assessment criteria are as follows:

Board Performance Evaluation	Individual Director Performance Evaluation	Functional Committee Performance Evaluation
<ul style="list-style-type: none">Degree of understanding of the Company's goals and missionsAwareness of duties and responsibilitiesComposition and structure of the BoardAppointment and succession planning of directorsInternal controls	<ul style="list-style-type: none">Alignment with the Company's goals and missionsAwareness of responsibilitiesDegree of participation in Company affairsCommunication with internal departmentsSelf-discipline and continuous improvementInternal controls	<ul style="list-style-type: none">Degree of understanding of the Company's goals and missionsAwareness of responsibilities of functional committeesContribution to enhancing the functions of the BoardAppointment and execution of duties by committee membersInternal controls

To enhance all directors' competencies and knowledge in corporate governance, Young Optics arranges regular training courses each year. In 2024, the Board of Directors collectively completed a total of 60 hours of training.

Corporate Governance / Finance	Sustainable Management	
<ul style="list-style-type: none">2024 Internal Audit Risk Self-Assessment Statement2024 Trends in Global Economic and Business Operations2024 Explanation Session on Insider Trading Prevention Laws for Employees	<ul style="list-style-type: none">2024 ESG Leadership Summit in Taipei2024 Carbon Inventory and Reduction Strategy SummitUsing Sustainability Knowledge to Create a New Era – ESG Executive Training Program for the Electronics Industry	<ul style="list-style-type: none">Sustainability Reporting Workshop – Taipei SessionSustainability Reporting: From Data Collection to DisclosureSustainability Reporting Key Points and Internal ControlsSustainability Reporting – A Three-Step Guide for Beginners

I

Functional Committee Operations

Item	Audit Committee	Remuneration Committee
Purpose	To strengthen corporate governance, Young Optics voluntarily established an audit committee in 2012, which will perform the supervisory powers by the law. The Audit Committee is composed of all independent directors and has three members. The Audit Committee convenes at least once every quarter and may convene meetings at any time as necessary.	To strengthen corporate governance, Young Optics established a salary and remuneration committee in 2012. There are three members of the remuneration committee, and it is composed of three independent directors appointed by the board of directors. Meetings are held at least twice a year and can be convened at any time as needed.
Responsibilities of the committee	<ul style="list-style-type: none">Establish or amend internal control systemsAssess the effectiveness of internal control systemsEstablish or amend procedures for major financial activities (asset acquisition/disposal, derivatives, loans, endorsements, guarantees)Review matters involving directors' conflicts of interestReview major asset or derivatives transactions, significant loans, endorsements, or guaranteesAppoint, dismiss, or compensate CPAs; annually assess their independence and suitabilityReview quarterly financial reportsRegularly communicate with internal audit supervisors and CPAs on major financial mattersOversee risk management mechanisms	From a professional and objective standpoint, regularly evaluate the company's salary and remuneration policies and systems for directors and managers, the achievement of performance goals, determine the content and amount of individual salary and remuneration, and make recommendations to the board of directors for decision-making reference.
Members	The Committee is fully composed of independent directors, with no fewer than three members.	The Committee shall consist of three members, appointed by the Board of Directors. The majority must be independent directors.
Term	<p>At least one meeting shall be held each quarter, and meetings must be convened by the convener.</p> <ul style="list-style-type: none">Fifth-term duration: July 15, 2021 to June 19, 2024Sixth-term duration: June 19, 2024 to June 18, 2027	<p>At least two meetings shall be held annually.</p> <ul style="list-style-type: none">Fifth-term duration: July 26, 2021 to June 19, 2024Sixth-term duration: June 27, 2024 to June 18, 2027
Meetings Held in 2024	4	2
Attendance Rate in 2024	100%	100%

To fulfill the responsibilities of corporate management and protect the legitimate rights of shareholders while taking into account the interests of other stakeholders, Young Optics adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" as the foundation of its corporate governance operations. Young Optics is committed to establishing an effective corporate governance framework, enhancing the functions of the Board of Directors, and increasing information transparency to protect the interests of shareholders and all stakeholders. On October 28, 2022, the Board of Directors resolved to appoint CFO Cynthia Chang as the Corporate Governance Officer. She leads the finance division in handling matters related to corporate governance, safeguarding shareholder rights, and reinforcing board functions. The CFO has over ten years of experience in managing accounting, finance, shareholder services, and board-related affairs for public companies, and is mainly responsible for the following corporate governance tasks:

<div>1.</div> <div>Assisting directors in performing their duties by providing necessary information and arranging continuing education</div> <div><ul style="list-style-type: none">Inform board members of updates to laws and regulations relevant to the company's operations and corporate governance on an as-needed basis.Provide directors with necessary company information to facilitate smooth communication and interaction with senior management.Arrange private meetings between independent directors and internal auditors or external accountants to help them understand the company's financial and business operations.Arrange annual training for directors in accordance with current legal requirements.Evaluate and procure appropriate directors' and officers' liability insurance. The annual renewal of the insurance will take effect on September 30, 2024, and will be reported to the Board of Directors on October 25, 2024.</div>	<div>2.</div> <div>Assisting with the procedural and regulatory compliance of functional committees, the Board of Directors, and the shareholders' meetings</div> <div><ul style="list-style-type: none">Draft meeting procedures and notify directors at least seven days in advance with meeting materials and agenda items. When necessary, provide prior reminders regarding conflict of interest matters. Meeting minutes are distributed within 20 days after each meeting. In 2024, six Board meetings, four Audit Committee meetings, and two Compensation Committee meetings were held.Assist and remind directors to comply with relevant regulations when conducting business or making official Board decisions.Be responsible for the release of material information related to major Board resolutions, ensuring the legality and accuracy of such disclosures.In accordance with legal requirements, complete pre-registration of shareholders' meeting dates, issue meeting notices, handbooks, minutes, and annual reports within the prescribed deadlines to provide reference information for investors.</div>	<div>3.</div> <div>Maintaining investor relations</div> <div><ul style="list-style-type: none">Engage with investors through semi-annual online investor conferences and the annual shareholders' meeting.Irregularly update the corporate website to ensure that investors have access to the latest information on the company's financials, business, and governance practices, thereby safeguarding shareholder rights.</div>
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• Corporate Governance Officer – Training Record

Date	Organizer	Course Title	Training Hours
2024/06/27	Accounting Research and Development Foundation, R.O.C.	Latest "Annual Sustainability Reporting/Financial Disclosures" Regulations and Internal Control Practices for Corporate Managers	6
2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6

3.2 Integrity Management

2-13, 2-15, 2-23, 2-24, 2-26, 2-29, 205-2

Young Optics has established a Code of Integrity, which requires all directors, managers, employees, appointees, and those with substantial control to refrain from directly or indirectly offering, promising, requesting, or accepting any improper benefits, or engaging in any dishonest, unlawful, or fiduciary-breaching conduct during business activities for the purpose of obtaining or retaining interests. Detailed internal rules can be found on the official Young Optics website under “Important Internal Regulations.”

■ Emphasis on Business Ethics and Integrity

Young Optics is committed to business ethics and fostering a culture of integrity, requiring directors, managers, and employees to act with honesty in all business activities. To promote integrity and implement internal controls and audits, we have established a Code of Integrity Management, Procedures and Conduct Guidelines, and a Supplier Conflict of Interest Policy as standards for all personnel and suppliers. The Code also includes a whistleblowing mechanism, with clear procedures and confidentiality protections, as well as dedicated mailboxes for stakeholders to safeguard all parties' rights. All suppliers must follow the conflict of interest policy and sign an integrity commitment before transactions. In 2024, 117 new suppliers were added, of which 110 submitted commitment letters and 7 were exempt per internal regulations.

■ Anti-Corruption Whistleblowing Channels

Young Optics encourages both internal and external parties to report any dishonest or inappropriate behavior. We have established internal suggestion boxes, a Business Conduct contact email (webmail2@youngoptics.com), and dedicated stakeholder communication channels (ir.yo@youngoptics.com, csr.yo@youngoptics.com, employees@youngoptics.com) for this purpose. Personnel responsible for handling reports must maintain confidentiality regarding the whistleblower's identity and content of the report, and are committed to ensuring whistleblowers are not subject to dismissal, reassignment, demotion, or any unfair treatment due to their reports. As of 2024, no reports or documents had been received via these channels.

■ Implementation of Integrity Practices

- 100% of Young Optics employees comply with the Employee Code of Integrity, which is included in all employment contracts to reinforce ethical awareness. The Company also promotes integrity and assigns staff to attend external training.
- The Sustainability and Human Resources Division oversees the integrity policy. Training is provided to all new hires, supervisors, and employees, highlighting required diligence and caution at work.
- In 2024, Board members attended the “Insider Trading Prevention Seminar” and the “Insider Shareholding Compliance Seminar” held by the Securities and Futures Institute.
- In December 2024, 362 indirect employees and managers at the Taiwan plant completed a one-hour bilingual online integrity training course, achieving 100% participation.
- In 2024, internal audits reviewed contracts, policies, public disclosures, supplier assessments, internal controls, training, appraisals, and reporting mechanisms. Findings were submitted to the Board.

3.3 Risk Management

2-11, 2-13, 2-23, 2-24

Referring to the “Practical Guidelines for Risk Management of TWSE/TPEX Listed Companies,” Young Optics established its Risk Management Policy and Procedures, which were approved by the Audit Committee and the Board of Directors on October 27, 2023. A Risk Management Task Force was formed to compile and report on the implementation of risk management operations to the Audit Committee at least once per year. Through the participation of the Board of Directors, the Audit Committee, and senior management, risk management is linked with the company’s strategies and goals, cascaded throughout the organization, and incorporated into business decision-making processes to foster a risk-aware corporate culture. The status of the Company’s risk management implementation was reported to the Audit Committee and the Board of Directors on October 25, 2024.

Scope of Risk Assessment

The scope of disclosed risk assessments is primarily based on Young Optics’ Taiwan site. Considering the relevance to core operations and materiality of significant issues, key subsidiaries—Young Optics (Kunshan) Ltd. and Young Optics (Suzhou) Ltd.—are also included in the risk management assessment.

Purpose of Risk Management

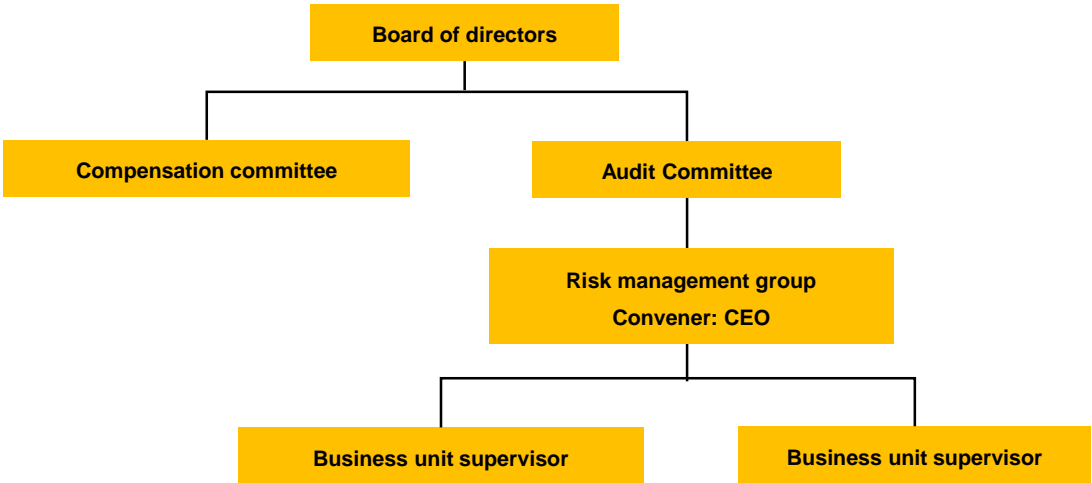
To effectively manage internal and external risks encountered during operations, we systematically identifies potential crises, develops responses, and implements controls to mitigate risks, ensuring achievement of operational objectives and advancing corporate sustainability.

Risk Management Task Force

The Risk Management Task Force reports to the Audit Committee and is responsible for planning, implementing, and overseeing risk management-related activities. It ensures that each department effectively executes risk controls and complies with the Audit Committee’s directives.



• Risk Management Group Organization structure



Risk Management Procedure

Based on identified major risks, we have developed corresponding internal risk management procedures, including specific process requirements, systems, and legal frameworks applicable to various risk types such as ISO 9001, ISO 14001, IATF 16949, occupational safety, and information security regulations.

Young Optics' risk management process includes:



Risk Identification

The scope of risk management includes, but is not limited to, strategic, operational, financial, informational, legal compliance, integrity, and other business-related risks. A total of 16 risk topics were identified, covering both internal and external factors that may affect quality or environmental systems. Each business unit head identifies stakeholder needs and expectations for each issue, evaluates the impact and likelihood of associated risks or opportunities, and scores the severity and occurrence to categorize the risk levels. Corresponding strategies are formulated for each risk or opportunity, including resource and timeline planning, monitoring mechanisms, and effectiveness assessments. A total of 6 high-level risks, 20 medium-level risks, and 9 low-level risks were identified; on the opportunity side, 2 high-level and 1 medium-level opportunities were identified.

In December 2024, Young Optics initiated the 2025 risk analysis and review. The General Manager and heads of business units updated the assessment based on current conditions and actual events, reviewing the adequacy and performance of existing mitigation and monitoring measures.

Item	Category of Issues	Issues
1	Energy Resource Issues	Unstable supply of municipal or industrial water/electricity, local government policies, or legal requirements.
2	Natural Disaster Issues	Natural disasters such as floods, droughts, fires, earthquakes, etc.
3	Man-made Disaster Issues	Human-induced events such as riots, fires, explosions, regional or global infectious disease outbreaks/pandemics.
4	Environmental Issues	Environmental protection, waste reduction, chemical management, wastewater, etc.
5	Cyber/Information Issues	Cyberattacks on IT systems (e.g., hacking, malware, ransomware, virus attacks), or network outages.
6	Labor Market	Wage fluctuations, labor shortages, and loss of skilled professionals.
7	Legal/Regulatory Issues	Regulations regarding working environment, safety, hygiene, etc.
8	Financial Issues	Foreign exchange fluctuations, inflation, credit defaults, etc.
9	Intellectual Property	Infringement, theft, imitation, patent filing/protection, etc.
10	Process Technology	Ability to develop new market products and improve manufacturing processes.
11	Green Products	Product compliance with international/national/customer regulations such as GP directives, product safety, etc.
12	QMS Standards	Revisions/updates of QMS management systems.
13	Supply Chain Management	Monopolies in key technologies, insufficient capacity, delivery delays, etc.
14	Product Quality	Delivery quality not meeting customer requirements.
15	Service Quality	Delays in product delivery.
16	Infrastructure	Unexpected events causing operational disruptions or shutdowns.

High-Level Risks and Response Measures in 2024

Item	Effect	Risk		Strategy
1	<ul style="list-style-type: none">Inappropriate methods were used for industry and market/customer demand surveys, failing to accurately clarify market demand for products and future application developments. This increased operational risk and missed opportunities for new product development.Seasonal fluctuations in product demand affected business development, economic performance, product delivery schedules, and services, resulting in customer complaints.Product pricing risks were influenced by factors such as cost, quality and reputation, competitors, and customer expectations.	Market Issues	Customer/market development is challenged by rapid changes in technological trends, increased competition from similar products and services, and price fluctuations.	<ol style="list-style-type: none">Collect and monitor relevant information and data to analyze market share (including competitors), adjust strategies, and actively pursue target customers through visits and exhibitions.Develop new customers according to strategic planning.Conduct regular inventory checks, maintain safety stock, develop reasonable production plans and ensure their implementation, consistently monitor progress, and deliver quality products and services to earn customer trust.Gather industry/international trend data to define future/strategic directions, propose plans to the Office of the General Manager, determine response strategies, and review and revise them regularly to adapt to fast-changing market demands and achieve operational goals.
2	<ul style="list-style-type: none">Submitted certificates of conformity failed to meet customer requirements, resulting in complaints.	Green Products	Rising environmental awareness among consumers, coupled with evolving international environmental regulations such as EU RoHS and China RoHS, increases the risk of exceeding restricted substance limits, potentially preventing market entry or resulting in fines.	Identify and document customer environmental and regulatory requirements before product development.
3	<ul style="list-style-type: none">Failure to obtain the latest Green Product Specification Sheet may result in the use of non-compliant materials for production and delivery.			Procurement informs suppliers to update Green Product Specification Sheets. Suppliers may access the latest versions via the GPMP system and undergo regular or ad hoc evaluations to confirm document versions.
4	<ul style="list-style-type: none">Supplier-submitted product/material specifications are vague or lack complete testing methods, posing a risk of delivering defective raw materials to customers, which may lead to complaints and compensation.	Supply Chain Management	Supplier product quality or delivery capabilities fail to meet requirements.	<ol style="list-style-type: none">Prior to mass production, suppliers must complete quality/function/material approvals for submitted products.The verification department establishes a set of specifications based on material characteristics, applications, and customer requirements to ensure supplier compliance and implements thorough audits to confirm materials meet product standards.
5	<ul style="list-style-type: none">Shortages in key components and insufficient lead time (L/T) for delivery hinder timely procurement, material control, and production scheduling, resulting in production delays.	Service Quality	Delays in product delivery or changes to delivery dates not accepted by customers lead to dissatisfaction.	<ol style="list-style-type: none">Establish accurate stocking mechanisms to fundamentally address lead time constraints, with ERP systems integrating demand precisely.Optimize supply chain delivery schedules through platform sharing and design development improvements.
6	<ul style="list-style-type: none">Damage to equipment or production molds/fixtures, material shortages, technical bottlenecks, labor shortages, or force majeure events (e.g., natural or human-made disasters) disrupt production and delivery processes, leading to customer complaints or claims.			<ol style="list-style-type: none">Implement routine maintenance and maintain safety stock for long-lead-time spare parts. Monitor equipment efficiency (OEE), regularly review spare part inventory with suppliers, and establish secondary suppliers to ensure spare part availability.Promote technical knowledge exchange through site visits, technical sharing, and seminar participation to improve production technology and efficiency, and monitor production yield.With senior management approval, simulate emergency scenarios and develop a "Production Contingency Plan." Responsible departments are required to conduct drills to ensure effectiveness and respond swiftly to minimize customer dissatisfaction or losses.

Medium-Level Risks and Response Measures in 2024

Item	Effect	Risk		Strategy
1	<ul style="list-style-type: none"> Major brands have established carbon reduction roadmaps and require suppliers to conduct carbon inventories and formulate their own reduction paths. Additionally, EU and US regulations such as CBAM and CCA are expected to increase import/export costs in the future. 	Energy Resource Issues	In response to global carbon emissions control and carbon tariff requirements in corporate governance	<ol style="list-style-type: none"> Conduct GHG inventory and verification; complete GHG inventory report. Develop GHG emission reduction plans. Evaluate equipment efficiency and replace low-efficiency equipment with energy-saving alternatives. Assess use of green electricity or self-generated power. Implement energy-saving plans at facilities, such as controlling server room temperature/humidity and electricity usage, optimizing energy efficiency, setting office AC temperatures, and turning off lights during lunch breaks. Kunshan factory is equipped with photovoltaic generation; monthly electricity output contributes 27.7%, reducing electricity costs. Establish energy management systems to improve efficiency and reduce emissions. Identify high-power-consuming equipment and limit its usage frequency and duration.
2	<ul style="list-style-type: none"> Power restrictions/outages reduce operational stability 	Energy Resource Issues	Power shortages during peak hours, regional power rationing, or abnormal electricity supply (e.g., sudden voltage drops or outages)	<ol style="list-style-type: none"> Monitor energy information and mechanisms; adopt preventive measures according to power company announcements. Install UPS systems for critical equipment and activate emergency response plans during power anomalies. Adjust production schedules dynamically in response to power rationing to ensure timely delivery. Monitor suppliers' delivery performance to ensure timely fulfillment.
3	<ul style="list-style-type: none"> Relying on a single raw material supplier poses a risk of supply disruption in the event of anomalies, affecting customer delivery schedules and quantities, potentially leading to compensation claims. 	Natural Disaster Issues	Global disasters such as extreme weather events disrupt supply chains or reduce supply chain resilience	<p>Integrated supply chain planning is the best defense against market uncertainty:</p> <ol style="list-style-type: none"> Develop resilient supply chain strategies to avoid disruptions—diversify suppliers and manufacturing partners (e.g., at least 2 vendors per item category, across different countries). Use digital tools and cloud solutions integrated into information security frameworks—leverage ERP systems to predict shortages, prepare contingency plans, and maintain supply chain visibility and responsiveness. Cross-functional departments monitor and adjust plans in real time to build resilience against price volatility and shifting consumer demands. Level production schedules—maintain capacity and inventory buffers.
4	<ul style="list-style-type: none"> Failure to monitor customer demand trends in a timely manner results in continued production, increased inventory turnover days, and impaired operational performance. 	Man-made Disaster Issues	Fires, explosions, regional/global pandemics, or wars at supplier/customer locations could lead to lockdowns, supply chain disruptions, or transportation delays, causing supply-demand imbalances	Sales teams proactively communicate with customers and provide timely feedback to internal teams for strategic adjustment.
5	<ul style="list-style-type: none"> Improper classification of recyclables leads to increased waste generation, inefficient resource utilization, and higher waste disposal costs. 	Environmental Issues	Industrial Waste Reduction and Circular Reuse	<ol style="list-style-type: none"> Comply with environmental regulations and promote energy saving, waste reduction, and green procurement. Plan temporary waste storage zones, label sorting areas clearly, and enforce compliance.
6	<ul style="list-style-type: none"> Chemicals must be assessed based on health hazards, dispersion status, and usage volume to determine risk levels and implement tiered management. Poor management could endanger worker safety and lead to penalties from authorities. 	Environmental safety	Compliance with Chemical Regulations	<ol style="list-style-type: none"> Label chemicals with SDS hazard information and Hazard Identification Cards (H Cards). Maintain updated hazardous chemical inventories and usage statistics; accurately file required declarations (e.g., CMR substances, hazardous materials, toxic chemical operations). Conduct chemical exposure assessments, hazard identification, and tiered management. Review and assess risks before chemical procurement. Provide training and drills on chemical storage, use, and disposal hazard management.

Medium-Level Risks and Response Measures in 2024

Item	Effect	Risk		Strategy
7	Wastewater discharge that fails to meet local regulations could result in fines and environmental pollution.	Environmental safety	New wastewater discharge from manufacturing processes must comply with regulatory requirements.	1. Conduct engineering work for wastewater discharge pipelines. 2. Submit water usage plan for review. 3. Obtain registration and permit approval for water pollution prevention measures/process wastewater discharge from the Science Park Bureau.
8	Unauthorized access, use, disclosure, destruction, alteration, viewing, logging, or deletion of information systems may harm our reputation, competitiveness, and data privacy of employees and customers.	Cyber/ Information Issues	Information technology systems face security threats (e.g., hacker intrusions, Trojan horse programs, ransomware attacks, data breaches).	1. Implement multi-factor authentication to protect employee and system accounts, effectively preventing unauthorized access. 2. Use static IP addresses for servers and apply firewall rules to block unauthorized device connections. 3. Encrypt internal sensitive documents to reduce the risk of information leakage. 4. Install antivirus software and endpoint protection systems, and engage external cybersecurity providers for defense support. 5. Join cybersecurity alliance organizations to share and utilize threat intelligence for timely updates on threats. 6. Use cloud backup to minimize the risk of data loss caused by disasters. 7. Conduct regular disaster recovery drills to minimize business disruption during emergencies. 8. Provide regular cybersecurity awareness training for employees to reduce vulnerabilities.
9	Human rights violations may compromise employee health, disrupt operations, and damage our image.	Workplace environment	Workplace environment should integrate occupational health and safety with the development of a DEI (Diversity, Equity, and Inclusion) culture.	1. Eliminate all forms of human rights violations and infringements. 2. Maintain open and accessible grievance channels. 3. Implement digital management systems for alert notifications, access control, and working hour monitoring (to prevent overtime abuse).
10	Lower salaries/benefits compared to industry peers lead to higher employee turnover, resulting in product quality instability.			Establish diverse and open two-way communication channels and conduct employee opinion surveys. After consolidating various employee feedback, necessary communication is carried out. In accordance with the regulations of each operational location, all employee salaries comply with local minimum wage laws and statutory social insurance requirements, while also providing additional insurance and benefits beyond legal mandates.
11	Imposed tariffs increase costs, affecting product price competitiveness and profitability.	Financial Issues	Trade barriers may arise due to international geopolitical tensions, leading to increased tariffs or bans on product sales.	1. In response to risks and opportunities, continuously monitor international regulations, market trends, and customer developments to adjust strategies accordingly. 2. Young Optics Group has established production bases in multiple countries and can flexibly adjust production locations in response to emerging risks and opportunities. 3. Continue developing a multinational supply chain to reduce the risk of trade barriers caused by geopolitical changes.
12	Increased foreign exchange losses negatively impact company profit.		Sharp fluctuations in exchange rates.	1. Sales quotations are primarily made in U.S. dollars, aligning receivables and payables in the same currency to achieve natural hedging. 2. Depending on the size of foreign currency positions, forward exchange contracts are considered to manage exchange rate risks.
13	Delayed payments of accounts receivable raise bad debt risk and affect operational cash flow planning.	Operations and Profitability	Delayed customer payments.	1. Regularly assess customer credit risks and payment status, and adjust collection terms and credit limits accordingly. 2. Sales personnel reconcile accounts with customers on a regular basis and monitor payment status. 3. Implement special control measures for customers with overdue payments. 4. If overdue payments may turn into bad debts, the sales team should promptly request assistance from the legal department to take legal action.
14	Infringement and violation of intellectual property rights may result in substantial compensation claims from competitors, damage to corporate reputation, and adverse effects on stock value.	Intellectual Property	Respect for intellectual property.	1. Establish an intellectual property (IP) unit to manage infringement risks related to product and technology development, and to prevent IP violations. 2. Apply for and obtain intellectual property rights to gain counterbalancing leverage and strengthen the company's position in handling IP disputes. 3. Include IP searches and evaluations as part of product and technology development assessment processes.

Medium-Level Risks and Response Measures in 2024

Item	Effect	Risk		Strategy
15	Failure to monitor and implement legal and regulatory requirements in a timely manner results in non-compliance risks.	Green Products	Rising environmental awareness among consumers, coupled with evolving international environmental regulations such as EU RoHS and China RoHS, increases the risk of exceeding restricted substance limits, potentially preventing market entry or resulting in fines.	Clearly define responsible units to collect and update applicable laws and regulations, customer environmental specifications, product standards, and other related requirements.
16	Use, addition, or contamination of HS (Hazardous Substances) during the manufacturing process poses product contamination risks and may lead to customer complaints and compensation claims.			Establish green product manufacturing SOPs to control production processes and requirements such as fixtures, equipment, materials/consumables, ensuring products are not contaminated during manufacturing.
17	• If updates or revisions to quality system standards are not timely reflected in internal QMS/EMS, certification may become invalid, resulting in potential order losses.	QMS/EMS Standards	Revisions or updates to the QMS/EMS management systems.	The Quality and EHS departments subscribe to newsletters from certification bodies (e.g., SGS, BSI) to stay informed on changes in quality systems and environmental standards, enabling timely responses and implementation of corresponding actions.
18	• The global pandemic, the global 2050 net-zero emission trend, and geopolitical factors have all impacted industrial supply chains to varying degrees. These factors have introduced new considerations in cost efficiency, reliability, and resilience, and are accelerating the dual transformation toward digitalization and decarbonization.	Supply Chain Management	Inadequate supplier product quality or delivery performance.	From focusing solely on cost-efficiency to also considering reliability and resilience alongside cost-efficiency: 1. Adjustment of production and supplier deployment strategies. 2. Fine-tuned management of critical material inventories. Accelerate the dual transformation of digitalization and decarbonization. Carbon footprint and carbon emissions are now essential considerations in adjusting supply chain carbon footprints.
19	• Failure to identify the special characteristics of products or effectively analyze risks, or failure to clearly communicate special customer requirements to relevant production units, may lead to inadequate control measures, resulting in returns, scrap, rework, repairs, or customer attrition. • If a product causes damage to customer property or personal injury during usage, the company may be held liable for civil compensation. • Failure to properly analyze or execute risk factors in personnel, machines, materials, methods, and environment during the production process—or relying excessively on manual operations—can increase the risk of defective products.	Product Quality	Damage to customer property or product defects leading to returns, recalls, or complaints from customers or the market.	1. The Sales team clarifies customer requirements (MRS) and initiates customer requirement identification forms. A cross-functional team collaboratively identifies a "Special Characteristics List" and plans corresponding control actions. These are electronically communicated to project team members. Customer assets are tracked through account management and status confirmation by Sales. 2. Clearly define required risk analysis tools and establish them as dynamic SOPs to verify the occurrence or changes of potential risks. Lessons learned from complaints, recalls, and market feedback are documented and updated. 3. Quality Assurance conducts process and product audits to confirm the effectiveness of implementation and identify potential risks that may not have been previously recognized. 4. Experience gained from recalls, audits, field returns and repairs, complaints, scrap, and rework is used to train relevant personnel. Mistake-proofing concepts and practices are introduced, mistake-proofing processes are clearly defined, and evidence is documented to support risk analysis results.
20	• Delayed product deliveries to customers. • Production interruptions resulting in operational losses. • Employee injuries or inability to work due to business disruptions.	Infrastructure	Unexpected incidents causing severe damage to production facilities.	1. Young Optics Group has multiple sites available for backup production. 2. Production can be relocated to nearby rented facilities. 3. The company has insured property, business interruption, and employer liability coverage.

Chance and Response Measures in 2024

Item	Effect	Chance		Likelihood	Strategy
1	Obtain intellectual property rights to eliminate competitors and enhance the competitiveness of products and technologies.	Intellectual Property	Respect intellectual property rights.	High	Provide training to R&D and engineering personnel to equip them with the ability to search and interpret patents and related intellectual property, enhancing R&D competitiveness.
2	Develop products with new technology applications to expand the product line, increase company revenue, and grow market share.	Market Issues	The launch of products featuring new technology applications.	High	Actively gather international trends, develop new technologies, new products, and new application projects; introduce new techniques, new processes, and new equipment; and recruit R&D talent to improve the company's core technological and process capabilities, reduce costs, and enhance competitiveness.
3	Enhance international visibility, attract sustainable investment, and accelerate the company's sustainability transition and commitments.	Energy Resource Issues	Responding to global carbon emission controls and carbon tariff issues as part of corporate governance requirements.	Medium	1. GHG inventory and assurance: parent data in 2025, subsidiaries with assurance in 2027. 2. Use 2026 as the base year at the latest, and disclose reduction targets, strategies, and specific action plans for 2027. 3. Disclose IFRS Sustainability Standards in the 2028 annual report, synchronized with the financial report release for concurrent submission.

3.4 Information Security Management2-23, 2-24

In 2020, Young Optics established the “Information Security Management Committee,” responsible for integrating internal and external corporate resources and coordinating, planning, auditing, and promoting unified information security management. It serves as a strong foundation for the company's sustainable development and business continuity. Since 2020, the committee has reported annually to the Board of Directors on the implementation of information security management, with the latest report delivered on October 25, 2024.

Information Security Policy

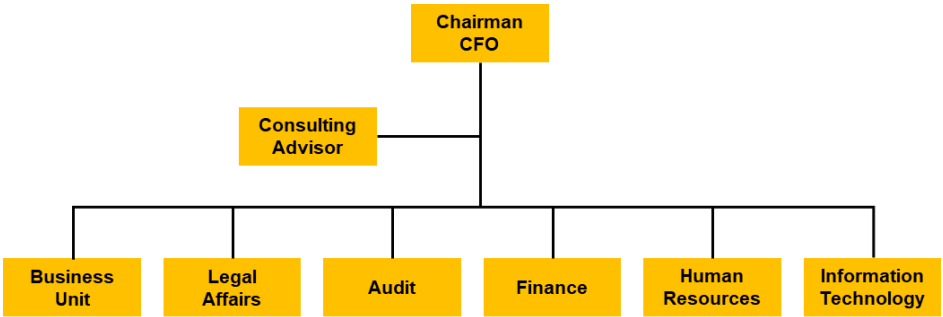
We are committed to creating a well-managed, convenient, and secure information environment. By addressing threats from system, technical, and procedural aspects, the company aims to build an information protection service that meets the highest standards and customer requirements.

We continue to strengthen and improve our information security management system and assess the feasibility of obtaining international certifications for each site (e.g., ISO/IEC 27001, ISO/IEC 15408), starting with necessary planning tasks.

In accordance with the latest developments in internal audits and standard requirements, we enhance enterprise risk management and continue investing in manpower and resources for cybersecurity awareness and behavioral guidelines.

Both labor and management jointly build a robust cybersecurity environment to support business growth and enhance shareholder value.

Cyber Security Management Committee structure



Unit	Duty
Information Security Management Committee	Integrate resources and coordinate, plan, audit, and promote the information security.
Other business unit	Cooperate the executive of policy
Legal unit	Provide the legal assistances, manage the litigation and no litigation cases, and avoid infringing on the interests.
Audit unit	Evaluate the executive of information security policy, audit the acts and regulations which are observed, and provide the improving suggestions.
Finance unit	Cooperate the executive of policy.
Human resources unit	Promote the information security policy and educational training.
Information unit	Plan and execute the information security policy.

2024 Information Security Management Initiatives

Enhancing Employees' Information Security Awareness	<div><div>1. Publish threat intelligence bulletins and information security newsletters containing recent cybersecurity incidents and related information.</div><div>2. Conduct email-based social engineering drills and provide training to employees who mistakenly open suspicious emails or links, thereby enhancing their awareness and preventing potential breaches or data leaks caused by malicious emails.</div><div>3. Organize information security awareness training courses. Employees are regarded as the first line of defense. Through training, they can identify and prevent common cybersecurity risks, reducing potential threats to the organization.</div></div>
Monitoring of External Cybersecurity Risks	We utilize the Security Scorecard platform, which employs non-intrusive data collection methods. This includes gathering publicly available data, using honeypots, integrating threat intelligence, and deploying vulnerability search engines to analyze ongoing risk indicators. These analyses help monitor and evaluate both our own and third-party vendors' cybersecurity exposure. This year, our company scored an average of 88 on the platform, slightly above the industry average of 86 and a 3-point improvement from the previous year.
Computer Security Management	<div><div>1. Limit system administrator access rights to reduce the risk of malware infection, prevent unauthorized or accidental system configuration changes, and mitigate legal and operational risks arising from the installation of unauthorized or personal software.</div><div>2. Conduct monthly computer inspections covering seal tamper checks, confirmation of USB control software installation, document encryption software installation, software license compliance, domain registration, and verification of unauthorized hardware modifications.</div></div>
Enhancing Remote Access Security	Implement two-factor authentication for VPN remote access using one-time passcodes generated via mobile apps to improve the security and convenience of remote work connections.
Strengthening Email Security	Deploy an advanced email filtering system powered by cutting-edge AI/ML technology capable of blocking sophisticated, stealthy threats. This system defends against phishing, malware, and BEC attacks, offering comprehensive protection against emerging targeted email threats.

Privileged Account Management	Implement two-factor authentication for system administrator accounts. In addition to traditional password login, privileged system access requires mobile app verification. This ensures that administrative privileges cannot be compromised or misused and supports non-repudiation of user actions.
Establishment of Core System Backup Environment	A cloud-based backup environment for the SAP ERP system has been established to enhance system security and availability. In the event of a major incident where rapid recovery is not possible, operations can be switched to this backup environment to ensure business continuity. A disaster recovery drill was successfully conducted in October of this year.
Introduction of Managed Detection and Response (MDR)	MDR services have been implemented, with a third-party cybersecurity provider continuously monitoring for abnormal behaviors. When malicious hacking activities are detected, the system can immediately respond and proactively block the intrusion, thereby strengthening the resilience of critical systems.
Execution of System Vulnerability Scanning	Internal server hosts are regularly scanned for vulnerabilities to determine whether any managed devices present potential risks. Identified vulnerabilities are promptly patched to minimize associated risks.
Offsite Backup System	Cloud-based offsite backups are implemented with data encryption and tamper-proof mechanisms to ensure the confidentiality, integrity, and availability of backup data.
Preventing Leakage of Trade Secrets	A document encryption and security system has been adopted, requiring managerial authorization for the release of files. In addition, access to portable storage devices is controlled, creating dual protection to ensure security.
Risk of Anonymous Devices on Internal Network	Real-name authentication is implemented for wireless network access to ensure accurate monitoring and control of wireless usage.
Personnel Device Guidelines	Management guidelines have been defined for software installation, email and internet usage, personal information devices, and portable media.
Controls for Computer Rooms and Critical Areas	Management measures are established for physical security controls, personnel access, and environmental maintenance (e.g., temperature and humidity control) in critical areas.
Backup Recovery and Redundant Environment	Routine drills for backup restoration and disaster recovery in redundant environments are conducted to ensure data availability and operational readiness. These practices reduce the Recovery Time Objective (RTO) and minimize the impact of disaster events on operations.

Resources Invested in Information and Communication Security Management

Young Optics places great importance on information security. In 2024, we invested NT\$3.99 million in software and hardware resources related to information security, and has allocated a dedicated budget for 2025 to continue adopting innovative cybersecurity technologies. These efforts aim to ensure that the Company's security infrastructure remains current and effective. Young Optics is a member of the Science Park Information Security Information Sharing and Analysis Center (SP-ISAC), the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), and the CISO Alliance. We actively participates in cybersecurity training and seminars held by these organizations to foster both information sharing and cross-domain security collaboration. In 2024, Young Optics did not suffer any losses, impacts, or incidents resulting from major information security breaches.

Personal Data Protection

Young Optics places a strong emphasis on the protection of personal data and privacy. In addition to strict compliance with the Personal Data Protection Act, the Company has established internal policies to ensure the lawful and legitimate collection, processing, and use of personal data, safeguarding the rights of data subjects. A dedicated Personal Data Response Team is responsible for formulating data protection policies and regulations, allocating resources, ensuring normal operations of personal data protection within the organization, and initiating investigations and handling procedures in the event of incidents.

Each functional unit conducts its own inventory of personal data, evaluates its value and associated risks, and devises appropriate management mechanisms and response measures. The Human Resources unit consolidates the inventory results.

In terms of information security, personal data systems and equipment are managed by designated personnel with the minimum required access privileges, minimizing the risk of data breaches, alterations, or destruction. All equipment storing personal data is housed in access-controlled server rooms, and data is backed up daily. The internal audit unit regularly reviews the effectiveness of data protection measures and oversees continuous improvement by each department.

Furthermore, we continuously promote personal data regulations and provides employee training to enhance awareness and implementation capability. In 2024, the information security training course achieved full participation, with 419 employees completing the program, totaling 209.5 hours of training. The course completion and passing rate was 100%.

Young Optics' personal data protection measures include:

1.

Respecting the rights of data subjects during data collection, following principles of honesty and good faith, limiting collection to the necessary scope for specific purposes, and ensuring a legitimate connection to those purposes.
2.

Unless exempted under Article 8(2) of the Personal Data Protection Act, data subjects must be informed of the following and provide written consent: company name, purpose of collection, data categories, retention period, scope, recipients and means of use, data subject rights and how to exercise them.
3.

If personal data is collected from third parties, the data subject must be informed of the data source and all required details prior to use. Notification may be provided upon first use.
4.

Before providing personal data to external vendors or individuals, a legal basis or contractual provision must exist, and internal approval procedures must be completed, with records retained.
5.

Violations or misuse of these provisions will be subject to disciplinary action under Young Optics' work rules. In cases of data breach or illegal acts causing damage to the Company's interests, offenders shall bear civil, criminal, and administrative liability under applicable law.





04 Sustainable Environment

- 4.1 Climate Change Management
- 4.2 Greenhouse Gases Reduction and Management
- 4.3 Environment Policy and Promise
- 4.4 Waste Management
- 4.5 Water Management
- 4.6 Energy Management
- 4.7 Emergency Response



- 4.1 Climate Change Management

○

4.2 Greenhouse Gas Reduction and Management

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4.3 Environment Policy and Promise
- 4.4 Waste Management

○

4.5 Water Management

○

4.6 Energy Management

○

4.7 Emergency Response

4.1 Climate Change Management2-23, 2-24

Young Optics follows the Task Force on Climate-related Financial Disclosures (TCFD) framework, issued by the Financial Stability Board (FSB), to evaluate the potential impacts of climate change on the Company. Through the four core elements of “Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets,” and 11 associated disclosures, Young Optics systematically identifies and manages climate-related risks and opportunities. The execution status for each disclosure item is described below in detail.



Governance

Board Oversight of Climate-related Risks and Opportunities

Climate change management is part of the Company’s overall risk management. The Risk Management Task Force regularly (at least once a year) compiles and reports on the Company’s risk management operations to the Audit Committee and the Board of Directors.

Role of Management in Assessing and Managing Climate-related Risks and Opportunities

The General Manager serves as the convener of the Risk Management Task Force, with division heads as members. The task force is responsible for identifying, analyzing, evaluating, responding to, and reviewing risks, effectively managing potential climate-related risks and opportunities throughout business operations, and implementing preventive and mitigation measures for high-risk items.

Description of Roles and Responsibilities in Risk Management Organization

Board of directors	The Board of Directors is the highest governance body for risk management. It is responsible for approving risk management policies and related regulations, supervising, and ensuring the effective implementation and execution of the overall risk management mechanism.
Audit Committee	The Audit Committee is responsible for reviewing the effectiveness of supervision over risk management mechanisms; reviewing risk management policies, procedures, and frameworks; examining the company’s risk management objectives, guidelines, and implementation, while providing necessary improvement recommendations. The review is conducted at least once a year, and results are reported to the Board of Directors for decision-making and follow-up actions.
Risk management group	A risk management officer, designated by the President, is responsible for planning and supervising risk management matters, ensuring that all units comply with risk management procedures in the execution and implementation of operational plans and management mechanisms, and consolidating information to report at least once a year to the Audit Committee and the Board of Directors on the status of risk management operations.
Business unit supervisor	Each business unit supervisor serves as a member of the Risk Management Group and is responsible for executing risk management-related matters.

- 4.1 Climate Change Management

4.4 Waste Management
- 4.2 Greenhouse Gas Reduction and Management

4.5 Water Management
- 4.3 Environment Policy and Promise

4.6 Energy Management
- 4.7 Emergency Response

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Strategy

Identified Short-, Medium-, and Long-term Climate-related Risks and Opportunities

	Transition Risks	Opportunities
Short-term	Policies and regulations, carbon emission reporting obligations, Bureau of Energy’s annual 1% electricity reduction requirement, Taiwan electricity price increases, and renewable energy obligations.	None.
Mid-term	Shifts in consumer preferences, industry stigmatization, growing stakeholder concerns and negative feedback, substitution of existing products or services with low-carbon alternatives, failures in new technology investments, uncertainties in emerging carbon reduction technologies, international carbon tariffs, carbon fee policies, and rising demand for carbon credits.	Use of low-carbon energy, adoption of incentive policies, participation in carbon market trading, installation of solar power generation, entry into new markets, development/expansion of low-carbon products and services, R&D and innovation of new products and services, adoption of more efficient transportation/production/distribution processes, recycling and reuse, reduction of water usage and consumption, water recycling, energy-saving improvement initiatives, and circular economy development.
Long-term	Changes in customer behavior, market uncertainties, rising raw material costs, and increasing customer demand for green products.	Participation in renewable energy projects and adoption of energy-saving measures, energy substitution/diversification, and enhancement of resilience against natural disasters.

Impacts of Climate-Related Risks and Opportunities on Business, Strategy, and Financial Planning

In October 2024, the Risk Management Task Force conducted evaluations and analysis based on TCFD-recommended categories, including transition risks, physical risks, and opportunities. The assessment considered the financial impact (ranging from NT\$1 million to NT\$100 million) and frequency of occurrence (within 1–5 years). The major short-term climate risk faced by the Company arises from regulatory and policy requirements, including the Bureau of Energy’s annual 1% electricity reduction mandate, increases in Taiwan electricity rates, and renewable energy obligations for large electricity users. These are estimated to result in an additional NT\$10 to NT\$20 million in electricity costs. In response, the Company has formulated energy-saving strategies, including energy demand and usage management, replacement of inefficient equipment, and continuous improvement of technology and production processes to reduce electricity consumption and improve energy efficiency.

Resilience of the Strategy Considering Different Climate-related Scenarios

With reference to the 1.5°C scenario and Taiwan’s 2050 net-zero emission pathway and strategy (24% ± 1% reduction by 2030), simulate and analyze the potential impacts of future climate change as a basis for adjusting business strategies.

- 4.1 Climate Change Management

○ 4.4 Waste Management

○ 4.2 Greenhouse Gas Reduction and Management

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Risk Management

Process for Identifying and Assessing Climate-related Risks

The ESG team collects potential material risks and opportunities and evaluates transition risks and opportunities by referencing the 1.5°C scenario and Taiwan's 2050 net-zero emission pathway and strategy. Physical risks are assessed with reference to the worst-case scenario (SSP5-8.5) from the IPCC Sixth Assessment Report. Through in-person meetings, department heads evaluate based on the degree of impact and frequency of occurrence to identify and prioritize the short-, medium-, and long-term climate-related risks and opportunities within the Company's operational scope.

Process for Managing Climate-related Risks and Opportunities

To address climate-related risks, Young Optics has integrated climate risk issues into its risk management process. For high-risk and opportunity items, specific targets are established and corresponding response measures are implemented. Energy resources and climate change are designated as key themes in Young Optics' annual risk management agenda.

Integration of Climate-related Risk Identification, Assessment, and Management into the Overall Risk Management System

The Risk Management Task Force uses matrix analysis to identify and prioritize major climate-related risks and opportunities, and formulates related countermeasures. The task force is also responsible for planning, executing, and supervising risk management activities to ensure that risk management and related control procedures are effectively implemented across all departments. A consolidated report on risk management operations is submitted to the Audit Committee at least once a year.

Metrics & Targets

Indicators Used to Assess Climate-Related Risks and Opportunities in Line with Strategy and Risk Management Processes

Targets	Strategies	Performance Indicators
Climate Change Management	Establish GHG reduction targets, implement measures, and track progress.	3% reduction in GHG emissions.
Reduce Electricity Consumption	Establish electricity reduction targets, implement measures, and track progress.	Annual electricity savings >1%.
Reduce Waste Generation	Establish waste reduction targets, implement measures, and track progress.	50% resource recovery rate.
Water Conservation	Establish water reduction targets, implement measures, and track progress.	15% wastewater reuse rate.
Develop Energy-Saving Products	Optimize product design.	10% reduction in power consumption

Greenhouse Gas Emissions and Related Risks

In 2023, Young Optics officially implemented a carbon inventory system to systematically manage GHG data. In May 2025, Young Optics obtained an ISO 14064-1:2018 verification statement from an independent third-party assurance body, with reasonable assurance granted for Categories 1 and 2, and limited assurance for Categories 3 to 6. The GHG emissions for each category in 2024 are presented in the table below.

Categories 1	Categories 2	Categories 3-6
820.8545 tons of CO2e	10,631.8865 tons of CO2e	4,540.7202 tons of CO2e

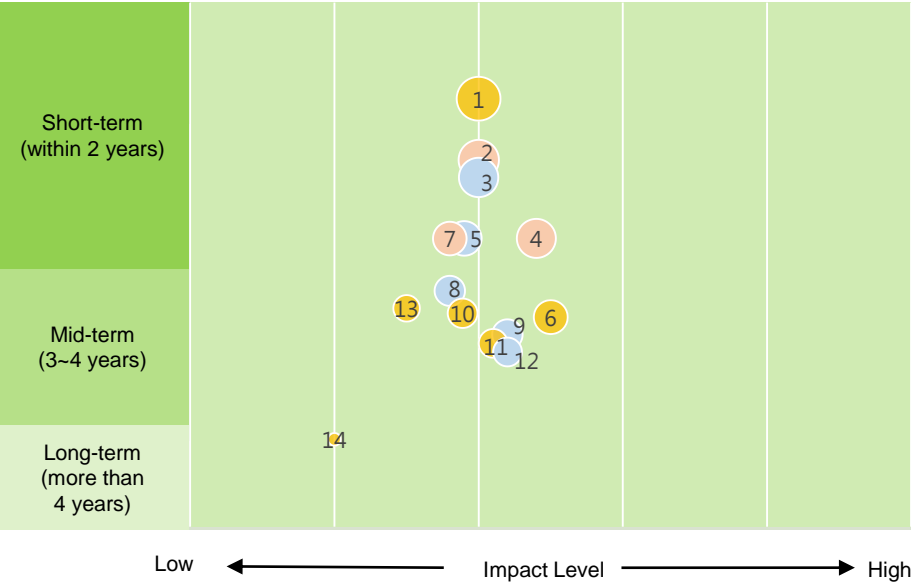
Targets Used to Manage Climate-Related Risks and Opportunities and the Performance in Achieving Them

Targets	Performance Indicators	2024 Implementation Results
Climate Change Management	3% reduction in GHG emissions.	Achieved: 5.50% annual reduction in GHG emissions (Scope 1 and Scope 2).
Reduce Electricity Consumption	Annual electricity savings >1%.	Achieved: 1.58% average annual electricity savings. °
Reduce Waste Generation	50% resource recovery rate.	Achieved: 67% annual resource recovery rate.
Water Conservation	15% wastewater reuse rate.	Achieved: 15.61% wastewater recycling and reuse rate.
Develop Energy-Saving Products	10% reduction in power consumption	Achieved: 50% reduction in overall power consumption.

Climate Change Risks and Opportunities

In 2024, Young Optics identified and assessed six transition risks, three physical risks, and five opportunities. The primary material climate-related risks faced by Young Optics stem from regulatory and policy requirements, including: the Bureau of Energy’s mandate for a 1% annual electricity reduction, increases in Taipei power electricity tariffs, and renewable energy procurement requirements for major electricity users.

To mitigate these regulatory and policy-related risks, Young Optics has developed energy-saving strategies that include managing energy demand and usage, phasing out low-efficiency equipment, and continuously improving technologies and production processes to reduce electricity consumption and enhance energy efficiency.



Transition Risks	Timeframe	Potential Operational Impacts
1 Policies and Regulations	Short-term	Carbon emission reporting obligations, Bureau of Energy’s requirement to reduce electricity consumption by 1% annually, Taipower electricity price increases, and renewable energy obligations.
6 Technology	Mid-term	Substitution of existing products or services with low-carbon alternatives, failures in new technology investments, and uncertainties in emerging carbon-reduction technologies.
Overseas Regulations / Carbon Tax		Rising U.S. and EU carbon border tax are increasing corporate operational costs.
11 Reputation		Shifts in consumer preferences, industry stigmatization, and increasing stakeholder concerns and negative feedback.
13 Carbon Fee		Government plans for annual carbon fee increases are driving higher corporate demand for carbon credits.
14 Market	Long-term	Changes in customer behavior, market uncertainties, rising raw material costs, and increasing customer demand for green products.

Physical Risks	Timeframe	Potential Operational Impacts
Long-term: Rising Average Temperatures	Short-term	Rising average temperatures will increase electricity consumption to meet air conditioning demand.
4 Acute: Typhoons and Floods		Flooding may disrupt operations, including product manufacturing and logistics.
7 Acute: Water Shortages and Power Outages		Water supply shortages may affect production; global climate change may lead to reduced rainfall.

Opportunities	Timeframe	Potential Operational Impacts
3 Resource Efficiency	Short-term	Adoption of more efficient transportation, production, and distribution processes; recycling and reuse; reduction of water usage and wastewater; water recovery; implementation of energy-saving improvements; reduction of company electricity consumption; and promotion of circular economy development.
5 Energy Sources		Use of low-carbon energy, adoption of incentive policies, application of new technologies, participation in carbon market trading, and development of solar power generation and energy storage to reduce electricity costs.
8 Products/Services	Mid-term	Development and expansion of low-carbon products and services, as well as R&D and innovation of new products and services.
9 Market		Entry into new markets and leveraging public sector incentive programs.
12 Resilience		Participation in renewable energy projects and implementation of energy-saving measures; energy substitution and diversification; and enhancing resilience against natural disasters.

4.2 Greenhouse Gases Reduction and Management

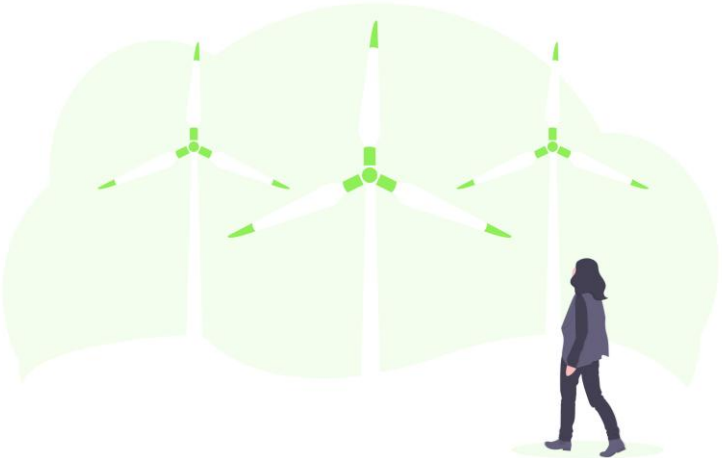
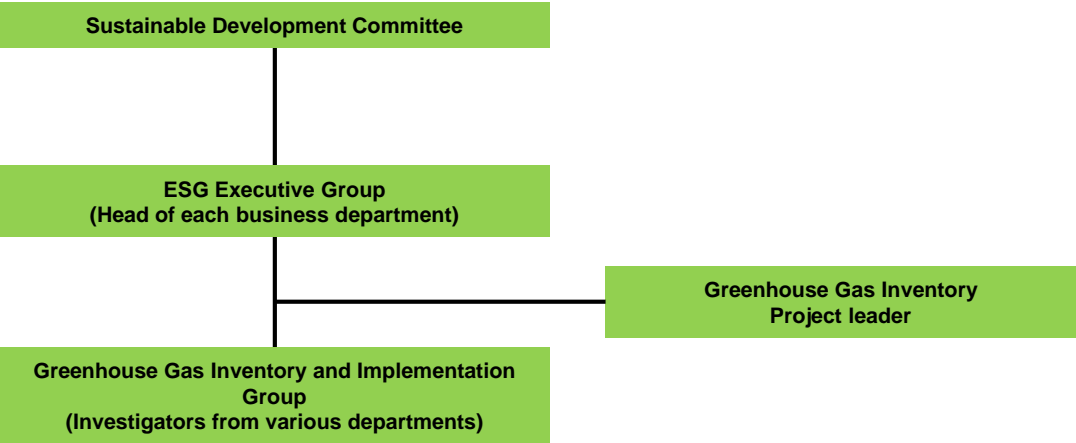
2-23, 2-24, 305-1, 305-2, 305-3, 305-4, 305-5

Greenhouse Gas Inventory Policy Statement

Sustainable development has become an important task for the world to cope with climate and environmental changes, and we are well aware of the seriousness of global warming to the world. In order to cope with the impacts of climate change on the environment and climate, Young Optics Inc. will initiate a greenhouse gas (GHG) inventory and validation in 2023 to strengthen the management of carbon emission information disclosure, so as to grasp the situation of GHG emission and manage it effectively, and will continue to research and develop the corresponding GHG reduction related plans to promote various energy-saving and carbon-reducing measures.

Greenhouse Gas Inventory Promotion Organization

Young Optics' Greenhouse Gas Inventory and Implementation Task Force operates under the Sustainable Development Committee. The detailed organizational structure is illustrated in the diagram below:



Operational Procedures and Information Management

Following ISO 14064-1:2018, the greenhouse gas inventory management procedure (EP-01-005) involves greenhouse gas inventory, internal auditing, and data quality management to adhere to information management requirements and support management decision-making.

Base Year Setting

The base year for Young Optics' greenhouse gas inventory is 2023. The total greenhouse gas emissions in the base year are 16,761.9092 tons of CO2e. The carbon inventory system will be implemented in 2023, and the inventory data is expected to be more accurate. To ensure the accuracy of the inventory data, 2023 will be used as the base year. The total greenhouse gas emissions in the base year are 16,761.9092 tons of CO2e.

Comprehensive Greenhouse Gas Inventory Results

In 2024, the organizational boundary of Young Optics' greenhouse gas inventory included its factories in Taiwan, China (Kunshan and Suzhou), and Bangladesh. The Taiwan factory obtained a verification opinion statement from AFNOR Asia Ltd., while the remaining overseas factories conducted self-inventories. The results are summarized in the table below.

2024 Young Optics Greenhouse Gas Inventory Results

(Unit: tons of CO₂e)

Category / Factory area	Taiwan	Kunshan	Suzhou	Bangladesh	Total
Category 1	820.8545	258.1086	4.4969	666.8548	1,750.3148
Category 2	10,631.8865	2,472.2895	33.1683	1,136.6555	14,273.9999
Category 3	771.1825	84.7203	14.7930	—	870.6958
Category 4	3,769.5377	1,124.8700	14.6902	308.9432	5,218.0410
Category 1+2	11,452.7410	2,730.3981	37.6652	1803.5104	16,024.3146
Category 1–6	15,993.4612	3,939.9884	67.1484	2,112.4535	22,113.0515

Note 1: The inventory boundary is based on the operational control approach.

Note 2: GWP values are referenced from the IPCC Sixth Assessment Report (latest version).

Note 3: Scope 3 inventory items for the Taiwan and Kunshan factories include: upstream transportation/distribution of goods, downstream transportation/distribution of goods, employee commuting, and business travel; Scope 4 items include: purchased goods, energy procurement, and disposal of solid and liquid waste.

Note 4: Scope 3 inventory items for the Suzhou factory include: downstream transportation/distribution of goods, employee commuting, and business travel; Scope 4 items include: purchased goods, energy procurement, and disposal of solid and liquid waste.

Note 5: Scope 4 inventory item for the Bangladesh factory: energy procurement.



Greenhouse Gas Inventory Results – Taiwan Factory

In 2024, the total greenhouse gas (GHG) emissions of Young Optics' Taiwan site amounted to 15,993.4612 tons of CO₂e. This includes 15,183.0780 tons of CO₂e from carbon dioxide (CO₂), 65.1609 tons of CO₂e from methane (CH₄), 0.1917 tons of CO₂e from nitrous oxide (N₂O), 744.9698 tons of CO₂e from hydrofluorocarbons (HFCs), and 0.0607 tons of CO₂e from sulfur hexafluoride (SF₆). Compared to the baseline year of 2023, which had emissions totaling 16,761.9092 tons of CO₂e, the 2024 total represents a 4.58% reduction.

Young Optics' Sustainability Committee has identified GHG reduction as a key management objective and has incorporated Category 1 and Category 2 emissions into its performance indicators, aiming for a 3% annual reduction. To meet this target, in 2024 the Company continued replacing and phasing out low-efficiency equipment to reduce electricity usage. As a result, combined Scope 1 and Scope 2 emissions were reduced to 11,452.7410 tons of CO₂e, marking a 5.50% decrease from the previous year, thereby achieving the annual management goal.

Looking ahead to 2025, Young Optics will maintain a 3% annual GHG reduction target. This will be guided by climate science, reduction potential, international and national contexts, industry landscape, and internal technical capabilities. The reduction roadmap includes: (1) Managing energy demand and usage; (2) Improving energy efficiency; (3) Enhancing technologies or processes; (4) Managing transportation and travel demand; (5) Reducing waste.

GHG Inventory Results for the Taiwan Factory (Unit: tons of CO₂e)

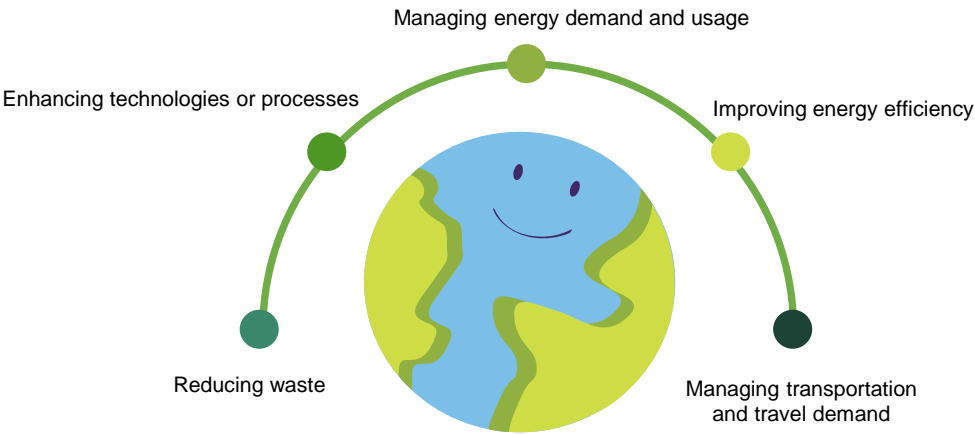
Category	2023	2024	Reduction Status
Category 1	804.9287	820.8545	1.98%
Category 2	11,314.7798	10,631.8865	-6.04%
Category 3	1,094.5117	771.1825	-29.54%
Category 4	3,547.6890	3,769.5377	6.25%
Category 1+2	12,119.7085	11,452.7410	-5.50%
Category 1~6	16,761.9092	15,993.4612	-4.58%

GHG Emission Intensity of the Taiwan Factory (Unit: tons of CO₂e per NT\$ million)

Item	2023	2024
Category 1+2 Emission Intensity	4.41	5.34
Category 1~6 Emission Intensity	6.10	7.46

Types of Gases and Emissions Included in the Calculation for the Taiwan Factory (Unit: tons of CO₂e)

Greenhouse Gases Emissions	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
	15,183.0780	65.1609	0.1917	744.9698	-	0.0607	-



Greenhouse Gas Inventory Results – Overseas Factories

Young Optics' overseas sites conducted the GHG inventory based on ISO 14064-1:2018, including data collection and self-assessment. The inventory covered Kunshan and Suzhou in China as well as the Bangladesh site. The inventory period spans from January 1 to December 31, 2024, and includes Categories 1 and 2 within the boundary. For Categories 3 to 6, only partial data was collected within the scope of current capabilities. The relevant GHG emissions data are as follows:

China Factory

For the China sites (Kunshan and Suzhou), total Category 1 (direct GHG emissions) amounted to 262.6055 tons of CO₂e, accounting for 6.55% of total emissions. The major source of carbon emissions was Category 2 (indirect GHG emissions from purchased electricity), totaling 2,505.4578 tons of CO₂e, which represents 62.52% of total emissions. Emissions from Category 3 (indirect GHG emissions from transportation) and Category 4 (indirect GHG emissions from the use of products by the organization) together totaled 1,239.0735 tons of CO₂e, accounting for 30.92% of total emissions.

Bangladesh Factory

The Bangladesh site reported total Category 1 (direct GHG emissions) at 666.8548 tons of CO₂e, representing 31.57% of total emissions. Category 2 (indirect GHG emissions from purchased electricity) was the primary emission source, amounting to 1,136.6555 tons of CO₂e or 53.81% of total emissions. Emissions from Category 4 (indirect GHG emissions from the use of products by the organization) were 308.9432 tons of CO₂e, accounting for 14.62% of total emissions.

Historical GHG Emissions from China Factories

(Unit: tons of CO₂e)

Year Category / Factory area	2023			2024		
	Kunshan	Suzhou	Total	Kunshan	Suzhou	Total
Category 1	232.0528	4.6057	236.6585	258.1086	4.4969	262.6055
Category 2	2,895.9464	34.6834	2,930.6298	2,472.2895	33.1683	2,505.4578
Category 3	52.7883	3.1695	55.9578	84.7203	14.7930	99.5133
Category 4	826.8361	7.8946	834.7307	1,124.8700	14.6902	1,139.5602
Category 1+2	3,127.9992	39.2891	3,167.2883	2,730.3981	37.6652	2,768.0633
Category 1~6	4,007.6236	50.3532	4,057.9768	3,939.9884	67.1484	4,007.1368

Historical GHG Emissions from the Bangladesh Factory

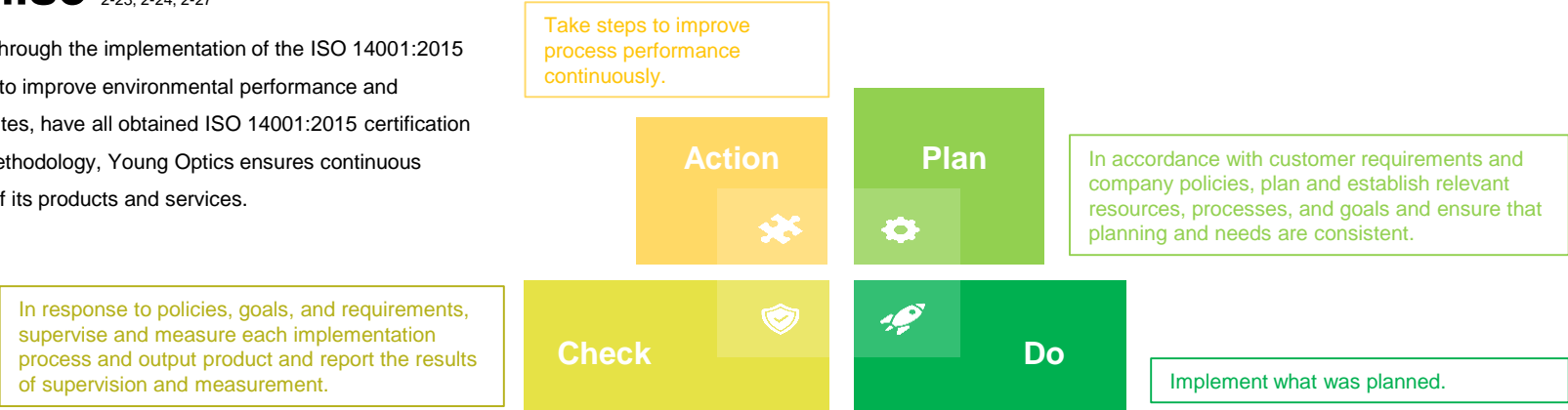
(Unit: tons of CO₂e)

Year Category / Factory area	2023	2024
	Bangladesh	
Category 1	176.2010	666.8548
Category 2	2,455.2650	1,136.6555
Category 3	-	-
Category 4	512.0924	308.9432
Category 1+2	2,631.4660	1803.5104
Category 1~6	3,143.5584	2,112.4535

4.3 Environment Policy and Promise

2-23, 2-24, 2-27

Young Optics is committed to environmental protection and sustainable development. Through the implementation of the ISO 14001:2015 Environmental Management System, the Company demonstrates its firm determination to improve environmental performance and customer satisfaction. The Taiwan headquarters, as well as the Kunshan and Suzhou sites, have all obtained ISO 14001:2015 certification (valid from July 4, 2024 to July 4, 2027). By applying the PDCA (Plan-Do-Check-Act) methodology, Young Optics ensures continuous system operation and improvement, thereby enhancing the environmental friendliness of its products and services.



Environmental Policy

Young Optics' environmental policy is: All product-related activities shall comply with applicable regulations, focus on conservation, waste reduction, and pollution prevention. This policy has been formally documented and endorsed by the General Manager, and is publicly declared to all employees and made accessible to relevant stakeholders.

Environmental Commitment

- Efficiently utilize energy and resources to protect the environment.
- Continuously improve and prevent pollution while ensuring employees' health and safety.
- Implement pollution reduction and resource recycling in production to minimize emissions of air pollutants, wastewater, and waste materials.
- Comply with environmental laws and relevant requirements, and communicate this policy to all employees.

Environmental Expenditures

In 2024, Young Optics did not incur any losses due to environmental pollution or occupational safety incidents, nor was it subject to any fines or penalties from regulatory authorities. The total environmental expenditure for 2024 amounted to approximately NT\$2.31 million. These expenditures were primarily allocated to water and waste treatment, aiming to conserve water resources and properly manage waste, thereby minimizing the environmental impact of production processes.

• Environmental Expenditures (NT\$ dollars)

Pollution sources/Year	2023	2024
Air	17,011	21,424
Water	1,837,160	1,655,769
Waste	1,365,888	642,192
Soil and groundwater	323	300
Total	3,220,382	2,319,685

- 4.1 Climate Change Management

4.2 Greenhouse Gas Reduction and Management

4.3 Environment Policy and Promise

4.4 Waste Management

4.5 Water Management

4.6 Energy Management

4.7 Emergency Response
- 4.4 Waste Management

306-1, 306-3, 306-4, 306-5
- Young Optics has designated waste management as one of its annual sustainability management objectives. By setting waste reduction targets and implementing related initiatives, the Company aims to enhance resource recycling efficiency and effectively reduce waste generation. The management target for 2024 was to achieve a 50% resource recycling rate, and the actual performance reached 67%. The Company will continue to advance its waste reduction efforts to reinforce sustainable operations.
- To ensure effective waste removal and treatment, improve environmental sanitation, and mitigate the environmental impact of product manufacturing, Young Optics has established a waste management procedure in accordance with ISO 14001 standards. The Environmental Health and Safety (EHS) unit is responsible for executing and overseeing the following tasks: (1) Selection and periodic audit of waste disposal vendors; (2) Notification and waste collection/disposal procedures for general industrial waste and hazardous industrial waste; (3) Routine inspections of waste storage areas; (4) Preparation, revision, and updates of the waste management plan; (5) Waste declaration in accordance with relevant regulations.
- To minimize the environmental impact of production, Young Optics classifies industrial waste into general and hazardous waste according to environmental classification standards and entrusts qualified vendors for proper disposal. Young Optics has also established management procedures to actively enhance recycling and reuse rates, continuously exploring innovative recycling methods to improve waste reutilization. Since 2024, the Company has adopted regenerated ion exchange resin, resulting in a 20% reduction in waste ion exchange resin compared to the previous year. Due to the relatively small quantity, no waste ion exchange resin was disposed of in 2024. The total volume of waste generated in 2024 was 94.23 tons, of which general industrial waste accounted for 91.57 tons (97%), and hazardous industrial waste accounted for 2.66 tons (3%).
- 2023–2024 Resource Recycling Rate (Unit: kg)
- | Item | 2023 | 2024 |
|---|-----------|------------|
| Resource Recycling Volume | 102,748 | 212,356.40 |
| Total Waste Volume | 224,416.4 | 318,532.80 |
| Resource Recycling Rate
(Resource Recycling Volume / Total Waste Volume) | 46% | 67% |
- Waste Generation

(Unit: tons)
- | Waste | | Intermediate processing | 2023 | 2024 |
|----------------------------|---|-------------------------|--------|--------|
| General industrial waste | waste oil mixture | Physical handling | 7.52 | 6.9 |
| | Other Waste Glass, Ceramics, Bricks, Tiles, and Clay Mixtures | Landfill | - | 4.68 |
| | General Waste from Business Activities | Incineration | 53.03 | 50.2 |
| | waste paper mixture | | 2.49 | 11.99 |
| | Waste plastic mixture | | 17.81 | 17.8 |
| | Waste fiber or other cotton, cloth and other mixtures | | 0.05 | - |
| | Total | | 80.90 | 91.57 |
| Hazardous Industrial waste | Other Corrosive Industrial Waste Mixtures | Chemical Treatment | - | 0.4934 |
| | Waste Electronic Components, Scrap, and Defective Products | Physical handling | - | 0.189 |
| | Other flammable industrial waste mixtures | Incineration | 1.35 | 0.624 |
| | The flash point of waste liquid is less than 60°C (excluding alcoholic waste with ethanol volume concentration less than 24%) | | 4.14 | 1.35 |
| | Waste Ion Exchange Resins | | 2.18 | - |
| | Total | | 7.67 | 2.66 |
| Waste Intensity | | | 0.0322 | 0.0440 |
- 57

4.5 Water Management

303-5

Water resources are one of the United Nations Sustainable Development Goals (SDGs). In response to SDG Goal 6—ensuring access to water and sanitation for all and promoting sustainable water management—Young Optics, through its Sustainability Management Committee, has established the wastewater recycling rate as a key management target to ensure the sustainable use of water resources.

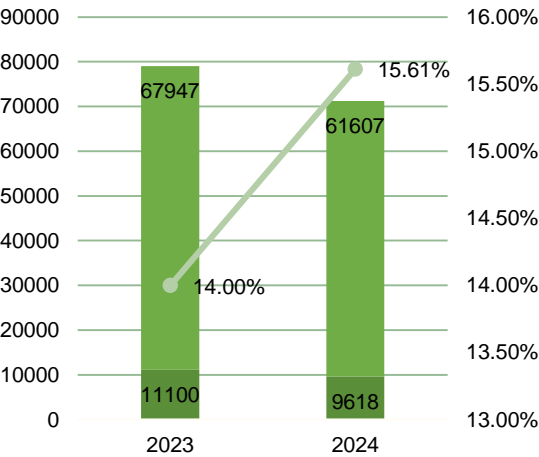
In terms of water resource management, Young Optics has formulated a Rain and Wastewater Management Policy. Effluent quality is monitored and has consistently met the discharge standards set by the Science Park Administration. The policy ensures that wastewater issues arising from the Company’s manufacturing, services, and activities are effectively controlled and managed. Young Optics also recycles DI drainage, process wastewater, and condensate water for uses such as toilet flushing and cooling tower replenishment, in line with its water conservation policy.

In 2023, the total water consumption of the Taiwan site was 67,947 tons. In 2024, the total dropped to 61,607 tons, reflecting a 9.33% decrease in overall water usage. Regarding wastewater recycling, 9,618 tons of wastewater were recycled in 2024, achieving a recycling rate of 15.61%, which meets the management target of a 15% recycling rate.

Recent Water Usage

Item	2023	2024
Total Water Consumption (Unit: tons)	67,947	61,607
Wastewater Recovery Volume (Unit: tons)	11,100	9,618
Wastewater Recycling Rate (Wastewater Recovery ÷ (Water Consumption + Wastewater Recovery))	14.0%	15.61%

Wastewater Recycling and Reuse Rate



- 2023

 - Total Water Consumption: 67,947 tons
 - Wastewater Recycling Rate: 14.0%
- 2024

 - Total Water Consumption: 61,607 tons
 - Wastewater Recycling Rate: 15.61%

4.6 Energy Management

302-1, 302-4

Young Optics actively promotes various energy reduction initiatives and has set an average annual electricity saving rate of over 1% as a key performance indicator. From 2015 to 2024, Young Optics achieved a cumulative electricity savings of 4,055,674 kWh, with a total electricity saving rate of 15.80% and an average annual saving rate of 1.58%, successfully meeting its management target. In addition to analyzing the energy consumption of individual equipment and implementing energy-saving upgrades, Young Optics aims to advance toward data diagnostics, smart control systems, and the continued use of renewable energy.

In 2024, Young Optics invested NT\$610,000 to replace 398 traditional lighting fixtures in office areas and parking lots with high-efficiency LED lighting, enhancing lighting quality and energy efficiency. This initiative is expected to save 150,000 kWh of electricity annually. Total electricity consumption across all plants in 2024 was 21,521,275 kWh, representing a reduction of 1,336,866 kWh compared to the previous year.

• Electricity Consumption in the Past Two Years

Year	Electricity Consumption	Gigajoule (GJ)
2023	22,858,141	82,289.3076
2024	21,521,275	77,476.5900

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Energy-Saving Measures

Reduce Energy Consumption

- Adjust the outlet temperature of cooling tower fan rooms by 1°C to lower energy use.
- Optimize chiller system load.

Lighting Efficiency

- Turn off lighting for 1 hour during lunch breaks, and reduce energy use at night and on holidays.
- Adopt high-efficiency LED lighting.

Temperature Management

- Set reasonable temperature and humidity levels in offices and cleanrooms.
- Facility staff monitor and control schedules for public areas during winter.

Reduce Leakage

- Strengthen airtightness of compressor rooms to reduce leakage.
- Conduct monthly leak detection on compressors to ensure leakage index remains below 10.
- Inspect pipeline leakage monthly to reduce loss of conditioned air.

Improve Equipment Efficiency

- Upgrade air compressors, saving about 38,000 kWh annually.
- Continuously improve boilers, with 12 units upgraded for energy efficiency.
- Implement company-wide power distribution energy management.

Cultivate Energy-Saving Habits

- Design posters and promotional materials to encourage practices such as taking the stairs and switching off unused lights.



05 Sustainable Innovation

- 5.1 Innovation Management
- 5.2 Green Product
- 5.3 Sustainable Alliance



5.1 Innovation Management2-24

To uphold the commitment to quality excellence, technological innovation remains one of Young Optics' core values. In 2024, the Company's R&D expenditures accounted for 11.63% of its net sales revenue. Through collaboration and joint efforts across R&D teams, the following achievements were realized:

1. Completed development of a fundus camera, which has now entered the clinical trial stage.
2. Developed a super slim LED headlight lens for automotive applications.
3. Developed both economical and high-end industrial 3D printing optical engine modules.
4. Developed co-packaged fiber optic connectors.

To foster innovative thinking among employees, Young Optics continues to refine its patent management and incentive systems, encouraging and uncovering inventions. It strengthens patent applications and participation in technical publications, establishes cross-departmental platforms to promote technical discussions and knowledge sharing, and builds comprehensive patent and technical databases, thereby enhancing the Company's overall R&D capabilities.

As of December 31, 2024, Young Optics has accumulated a total of 1,394 global patent applications, with 960 granted patents. Young Optics has consistently been listed among Taiwan's Top 100 Institutional Patent Applicants. In addition, Young Optics has registered multiple trademarks worldwide and built a robust portfolio of trade secrets and other intellectual property, safeguarding key technologies and maintaining long-term competitive advantages.

Break away from the past framework, challenge the established practices of the past, and have the courage to try different methods.

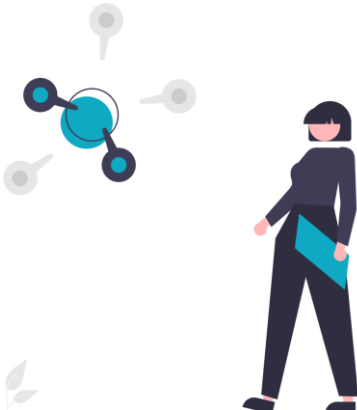
Have the courage to challenge yourself to do things better in different ways.

Come up with new ideas, and reach out to help the team solve complex problems.

It can minimize complexity and simplify complexity, making us more flexible and agile.

• Implementation status of intellectual property rights management plan

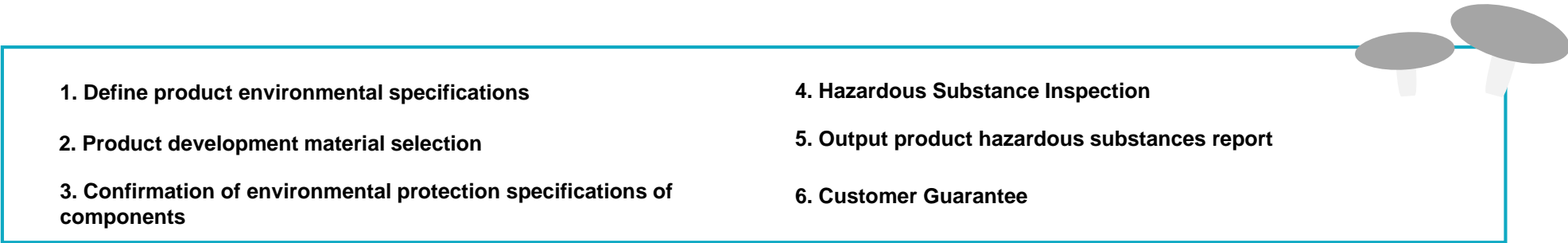
2015	Establish an electronic systematic patent assessment system.
2016	Establish a patent management and reward system for group companies.
2017	Establish Taiwan's electronic application mechanism and the U.S. national patent independent maintenance mechanism.
2018	Establish important technology patent deployment management plan.
2019	Business secret and confidential document encryption protection mechanism.
2020	Establishing a counter-response mechanism for mainland patent infringement.
2021	Establish patent information to assist process R&D planning.
2022	Assist in the analysis and handling of intellectual property disputes.
2023	Conduct enterprise-specific technology reference research.
2024	Implementation of the Patent Asset Activation Plan



5.2 Green Product

2-23, 2-24, 204-1, TC-HW-440a. 1

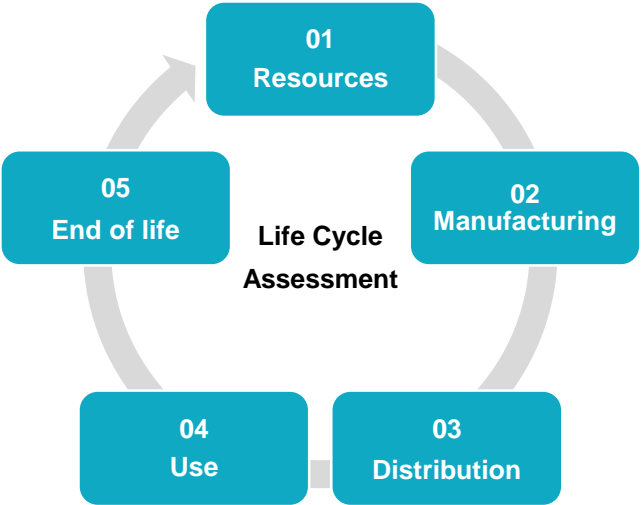
Since 2016, Young Optics has actively promoted green product concepts and established a comprehensive green product management process. We transform customer needs for green products into actionable design elements, collaborating with suppliers to develop products that comply with customer specifications, local environmental laws, and international regulations. With “green design,” “green procurement,” and “hazardous substance management” as its core principles, we advance green product development to meet quality requirements while fulfilling customer needs and sustainability goals. From R&D, component procurement, and incoming inspection, to production, product inspection, and final delivery, all processes are standardized and documented—fully integrating sustainable practices into product design and manufacturing.



Highlights of Achievements

Young Optics has incorporated Life Cycle Assessment (LCA) into its product design process and has designated product design optimization as one of its sustainability management goals, with a performance target of reducing power consumption by 10%. In 2024, for a DMD-based illumination simulation product, Young Optics collaborated with its parent company, Coretronic Corporation, to adopt an LD architecture. This design successfully reduced power consumption from 196W to 98W while maintaining the same brightness—achieving a 50% reduction in energy use.

In addition, a large F/# design was implemented to minimize overall product volume, resulting in a 20% increase in sea freight loading efficiency. This not only improves transportation efficiency but also effectively reduces carbon emissions. To accelerate production efficiency, the Company introduced automated LED alignment for the FLA5 product, shortening production time from 6.37 minutes to 5.37 minutes—a reduction of 84% in labor hours. This significantly enhanced production efficiency and contributed to our energy-saving and carbon-reduction goals.



- ### Green Design

Sustainable Design and Material Selection

 - The R&D team designs green products based on the Young Optics Green Product Specification Procedure (OI-04-005) and relevant international regulations.
 - During the design phase, materials, components, semi-finished products, and additives used in the production process are selected in compliance with both corporate and customer environmental standards.

Supplier Management and Data Verification

 - All products must comply with international, local regulations and customer requirements. Suppliers are required to provide a Green Product Commitment Letter or a Non-Use Declaration.
 - Suppliers must report hazardous substance information in the GPM system and provide test reports issued by ISO 17025-certified third-party laboratories.

Hazardous Substance Control in Manufacturing

 - Following the Green Product Management Procedure: The manufacturing process strictly adheres to the green product control system to prevent the inclusion of prohibited hazardous substances.
 - Comprehensive Scope of Control: Includes product components, accessories, and packaging materials.
 - Full Legal Compliance: Ensures products meet international environmental regulations, including RoHS 2.0, REACH, TSCA, California Proposition 65, and both Japanese and Chinese RoHS.

Sustainable Practices in Product Packaging Design

 - Use of Eco-Friendly Materials: Packaging materials must comply with RoHS heavy metal restrictions (total Pb, Cd, Hg, Cr⁶⁺ < 100ppm).
 - PVC-Free Requirement: Prohibits the use of polyvinyl chloride (PVC) or chlorine-containing plastic packaging.
 - Certified Wood Use: Wooden packaging materials and pallets must comply with ISPM #15 international phytosanitary standards.
 - Clear Recycling Labels: International recycling symbols are fully adopted to raise consumer environmental awareness and promote waste sorting and resource circulation.

Recycling and Reuse of Packaging Materials

 - Pallet and Carton Reuse: Both export/import and internal storage use recyclable pallets and cartons.
 - Tray Reuse System: Implemented a tray reuse mechanism in collaboration with suppliers to improve resource efficiency.
 - Reduced Environmental Impact: By reusing packaging materials, waste generation is minimized, thereby reducing environmental impact from production.

Continuous Optimization and Green Transformation

 - Ongoing review and updates of green product specifications to meet evolving regulatory and customer requirements. Sustainability is integrated across all product lifecycle stages—from design and material selection to end-of-life recycling—driving the transition toward greener products.

Green Product Commitment

The supplier acknowledges full understanding of Young Optics and its affiliates' green product standards (including but not limited to the Green Product Specification Procedure [OI-04-005]) and confirms that the supplied products comply with these standards, containing no environmentally hazardous substances prohibited by the specifications.

Declaration of Compliance with RoHS and REACH

- Guarantee that all standard models produced, manufactured, or supplied strictly comply with the following international regulations—unless the customer has explicitly agreed to bear the risk associated with specific substances:
- European Union Directive 2011/65/EU ("RoHS 2") and its amendment (EU) 2015/863 concerning the restriction of hazardous substances in electrical and electronic equipment.
- Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") and its subsequent amendments, including the Candidate List of Substances of Very High Concern (SVHC) updated by the European Chemicals Agency on November 7, 2024. (<https://echa.europa.eu/candidate-list-table>)
- Section 6(h) of the U.S. Toxic Substances Control Act (TSCA), which prohibits the use of persistent, bioaccumulative, and toxic (PBT) chemicals.

Green Procurement

Procurement must take into account not only quality and cost but also the product's or service's impact on the ecological environment and human health and safety. A procurement management procedure has been established based on the following four principles:

1. Evaluate whether the product is truly needed before making a purchase.
2. Consider the environmental impact of the product's entire life cycle—from raw material acquisition to post-use disposal—when making a purchase.
3. Choose suppliers that are environmentally responsible and offer eco-friendly products.
4. Gather environmental information about both the product and the supplier.

Young Optics adheres to its responsibility for both products and the environment by managing materials, equipment, fixtures, consumables, personnel, and operational environments to comprehensively reduce the use of hazardous substances, minimize pollutant generation and emissions, and ensure proper handling of industrial waste and resource recycling.



Green Procurement of Raw Materials 100%

In 2024, Young Optics achieved a 100% green procurement rate for raw materials and introduced a green supply chain platform. Suppliers are required to commit and guarantee that their products comply with green procurement specifications. This includes providing third-party RoHS test reports from certified laboratories, environmental hazardous substance questionnaires, lead-free component reliability surveys, Safety Data Sheets (SDS), material certifications, and consolidated test reports. Through the component approval system, we ensure that suppliers possess the capability to deliver green products, and that their products and services comply with regulations, support energy conservation and waste reduction, and contribute to pollution prevention.

Local Procurement Ratio 67%

In 2024, Young Optics achieved a local procurement rate of 67%. The company evaluates and tests locally sourced raw materials or components, and under the premise that quality and standards are met, continues to increase the proportion of local procurement to reduce environmental impact.

Declaration of Non-Use of Conflict Minerals

Young Optics is committed to not using conflict minerals. In addition to refraining from the use of conflict minerals itself, the company has also taken measures to ensure that the components provided by its suppliers comply with this policy. Since 2011, Young Optics has conducted investigations into the sources of metal materials used by its suppliers to confirm that metals such as gold (Au), tin (Sn), tantalum (Ta), and tungsten (W) are not sourced from mines controlled by government militias, illegal groups, or conflict zones in the Democratic Republic of the Congo, nor obtained through illegal smuggling. In 2024, there were no new conflict-free mineral declarations. As of 2024, Young Optics has collected responses from a total of 158 suppliers through the CFSI CMRT (Conflict Minerals Reporting Template). We will continue to monitor this issue to reduce the potential impact related to conflict minerals.

Hazardous Substance Management

We utilize the GPM green product management platform to examine the presence of hazardous substances in materials and parts provided by suppliers. We create a list of materials containing hazardous substances and maintain relevant statistical databases of these substances. This enables us to monitor and manage the use of hazardous substances, serving as a guide for enhancing green products in the future. The survey contents of the "GPM system" encompass RoHS third-party notary unit test reports, hazardous substances questionnaire surveys (including RoHS 2, REACH SVHC, Appendix 17, EUPOPs, and US TSCA, among others, totaling more than 300 substance surveys), safety data sheets (SDS), and material certifications.



Develop hazardous substance testing control documents

We have established the "Hazardous Substance Testing Operation Instructions" to ensure our products are free of hazardous substances. These instructions cover IEC 62321, SJ/T 11365-2006, and other regulations. They define standards for splitting and risk levels of sampled parts, RoHS 6 acceptance and rejection criteria, and sampling tests for suppliers' incoming materials to meet international environmental standards.

To further reduce the risk of contamination, our "OQC Shipping Product Inspection Specifications. This standard cover component sampling, finished product shipment, material supply, and customer-requested hazardous substance testing. The "Guidelines for the Inspection of Hazardous Substances in Finished Products" standardize sampling methods and acceptance criteria for the six RoHS hazardous substances, ensuring compliance with international standards.

Hazardous substances monitoring implementation plan

1. 1. RoHS testing: To reduce the risk of OEM products imported to Europe, America, Japan, and other countries violating RoHS regulations, Young Optics has installed desktop X-ray fluorescence spectrometer testing equipment at its Taiwan factory and Kunshan factory in mainland China. The main testing equipment is Concentration values of hazardous substances in raw materials, parts, and semi-finished products such as lead (Pb), cadmium (Cd), mercury (Hg), total chromium (Cr), and total bromine (Br).
2. 2. Halogen-free plan: In line with customer needs, we design products that meet halogen-free specifications and conduct surveys on product materials:
- a) Brominated flame retardant content less than 900 ppm.

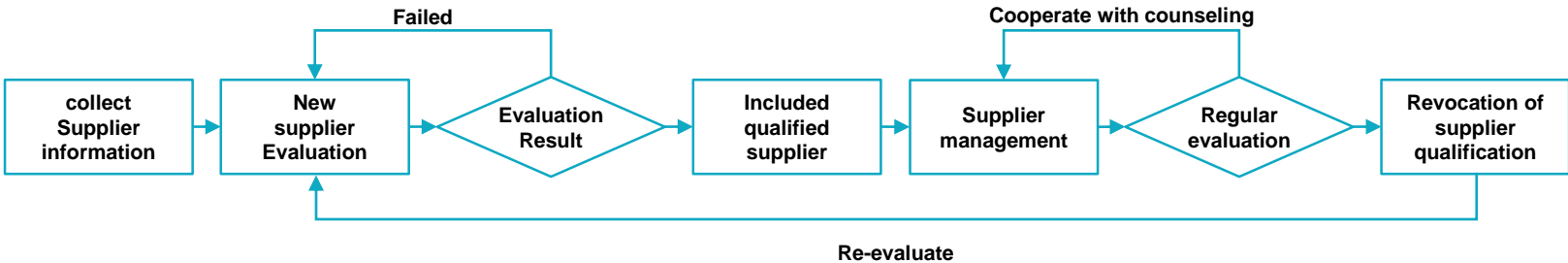
b) Contains less than 900 ppm chlorinated flame retardants.

c) The content of bromine and chlorine (Cl) is less than 1500 ppm.

5.3 Sustainable Alliance

308-1

Young Optics currently has 945 qualified suppliers, including 453 suppliers of production materials and 492 suppliers of non-production materials. To achieve mutual growth and sustainable operations, we have established supplier management procedures that classify suppliers based on their characteristics and the goods or services provided. Comprehensive supply chain management standards and measures are in place, including new supplier evaluations, supplier management, audits, and guidance, to select partners that meet quality and technical requirements. These practices help reduce operating costs, ensure product quality, strengthen risk management, and support business continuity planning. Young Optics is committed to building a sustainable green supply chain that creates long-term value.



Supplier Evaluation

Young Optics has established a Green Product Management System and conducts regular annual audits of suppliers to enhance and ensure their green product assurance capability. In 2024, among 453 qualified production material suppliers, 424 underwent annual audits with a 100% pass rate. For the remaining 29 suppliers, with the approval of the Supply Chain and Quality Assurance Department heads, a RoHS & REACH Guarantee Statement was accepted as a substitute. The supplier audit scope covers outbound quality, abnormality handling, hazardous substance testing, internal environmental audit programs, and material information communication. A score of 80 or above is considered qualified, while those scoring below 80 must submit corrective action plans and undergo re-audits. In addition, production material suppliers are evaluated and audited semi-annually. In 2024, a total of 49 suppliers participated, with both audit and qualification rates reaching 100%. Young Optics also conducts unscheduled evaluations and plans to implement an assessment mechanism for calibration-related non-production material suppliers starting in 2025, ensuring compliance with customer requirements, product safety, and regulatory standards.

Supplier Coaching

Young Optics has created a professional coaching platform to assist supplier partners in identifying and addressing challenges, fostering collaborative growth.

Item	2024 Implementation Results
Green Product Management Platform (GPM)	Provides notifications, such as new versions of green product specifications, educational materials for the GPM platform, and training handouts, to prevent suppliers from using incorrect regulatory content or forms. Procurement staff and engineers are provided access to check the upload status of supplier documents and the contact directory of raw material suppliers to maintain the accuracy and timeliness of documentation. Managed information includes hazardous substance surveys, hazardous substance testing reports, and Material Safety Data Sheets (MSDS) or material composition lists.
Supplier Conference	The Sales and PM units are responsible for holding supplier conference or providing suppliers with the our latest green product specification procedures, communicating product environmental requirements, and ensuring compliance.

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Supplier Sustainability Assessment

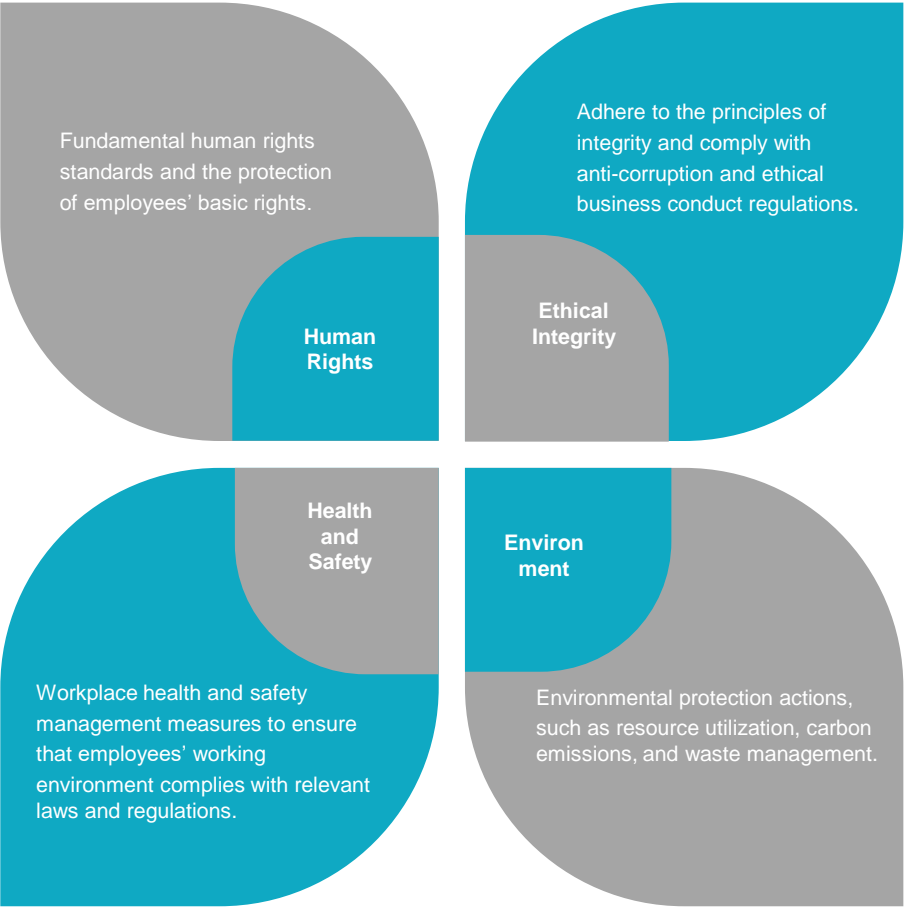
In addition to supplier audits, Young Optics conducts supplier surveys and assessments across the three ESG dimensions. The ESG Task Force is responsible for compiling and analyzing sustainability questionnaires, with the results submitted to the Procurement Department for reference. Through this survey, we aim to identify suppliers with potentially high risks in the economic, environmental, and social aspects and plan to provide guidance to these high-risk suppliers to ensure risks are effectively managed and mitigated. The survey was conducted from August 1 to August 30, 2024. Supplier selection criteria were based on transaction value and level of cooperation. The questionnaire was developed with reference to the Responsible Business Alliance (RBA) framework and focused on four key sustainability dimensions:

- **Human Rights:** Assessing whether suppliers comply with fundamental human rights standards and safeguard employees' basic rights.
- **Ethical Integrity:** Evaluating whether suppliers conduct business with integrity, adhering to anti-corruption principles and ethical business practices.
- **Health and Safety:** Reviewing workplace health and safety management measures to ensure compliance with relevant legal and regulatory requirements.
- **Environment:** Assessing suppliers' actions in environmental protection, including resource utilization, carbon emissions, and waste management.

In 2024, we invited 81 suppliers to participate in the questionnaire survey and received 81 responses, achieving a 100% response rate. Overall, suppliers demonstrated stronger performance in health and safety, while in ethical integrity and environmental aspects they met the standards but generally lacked formal procedural documentation. Regarding greenhouse gas inventory practices, ongoing communication and guidance will be provided to encourage suppliers to align with relevant standards and requirements across all dimensions. These efforts aim to gradually enhance supplier performance, reduce potential supply chain risks, and foster mutual progress and growth in sustainability alongside the company.

- Overall supplier sustainability average score

Type	Number of question	Average score (Full score 3 points)
Human right	11	2.18
Ethics and integrity	6	1.95
Health and safety	11	2.47
Environmental	8	2.19



Customer Service

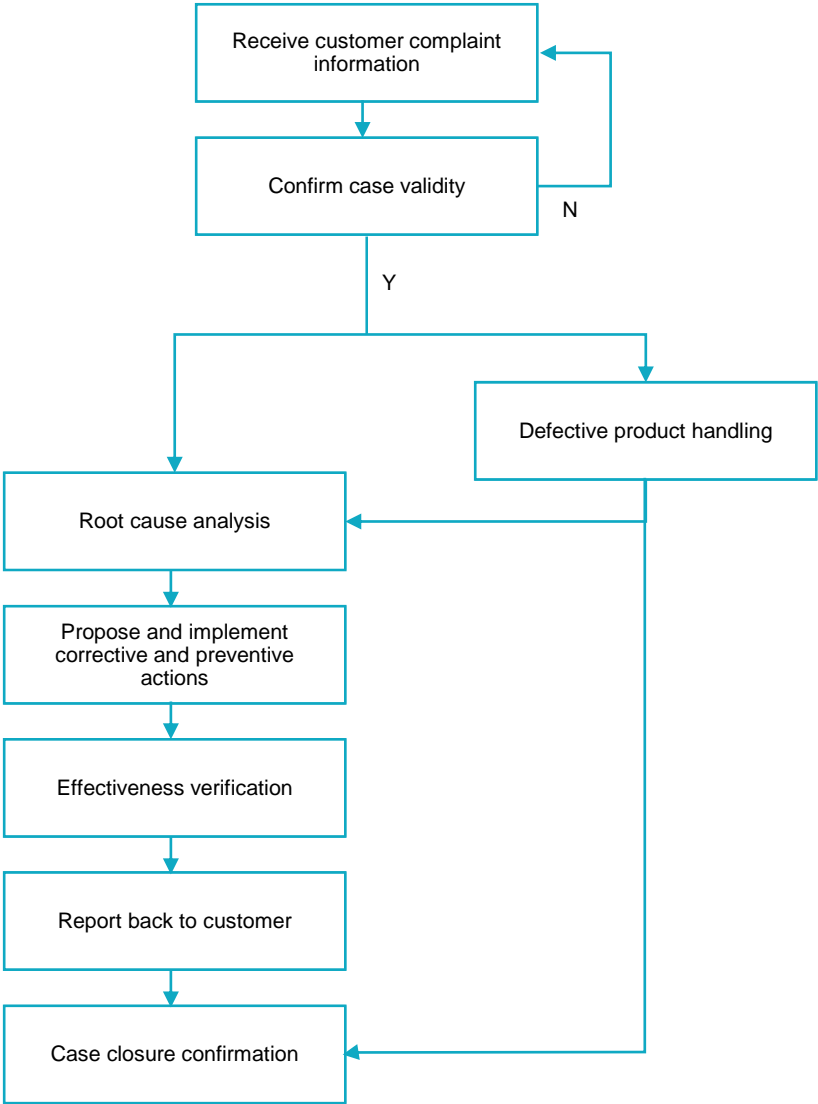
To promptly address customer inquiries and needs, we has established an online messaging system on its official website, allowing customers to provide feedback directly. In addition, a Customer Complaint Management Procedure has been developed to effectively handle and control product quality complaints. Customer complaints are analyzed to propose corrective and improvement measures, preventing recurrence of similar quality issues.

The Customer Technical Support/Quality Engineering departments serve as the primary contact point, responsible for verifying the validity of complaints, receiving and responding to customer feedback and complaints regarding product quality. Upon receiving a complaint, we follows specific response timelines to ensure efficiency and quality in handling:

1. An initial response will be provided within 24 hours. After consolidating failure analysis results from relevant internal units, a reply will be issued in the form of an 8D or FA Report.
2. Technical support will be provided by R&D/Process Engineering (RD/PE) and Quality Engineering (QE), with corrective and preventive actions delivered within three working days according to customer requirements.
3. For production process issues or component engineering problems, a complete reply will be provided within seven working days.
4. For design or raw material issues requiring vendor analysis, a complete reply will be provided within one month.
5. If the customer specifies a particular response timeframe, the reply will be completed within the customer's required deadline.



Customer Complaint Handling Process





06 Friendly Workplace

- 6.1 Workplace Overview
- 6.2 Inclusion and Employee Rights
- 6.3 Talent Development
- 6.4 Remuneration and Benefits
- 6.5 Occupational Health and Safety
- 6.6 Social Participation

6.1 Workforce Overview

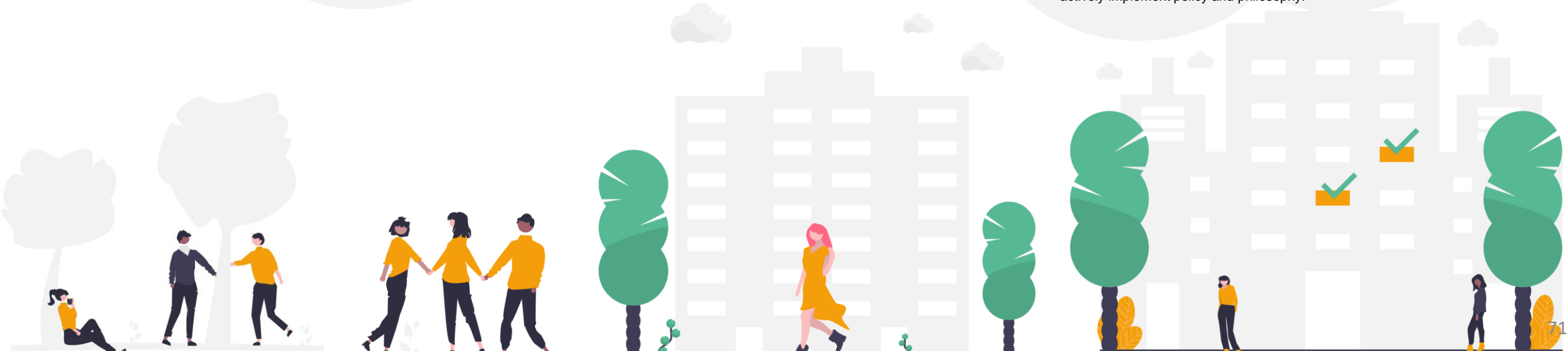
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Philosophy

Young Optics' philosophy is meritocratic, with the right person in the right place and sharing profits with employees. The performance compensation system and promotion opportunities allow employees to demonstrate their functions, allowing colleagues to gain a sense of accomplishment at work.

Recruitment Principles

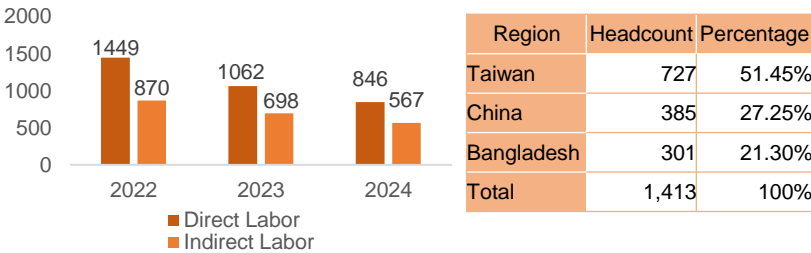
We strictly abide by labor laws worldwide and adhere to the principle of equal opportunity when hiring employees. We treat our employees with equality, respect, and dignity regardless of race, national origin, religion, gender, sexual orientation, gender identity or expression, disability, medical condition (including pregnancy), age, marital status, family status, or political affiliation. We have formulated corresponding management regulations, including Young Optics work rules and recruitment and appointment management methods, and actively implement policy and philosophy.



Employee Distribution and Structure

As of December 31, 2024, the total global workforce of Young Optics and its subsidiaries reached 1,413 employees, including 727 employees in the Taiwan site, 267 employees and 118 workers who are not employees in China, and 301 employees in the Bangladesh site. Young Optics primarily adopts a stable, long-term employment model. All employees are full-time, with no part-time or zero-hour contract employees. Non-employee workers refer to dispatched hourly workers, primarily engaged in direct production roles.

In 2024, the global average employee age was 36.51 years, with the majority of employees falling within the 31 to 50 age range, reflecting a predominantly young to middle-aged workforce. Globally, male employees accounted for 56.26% and female employees 43.74%, demonstrating a balanced gender ratio overall. However, regional differences exist—for example, in Bangladesh, where the local industry is dominated by the garment and textile sector, women are generally less inclined to work in electronics manufacturing, resulting in a male workforce proportion of 93.02%.



2024 Global Workforce Profile

Item		Taiwan				China				Bangladesh				Total			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate
Age	Under 30 years old	87	11.97%	90	12.38%	45	11.69%	39	10.13%	217	72.09%	16	5.32%	349	24.70%	145	10.26%
	31–50 years old	230	31.64%	233	32.05%	106	27.53%	179	46.49%	62	20.60%	5	1.66%	398	28.17%	417	29.51%
	Over 51 years old	35	4.81%	52	7.15%	12	3.12%	4	1.04%	1	0.33%	0	0.00%	48	3.40%	56	3.96%
	Total	352	48.42%	375	51.58%	163	42.34%	222	57.66%	280	93.02%	21	6.98%	795	56.26%	618	43.74%
Employee Type	Direct	106	14.58%	248	34.11%	100	25.97%	148	38.44%	226	75.08%	18	5.98%	432	30.57%	414	29.30%
	Indirect	246	33.84%	127	17.47%	63	16.36%	74	19.22%	54	17.94%	3	1.00%	363	25.69%	204	14.44%
	Total	352	48.42%	375	51.58%	163	42.34%	222	57.66%	280	93.02%	21	6.98%	795	56.26%	618	43.74%

Note 1: Gender ratio by age group, calculated as (total local workforce of the specific age and gender / total local workforce of that year) * 100%.
Note 2: Gender ratio by employee category, calculated as (total local workforce of the specific age and gender / total local workforce of that year) * 100%.

Global Workforce by Employment Type in 2024

Item		Taiwan				China				Bangladesh				Total			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate
Contract Type	Non-fixed term employees	257	35.35%	247	33.98%	76	28.46%	91	34.08%	280	93.02%	21	6.98%	613	47.34%	359	27.72%
	Fixed term employees (Note 3)	95	13.07%	128	17.61%	33	12.36%	67	25.09%	-	0.00%	-	0.00%	128	9.88%	195	15.06%
	Total	352	48.42%	375	51.58%	109	40.82%	158	59.18%	280	93.02%	21	6.98%	741	57.22%	554	42.78%
Employment Type	Full-time employees	352	48.42%	375	51.58%	109	40.82%	158	59.18%	280	93.02%	21	6.98%	741	57.22%	554	42.78%
	Part-time employees	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0%	-	0%
	Non-guaranteed hours employee	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0%	-	0%
	Total	352	48.42%	375	51.58%	109	40.82%	158	59.18%	280	93.02%	21	6.98%	741	57.22%	554	42.78%
Workers who are not employees (Note 4)		-	-	-	-	54	45.76%	64	54.24%	-	-	-	-	54	45.76%	64	54.24%

Note 1: The contract and employment types is calculated as (number of employees of a specific age group and gender in the location / total number of employees in the location for that year) * 100%.
Note 2: The gender ratio of workers who are not employees is calculated as (number of workers of a specific age group and gender in the location / total number of workers in the location for that year) * 100%.
Note 3: In Taiwan, foreign workers are classified as fixed-term contract employees based on their contracts. In China, pursuant to labor regulations, employees with more than ten years of service are classified as non-fixed-term contract employees, while others are categorized as fixed-term contract employees.
Note 4: Workers who are not employees are dispatched hourly workers, primarily engaged as direct production line personnel.

New Hires

In 2024, the disclosure scope for new hires covers all global sites of Young Optics, including the Taiwan, China, and Bangladesh sites. Young Optics continues to attract young talent, with the majority of new hires globally being under the age of 30. In the China site, due to a stable workforce and low turnover rate, overall personnel changes were minimal, resulting in only a small number of new hires. In Bangladesh, where the female labor force is primarily concentrated in the textile industry, the electronics sector—where the Company operates—sees relatively fewer female workers. As a result, the majority of new hires were male, with a male hiring rate of 7.37%.

• 2024 Employee New Hire Rate

Item	Taiwan				China				Bangladesh				Total			
	Male		Female		Male		Female		Male		Female		Male		Female	
	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate
Under 30 years old	20	2.63%	33	4.34%	2	0.60%	-	0.00%	29	6.68%	-	0.00%	51	3.34%	33	2.16%
31–50 years old	19	2.50%	30	3.95%	-	0.00%	1	0.30%	3	0.69%	-	0.00%	22	1.44%	31	2.03%
Over 51 years old	1	0.13%	0	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1	0.07%	-	0.00%
Total	40	5.27%	63	8.29%	2	0.60%	1	0.30%	32	7.37%	-	0.00%	74	4.84%	64	4.19%

Note: The calculation method is (number of new hires of a specific age group and gender in the location / ((number of employees at the beginning of the year + number of employees at the end of the year) / 2)) * 100%.

Employee Turnover

To effectively manage employee turnover, exit interviews are conducted upon an employee’s resignation to understand the reasons for their departure. In 2024, the turnover rate at Young Optics’ Taiwan site was 22.64%, and 14.97% at the China site. The Bangladesh site experienced a higher turnover rate of 69.36% due to organizational restructuring aligned with adjustments to the Company’s business strategy.

• 2024 Employee Turnover Rate

Item	Taiwan						China						Bangladesh						Total					
	Male		Female		Total		Male		Female		Total		Male		Female		Total		Male		Female		Total	
	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate	Number of Employees	Rate
Under 30 years old	48	6.32%	21	2.76%	69	9.08%	7	2.10%	6	1.80%	13	3.89%	255	58.76%	8	1.84%	263	60.60%	310	20.29%	35	2.29%	345	22.59%
31–50 years old	43	5.66%	47	6.19%	90	11.85%	20	5.99%	15	4.49%	35	10.48%	34	7.83%	3	0.69%	37	8.53%	97	6.35%	65	4.26%	162	10.61%
Over 51 years old	10	1.32%	3	0.39%	13	1.71%	2	0.60%	-	0.00%	2	0.60%	-	0.00%	1	0.23%	1	0.23%	12	0.79%	4	0.26%	16	1.05%

Employees with Disabilities

To ensure and promote employment opportunities for individuals with disabilities, Young Optics complies with the People with Disabilities Rights Protection Act by hiring employees with disabilities who possess the ability to work. The Company maintains a hiring ratio of no less than 1% of the total number of employees. In 2024, a total of 8 employees with disabilities were hired. Additionally, accessible facilities have been installed to ensure that all employees have access to a healthy and safe working environment.

6.2 Inclusion and Employee Rights

2-23, 2-24, 2-27, 406-1, 408-1

Young Optics Human Rights Policy

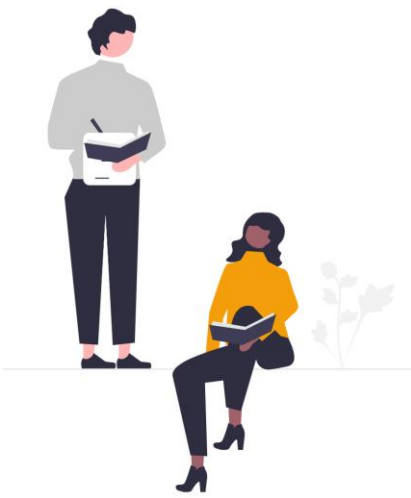
Young Optics is a socially responsible company committed to international human rights standards like the Universal Declaration of Human Rights, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. We ensure a safe, respectful, and fair work environment, opposing discrimination, harassment, and involuntary labor. We comply with labor laws and have policies for recruitment, employee safety, grievances, rewards, and foreign labor management.

Implementation of Human Rights Protection

1. No Child Labor: The Company strictly adheres to local laws and regulations regarding the legal minimum working age and firmly prohibits the employment of child labor.
2. Compliance with Minimum Wage Requirements: Employees are provided with wages and benefits that meet or exceed the minimum requirements stipulated by local laws.
3. Reasonable Working Hours: Working hours are managed in accordance with the Labor Standards Act, Employment Service Act, and other relevant labor laws. Attendance is monitored regularly to ensure legal and reasonable working schedules.
4. Freedom of Association: Employees have the legal right to freely associate. The Company supports the formation of various employee clubs and actively encourages participation, such as in yoga, badminton, and hiking clubs, promoting long-term engagement in physical activity.
5. Health and Safety in the Workplace: Dedicated occupational health and safety personnel and an onsite medical clinic are in place to ensure a safe working environment. A sufficient number of first aid responders are assigned based on employee headcount, and annual first aid training is conducted. Additionally, an occupational medicine specialist is available to offer consultations on employee health issues to support proactive health management.
6. Labor-Management Communication: Labor-management meetings and internal bulletin systems are used to regularly or occasionally communicate and promote Company policies, systems, welfare measures, and various activities. These channels also ensure employees can express opinions and receive timely responses and support. Employee suggestion boxes, sexual harassment complaint channels, and review mechanisms are also established to address grievances effectively.
7. Diversity, Inclusion, and Equal Opportunity: The Company is committed to providing a gender-equal and diverse work environment based on openness and fairness. No employee is discriminated against based on age, gender, disability, race, religion, political stance, or pregnancy. All forms of forced labor, employment and hiring discrimination are prohibited. Harassment is strictly forbidden, privacy is respected, and an inclusive, dignified, safe, and equal work environment free from discrimination and harassment is actively fostered.

Compliance with Labor Regulations

Young Optics is committed to full compliance with labor laws and continuously optimizes its internal management processes to ensure that employee rights and working conditions meet all legal requirements. In 2024, there were no violations of labor regulations. We will continue to strengthen internal practices to protect employee rights and provide a safer and fairer workplace.



Due Diligence

To protect labor rights, Young Optics conducts due diligence prior to engaging with third-party labor agencies and educational institutions, throughout the hiring process, and continuously during the course of collaboration through ongoing supervision and periodic evaluations.

The due diligence scope includes contract execution and retention, data archiving and control, management of agency employees, violation penalties, hiring procedures, services provided to both labor and employer, complaint mechanisms, emergency contact channels, and satisfaction surveys.

These measures ensure that third-party labor agencies and educational institutions comply with applicable laws, regulations, standards, and relevant customer requirements. Any instances of non-compliance require corrective actions to be taken. Young Optics will terminate relationships with agencies or institutions that refuse to rectify violations.

Communication and Grievance Mechanisms

Young Optics actively promotes open communication and a friendly workplace culture through multiple channels and clear procedures to ensure that employee feedback and grievances are promptly and effectively addressed.

We have established various communication channels, including employee suggestion boxes and grievance mailboxes, and has formulated the “Employee Grievance and Communication Management Procedures” to standardize the grievance process and foster open communication between the company and employees. All grievance cases are responded to and resolved by the responsible unit within seven working days.

In 2024, no employee grievance cases were reported. To maintain stable labor relations and promote harmony, Young Optics holds regular labor-management meetings to provide a constructive platform for mutual communication. A total of four labor-management meetings were held in 2024. Additionally, all feedback submitted via the employee mailbox, labor-management meetings, and migrant worker forums received responses.

Prevention of Unlawful Infringement and Sexual Harassment

In accordance with regulations set by the Hsinchu Science Park Administration, Young Optics has established internal workplace rules, measures for the prevention of sexual harassment, grievance and disciplinary procedures, and preventive management measures against unlawful infringement in the workplace.

All grievance investigations are conducted confidentially to protect the personal rights of complainants and their representatives. We have not experienced any major labor disputes in the past two years.

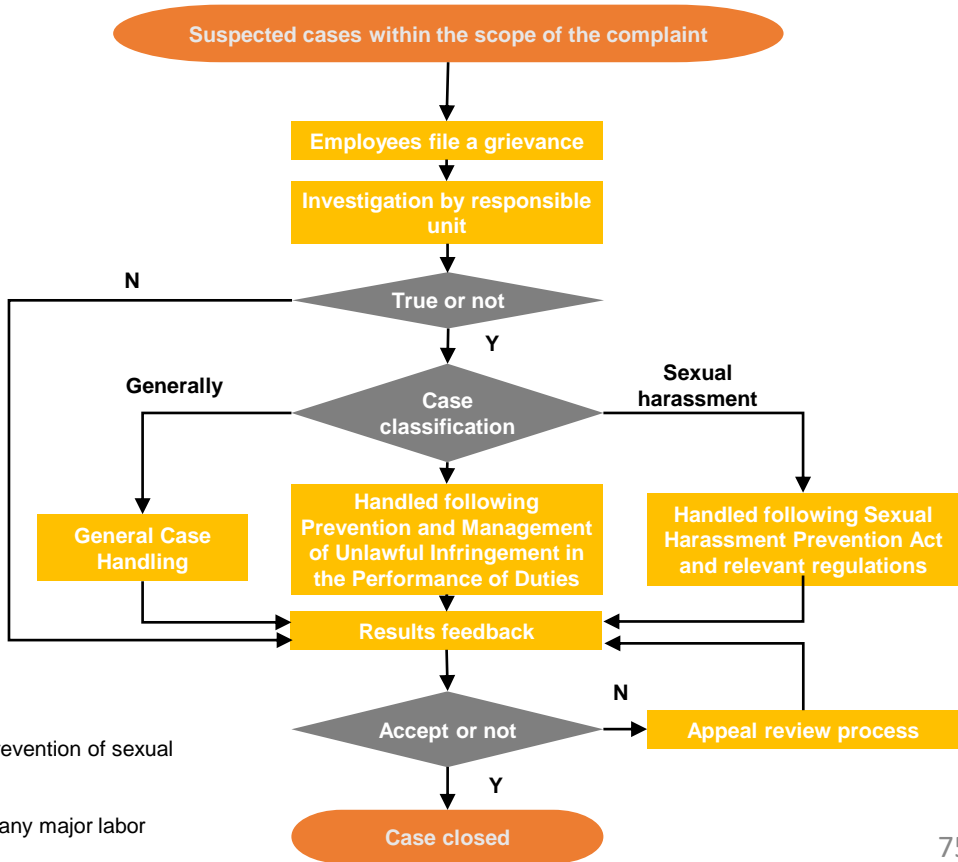
Communication and Grievance Channels

1. Contact Email : employees@youngoptics.com
2. Corporate Employee Information Portal (EIP), including announcements of company policies, systems, benefits, and activities
3. Employee suggestion box and grievance mailbox
4. Labor–Management Meeting

2024 Labor–Management Meeting

Quarter	Date	No. of Proposals	Results
Q1	2024/4/10	2	All responsible units provided explanations and solutions, and all resolutions were approved.
Q2	2024/6/25	5	
Q3	2024/9/27	11	
Q4	2024/12/26	6	

Workplace Misconduct Grievance Handling Process



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Diversity and Inclusion

Young Optics has responded to the “2024 TALENT, in Taiwan – Taiwan Talent Sustainability Action Alliance” for three consecutive years. In line with the growing emphasis on ESG and DEI, we uphold the principles of respecting diversity and promoting inclusion. We continuously advance employee care and workplace equality, ensuring that all employees can work and grow in a safe, healthy, and dignified environment through a variety of initiatives. Diversity and inclusion have been designated as one of the 2024 management goals of the Sustainable Development Committee. The following initiatives have been implemented from the perspectives of diversity and inclusion, organizational communication, physical and mental health, and talent development to enhance employee well-being and workplace fairness.

Execution Plan	Execution Content	Participants
Prevention of Workplace Misconduct	In 2024, newly appointed supervisors completed self-assessments on the prevention of workplace misconduct.	19
Maternity Protection	Committed to maternal health protection, assisting pregnant employees in evaluating workplace risks, making necessary adjustments, arranging safety measures, and providing follow-up consultations with occupational physicians. A lactation room was provided, equipped with comprehensive facilities and access control. Relevant entitlements, including maternity leave, prenatal checkup leave, pregnancy maintenance leave, and unpaid leave of absence, were introduced, with legal support of six months at 80% salary. A dedicated maternity protection parking space was established, and regular care and assistance were offered to employees under maternity protection to ensure their physical and mental well-being as well as job security.	12
New Employee Orientation	Organized three new employee orientation in 2024, helping each new employee—regardless of nationality—quickly familiarize themselves with organization, products, and production line tour.	41
Health Screening for Female Migrant Workers	Organized breast and cervical cancer screenings for female migrant workers, helping them understand their health conditions, detect problems early, and raise awareness of breast and cervical cancer prevention, ensuring timely medical care and support despite their busy work schedules.	100
Human Rights Protection for Migrant Workers	In adherence to the Human Rights Policy, we conduct regular audits of migrant worker dormitories and promotes human rights awareness through interviews and seminars, covering topics such as anti-discrimination, anti-harassment, anti-abuse, freedom of association, zero recruitment fees, and maternity protection. At the same time, corporate policies—including wage and benefit entitlements, leave application and attendance, grievance channels, tax filing procedures, workplace rest regulations, and overtime calculations—are clearly communicated to help employees fully understand their rights and obligations.	707
Diversity and Inclusion Training Programs	Through team communication, performance recognition, and labor law training courses, supervisors strengthened their ability to manage diverse teams with a focus on fairness and inclusiveness. In 2024, a total of three courses were held, covering alternative perspectives on team communication, performance feedback, and essential labor law awareness for production line management.	58
Christmas Celebration Activities for Migrant Workers	During the Christmas season, activities were organized in the migrant dormitories, featuring Filipino-style meal boxes filled with hometown flavors and surprise raffles, bringing warmth and joy to the celebration.	209



6.3 Talent Development404-1

Young Optics has established a comprehensive talent development roadmap that offers dual career advancement paths—technical and managerial—for each professional category. This structure enables employees to cultivate their expertise and fully leverage their strengths in their chosen fields.

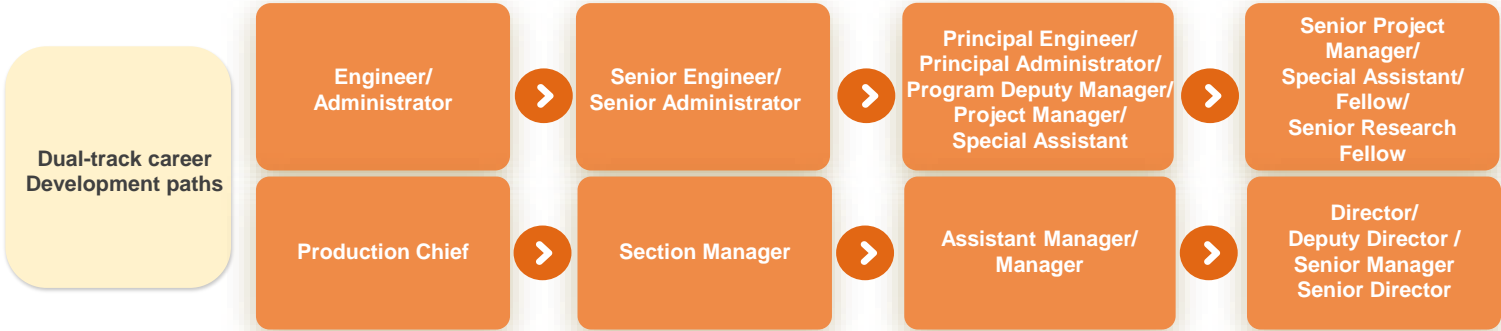
Continuous learning is a core value highly emphasized at Young Optics. Upon joining the company, each employee is provided with a tailored training roadmap aligned with their professional track. New hires participate in orientation programs and are required to complete a set of onboarding courses specific to their roles.

To foster interdisciplinary talent, we actively encourage job rotation, enabling employees to broaden their skillsets and explore cross-functional expertise. Employees are also given opportunities to join cross-functional task forces and project teams, extending their professional reach and enriching their work experience. These initiatives help employees fully explore their potential and apply their professional capabilities effectively. Through robust internal training programs—including in-house courses, guest lectures, seminars (both physical and digital), and external training—we inspire employees to take initiative in their own learning journeys. An online learning platform is available to all staff, offering easy access to required courses based on their job functions. As of now, 27 online courses have been launched. Additionally, the HR department conducts annual training needs assessments to develop the yearly training plan. This plan includes knowledge transfer by internal instructors and encourages participation in external courses to further enhance professional competencies.

The training models are as follows:

• Grade Map

Project	3 months on the job	3-6 months on the job	12 months on the job	Current employees	Managerial employees
General course for new employees	●				
Professional training for new staff	●	●	●		
Professional functional courses	●	●	●	●	●
Professional functional courses for specific personnel	●	●	●	●	●
Key talent training				●	●
Management talent training				●	●
Self-Growth Course	●	●	●	●	●



• Operating system

R&D	The ability to research and design new technology areas and develop and apply new products.
Manufacture	The ability to be responsible for production manufacturing process and output control.
Engineering	Transform research and development results into products that meet design requirements, mainly including: (1) New product trial production capabilities (2) New product production capacity.
Operations management	The process from order to shipment includes planning, organization, command, supervision, and regulation of production activities, including scheduling, workforce, material allocation, and supplier supervision and management.
Product management	Product planning analysis, planning, execution, and control capabilities.
Business management	Establish and implement corporate human, financial, information, legal, quality, and other operational systems.

Sustainability Education

Young Optics has designated sustainability education as an annual sustainability management goal, setting an employee participation rate of 80% as the key performance indicator. In 2024, the participation rate reached 100%, successfully achieving the annual target. To strengthen sustainability awareness among all indirect personnel, the company organized a series of sustainability education courses centered on ESG (Environmental, Social, and Governance) topics. The curriculum included core issues such as carbon emissions, carbon inventory, and carbon trading, further guiding employees to understand both corporate and individual actions for carbon reduction. The courses also emphasized the importance of ethical business conduct, promoting the company's procedures and codes of conduct related to integrity. Through education, the company aims to instill proper values and deepen a culture of integrity. In addition to general employee training, external experts were invited in 2024 to provide in-depth ESG trend analysis and facilitate discussions across the three ESG pillars for supervisors at the department manager level and above. This supports senior management in integrating sustainability thinking and strengthening the company's ESG management capabilities. Furthermore, colleagues from the dedicated sustainability department participated in 8 external training sessions, totaling 32 hours. Through this series of sustainability education initiatives, Young Optics is committed to fostering a sustainability mindset across all employees and embedding a strong culture of corporate sustainability.

• Participation Status of Mandatory Sustainability Training for All Indirect Employees

Course Period	Course	Expected Participants	Actual Participants	Participation Rate
2024/10/25~12/26	2024 Corporate Sustainability Mandatory Course	362	362	100%

• Participation Status of Sustainability Training for Supervisors

Course Period	Course	Expected Participants	Actual Participants	Participation Rate
2024/10/14	ESG and Business Operations	39	37	94.9%

• Implementation Status of Sustainability-Dedicated Unit Training

Date	Course	Hours
2024/1/11	Workshop on Net Zero Emission Management and Carbon Inventory: Carbon Management	8
2024/4/30	2024 Greenhouse Gas Management Conference	4
2024/7/12	ISO 14067:2018 Carbon Footprint Training Course	7
2024/11/1	Greenhouse Gas Inventory Training	4
2024/11/21	Greenhouse Gas Inventory Seed Training Course	3
2024/12/4	Greenhouse Gas Management Forum: Emerging Trends and Response Strategies	2
2024/12/5	Greenhouse Gas Management Forum: ISO 14064-1 Inventory Operations and Report Preparation	2
2024/12/11	Carbon Fee Collection and Management Policy Guidance	2
Total		32

Youth Employment Flagship Program

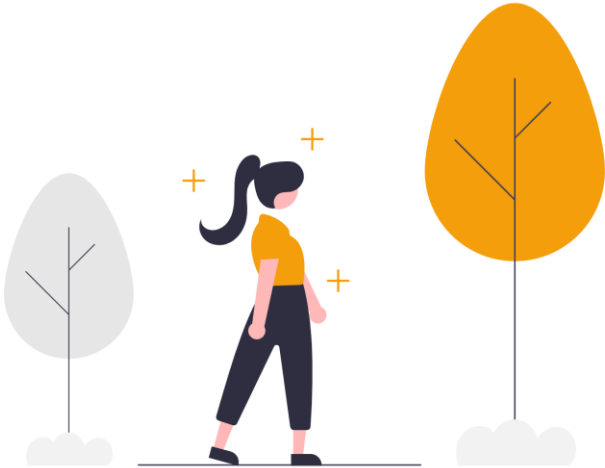
In addition to the ongoing promotion of internal training, Young Optics has participated in the Ministry of Labor's "Youth Employment Flagship Program" since 2021. The program aims to enhance workplace skills and improve employment opportunities for youth aged 15 to 29. Adopting a "hire-first, train-later" model, the program offers six months of on-the-job training, leveraging the company's industry resources. Senior employees serve as workplace mentors, delivering systematic training to create a safe and effective learning environment and actively cultivate the next generation of talent. In 2024, Young Optics recruited eight young participants for the program, six of whom continued their employment after completing the training. Based on the satisfaction survey results, the trainees provided positive feedback across various aspects, including training content, instructor performance, work environment, benefits, career preparation, and skill enhancement.

6.4 Remuneration and Benefits

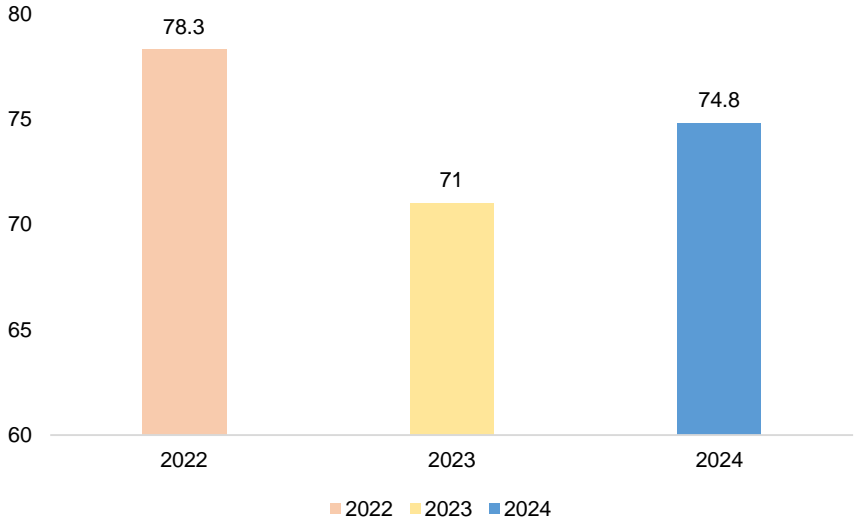
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Compensation and Benefits

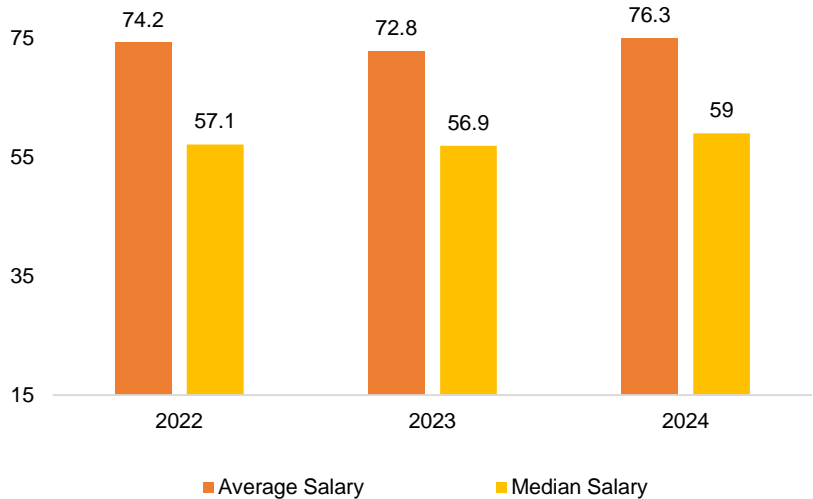
To attract and retain top talent, Young Optics offers a competitive compensation and benefits policy. Salaries are determined based on the nature of the position, educational background, work experience, and years of expertise. Each year, salary surveys are conducted to assess market compensation levels and macroeconomic indicators, which serve as the basis for salary adjustments. Salary increases are linked to employee performance and are supplemented with performance bonuses, employee profit-sharing, R&D patent incentives, and long-service awards, ensuring that profits and achievements are shared with employees. In 2024, the company's average employee annual income was NT\$748,000, with the average salary for full-time non-management employees reaching NT\$763,000. In line with the commitment to profit-sharing, Young Optics' Articles of Incorporation stipulate that when the company is profitable, no less than 10% of the earnings shall be allocated as employee compensation.



• Average annual salary of all employees in the company (Unit: NT\$ ten thousand)



• Annual Salary Income of Full-Time Employees Not in Supervisory Positions (Unit: NT\$ ten thousand)

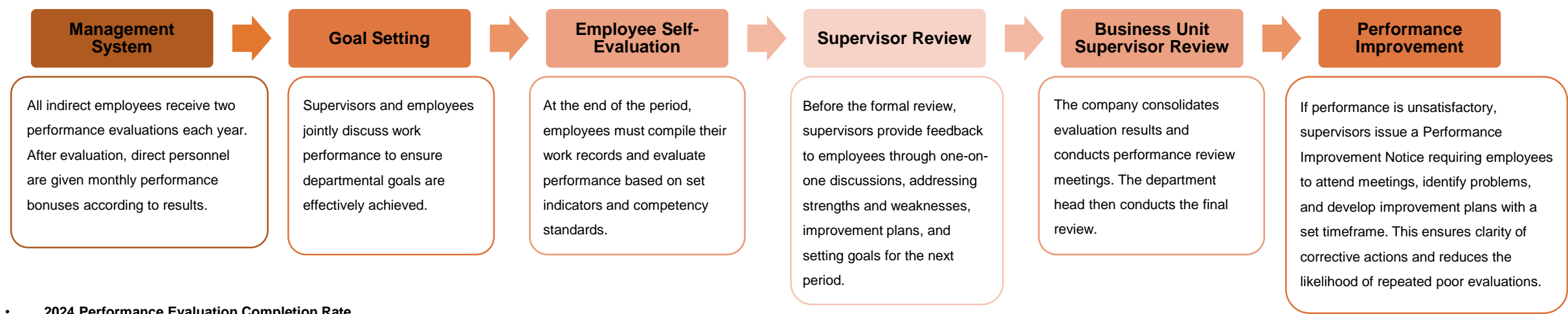


• Pay Ratio of Female to Male Employees in 2024

Classified by job category	Average monthly salary ratio	
	Female	Male
General personnel (below G9)	1	1.04
Direct staff	1	0.97

Performance Evaluation

To uphold a performance-oriented culture, Young Optics has established a performance evaluation management policy that ensures no differential treatment based on gender. The policy serves as a clear guideline for both employees and supervisors to align work execution with organizational goals. Through structured communication, feedback, and evaluation mechanisms between supervisors and subordinates, the company aims to maximize overall performance. The performance evaluation system includes the following components:



2024 Performance Evaluation Completion Rate

Item		Management Level			Non-Management Level			Total		
Site	Gender	Number of Employees Assessed	Number of Employees to be Assessed	Completion Rate	Number of Employees Assessed	Number of Employees to be Assessed	Completion Rate	Number of Employees Assessed	Number of Employees to be Assessed	Completion Rate
Taiwan	Male	186	192	97%	66	66	100%	252	258	98%
	Female	111	111	100%	15	15	100%	126	126	100%
	Total	297	303	98%	81	81	100%	378	384	98%
China	Male	68	68	100%	-	-	-	68	68	100%
	Female	76	76	100%	-	-	-	76	76	100%
	Total	144	144	100%	-	-	-	144	144	100%
Bangladesh	Male	50	50	100%	-	-	-	50	50	100%
	Female	3	3	100%	-	-	-	3	3	100%
	Total	53	53	100%	-	-	-	53	53	100%
Total		494	500	99%	81	81	100%	575	581	99%

Retirement Plan

To ensure peace of mind during employment and financial stability after retirement, Young Optics has established a comprehensive retirement system in accordance with the Labor Standards Act and the Labor Pension Act to safeguard employee rights. For employees covered under the old pension system, Young Optics contributes to a retirement reserve fund in compliance with the Labor Standards Act. On March 6, 2002, the company established a "Labor Retirement Reserve Supervision Committee" responsible for overseeing and managing retirement fund contributions. Contributions equivalent to 2% of employees' monthly wages are deposited into a dedicated account at Bank of Taiwan under the committee's name to ensure fund security and exclusive use. Following the implementation of the Labor Pension Act on July 1, 2005, a defined contribution system was adopted. Young Optics contributes monthly to each employee's personal pension account as mandated. Employees are given the option to choose between the old system under the Labor Standards Act and the new system under the Labor Pension Act, with continuity of service years ensured under the transition.

Through this rigorous yet flexible pension scheme, the company is committed to building a sustainable employee protection framework and fulfilling its long-term promise to employee well-being.

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Other Benefits

Young Optics strives to create a friendly and flexible work environment. Office greening projects and parking lot renovations have been carried out to improve workplace comfort. In terms of policy, the company provides 7 days of flexible leave annually and implements a flexible work-hour system to help employees balance work and personal life.

To enhance employee welfare, a Staff Welfare Committee is established to allocate annual welfare budgets for various subsidies including holiday bonuses, birthday vouchers, and allowances for marriage, childbirth, hospitalization, and bereavement. In 2024, a total of 85 employees received subsidies amounting to NT\$139,500.

To recognize long-term contributions, Young Optics has a seniority reward program, with 72 employees receiving awards in 2024. Additionally, the company supports physical and mental well-being through regular health checkups, on-site medical services, psychological counseling, and comprehensive group and overseas travel insurance coverage.

2024 Subsidy Items

Item	Amount (NT\$)	Cases
Marriage Subsidy	14,000	7
Hospitalization Allowance	34,000	17
Childbirth Subsidy	26,000	13
Funeral Condolence	65,500	48
Total	139,500	85

Seven days of flexible leave throughout the year.

Implement employee health care and management, arrange free health examinations every two years, set up a health center, and hire occupational medicine specialists and a full-time nurse stationed in the company to assist employees in health management.

Offer flexible working hours on and off work.

Specially hired professional counselors are stationed regularly to aid colleagues in relieving psychological pressures and fostering spiritual growth.

A welfare committee is set up by the company, which allocates funds every year for the committee to provide benefits such as lunch subsidies, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, birthday gifts, wedding and maternity gifts, as well as hospitalization, funeral condolences, and designated Shops.

Young Optics purchases labor and health insurance by law and provides employees with overseas travel insurance, group insurance, and group insurance at preferential rates for their dependents.

To promote colleagues' work-life balance, we encourage employees to participate in various association activities and plan annual employee activities.

Senior Employee Awards: In 2024, a total of 72 senior employees were recognized (45 employees with 5 years of service and 27 employees with 10 years of service).



Employee Clubs

To promote holistic well-being, Young Optics encourages the formation of diverse, employee-initiated clubs. These include the Outdoor Exploration Club, Yoga Club, Badminton Club, Board Game Club, Semi-Farming Club, Soccer Club, and Cricket Club. These clubs offer employees opportunities to engage in enriching activities with like-minded colleagues outside of work, helping build camaraderie and strengthen interpersonal connections.

Employee Events

In 2024, the company organized a total of five employee events, as outlined below:



Walking Activity: To enhance employees' physical and mental well-being as well as work efficiency, a total of 93 employees participated in this event, achieving a cumulative step count of 44,886,794 steps.



Mid-Autumn Festival Table Hockey Competition: A total of 84 employees participated in the event, which promoted health and enhanced interaction among colleagues through sports activities.



A Mid-Autumn Festival food truck was arranged to foster a festive spirit and enhance employee engagement.



By participating in the Coretronic Group Sports Day, employees strengthened cross-departmental communication and fostered greater collaboration.



A Pet Photography Contest engaged 61 employees, offering a platform to express creativity and strengthen workplace engagement.



6.5 Occupational Health and Safety

2-23, 2-24, 2-27, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Occupational Safety and Health Management

“Zero accidents and zero occupational injuries” is the occupational health and safety management goal at Young Optics. We identify and improve hazardous factors through risk assessments that target the potential causes of workplace accidents, environmental hazards, and personal injury or health issues. These efforts ensure that employees can work in a safe and healthy environment.

Young Optics Occupational Safety and Health Policy	Young Optics Occupational Safety and Health Commitment
Provide a safe and healthy work environment	Comply with occupational safety and health laws and regulatory requirements
Safeguard employee safety	Strengthen employees’ occupational safety awareness
Reduce hazard risks	Continuous improvement
Promote employees’ physical and mental well-being	

Young Optics complies with all applicable national laws and regulations by implementing hazard prevention measures and safety management protocols tailored to the specific characteristics of each worksite. The company has also established an Occupational Safety and Health Committee and formulated its governing procedures. This committee is responsible for providing recommendations on safety and health policies, as well as reviewing, coordinating, and advising on related matters to ensure the effective implementation of safety and health management. The committee convenes quarterly, holding four meetings in 2024 to discuss key safety topics. Based on the company’s organizational structure, the committee is composed of at least seven members, including one chairperson, one secretary, employer representatives, occupational safety and health personnel, medical and healthcare staff, and labor representatives. Labor representatives must account for at least one-third of the committee members. Each member serves a two-year term.

Committee Organization		The committee shall convene once every quarter to discuss the following issues:	
Chairperson	Appointed by the General Manager or an authorized representative, responsible for overall committee management.	Propose recommendations on occupational safety and health policies	Preventive measures against hazards to machinery, equipment, or raw materials and materials
Secretary	Assists with general administrative affairs of the committee.	Coordinate and recommend occupational safety and health management plans	Occupational Disaster Investigation Report
Employer Representative	Supervisors, managers, or designated personnel from various departments within the company.	Safety and health education and training implementation plan	On-site safety and health management performance
Occupational Safety and Health Personnel	Certified OSH officers, OSH managers, or OSH administrators with legally required qualifications.	Operating environment monitoring plan, monitoring results, and measures to be taken	Contracting business safety and health management matters
Health Service Medical/Nursing Personnel	Qualified medical or nursing staff who have passed training programs designated by the central competent authority.	Health management, occupational disease prevention, and health promotion matters	Other occupational safety and health management matters
Employee Representative	Elected by representatives from the labor-management conference or by employees.	Various safety and health proposals	The committee reviews, coordinates, and provides recommendations on matters related to occupational safety and health.
		Automatic inspection and safety and health audit matters of public institutions	The committee is responsible for reviewing, coordinating, and making recommendations on occupational safety and health matters.

Occupational Safety and Health Management

In 2024, Young Optics did not experience any disputes related to workplace safety. The content of committee meetings can be accessed through the internal system. Employees are encouraged to provide occupational safety-related suggestions via employee suggestion boxes placed on each floor, through a dedicated online QR code, or by directly communicating with EHS personnel during production line inspections. Additionally, the company has established comprehensive occupational safety and health procedures to guide supervisors and relevant personnel in complying with the Occupational Safety and Health Act and related sub-laws, thereby ensuring a safe and healthy working environment for all employees.

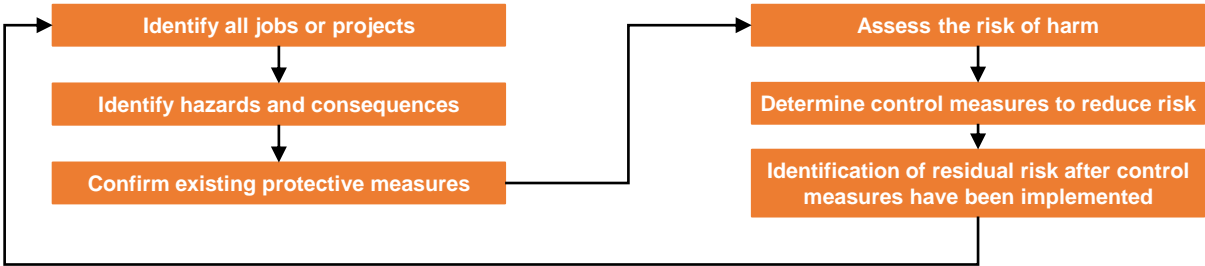
- | | | | |
|--|---|---|---|
| <ul style="list-style-type: none">• The establishment of occupational safety and health committees Regulations (ESH-02-001T)• Working environment measurement and management regulations (ESH-02-003T)• Emergency Response Management Procedures (EP-02-003T)• Education, Training, and Evaluation Procedures (GP-02-001T)• Contractor Safety, Health, and Environmental Management Guidelines (ESH-02-004T)• Chemical Management Procedures (EP-06-002T) | <ul style="list-style-type: none">• Explosion-Proof Electrical Hazardous Area Classification Management Guidelines (ESH-02-008T)• Employee Health Management Guidelines (ESH-02-009T)• Management Guidelines for Preventing Diseases Triggered by Abnormal Workload (ESH-02-011T)• Maternal Health Management Guidelines in the Workplace (ESH-02-010T)• Management Guidelines for the Prevention of Workplace Misconduct (HR-02-045T)• Confined Space Work Safety Management Guidelines (ESH-02-023T) | <ul style="list-style-type: none">• Procurement Management Procedures (GP-06-001)• Environmental Aspect Management Procedures (EP-01-001)• Facility Equipment Management Procedures (EP-05-002T)• Human Factor Hazard Prevention Management Guidelines (ESH-02-013T)• Occupational Safety and Health Risk Identification and Assessment Management Guidelines (ESH-02-019T)• Occupational Safety and Health Code of Practice (ESH-02-016T) | <ul style="list-style-type: none">• Personal Protective Equipment (PPE) Management Guidelines (ESH-02-018T)• Noise Management Procedures (ESH-02-021T)• Rainwater and Wastewater Management Guidelines (ESH-02-020T)• Change Management Procedures (ESH-02-022T) |
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Occupational Safety and Health Risk Assessment

Young Optics is committed to establishing a comprehensive occupational safety and health management system to safeguard worker safety and health, thereby supporting sustainable operations. The company has formulated a "Safety and Health Hazard Identification and Risk Assessment Management Procedure" to effectively control hazards and risks, prevent accidents, and mitigate the severity of potential consequences, ultimately enhancing safety and health performance.

The Environmental Health and Safety unit is responsible for driving periodic reviews and updates of hazard identification and risk assessment data across all departments. Each department categorizes its operational environments, equipment, and manufacturing processes, covering occupational safety hazards (e.g., falls, slips, entrapment, entanglement, chemical leaks, and traffic incidents) and occupational health hazards (e.g., chemical, physical, ergonomic, biological, and psychosocial factors). Job roles and tasks are systematically reviewed for potential hazards, and each step of the workflow is detailed in a "Hazard Identification and Risk Assessment Form," with risk levels determined based on severity and likelihood. Hazard identification and risk assessments must also be conducted whenever new equipment, processes, or chemicals are introduced, or when operating procedures are modified. For higher-risk factors identified within the facility, improvement plans are developed and continuously refined.

The risk assessment process is structured into six stages, as illustrated in the accompanying diagram.



To protect workers from hazardous substances in the workplace and provide a safe working environment, Young Optics has established a "Work Environment Measurement Management Procedure." Every six months, a qualified environmental monitoring organization is commissioned to conduct assessments and monitor the actual work conditions, exposure levels, and to proactively identify potential hazards. These results serve as a reference for selecting appropriate personal protective equipment (PPE) and for determining items in employee health examinations. All test results have met applicable standards. For all designated high-risk work areas, hazard labels and protective equipment are provided accordingly. The monitoring results are published on the company's internal website.

To reduce risks associated with unsafe environments, equipment, and behaviors, the company proactively implements improvements and promotes safety through its 6S program (Sort, Set in order, Shine, Standardize, Sustain, and Safety). A "6S Activity Implementation Management Procedure" has been developed, and the EHS unit conducts regular inspections. Recommendations and issues identified during audits are documented for departmental reference, with follow-up actions and progress regularly reviewed and reported.

Environmental testing projects

Workplace	Test items	Measurement Interval	Record Retention Period
Indoor workplaces	illumination	every 6 months	3 years
Central air conditioning indoor workplace	carbon dioxide	every 6 months	3 years
Places with obvious noise	noise	every 6 months	3 years
Organic solvent workplace	organic solvent	every 6 months	3 years
Soldering workplace	lead	each year	3 years
Dust workplace	Dust	every 6 months	3 years
Specific chemical substances Workplaces	Specific chemical substances	every 6 months	3 years

Occupational Safety and Health Education and Training

To enhance employees' awareness of environmental, health, and safety practices and ensure that all personnel are familiar with occupational safety and health regulations as well as the company's safety and health management mechanisms, Young Optics has established an EHS training procedure. In accordance with regulatory requirements and job functions, the company provides safety and health training programs, including an annual emergency evacuation drill for all employees, and biennial chemical spill response drills for chemical handling personnel, supervisors of related departments, and emergency response team members. Online courses are also available, covering ISO 14001:2015 clause training, green environmental regulations, ESD protection, and hazardous substance management.

To strengthen employees' disaster-prevention awareness and improve the crisis response and emergency handling capabilities of emergency response team (ERT) members, Young Optics regularly reviews emergency response plans, conducts evacuation drills, ERT training, and chemical spill response exercises, and also coordinates with fire and civil defense units to carry out fire drills. Through practical training, the company reinforces employees' emergency response capabilities. In 2024, a total of 627 employees participated in evacuation drills, and 27 employees participated in chemical spill response drills.

In 2024, a total of 1,252 participants took part in EHS training programs, with an accumulated 2,423 training hours. The courses included general EHS education, specialized EHS training, fire and civil defense training, and external occupational safety training for designated personnel.

- Occupational safety and health education and training in the past two years

Year	Number of persons	Hour(s)
2023	1,304	2,528
2024	1,252	2,423

Disaster Prevention and Emergency Response Measures

To ensure prompt and effective emergency response procedures during critical incidents, and to minimize potential injuries, property damage, and environmental impacts, Young Optics has established an "Emergency Response Management Procedure" and adopted the following measures to mitigate disaster-related risks to employees and the company:

- Young Optics has established an Emergency Response Team (ERT) and provides relevant training to foster proper awareness, enable effective mobilization, and strengthen disaster response capabilities. This comprehensive framework supports the protection of employee safety, property, and the continuity of business operations.
- General and onboarding training on environmental health and safety (EHS) includes chemical hazard awareness. A chemical management system has been implemented to prevent chemical-related disasters and ensure all personnel are adequately informed.
- EHS-related announcements are periodically issued to share relevant information and training opportunities. Case studies are used to promote safety awareness and strengthen employees' risk perception. Additionally, a designated ratio of first aid responders is maintained based on workforce size, and annual first aid training courses are conducted.

According to Taiwan's Occupational Safety and Health Act, when there is an immediate danger at the workplace, the employer or site supervisor must halt operations and ensure all employees evacuate to a safe location. If an employee independently identifies a safety risk and halts work, they are required to immediately report the incident to their direct supervisor. Employees who voluntarily report hazards or retreat from unsafe working conditions will not face disciplinary action under relevant company regulations.

- 2024 Occupational Safety and Health Training Results

Training Program	Participants (Times)
General Environmental Safety and Health Training for New Employees	124
Special Environmental Safety and Health Training for New Employees	124
Environmental Safety and Health Training for Current Employees	184
Annual Firefighting / Civil Defense Training	105
Evacuation Drill	627
ERT Training	53
Chemical Spill and Disaster Prevention Drill	27
Special Personnel External Occupational Safety and Health Training	8
Total Participants (Times)	1,252
Total Training Hours (including Special Personnel External Occupational Safety and Health Training)	2,423

Occupational Injury Management

To effectively prevent accidents, Young Optics conducts training programs, workplace inspections, and both internal and external audits to ensure the safety and hygiene of the working environment. To reduce the incidence of occupational injuries, we have established an incident reporting and investigation mechanism and developed an Abnormal Incident Reporting and Management Procedure. This ensures that the root causes of incidents are documented and corrective actions are tracked and implemented. When workplace injuries occur, the company follows its incident handling procedures and immediately initiates investigations (including near-miss events), re-examines hazard factors, and reassesses risk levels. We further strengthen accident prevention through regular internal inspections and adherence to incident management protocols and reporting requirements.

In 2024, a total of 15 abnormal incidents and 9 near-miss incidents were reported, including 8 false fire alarms and 1 contractor-related fire. In response to the false alarms, we repaired and replaced fire detectors and reinforced awareness to prevent accidental triggering. For the contractor-related fire, disciplinary actions were taken and additional safety training was provided to the contractor. All incidents in 2024 were fully investigated and rectified, achieving a 100% completion rate. Young Optics' disabling injury frequency rate stood at 3.19 (excluding traffic accidents). There were five occupational injuries recorded, resulting in a total of 251.5 lost work hours. One occupational disease case was reported, and corresponding engineering controls were implemented to reduce the frequency of repetitive tasks. In terms of administrative controls, job rotation within departments was adopted to shorten the duration of single-position tasks and minimize cumulative strain injuries. We remain committed to our goal of "zero injuries, zero accidents."

In 2024, a fire incident occurred in one of our leased areas. All employees were immediately evacuated, and no injuries were reported. To enhance employees' fire emergency response capabilities, a fire drill was conducted on November 4, 2024. The drill included designated evacuation routes and demonstrations of fire extinguisher operation. In addition, regular testing of fire safety equipment is conducted in accordance with legal requirements to ensure functionality.



2024 Work Accident Statistics

Item	Gash/Stab/ Pressure Injury	Impact Injury	Occupational Disease
Number of Cases	2	2	1
Lost Time(hour)	18	22	211.5

Work Accident Statistics in past 2 years

Item	2023	2024
Disabling Frequency Rate(A)	2.69	3.19
Disabling Injury Severity Rate(B)	12	19
Frequency-Severity Indicators(C)	0.17	0.24
Average number of days lost due to disabling injuries(B/A)	4	5

Note A: Frequency of incapacitating injuries: number of incapacitating injuries per million total working hours experienced
Note B: Disabling injury severity rate: days lost to incapacitating injuries per million total work hours experienced
Note C: Total injury index: $\sqrt{(\text{disabling injury frequency})}$

Four Major Labor Health Protection Programs

To safeguard the physical and mental health of workers, Young Optics has established four major health protection programs in accordance with guidelines from the Ministry of Labor. These programs incorporate regular surveys and risk assessments to implement preventive and management measures effectively.

【Artificial Hazard Prevention Plan】

The 2024 survey results indicated that 15 employees (2.2%) were identified as having potential musculoskeletal disorder risks. By detecting musculoskeletal issues at an early stage, the company assessed whether employees' work postures and workloads could aggravate the condition, and accordingly implemented workplace improvements or work restrictions as preventive measures.

【Prevention Plan Against Disorders Triggered by Abnormal Workloads】

The 2024 survey results showed that 34 employees (5%) scored 2 or above in the overwork risk assessment or were identified as high risk. To address their workload and prevent health issues triggered by shift work, night shifts, long working hours, or other abnormal workloads, the company engaged occupational physicians to provide recommendations or operational adjustments within the company to reduce employees' risk of developing cerebrovascular and cardiovascular diseases.

【Maternal Health Protection Plan】

The 2024 survey results indicated that 15 employees (2.2%) required inclusion under level-two or higher maternal health risk management. The company provided support for female employees throughout pregnancy and within one year after childbirth, including improvements to the work environment or adjustments to job assignments as needed.

【Prevention Plan Against Illegitimate Infringement while performing Duties at Work】

To prevent employees from experiencing workplace violence—including physical violence, psychological violence, sexual harassment, and sexual assault—the company has implemented preventive measures against verbal, psychological, and physical violence, and established reporting mechanisms to ensure that incidents of misconduct can be addressed and resolved promptly. Due to the effective implementation of these protective measures, no incidents of misconduct reaching a moderate or higher risk level occurred in 2024.

Protection Plan

To effectively prevent and respond to disasters such as fires and earthquakes, Young Optics has formulated protection plans and emergency response training programs. These measures are designed to protect lives and minimize disaster-related damage.

Category	Training Program	Content	Training Schedule
Partial Training	Fire Extinguishing Training	Familiarize with fire safety equipment, conduct fire drills with extinguishers and hydrants, and practice closing fire doors and shutters for compartmentalization.	June & December (Annually)
	Reporting Training	Simulation of fire incident reporting procedures, including communication with on-site personnel, fire department (119), and designated command posts (e.g., disaster prevention center).	June & December (Annually)
	Evacuation Training	Training on fire safety and evacuation facilities, with drills for announcements, guides, and assisting those with evacuation difficulties.	June & December (Annually)
	First Aid Training	Emergency rescue measures during fire incidents, including basic bandaging, hemostasis, CPR, simple transport of the injured, and setup of emergency aid stations.	June & December (Annually)
	Safety Protection Training	Based on simulated fire scenarios, training covers the use of fire doors, HVAC systems, smoke exhaust systems, emergency handling of special materials, and communication with command posts (e.g., disaster prevention center).	June & December (Annually)
Comprehensive Drills	Emergency Response Drill	Comprehensive fire emergency response, including scenario simulation, fire origin confirmation, reporting, initial firefighting, compartmentalization, evacuation guidance, emergency rescue, and command communication.	June & December (Annually)
Other Training		Nighttime simulations, self-defense fire brigade drills, earthquake and emergency response exercises, and toxic chemical hazard drills.	Irregular

Employee Health Management

Young Optics is committed to creating a healthy workplace environment for both body and mind. The company has formulated an Employee Health Management Policy based on the Labor Health Protection Regulations. This includes the establishment of internal procedures for health checkups, health promotion, and hygiene guidance. These efforts aim to comprehensively monitor and manage employee health. Young Optics has received the Health Workplace Certification from the Health Promotion Administration, valid from January 1, 2022, to December 31, 2024, and has already secured certification for 2025 to 2027.

Employee Health Care

Young Optics employs full-time occupational safety and health personnel and maintains an on-site health center staffed with a registered nurse. A specialist in occupational medicine also visits the facility monthly to provide consultations on employee health issues. We have established a comprehensive database of health examination results and ensures the confidentiality of all health data, which is accessible only to the occupational nurse and the individual employee.

New hires are required to submit a medical examination report upon onboarding. Special operations workers (those engaged in tasks defined in Article 2 of the Labor Health Protection Regulations) must undergo specified health checks annually. These include tests for noise exposure, exposure to nickel and its compounds, dust, and ionizing radiation. We also offers general health examinations and a range of health promotion activities. Employees with abnormal results are provided with medical assistance and follow-up recommendations. Free health examinations are provided every two years. For high-risk individuals, pregnant employees, and those returning to work after illness or injury, occupational nurses and doctors conduct interviews and make appropriate job reassignments based on the results.

In 2024, beyond legally required health checks, we also offered a wide range of cancer screenings and tests, including ultrasound and fundus photography, fecal occult blood testing, hepatitis B antigen (HbsAg) and antibody (Anti-HBs) tests, Helicobacter pylori, alpha-fetoprotein (A.F.P) for liver cancer, carcinoembryonic antigen (C.E.A) for colorectal cancer, CA19-9 for gastrointestinal cancer, NSE for neuroendocrine tumors, Cyfra21-1 for non-small cell lung cancer, PSA for prostate cancer (men), and CA-125 for ovarian cancer (women), as well as risk assessments for colorectal and gastric cancer and hepatitis B screening. A total of 673 employees were scheduled for health exams, and 671 participated, achieving a participation rate of 99.7%.

To ensure employees' mental health and that workloads remain reasonable, we distributed "Abnormal Workload" and "Emotional Thermometer" questionnaires during the annual health checkups. The results help identify employees with elevated mental health risks, who are then offered counseling resources. In addition, a workplace violence prevention program was implemented to assess high-risk departments and mitigate potential psychological and occupational safety risks, further enhancing workplace safety and health.



Employee Health Care

We arranged monthly consultations with occupational physicians based on the level of health risk. After the annual health examination, the occupational health nurse organizes follow-up consultation services, scheduling one-on-one sessions with physicians to review each employee's individual health report. In 2024, two one-on-one health consultation sessions were held, with a total of 55 participants.

To promote workplace wellness, help employees understand and care for their physical and mental health, and recognize various health hazards in life and work, Young Optics provides more than just health care benefits. The company also holds periodic health seminars, physical fitness classes, and stress-relief activities to foster healthy lifestyles and habits.

1. Health Monitoring:

Provided 60 free low-dose CT lung scans and 60 free bone density (DXA) tests for employees across all sites.

2. Health Care:

- a) Free exercise classes are held every Tuesday, and a fully equipped fitness center is available for employees, including stationary bikes, treadmills, strength training machines, and table tennis equipment.
- b) In 2024, a total of 26 exercise sessions were held, including dance aerobics and rhythmic aerobics, with 255 employees participating in sports clubs or fitness activities.
- c) One smoking cessation seminar was held in 2024, attended by 8 employees. The company also provides a designated smoking area to prevent secondhand smoke exposure. All facility entrances are clearly marked with no-smoking and tobacco hazard warnings.

3. Mental Wellness:

- a) Nine health seminars and one healing workshop were held in 2024, with a total attendance of 220 employees.
- b) A professional psychologist is available every Friday to provide confidential counseling services, offering a safe space for employees to share personal concerns. To protect employee privacy, the content of the sessions is strictly confidential and not disclosed to any other personnel. In 2024, a total of 109 counseling sessions were provided.

4. Healthy Eating:

Regular food safety audits are conducted. The employee cafeteria is managed by a catering service provider, which undergoes regular inspections of their central kitchen. These audits verify water quality reports and food traceability documentation to ensure food safety. Weekly menus are also pre-reviewed to ensure balanced nutrition and calorie control.

2024 Health Lectures and Healing Courses

Activity	Participants
Nutrition lecture on Combating Sleep Disorders	22
Smoking Prevention Lecture	8
Seminar on Enhancing Fertility	6
Seminar on Atopic Dermatitis	23
Zentangle Art Stress Relief Workshop	20
Workshop on Relieving Musculoskeletal Pain	33
Seminar on Preventing the "Three Highs" and Stroke	15
Seminar on Blood Sugar Control and Healthy Eating	25
Seminar on Cataracts and Glaucoma	25
Seminar on Communication Strategies for Conflict Resolution	43
Total	220

Smoking Prevention Lecture



AED + CPR and Choking First Aid Seminar



Exercise classes



Consultation Environment



Zentangle Art Stress Relief Workshop



Maternity Care

Young Optics prioritizes maternal well-being and has established a Workplace Maternal Health Management Policy to ensure the safety and health of female employees. We conduct risk assessments for employees in the following categories to ensure the safety of pregnant employees in the workplace:

Subjects	Key Assessment Points
Female workers during pregnancy	Regular risk assessments are conducted to protect maternal and fetal health during pregnancy to identify potential workplace hazards. These assessments consider psychological, social, and economic factors, as risks can vary throughout pregnancy, making ongoing evaluations crucial.
Female workers less than 1 year after giving birth	After childbirth, assessing potential hazards and risks that could affect the mother's health during recovery is essential. This includes examining exposure to harmful substances and the health hazards that may be transmitted to infants and young children through breastfeeding.

In addition, we provide various family-friendly policies and facilities, including unpaid parental leave, maternity leave, paternity leave, family care leave, lactation rooms, designated parking spaces for pregnant employees, and childbirth subsidies. Young Optics has also entered into special agreements with several childcare centers and kindergartens in the Hsinchu area to encourage childbirth and provide a secure and supportive welfare system. At the Hsinchu site, designated parking spaces are available for pregnant employees. The onsite health center is equipped with a lactation room, including bottle sterilizers, breast milk storage freezers, and personal lockers. Young Optics has received certification from the Hsinchu City Health Bureau for its compliant lactation room for three consecutive years (certified from August 2023 to August 2026).

Details of parental leave for 2024 are shown in the table below:

2024 Parental leave

Category	Female	Male	Total
Number of employees eligible for parental leave (2021~2024)	20	28	48
Number of employees who applied for parental leave in 2024	6	4	10
Number of employees to be reinstated after parental leave in 2024 (C)	2	3	5
Number of employees reinstated after parental leave in 2024 (D)	2	2	4
Reinstatement rate (D/C)%	100%	67%	80%
Number of employees reinstated after parental leave in 2023 (E)	0	1	1
Number of employees who remained on the job one year upon reinstatement after parental leave in 2023 (F)	0	0	0
Retention rate (F/E)%	0%	0%	0%



Contractor Environmental Protection, Safety, and Health Management

To implement our environmental protection, safety, and health policy objectives, we established a contractor safety, health, and environmental management procedure. Through an electronic construction application system, we effectively monitor all stages of the project—before, during, and after construction—to ensure that contractors’ onsite operations comply with relevant regulations, thereby reducing occupational safety, health, and environmental risks.

Regarding construction procedures, all contractors are required to comply with the Contractor Safety, Health, and Environmental Regulations and complete the workplace and hazard notification form before entering the site. In addition, contractors must sign both the Compliance Certificate for Safety, Health, and Environmental Regulations and the Contractor Agreement on Organizational Management Compliance. Only after passing the review can they be registered as qualified contractors, thereby further enhancing entry management standards.

To ensure all personnel entering the site possess the necessary safety knowledge, we require all contractor personnel to complete an entry examination via the Contractor Registration System. This ensures their understanding of relevant safety regulations and operational requirements, thereby reducing the likelihood of accidents caused by negligence during onsite construction.

Health and Hygiene Management of Onsite Personnel

To maintain hygiene and health within the Young Optics facilities, onsite catering and security personnel are required to provide a qualified medical examination report issued within the past year to the Company’s Health Center for review before being employed onsite. Only after passing the review may they perform relevant contractual duties, and they must also undergo annual health examinations. In addition, routine facility-wide disinfection is carried out to prevent pest infestation and safeguard the hygiene of employees’ working environment.



6.6 Social Participation

Co-Prosperity in Conservation

< Daimyo Oak Restoration Program – Protecting Endangered Species >

The daimyo oak is a rare and endangered native tree species in Taiwan. In response to the Hsinchu City Government's daimyo oak restoration program, which calls on businesses to participate in tree planting efforts, Young Optics actively joined this environmental conservation campaign. In April 2024, we adopted 11 daimyo oak saplings—2 of which were planted on company grounds, while the remaining 9 were made available for employee adoption to encourage broader participation in the restoration of endangered plant species.

By jointly caring for these saplings and continuously documenting their growth, we aim to raise employees' awareness of biodiversity and plant protection, and inspire hands-on tree planting efforts as a practical demonstration of environmental sustainability.



Social Engagement

< Annual Corporate Blood Donation – Share Your Blood, Let Love Flow >

To this day, blood cannot be replaced by artificial substitutes. To support public welfare and bolster the supply of medical resources, Young Optics partners annually with the Hsinchu Blood Center to organize corporate blood donation drives, encouraging employees to roll up their sleeves and donate.

Blood donation not only brings hope to countless lives—acting as a vital lifeline for those in need—but also offers health benefits for donors, including enhanced metabolism and the stimulation of red blood cell production.

In 2024, we hosted two donation drives on March 19 and September 3, successfully collecting a total of 414 units of blood. These valuable blood resources will be used in medical care and emergencies, offering hope to those in critical need.



Social Engagement

<Supporting Bangladesh Flood Relief — Emergency Donation of 50,000 Taka to Aid Disaster Victims>

In light of the worsening global climate change and the increasing frequency of extreme weather events, Bangladesh was severely affected by devastating floods in 2024. As a company with a subsidiary in Bangladesh, we uphold the spirit of “giving back to society” and donated 50,000 Taka to support the new government in assisting flood-affected communities. This contribution aims to help disaster victims overcome immediate hardships and facilitate their return to normal lives as soon as possible.

< Reducing Incense Burning Pollution – Practicing Eco-Friendly Traditions >

While burning joss paper is a deeply rooted cultural practice in traditional worship, it significantly contributes to air pollution and carbon emissions. In line with the Ministry of Environment’s “Three Measures for New Joss Paper Policy,” Young Optics adopted environmentally friendly alternatives in religious observances.

Instead of burning joss paper, we purchased 30 packs of “Peace Rice” from the Taiwan Association for Autism, specifically from its affiliated “Love Must Be Handmade Workshop.” This action not only helped reduce the environmental burden but also supported children on the autism spectrum in building a shared, inclusive home.

< Donating Supplies – Spreading Warmth and Care >

As part of our corporate social responsibility, we understand the importance of essential resources for underserved communities. In 2024, Young Optics donated various items to Boyo Social Welfare Foundation and Ai Heng Development Center. Donations included: 1 refrigerator, 1 children’s bookshelf set, 20 balls, a Disney book set with reading pens, and 120 storage boxes. Through these tangible efforts, we hope to provide greater care and support to those in need.

< Food Donations – Delivering Love and Hope >

We strive to share resources with families in need, care for underprivileged communities, and promote a culture of food sustainability. In 2024, we donated food to the Xiàzhú Community Development Association in Hsinchu City and the Zhi-Shan Foundation. Through these acts, we aim to foster a compassionate, cooperative, and waste-reducing society.





Appendix

Appendix 1 GRI Content Index

Appendix 2 SASB Content Index

Appendix 3 TWSE Sustainability Disclosure Index-Optoelectronics Industry

Appendix 4 ISO 14064-1 Verification Opinions Statement

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter	Page
GRI 2 General Disclosures 2021	2-1	Organizational details	1.1 Company Introduction	8
	2-2	Entities included in the organization's sustainability reporting	About Young Optics	4
	2-3	Reporting period, frequency and contact point	About Young Optics	4
	2-4	Restatements of information	About Young Optics	4
	2-5	External assurance	About Young Optics	4
	2-6	Activities, value chain and other business relationships	1.1 Company Introduction 1.2 Economic Performance	8 、 13
	2-7	Employees	6.1 Workplace Overview	70
	2-8	Workers who are not employees	6.1 Workplace Overview	70
	2-9	Governance structure and composition	3.1 Corporate Organization	30
	2-10	Nomination and selection of the highest governance body	3.1 Corporate Organization	30
	2-11	Chair of the highest governance body	3.1 Corporate Organization	30
	2-12	Role of the highest governance body in overseeing the management of impacts	3.3 Risk Management	36
	2-13	Delegation of responsibility for managing impacts	2.1 Sustainable Development Committee 3.3 Risk Management	18 、 36
	2-14	Role of the highest governance body in sustainability reporting	2.1 Sustainable Development Committee	18
	2-15	Conflicts of interest	3.1 Corporate Organization	30 、 35
		Communication of critical concerns	3.2 Integrity Management	
	2-16	Collective knowledge of the highest governance body	2.2 Stakeholders Communication	20
	2-17	Evaluation of the performance of the highest governance body	3.1 Corporate Organization	30
	2-18	Remuneration policies	3.1 Corporate Organization	30
	2-19	Governance structure and composition	6.4 Remuneration and Benefits	79

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter	Page
GRI 2 General Disclosures 2021	2-20	Process to determine remuneration	3.1 Corporate Organization 6.4 Remuneration and Benefits	30、79
	2-21	Annual total compensation ratio	Omission of disclosure, salary information is company confidential.	
	2-22	Statement on sustainable development strategy	2.1 Sustainable Development Committee	18
	2-23	Policy commitments	2.1 Sustainable Development Committee 3.2 Integrity Management 3.3 Risk Management 3.4 Information Security Management 4.1 Climate Change Management 4.2 Greenhouse Gas Reduction and Management 4.3 Environment Policy and Promise 5.2 Green Product 6.1 Workplace Overview 6.2 Inclusion and Employee Rights 6.5 Occupational Health and Safety	18、35、36、 43、47、51、 55、62、70、 73、92
	2-24	Embedding policy commitments	2.1 Sustainable Development Committee 3.2 Integrity Management 3.3 Risk Management 3.4 Information Security Management 4.1 Climate Change Management 4.2 Greenhouse Gas Reduction and Management 4.3 Environment Policy and Promise 5.1 Innovation Management 5.2 Green Product 6.2 Inclusion and Employee Rights 6.5 Occupational Health and Safety	18、35、36、 43、47、51、 55、61、62、 73、92
	2-25	Processes to remediate negative impacts	2.2 Stakeholders Communication	20
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Stakeholders Communication 3.2 Integrity Management	20、35
	2-27	Compliance with laws and regulations	4.3 Environment Policy and Promise 6.2 Inclusion and Employee Rights 6.5 Occupational Health and Safety	55、73、83
	2-28	Membership associations	1.1 Company Introduction	8
	2-29	Approach to stakeholder engagement	2.2 Stakeholders Communication 3.2 Integrity Management	20、35
	2-30	Collective bargaining agreements	Information is unavailable, our company has not yet formed a union.	

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter	Page
GRI 3 Material Topics 2021	3-1	Process to determine material topics	2.2 Stakeholders Communication	18
	3-2	List of material topics	2.2 Stakeholders Communication	18
	3-3	Management of material topics	2.2 Stakeholders Communication	18
GRI Standards	Disclosure content		Chapter	Page
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2 Economic Performance	13
	201-3	Defined benefit plan obligations and other retirement plans	6.4 Remuneration and Benefits	79
GRI 204 Procurement 2016	204-1	Proportion of spending on local suppliers	5.2 Green Product	62
GRI 205 Anti-corruption 2016	205-2	Communication and training about anticorruption policies and procedures	3.2 Integrity Management	35
GRI 302 Energy 2016	302-1	Energy consumption within the organization	4.6 Energy Management	58
	302-4	Reduction of energy consumption	4.6 Energy Management	58
GRI 303 Water 2018	303-5	Water consumption	4.5 Water Management	57
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Reduction and Management	51
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Greenhouse Gas Reduction and Management	51
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Reduction and Management	51
	305-4	GHG emissions intensity	4.2 Greenhouse Gas Reduction and Management	51
	305-5	Reduction of GHG emissions	4.2 Greenhouse Gas Reduction and Management	51
GRI 306 Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Waste Management	56
	306-3	Waste generated	4.4 Waste Management	56
	306-4	Waste diverted from disposal	4.4 Waste Management	56
	306-5	Waste diverted to disposal	4.4 Waste Management	56
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.3 Sustainable Alliance	66

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter	Page
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	6.1 Workplace Overview	70
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Remuneration and Benefits	79
	401-3	Parental leave	6.5 Occupational Health and Safety	83
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	6.5 Occupational Health and Safety	83
	403-2	Hazard identification, risk assessment, and incident investigation	6.5 Occupational Health and Safety	83
	403-3	Occupational health services	6.5 Occupational Health and Safety	83
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.5 Occupational Health and Safety	83
	403-5	Worker training on occupational health and safety	6.5 Occupational Health and Safety	83
	403-6	Promotion of worker health	6.5 Occupational Health and Safety	83
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.5 Occupational Health and Safety	83
	403-8	Work-related injuries	6.5 Occupational Health and Safety	83
	403-9	Occupational health and safety management system	6.5 Occupational Health and Safety	83
	403-10	Work-related ill health	6.5 Occupational Health and Safety	83
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	6.3 Talent Development	76
	404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Remuneration and Benefits	79
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.1 Corporate Organization	30
	405-2	Ratio of basic salary and remuneration of women to men	6.4 Remuneration and Benefits	79
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	6.2 Inclusion and Employee Rights 6.4 Remuneration and Benefits	73 、 79
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.2 Inclusion and Employee Rights	73

Appendix 2 SASB Content Index

Topic	Code	Metric	Chapter/Omission Reson										Page	
Product Security	TC-HW-230a. 1	Description of approach to identifying and addressing data security risks in products	3.4 Information Security Management										43	
Employee Diversity & Inclusion	TC-HW-330a. 1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Category/ Gender			Male	Female	Category/ Age			Under 30	31-50	51 and above	-
			Executive management			67%	33%	Executive management			0%	67%	33%	
			Non-executive management			75%	25%	Non-executive management			14%	74%	12%	
			technical employees (R&D and Production Staff)			57%	43%	technical employees (R&D and Production Staff)			40%	55%	6%	
			all other employees(Sales and Admin Staff)			36%	64%	all other employees(Sales and Admin Staff)			24%	64%	12%	
Product Lifecycle Management	TC-HW-410a. 1	Percentage of products by revenue that contain IEC 62474 declarable Substances	Our company primarily deals with key components for optical engines. Among these, products that comply with IEC 62474 reporting requirements for controlled substances—optical components—account for approximately 26% of the company's revenue. °										-	
	TC-HW-410a. 2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Most of our company's products are B2B, so the company does not apply for EPEAT or equivalent certifications. Therefore, this metric is not applicable.										-	
	TC-HW-410a. 3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	The products manufactured by our company do not fall under the types defined for Energy Star certification, so this metric is not applicable.										-	
	TC-HW-410a. 4	Weight of end-of-life products and e-waste recovered; percentage recycled	Our company primarily deals with B2B products and does not have any products for recycling or disposal. Therefore, this metric is not applicable.										-	
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	Our company has not conducted RBA audits (VAP) for first-tier suppliers, so there is no relevant information to disclose. In the future, we will consider including this in our planning based on operational needs.										-	
	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												
Materials Sourcing	TC-HW-440a. 1	Description of the management of risks associated with the use of critical materials	5.2 Green Product										62	
Activity Metric	TC-HW-000.A	Number of units produced by product category	1.2 Economic Performance										13	
	TC-HW-000.B	Area of manufacturing facilities	Trade secrets not disclosed.										-	
	TC-HW-000.C	Percentage of production from owned facilities	Our company independently develops and manufactures products, with 100% of production capacity coming from our own equipment.										-	

Appendix 3 TWSE Sustainability Disclosure Index-Optoelectronics Industry

Number	Activity Metrics	Category	Annual Disclosure	Unit
1	Amount of total energy consumed, percentage of grid electricity, and percentage of renewable.	Quantitative	4.5 Water Management	Gigajoules (GJ), Percentage(%)
2	Amount of total water withdrawn, and total water consumed.	Quantitative	4.4 Waste Management	Thousand cubic meters(m³)
3	Amount of hazardous waste generated, percentage recycled.	Quantitative	4.4 Waste Management	Metric tons (t), Percentage(%)
4	Description of the type, number and rate of work-related injuries.	Quantitative	6.5 Occupational Health and Safety	Percentage (%), Quantity
5	Description of the management of product lifecycle, amount of weight of end-of-life products and e-waste recovered, percentage recycled.	Quantitative	Our company is B2B and does not produce end products, so there is no relevant information.	Metric tons (t), Percentage (%)
6	Description of the management of risks associated with the use of critical materials.	Discussion and Analysis	5.3 Sustainable Alliance	N/A
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	Quantitative	There were no financial losses in 2024 due to lawsuits related to anti-competitive behavior regulations.	Reporting Currency
8	Number of units produced by product category	Quantitative	1.2 Economic Performance	Varies by product type

Appendix 4 ISO 14064-1 Verification Opinions Statement

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報告編號：(TH24-064 / 第 1 版)

溫室氣體查證報告意見書

THGHG24064-01

查證範圍： 揚明光學股份有限公司
300 新竹市東區新安路 7 號

查證準則： ISO 14064-1 : 2018

查證目標： 法標國際根據 ISO14064-3 : 2019 標準，確認上述組織之溫室氣體聲明(溫室氣體盤查報告書)依據雙方協議之查證準則進行盤查並提出報告，法標國際以客觀公正的立場及原則(相關性、完整性、一致性、準確性、透明度)執行查證。

數據期間： 2024 年 01 月 01 日至 2024 年 12 月 31 日 (檢視的數據為歷史性質)

查證數據： 直接溫室氣體排放量(類別 1)： 820.8545 公噸 CO₂e
能源間接溫室氣體排放量(類別 2)： 10631.8865 公噸 CO₂e
間接溫室氣體排放量(類別 3-6)： 4540.7202 公噸 CO₂e

全球暖化潛勢值(GWP)：引用 IPCC 2021 年第 6 次評估報告。

聲明依據：本聲明必須與下列文件作為一個整體以進行解釋說明。
溫室氣體盤查報告 (版次： 2 ; 日期： 2025 年 03 月 31 日)
溫室氣體盤查清冊 (版次： 2 ; 日期： 2025 年 03 月 31 日)

實質性： 5% (類別 1 及類別 2)

意見類型： ☒ 不含保留意見 ☐ 含保留意見(請見附頁) ☐ 放棄簽證

查證結論： 確認組織依據雙方協議查證準則之要求提出溫室氣體聲明，並公正地呈現溫室氣體數據及相關資訊，與雙方協議的查證範圍、目標和準則一致。
聲明查證數據之合理保證等級為類別 1 及類別 2。
聲明查證數據之有限保證等級為類別 3 及類別 4。

本文件核發日期： 2025 年 05 月 05 日

APPROVED BY



Steven Huang
Director for Certification
ON BEHALF OF
AFNOR ASIA

113 3024/00

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各類別排放量數據：

類別	內容說明	溫室氣體排放量 (公噸 CO ₂ e)	備註
(類別 1) 直接溫室氣體排放	固定式燃燒源、移動式燃燒源、製程 排放源、逸散性排放源	820.8545	
(類別 2) 輸入能源之間接溫室氣體排 放	外購電力	10631.8865	所在地基準
(類別 3) 運輸之間接溫室氣體排放	原料上游運輸、產品下游運輸、員工 通勤、員工商務旅行	771.1825	
(類別 4) 組織使用的產品之間接溫室 氣體排放	採購商品產生之排放、廢棄物處置產 生之排放	3769.5377	
(類別 5) 使用組織的產品之間接溫室 氣體排放	NS	NS	
(類別 6) 其他來源之間接溫室氣體排 放	NS	NS	

生質燃燒排放： 0.0000 公噸 CO₂e

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報告編號：(TH24-064 / 第 1 版)

其他查證相關資訊

組織邊界：	營運控制權
溫室氣體類型：	二氧化碳(CO ₂)、甲烷(CH ₄)、氧化亞氮(N ₂ O)、氫氟碳化物(HFCs)、全氟碳化物(PFCs)、六氟化硫(SF ₆)、三氟化氮(NF ₃)
預期使用目的：	自願理解溫室氣體排放狀況做為減量策略依據。 (本聲明責任僅適用於上述預期使用目的，不適用其他任何目的。)
間接排放重大性準則：	-已鑑別利害相關者要求： <input type="checkbox"/> 是 <input checked="" type="checkbox"/> 否 -已鑑別法規要求： <input type="checkbox"/> 是 <input checked="" type="checkbox"/> 否 -已鑑別排放量大小： <input type="checkbox"/> 是 <input checked="" type="checkbox"/> 否 -其他說明：
電力係數：	引用 2024 年 04 月 26 日能源署公告之 2023 年度電力係數
數據來源：	<input checked="" type="checkbox"/> 初級數據來源於現場營運活動的數據蒐集。 <input checked="" type="checkbox"/> 類別 3-6 排放量計算為使用估算數據。 <input type="checkbox"/> 次級數據來源為：環境部碳足跡資訊網、Ecoinvent。 <input type="checkbox"/> 其他說明：
查證方法：	<input checked="" type="checkbox"/> 現場查證
保留意見：	無
其他：	無
查證作業實施日期：	2025 年 03 月 24 日 2025 年 03 月 31 日
報告日期：	2025 年 04 月 02 日

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報告編號：(TH24-064 / 第 1 版)

查證團隊與技術審查

主導查證員： 陳護木 簽名：陳護木

查證員： 徐嘉宏 簽名：徐嘉宏

獨立審查者： 陳怡靜 簽名：陳怡靜

查證程序

法標國際以風險評估方法及管制為基礎，查證蒐集程序包括：行前評估、現場訪視、與場址的人員訪談、確認所提供的文件證據、對排放數據進行抽樣、評估數據管理系統、確認排放數據的蒐集與彙總、生產與能源消耗之間的分析，並確認所參考的協議條款是否被適當應用。

角色與職責

受查組織責任方依據查證準則規定，負責準備並提出溫室氣體聲明。此項責任包括規劃、實施及維護與溫室氣體聲明有關的數據管理系統，溫室氣體盤查清冊和盤查報告確認。

法標國際對所報告的溫室氣體排放量提供獨立的第三方查證，出具本次查證組織型溫室氣體排放量之查證意見。查證團隊具獨立及公正性，不存在任何利益衝突。

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