YOUNG Optics

2025 Young Optics Sustainability Report

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About the report

Welcome to the 2025 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.

Reporting Principles 2-5

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 Scope 2-2, 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

Relevant departments provide and compile sustainability disclosure content → Department heads ensure the accuracy and completeness of the information → The Sustainability Development Committee reviews the report → The report is submitted to the Board of Directors for approval

Publication Time 2-3

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 2025
- Issue time of current report：August 2026
- Issue time of the next report：August 2027

Contact Information 2-3

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Letter from the Chairman

The value of a company should not be confined to short-term financial metrics; it fundamentally depends on our long-term commitment to the environment and society. At Young Optics , we firmly believe that "sustainability is not a competition, but a continuous journey of improvement." We have thoroughly integrated sustainability into our management system, knowing that only by ensuring the effective implementation of our strategies can we demonstrate true corporate resilience amid ever-changing challenges.

Environmental protection lies at the core of our commitment to the future. We have transformed low-carbon production into an organizational discipline, achieving a balance between productivity and ecology through technological advancement and process innovation. In 2025, we surpassed our carbon reduction target with a 5.23% decrease and improved manufacturing efficiency by 13% through process enhancements. Within the realm of the circular economy, we continue to drive waste reduction and resource recycling, optimizing waste intensity by 20% at our Taiwan facilities and achieving a resource recycling rate exceeding 62%. These accomplishments are not merely numbers—they represent the collective efforts of all our employees striving for green competitiveness.

Our employees are the foundation of our sustainable growth. We prioritize workplace safety and compliance as our foremost responsibility. In 2025, we published our inaugural Human Rights Due Diligence Report, listened attentively to our employees through satisfaction surveys, and translated feedback into 22 concrete improvement actions, fostering effective two-way communication. Our commitment to occupational health and safety was further recognized through distinguished awards in corporate sustainability reporting. Moving forward, we will deepen our dedication to Diversity, Equity, and Inclusion (DEI), building a respectful and professional workplace where every colleague can thrive with strong support.

In governance, we pursue high transparency and alignment with international standards. By participating in the EcoVadis sustainability assessment, we proactively benchmark ourselves against global standards, demonstrating Young Optics' dedication to transparent governance and sustainability responsibilities. Facing challenges in information security, we have built digital resilience with an impressive score of 89—surpassing the industry average. At the same time, we maintain a supplier grading management mechanism, achieving 100% response rate in supplier sustainability self-assessments, ensuring a stable and sustainable supply chain.

The journey of sustainability has no finish line—only a continuous starting point for improvement. Looking ahead, we will persist in data-driven management and innovation-led transformation. I sincerely thank all our employees for their professional contributions and our stakeholders for their trust and support. Together, let us continue to move pragmatically towards excellence, creating lasting value for the environment, our people, and society, and forging a stronger future for all.

Chairman Sarah Lin

Key Performance

Environment

- Implementing Transparent Carbon Management: The Taiwan factory has successfully passed ISO 14064-1 greenhouse gas external verification for 3 consecutive years, and independently completed internal audits for overseas facilities, achieving 100% operational site coverage.
- Significant Low-Carbon Transformation Results: The Taiwan factory reduced carbon emissions by 9.95% compared to 2024.
- Comprehensive Energy Management: Executed 4 key energy-saving initiatives, resulting in a combined electricity savings of approximately 1.014 million kWh across Taiwan and China facilities.
  Optimized Resource Circulation: Promoted waste reduction programs, improving waste generation intensity at the Taiwan factory by 20% compared to the previous year.
- Efficient Water Resource Utilization: Continued to enhance water recycling at the factory, with the Taiwan factory achieving a wastewater recycling rate of 15.88%, effectively reducing environmental impact.

Social

- Awarded as an Outstanding Enterprise by the Occupational Safety and Health Administration: Recognized in the 2025 year Corporate Sustainability Report OSHA Excellence Evaluation, demonstrating a leading safety and health culture in the industry.
- Human Rights Commitment: Completed the first "2025 Human Rights Due Diligence Report," proactively identifying human rights risks.
- Deepening Talent Sustainability: Responded to the "TALENT, in Taiwan" alliance for four consecutive years, committing to and implementing a diverse, equitable, and inclusive (DEI) workplace environment.
- Listening to Employee Voices: Based on employee satisfaction surveys, precisely formulated 22 cross-dimensional improvement actions to build a highly engaged and happy workplace.
- Occupational Safety Training: Accumulated 5,475 hours of occupational safety training across Taiwan and China facilities, comprehensively enhancing employee competencies and ensuring a zero-accident workplace goal.

Governance

- Participation in Sustainability Assessment: Participated in the EcoVadis evaluation and received the Committed Badge, demonstrating our firm commitment and responsibility toward sustainability.
- Digital Resilience: Achieved a Security Scorecard rating of 89, outperforming the industry average by 10%, establishing a robust information security defense system.
- Responsible Supply Chain Management: Achieved 100% pass rate in production material supplier evaluations and green procurement, and completed 100% collection of supplier sustainability self-assessment questionnaires.
- Innovative R&D Momentum: Actively advancing intellectual property protection with a total of 1,404 patent applications filed and 968 approvals granted.

01 About Young Optics

1.1 Company Introduction

1.2 Economic Performance

1.3 Future Development

1.1 Company Introduction 2-1, 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. Headquartered in Hsinchu Science Park, Taiwan, Young Optics' global production bases and operation sites include Kunshan and Suzhou in China, as well as the Dhaka Industrial Zone in Bangladesh. As of December 31, 2025, the total workforce of Young Optics and its subsidiaries amounts to 1,323 employees.

Young Optics' Information

Establishment: February 18, 2002

Chairman: Sarah Lin

President: Cynthia Chang, Wayne Lin

Number of Employees: 1,323

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.

Product (Service) Applications and Technological Competitiveness

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 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. We have 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.

Micro projector	Focusing on projection applications in non-consumer markets, including agricultural product inspection machines, medical testing products, and rugged smartphones.
Imaging optics	Megapixel digital imaging optical components are primarily used in a variety of applications, including professional security systems, smart home devices, smart factories, low-earth orbit satellites and drone.
Optical components	Produces a various optical components, including plastic lenses, glass-molded lenses, ground glass lenses, waveguide lenses, color wheels, integrator rods, condenser lenses, reflectors, optical filters, and projection lens modules. These components are primarily applied in diverse optical systems, including swimming goggles for athletes, co-packaged fiber optic connectors, and logistics projection lenses equipped with AI computing capabilities.
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, dynamic and static projection lamps, LiDAR lenses, and head-up displays (HUDs).
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	**Diamond Turning Pioneer** • We provide mockup with maximum dimensions < ψ350mm for machining of insert and lens. • Accept customized mockup metal and plastic lenses, including aspheric lens, free-form lens, and diffraction element. • Professional manufacturing plastic injection and glass molding inserts.
CNC Machining	**Highly CNC Accurate Makes Stringent Go-To-Market Easy** • 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	**Highly accuracy ensures fine quality and fuels customer success.** • 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	• One-stop shop solutions from CAE / mold design and lens mockup to mass production • We provide professional services, fast delivery, high quality, and highly customized lenses. • We are capable of producing various types of optical lens with Ø 2mm ~ 330mm * 110mm • Injection Size Capability : diameter Ø < 10mm ， PV < 1um, D / T < 1um
Lens Processing Technology of Low-Z Coefficient	**Expertise of Low-Z-Coefficient Lens Machining** 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.
Large Size Lens(Max Ø230mm) Processing Technology	**Large-Diameter Lens Machining Settles Unconventional** 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.
Mini Size Lens(Min Ø2.6mm) Processing Technology	**Small-Diameter Lens Machining Settles Unconventional** 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.

Precision Optical Coating	• 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 ~ 200mm • Wideband Coating Capability : 250nm ~ 2500nm • Coating Layer : 100+ Layer • Application Fields : - 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	**A Variety Capacity of Low Illuminance Environment** • 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℃ ΔBFL <+/-0.01mm.
Outstanding Optical Reliability	**Magnitude Response Performance** • MTF : <15%.

Industry Upstream, Midstream, and Downstream Linkages

The upstream of the optical industry is optical materials, the midstream is optical components and optomechanical products, and the downstream is optical application products. All products produced by Young Optics are part of the optical industry. 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 industry		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
• optical glass block • glass blank	• PC • PMMA and other plastic blanks	• color wheel • Integrating column • lens	• prism • mask • filter	• projection lens • Imaging lens • car light lens	Optical storage devices for computer peripherals	Optics Instrument Industry	Measure Instrument industry	Medical, industrial, and commercial supplies	other	

■ Upstream, midstream, downstream ■ Industry ■ Product

Industry Status and Product Development

Imaging optical applications continue to evolve alongside the smart transformation of the security surveillance industry. From professional security systems expanding into smart homes, cameras integrated with AI computing now enable facial recognition, object detection, and image analysis. These technologies are applied in smart door locks, robotic vacuum cleaners, pet feeders, health monitoring, and other scenarios. To meet the demand for high-quality imaging, products are advancing toward larger apertures, higher resolution, and full-color imaging under low-light conditions, while precision assembly techniques enable slim, compact designs.

In automotive optics, smart headlights are evolving towards high resolution, adaptive lighting, and interactive projection functions. LiDAR systems are expanding alongside autonomous driving and advanced driver-assistance systems (ADAS), elevating requirements for sensing accuracy and stability, which drives continuous upgrades in related component specifications.

Materials used in vat photopolymerization (VP) 3D printing equipment range from soft rubber-like and silicone substrates to highly rigid engineering plastics such as PC-like and ABS-like materials. The printed parts' material properties are comparable to industrial-grade stereolithography (SLA) or selective laser sintering (SLS) prints, with wide-ranging applications including functional prototype parts, biomedical, dental, jewelry, wax casting, rubber-like, ceramics, and metals, among which dental applications are the most prominent. Furthermore, driven by the rapid development of biocompatible printable medical materials, it is expected that within ten years, half of medical products will be produced via additive manufacturing, although in applications such as functional prototypes or jewelry, LCD printing will gradually replace other methods.

Micro-projectors face significant challenges due to the decline of the consumer market, decreasing domestic demand in China, and recent low-price dumping of single-chip LCD projectors. Additionally, the precision optical component industry, traditionally serving digital cameras, projectors, tablets, computer peripherals, and smartphones, is shifting toward other application markets such as security surveillance, wearable devices, medical, and automotive fields in response to slowing end-consumer demand.

Future Market Growth and Strategy

- **Projection Products :** The consumer smart projection market in China is highly competitive, with single-chip LCD technology remaining the primary growth driver in 2025. In response to intensified competition in applications, technology, and pricing within this market, Young Optics has adjusted its sales strategy to focus on projection applications outside China, as well as non-consumer and commercial sectors such as AR/VR, smart headlights, logistics vehicles, warehouse management, and medical fields.
- **Imaging Products :** According to SPER market research, the global smart home security camera market is expected to reach USD 55.92 billion by 2033, with a projected compound annual growth rate of 20.26%. Benefiting from the AI boom, innovations in smart home security cameras enable features like facial recognition, object detection, and improved image analysis, enhancing the overall capabilities of security cameras. Young Optics is optimistic about the long-term development and potential opportunities in this market and continues to invest resources to drive business 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 continue to evolve in safety (e.g., adaptive lighting), intelligence (e.g., integration with ADAS), and design (e.g., Micro LED, laser). The reduction in LiDAR costs and improvement in performance are key drivers for its widespread adoption. LiDAR plays an important role not only in high-end autonomous vehicles but is also gradually penetrating a broader range of mainstream vehicle models, enhancing vehicle perception capabilities. The development strategy for smart driving will focus on mature and reliable L2 driver-assistance functions. Young Optics has long been active in the automotive market, and in recent years, shipments of HUDs, automotive lenses, LiDAR lenses, and smart headlight projection lenses have increased. These product lines are key strategic focuses for the company over the next three years.
- **3D Printing Products :** The global 3D printing market size was USD 23.41 billion in 2025, projected to grow to USD 28.55 billion in 2026, and further increase to USD 136.76 billion by 2034, with a forecasted compound annual growth rate of 21.60%. Although the global market is experiencing rapid growth, with LCD technology beginning to be applied in 3D printing, Young Optics' product strategy includes developing a new generation of cost-effective, desktop, and advanced industrial 3D printing optical modules in addition to its existing dental applications. The company aims to deepen its customer base in dental manufacturing and expand into industrial application markets such as large-area elastomer printing and high-power-demand ceramic printing.

Competitive advantage

- Young Optics has great quality and rich design experience. Each functional unit of the team has accumulated many years of practical experience.
- We have the ability to integrate up and down the technical level to enhance quality stability and meet customer requirements. 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.

1.2 Economic Performance 2-6, 201-1, TC-HW-000.A

Young Optics' consolidated operating revenue for 2025 was NT$2.689 billion, with an operating gross profit of NT$462 million and a gross margin of 17.2%. The company reported an operating loss of NT$74 million and a net loss after tax of NT$9 million, which was attributable to the owners of the parent company. The basic after-tax loss per share was NT$0.08.

Consolidated Income Statements in the last 3 year (Unit: NT$ thousand)			
Item	2023	2024	2025
Operating revenue	3,010,369	2,572,028	2,688,527
Gross profit	316,622	301,800	461,689
Operating income	(311,497)	(266,650)	(73,681)
Non-operating income and expenses	22,811	22,679	67,677
Net profit before tax	(288,686)	(243,971)	(6,004)
Income tax expense	(939)	3,780	3,384
Net income	(287,747)	(247,751)	(9,388)
Basic earning per share (in NTD)	(2.52)	(2.17)	(0.08)
Summary statement of employee benefits, depreciation and amortization expense by function			
Employee benefits expense	1,026,563	936,214	890,272
Financial cost			
Interest on borrowing from bank	11,950	5,770	10,754
Interest on lease liabilities	8,956	8,411	7,564
taxation	15,755	7,478	3,968

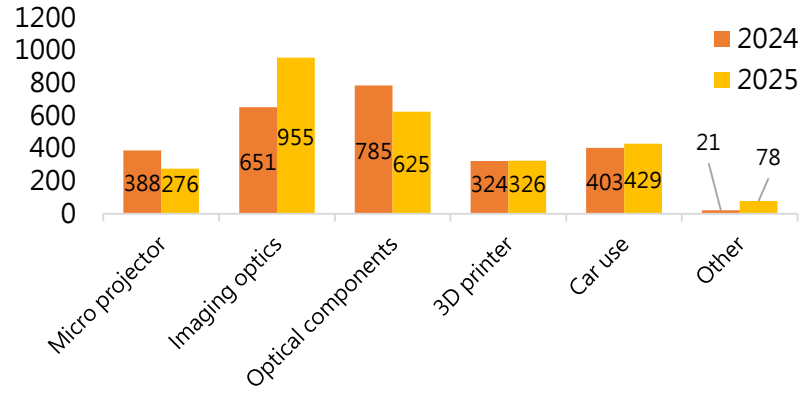
Consolidated Balance Sheets in the last 3 years (Unit: NT$ thousand)			
Item	2023	2024	2025
Total current assets	2,191,077	2,115,521	2,216,643
Property, plant and equipment	1,884,376	1,707,865	1,447,604
Total assets	4,716,656	4,436,069	4,230,968
Total current liabilities	1,262,359	953,344	984,347
Long-term borrowings	114,838	342,857	164,000
Total liabilities	1,720,574	1,626,264	1,435,833
Common stock	1,140,598	1,140,598	1,140,598
Capital surplus	1,648,205	1,648,205	1,648,205
Total retained earnings	375,683	132,875	125,058
Total equity	2,996,082	2,809,805	2,795,135

In 2025, consolidated operating revenue reached NT$2.689 billion, representing a 5% year-over-year increase. Imaging optics products benefited from the mass production of new smart home camera models in the first quarter, achieving a 47% annual growth. Automotive products grew by 6%, driven by increased customer demand for LiDAR lenses and the commencement of mass production for smart headlights, offsetting declines in HUD and projection lamp shipments. 3D printing products experienced a marginal 1% growth as shipments from customers inside and outside China offset each other. Optical component products declined by 20% due to the shrinking traditional projector market and weakening demand. Micro-projector products continued to face subdued demand amid competitive technological replacements, decreasing by 29%. Other product categories increased their revenue share by 2%, mainly due to volume shipments of low-orbit satellite lenses.

In 2025, the gross margin improved to 17.2%, up 5.5 percentage points from 11.7% in the previous year, driven by product sales mix optimization, enhanced utilization rates, and resource consolidation and control efforts. As a result, with increased gross profit and simultaneous resource integration and expense control measures, the net loss after tax significantly narrowed to NT$9 million in 2025, compared to a net loss of NT$248 million in 2024.

The sales analysis of YOI’ s major products in recent 2 years

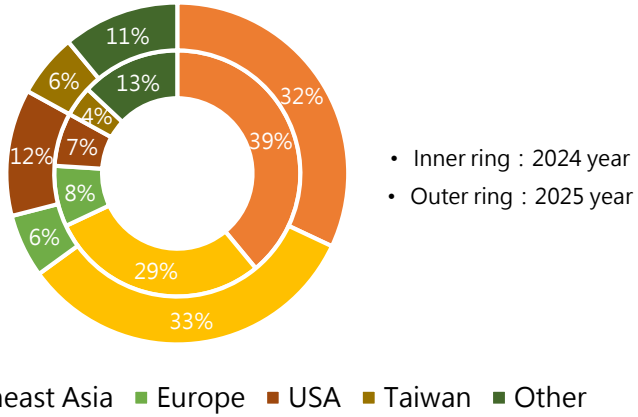
(Unit: NT$ million)



Item \ year	2024	2025	Increase (decrease) in amount
Micro projector	388	276	(112)
Imaging optics	651	955	304
Optical components	785	625	(160)
3D printer	324	326	2
Car use	403	429	26
Other	21	78	57
Total	2,572	2,689	117

Changes in sales (provision) regions of major goods (services) in the recent 2 years

(Unit: NT$ thousand)



Region \ Year	2024		2025	
	Amount	Percentage	Amount	Percentage
China	992,490	39%	855,185	32%
Southeast Asia	754,226	29%	874,536	33%
Europe	209,976	8%	171,603	6%
USA	179,370	7%	323,930	12%
Taiwan	106,681	4%	159,934	6%
Other	329,285	13%	303,339	11%
Total	2,572,028	100%	2,688,527	100%

1.3 Future Development

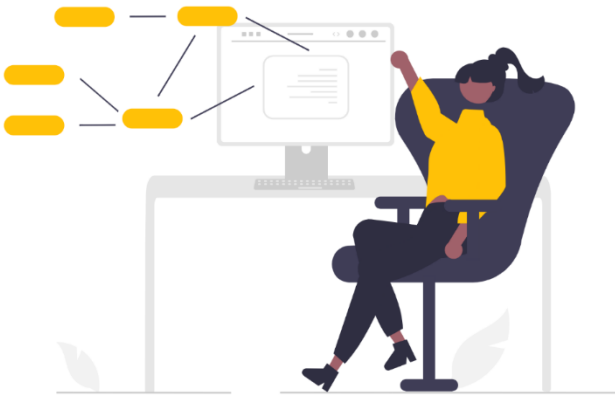
Business Policy

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.

Future Development Strategy

Young Optics will advance according to the following strategy:

- Leverage core optical technologies and optical component advantages to continuously expand into high-growth markets such as AR, AI, and LiDAR, as well as develop components for Co-Packaged Optics (CPO).
- Continuously improve process management and technology to enhance cost advantages and improve profit margins.
- 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 Committee

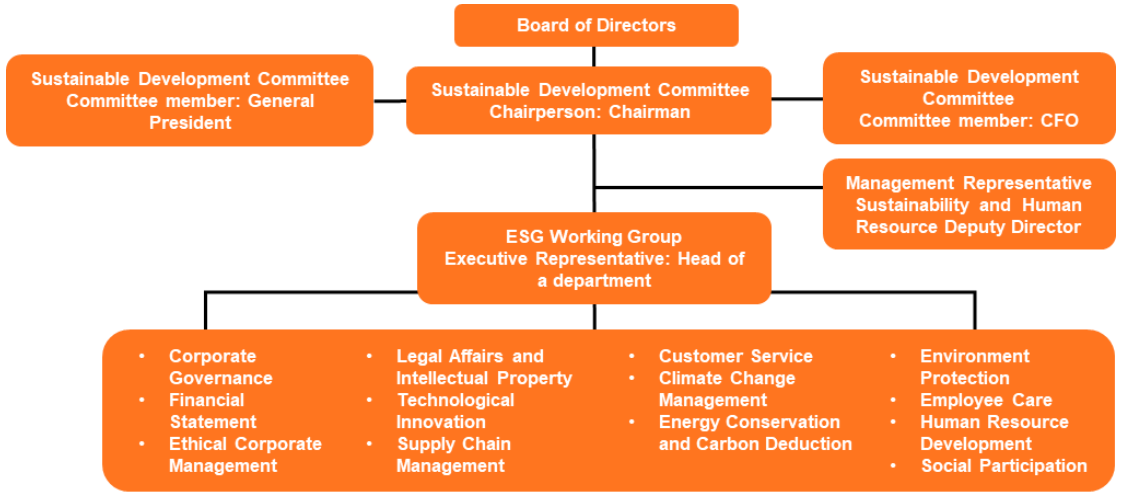
2-13, 2-14, 2-22, 2-23, 2-24

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

Young Optics has established a Sustainable Development Committee. 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

2025 Sustainable Development Committee, chaired by the Chief Financial Officer, reported to the Board of Directors at the 8th meeting of the 9th session (October 23, 2025) on the company 's performance in sustainable development and integrity management for the year 2025. Besides supervising the implementation of sustainable development through this report, the Board of Directors will also urge the management team to make adjustments when necessary. The report covered the following topic :

- Implementation of annual target performance indicators
- Sustainability Report published in Chinese and English
- Corporate governance evaluation results
- Integrity management status
- ISO 14001 internal and external audit results
- IATF 16949 internal and external audit results
- ISO 9001 & QC 080000 internal audit results
- ISO 14064-1 internal and external verification progress
- Supplier sustainability evaluation
- Occupational health and safety implementation
- Friendly workplace status
- Social welfare program outcomes

Sustainability Management Goals

In 2025, the Sustainable Development Committee promoted 18 sustainability goals, including 5 economic/governance goals, 7 environmental goals, and 6 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.

Category	Number	Goal	Strategy	Performance Indicators	Achievement	Results
Economic Governance	G01	Executive compensation linked to ESG performance	Link business unit managers' annual performance indicators with sustainability goals, and implement company sustainability plans from top-down.	90% ESG indicator achievement rate	✔	ESG indicator achievement rate 100%.
	G02	Improve operational performance	Reduce manufacturing defects during production.	Annual defect rate 3.7%	✔	Defect rate 3.6%.
	G03	Integrity management training coverage	All employees and senior managers regularly receive integrity and compliance training.	95% coverage rate for integrity training	✔	Training participation rate 100%.
	G04	Risk control measure implementation rate	Ensure the effectiveness of risk management plans and reduce business impact.	90% implementation rate of risk control measures	✔	Implementation rate 100%.
	G05	Customer demand fulfillment rate	Ensure high product quality and on-time delivery to meet customer needs.	100% customer demand fulfillment rate	✔	Fulfillment rate 100%.
Environment	E01	Waste generation intensity	Reduce waste generated per unit output during production.	Reduce waste intensity by 5%	✔	Waste intensity reduced by 20% compared to previous year.
	E02	Reduce waste	Set waste reduction targets, promote measures, and monitor achievement.	50% resource recycling rate during the year	✔	Resource recycling rate 62%.
	E03	Climate change management	Using 2023 as baseline, set greenhouse gas reduction targets, promote measures, and track progress.	3% greenhouse gas reduction	✔	5.23% reduction in emissions.
	E04	Reduce electricity usage	Set electricity reduction targets, promote measures, and monitor achievement.	Average annual electricity saving rate >1%	✔	Average electricity saving rate 1.13%.
	E05	Manufacturing efficiency improvement	Improve yield to enhance manufacturing efficiency and achieve energy saving and carbon reduction goals.	10% manufacturing efficiency increase	✔	13% process improvement achieved.
	E06	Regulatory compliance rate	Comply with REACH, RoHS, TSCA and other regulatory requirements.	100% regulatory compliance	✔	100% compliance with regulatory requirements.
	E07	Wastewater recycling and reuse rate	Using 2023 as baseline, set water reduction targets and optimize water use efficiency.	15% wastewater recycling and reuse rate	✔	15.88% wastewater recycling and reuse.
Social	S01	Supplier sustainability assessment	Strengthen ESG evaluation and guidance in the supply chain.	98% questionnaire return rate and completion of supplier ESG grading	✔	100% questionnaire return rate and completed supplier ESG grading.
	S02	Conduct annual salary structure review and adjustment	Evaluate staff performance and potential to provide market-competitive salaries.	Once per year	✔	Conducted one annual salary review and adjustment.
	S03	Conduct human rights due diligence	Regularly assess human rights risks and establish fair grievance handling channels.	Once per year	✔	Completed human rights due diligence and disclosed report on website.
	S04	Grievance and improvement mechanism response rate	Ensure smooth grievance channels and timely handling of all complaints.	100% response within 7 working days	✔	No employee complaints; all other feedback addressed and labor-management meeting minutes published.
	S05	Sustainability education participation rate	Increase employees' awareness and actions towards environmental, social, and economic sustainability, integrating concepts into work and daily life.	100% participation rate in sustainability education	✔	100% participation rate in annual sustainability training.
	S06	DEI support	Organize sustainable diversity and inclusion activities to enhance stakeholders' understanding and promote actions on sustainability and social inclusion.	3 sustainability diversity and inclusion events	✔	Held 8 forums for foreign employees.

2.2 Stakeholders communication

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 Stakeholder
Government/ Authority	All operations are subject to review and oversight in accordance with relevant government regulations.	Labor Relations Occupational Health and Safety Environmental Protection	• 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)	• Regular/irregular responses to relevant filings • No 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	• 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	• Regular meeting of shareholders: June 17, 2025 • Corporate 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	• Contact Support：webmail1@youngoptics.com (Promptly) • Meetings, Visits, Electronic Communication, Exhibition Marketing (Irregularly)	• 2024 Questionnaire on stakeholder concerns

2.2 Stakeholders communication

Stakeholder	What it values to Young Optics	Concerned Issues	Communication channels and frequency	Communication Effectiveness Stakeholder	
Employees	Employees are the important cornerstone of corporate development.	Remuneration and benefits Talent Training Occupational Health and Safety	• 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)	• 3 new employee training sessions • 2024 Questionnaire on stakeholder concerns • 5 labor-management meetings	• 8 migrant worker seminars • 10 training sessions for new migrant workers • 4 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	• Contact Support：webmail1@youngoptics.com (Promptly) • Meetings, Visits, Electronic Communication (Irregularly) • Regular Supplier Audits (Once a year)	• 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	• Sustainability Report (Once a year)	• 2025 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	• CSR Mail box：csr.yo@youngoptics.com (Promptly) • Community Care and Community Participation(Irregularly)	• Organized 2 corporate blood drives, donating a total of 368 bags of blood. • In response to the “Three Measures for New Joss Paper Policy”, the Company purchased peace rice in place of joss paper offerings, supporting the Children of the Stars Handmade Shop, affiliated with the Taiwan Autistic Children's Family Support Association. • Held a “Day of Companionship, Love in Motion" volunteer event with counseling psychologists, engaging employees and their families to provide care and promote a positive CSR culture. • Donated supplies to Zhi-Shan Foundation, and Chen-Hsi Development Center. • Hosted a charity sale with booths from Yu-cheng Social Welfare Foundation, Mercyland Foundation, FortuneSeed Charity Association, and Wulove Home Care to support community welfare.	

2.3 Material Topics 2-25, 2-26, 2-29, 3-1, 3-2, 3-3

Material Topic Identification Process

Young Optics conducts a materiality assessment every two years. The initial assessment was completed in 2024, and the 2025 assessment will continue to follow up on its findings. 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 Contents 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.

Understand the organizational Contents	Impact assessment	Significance	Decide on a material topic
Identified 9 key stakeholders Screened out 33 sustainability issues	26 positive impacts、7 negative impacts 20 actual impacts、13 potential impacts	131 valid stakeholder concern questionnaires 21 materiality assessment questionnaires from director-level managers and above	16 material topics

2.3 Material Topics

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

2.3 Material Topics

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 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								○

2.3 Material Topics

Significance

The questionnaire respondents was conducted to identify issues of concern, targeting employees, customers, suppliers, and contractors, with 131 valid responses collected regarding stakeholder concerns on relevant issues.

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 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			

2.3 Material Topics

Material Topics List

Material topics	Effect/Impact	Actual/Potential Positive/Negative	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		●	●			5.2 Green Product
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		●		●	●	4.1 Climate Change Management
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

2.3 Material Topics

Material Topics List (Continued)

Material topics	Effect/Impact	Actual/Potential Positive/Negative	Affected stakeholders					Chapter
			Employees	Customers	Shareholders/ Investors	Government/ Authority	Suppliers/ Contractors	
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	●	●		●		4.4 Waste Management
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

2.3 Material Topics

Material Topics' Boundary

Category	Material topics	GRI Topic-specific standards	Chapter	Boundary							
				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	●		●	●				

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 2	• Taiwan factory donated supplies to Zhi-Shan Foundation and Chen-Hsi Development Center in January, February, May, July, and September.
SDGs 3	• Taiwan factory co-hosted the "Companionship in Action" volunteer event with counseling psychologists, encouraging employees to support community care through companionship and listening. • Taiwan and China factories conducted special operation inspections per local regulations, with 41 and 66 participants respectively. • Taiwan factory promoted various health checks, including free CT scans, cancer screenings, bone density, flu and pneumonia vaccines, with 212 participants.
SDGs 4	• Taiwan factory offered 225 training courses; China factory offered 43. • Taiwan factory recruited 6 youths for the Youth Employment Program, with 5 retained post-training and 87% satisfaction. • China factory's 129 employees passed vocational skills tests and received subsidies totaling RMB 270,660. • Sustainability training participation rate for indirect staff in Taiwan and China factory was 100%.
SDGs 5	• Females constitute 45% of global employees. • female directors account for 29%.
SDGs 6	• Wastewater recycling rates: Taiwan factory 15.88%. • Wastewater recycling rates: China factory 6.95%.
SDGs 7	• Taiwan factory achieved 1.13% average electricity savings. • Taiwan and China factories implemented 4 energy-saving projects, reducing about 560,000 kWh.
SDGs 8	• Taiwan factory employs 7 people with disabilities, and account for 1% of total staff. • The company complies with local minimum age laws, prohibiting child labor. • Established comprehensive occupational safety and health management aiming for zero injuries and accidents.
SDGs 10	• Hosted charity sales with Yu-cheng Social Welfare Foundation, Mercyland Foundation, FortuneSeed Charity Association, and Wulove Home Care. • Taiwan factory held 8 forums supporting foreign employees' workplace adaptation and fairness. • Taiwan factory partnered with the Hsinchu City Blood Donation Center to hold a corporate blood donation event, with a total of 293 participants donating 368 bags of blood; the China factory also organized voluntary blood donations, with approximately 20 employees participating.
SDGs 12	• Established a hazardous substances material list and a related statistical database to manage the use of hazardous substances. The surveys include third-party RoHS certification reports, hazardous substance questionnaires (covering RoHS 2, REACH SVHC, Annex 17, RU POPs, and over 300 substances under the US TSCA), safety data sheets (SDS), and material certifications. • Taiwan factory achieved 62% waste recycling rate; waste intensity decreased 20% in 2025 vs. 2024. • Annual sustainability report published.
SDGs 13	• Conducted climate impact and risk management assessments following TCFD framework.
SDGs 17	• Established the "Code of Integrity" and the "Integrity Operation Procedures and Conduct Guidelines." Directors, managers, employees, agents, or those with substantial control are prohibited from directly or indirectly offering, promising, requesting, or accepting any improper benefits, or engaging in other dishonest, illegal, or breach-of-trust behaviors to obtain or maintain benefits during business activities. • Young Optics' trading partners must comply with the "Supplier Conflict of Interest Management Measures" and sign a Supplier Integrity Commitment before transactions. In 2025, 69 new suppliers were added, all of whom signed the integrity commitment. • The company's employment contracts include an "Employee Integrity Code," with 100% employee compliance. • All indirect staff across the company have completed the online training course on "Integrity Management and Insider Trading Prevention," with 100% participation. • All 7 company directors completed the online training course on "Integrity Management and Insider Trading Prevention" and passed the course assessment.

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.

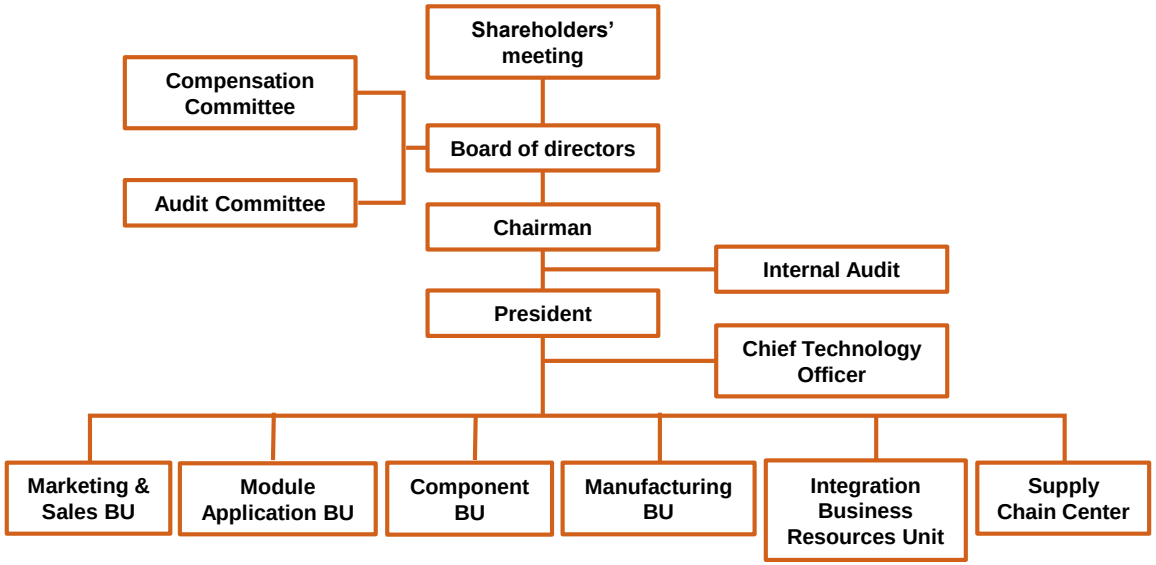
Board of Directors

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 9th Board of Directors was from June 19, 2024 to June 18, 2027. The Board convenes at least once every quarter and held 4 meetings in 2025. At these meetings, management reported business performance to the Board, which then resolved on major business strategies and investment plans. In 2025, the overall attendance rate of all directors was 93%, 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	2024	2025
Corporate Governance Evaluation Rating	Listed Company 36~50%	Listed Company 36~50%
Board of Directors Attendance Rate	98%	93%
Audit Committee Attendance Rate	100%	92%
Compensation Committee Attendance Rate	100%	83%
Directors' Training Hours	60 hours	53 hours

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 7 external directors, including 3 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 9 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 3 members aged 61–70, 1 aged 51–60, and 3 under 50, with an average age of approximately 55. To promote gender equality, the Board includes 2 female directors (29%), below the one-third threshold. We will assess the feasibility of appointing additional female independent directors to improve gender diversity in next directors election.

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.

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	●	●	●		75%
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	Wu, Hsiang-Hsun	Male	41-50	PhD of International Business, National Taiwan University Assistant Professor, College of Management, Yuan Ze University				●	100%
Independent director	Yuan, Wan-Ting	Male	61-70	Master of Guanghua School of Management EMBA, Peking University Chairman, Aces Electronics Co., Ltd.	●	●			75%
Independent director	Lai, Chin-Do	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 2025, 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 2025, 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
• Degree of understanding of the Company's goals and missions • Awareness of duties and responsibilities • Composition and structure of the Board • Appointment and succession planning of directors • Internal controls	• Alignment with the Company's goals and missions • Awareness of responsibilities • Degree of participation in Company affairs • Communication with internal departments • Self-discipline and continuous improvement • Internal controls	• Degree of understanding of the Company's goals and missions • Awareness of responsibilities of functional committees • Contribution to enhancing the functions of the Board • Appointment and execution of duties by committee members • Internal controls

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	• Establish or amend internal control systems • Assess the effectiveness of internal control systems • Establish or amend procedures for major financial activities (asset acquisition/disposal, derivatives, loans, endorsements, guarantees) • Review matters involving directors' conflicts of interest • Review major asset or derivatives transactions, significant loans, endorsements, or guarantees • Appoint, dismiss, or compensate CPAs; annually assess their independence and suitability • Review quarterly financial reports • Regularly communicate with internal audit supervisors and CPAs on major financial matters • Oversee 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	At least one meeting shall be held each quarter, and meetings must be convened by the convener.	At least two meetings shall be held annually.
Meetings Held in 2025	4	2
Attendance Rate in 2025	92%	83%

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:

1. Assisting directors in performing their duties by providing necessary information and arranging continuing education	2. Assisting with the procedural and regulatory compliance of functional committees, the Board of Directors, and the shareholders' meetings	3. Maintaining investor relations
• 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, 2025, and will be reported to the Board of Directors on October 23, 2025.	• 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 2025, 4 Board meetings, 4 Audit Committee meetings, and 2 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. • Report to the Board of Directors the review results regarding whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election, and during their tenure. On July 25, 2025, the Board was informed of the review results for 2025, confirming that all independent directors met the qualification requirements stipulated by pertinent laws and regulations throughout their terms. • Through the insider trading prevention training held in November 2025 and the quarterly distribution of the Board meeting manuals, directors were reminded of Article 10 of the Corporate Governance Best Practice Principles, which requires listed companies to respect shareholders' rights and prevent insider trading. It prohibits insiders from trading securities based on undisclosed material information. These regulations include stock trading control measures for insiders upon acquiring knowledge of the company's financial reports or related performance information, including (but not limited to) prohibiting directors from trading company stocks during the blackout periods—30 days before the annual financial report disclosure and 15 days before the quarterly financial report disclosure. An additional email reminder is sent before the start of each blackout period to prevent directors from inadvertently violating these regulations.	• 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.

3.2 Integrity Management

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 2025, 69 new suppliers were added, and all of suppliers submitted commitment letters.

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 2025, 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. Training is provided to all new hires, supervisors, and employees, highlighting required diligence and caution at work.

In September 2025, an online training course on Integrity Management and Insider Trading Prevention (offered in both Chinese and English, approximately 1 hour long) was conducted for all indirect staff across all factories (including Taiwan and overseas locations). The course covered principles of integrity management, insider trading prevention, and the company's integrity philosophy. A total of 530 indirect staff participated and passed the course assessment, achieving a 100% training completion rate.

In November 2025, the company arranged an online training course on integrity management and insider trading prevention for its directors. The course covered the principles of integrity management, insider trading prevention, and the company's integrity philosophy. All directors passed the course assessment.

Sarah Lin, Ken Wang, and Miranda Wang, directors of the company, respectively participated in the "2025 Insider Trading Prevention Seminar" and the "2025 Insider Equity Trading Compliance Seminar" organized by the Securities and Futures Market Development Foundation of the Republic of China. The seminars covered regulatory interpretations of insider trading, supervisory practices and common issues, internal controls and insider trading prevention including common deficiencies, regulations and clarifications on short-swing trading by insiders, practical reporting of insider equity transactions, and key points for reporting share acquisitions under Article 43-1, Paragraph 1 of the Securities and Exchange Act. These activities effectively promoted the prevention of insider trading.

In 2025, 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 2-12, 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 23, 2025.

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.

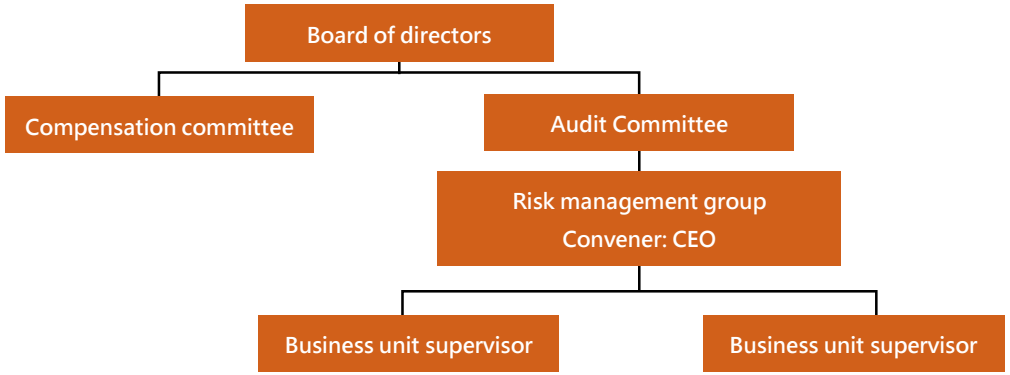
Purpose of Risk Management

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:

1 Risk Identification

The Risk Management Task Force analyzes all potential risks by considering industry characteristics, business activities, and ESG (including climate change) factors, using appropriate analytical tools. Operating units conduct "bottom-up" and "top-down" analyses, based on internal and external risk factors and stakeholder concerns, to identify events that may prevent the Company from achieving its objectives or cause financial or reputational harm.

2 Risk Analysis

For each identified risk, appropriate quantitative or qualitative metrics are developed. The analysis considers existing controls, historical data, industry benchmarks, probability, and potential impact to calculate risk value and determine its tolerance. This informs prioritization and mitigation planning.

3 Risk Evaluation

Risks are ranked based on analysis results and the effectiveness of existing controls. Priorities are established for follow-up actions.

4 Risk Response

Considering strategic goals, stakeholder expectations, risk tolerance, and available resources, the Risk Management Task Force selects appropriate response strategies. Measures are implemented and monitored for execution and effectiveness.

5 Monitoring and Review

Documentation from each risk management process (identification, analysis, evaluation, response, and monitoring) must be maintained. The Task Force reports annually to the Audit Committee and Board of Directors.

Risk Identification

In December 2024, business unit managers conducted risk identification based on management scope, considering internal and external risk factors as well as stakeholder concerns. Potential risk events that could prevent the company from achieving its objectives or cause loss or negative impact were identified. The risk management scope included but was not limited to strategy, operations, finance, information, regulatory compliance, integrity, and other operational risks. After considering expected outputs that may affect quality or environmental systems, a total of 16 internal/external issues were identified. By assessing stakeholder needs and expectations related to each issue, along with the impact/effect that generates risks or opportunities, the severity and likelihood of each issue were scored to distinguish risk levels. The results identified 7 high-risk, 28 medium-risk, and 12 low-risk items; and on the opportunity side, 3 high and 1 medium opportunity items. Business unit managers formulated strategies for risks and opportunities, including resource and timeline planning and monitoring methods. These were reviewed and the effectiveness of measures evaluated in May 2025.

No	Category	Issues
1	Financial Issues	Foreign exchange fluctuations, inflation, credit defaults, tariff, etc.
2	Operations and Profitability	Decline in applied product demand, sales concentration, insufficient operating funds, customer order reductions or cancellations, delayed customer payments.
3	Energy Resource Issues	Unstable water/electricity supply for residential or industrial use, renewable energy, energy saving, greenhouse gas reduction, carbon fees, carbon tariffs, local government policies or regulatory requirements.
4	Natural Disaster Issues	Natural disasters such as floods, droughts, fires, earthquakes, rising temperatures, etc.
5	Legal/Regulatory Issues	Requirements related to work environment, safety, and health.
6	Network/ Information Issues	Cyber threats to IT systems, including hacking, trojan infections, ransomware attacks, malware, network outages, rapid development of AI technologies, etc.
7	Intellectual Property	Infringement, misuse, imitation, patent application/protection, etc.
8	Market Issues	Insight into market new product development capabilities, production process technology improvements, etc.
9	Green Products	Compliance with international/national/customer product regulations, such as GP directives and product safety.
10	QMS/EMS Standards	Revisions/updates to QMS/EMS management systems.
11	Supply Chain Management	Monopoly of key technologies, insufficient capacity, delivery delays, logistics and transportation issues, rising procurement costs, increased geopolitical risks causing supply chain disruptions.
12	Product Quality	Delivery quality failing to meet customer requirements, increased demand for green products.
13	Service Quality	Product delivery delays.
14	Infrastructure	Unexpected events causing interruption or inability to maintain operations.
15	Workplace Environment	Wage fluctuations, labor shortages, loss of technical talent, human rights issues, talent development, chemical reporting and related training, contractor safety and health requirements, emergency drills, injuries or fatalities caused by fires, etc.
16	Environmental Protection	Penalties due to non-compliance with waste and wastewater treatment regulations.

No	Issues	Risk			Opportunity		Total
		High	Medium	Low	High	Medium	
1	Financial Issues	-	2	1	-	-	3
2	Operations and Profitability	-	3	-	-	-	3
3	Energy Resource Issues	-	2	1	-	1	4
4	Natural Disaster Issues	-	1	-	-	-	1
5	Legal/Regulatory Issues	-	-	1	-	-	1
6	Network/Information Issues	-	1	-	-	-	1
7	Intellectual Property	-	1	-	1	-	2
8	Market Issues	1	-	-	1	-	2
9	Green Products	2	2	1	-	-	5
10	QMS/EMS Standards	-	1	-	-	-	1
11	Supply Chain Management	1	4	-	-	-	5
12	Product Quality	-	2	2	1	-	5
13	Service Quality	3	3	1	-	-	7
14	Infrastructure	-	1	-	-	-	1
15	Workplace Environment	-	3	3	-	-	6
16	Environmental Protection	-	2	2	-	-	4
Total		7	28	12	3	1	51

High-Level Risks and Response Measures in 2025

Issues	Effect	Strategy
Market Issues	• 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.	• 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.
Green Products	• Submitted certificates of conformity failed to meet customer requirements, resulting in complaints.	• Identify and document customer environmental and regulatory requirements before product development.
	• 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.
Supply Chain Management	• 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.	• Prior to mass production, suppliers must complete quality/function/material approvals for submitted products.
Service Quality	• Shortages in key components and insufficient lead time (L/T) for delivery hinder timely procurement, material control, and production scheduling, resulting in production delays.	• Establish accurate stocking mechanisms to fundamentally address lead time constraints. • ERP systems integrating demand precisely to establish accurate stocking mechanisms. • Optimize supply chain delivery schedules through platform sharing and design development improvements
	• 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.	• 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. • 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 2025

Issues	Effect	Strategy
Financial Issues	• Imposed tariffs increase costs, affecting product price competitiveness and profitability.	• Consistently track international regulations, market developments, and customer feedback to proactively adapt strategies. • Established production bases in multiple countries to flexibly adjust production locations according to strategic needs. • Continue developing the supply chain to reduce the risk of trade barriers caused by geopolitical changes.
	• Increased foreign exchange losses negatively impact company profit.	• Sales quotations are primarily made in U.S. dollars, aligning receivables and payables in the same currency to achieve natural hedging. • Depending on the size of foreign currency positions, forward exchange contracts are considered to manage exchange rate risks.
Operations and Profitability	• Delayed payments of accounts receivable raise bad debt risk and affect operational cash flow planning.	• Regularly assess customer credit risks and payment status, and adjust collection terms and credit limits accordingly. • Sales personnel reconcile accounts with customers on a regular basis and monitor payment status. • Implement special control measures for customers with overdue payments. • If overdue payments may turn into bad debts, the sales team should promptly request assistance from the legal department to take legal action.
	• Declining customer demand increases order instability, leading to risks of obsolete inventory and unmet revenue targets.	• Request material cost compensation from customers or negotiate product End-of-Life (EOL) schedules with them. • Negotiate with suppliers to delay delivery or cancel orders for raw materials already ordered but not yet received. • Actively expand new customer base and participate in customer new product development through exhibitions and visits, increasing revenue and opportunities to reduce inventory.
	• Risk of failing to maintain normal operations, continuous supply to customers, and stable employment for staff.	• Provide weekly group cash flow reports and conduct regular cash flow forecasting. • Secure medium- to long-term credit lines from partner banks to support capital expenditures. • Regularly evaluate short-term, medium-term, and long-term interest rates of partner banks to obtain low-cost financing for cash flow management.

Medium-Level Risks and Response Measures in 2025(continued)

Issues	Effect	Strategy
Energy Resource Issues	• With the global transition toward net-zero emissions by 2050, major brands are establishing decarbonization pathways and requiring suppliers to conduct carbon inventories and formulate emissions-reduction plans. In addition, carbon-related regulations such as the EU' s CBAM and the U.S. CCA may increase future import and export costs for businesses.	• Conduct GHG inventory and verification; complete GHG inventory report. • Develop GHG emission reduction plans. • Taiwan factory assess use of green electricity or self-generated power. Kunshan factory is equipped with photovoltaic generation, monthly electricity output contributes 27.7%, reducing electricity costs. • Implement the site energy-saving plan and set a target of achieving 10% electricity savings over 10 years of Taiwan factory . Promote electricity conservation, evaluate equipment efficiency, replace underperforming equipment, and install energy-efficient equipment.
	• Power restrictions/outages reduce operational stability	• Survey high-energy-consuming equipment and limit its operating frequency and hours. • In response to announcements from the power utility, implement preventive production stoppages to minimize potential equipment damage. • Monitor energy information and management mechanisms: ▸ Ensure the availability of UPS (uninterruptible power supply) systems for critical equipment. ▸ Monitor the temperature, humidity, and power consumption of server rooms to optimize energy efficiency. ▸ Activate the emergency response plan in the event of abnormalities and adjust production schedules accordingly. ▸ Coordinate with power restrictions while flexibly adjusting production to meet shipment requirements. This initiative is ongoing. ▸ Monitor suppliers' delivery schedules to ensure on-time shipments. • Establish an energy management system in the future to improve energy efficiency and reduce carbon emissions.
Natural Disaster Issues	• 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.	• Integrated supply chain planning is the best defense against market uncertainty • Develop resilient supply chain strategies to avoid disruptions：disruptions—diversify suppliers and manufacturing partners • 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.
Network/ Information Issues	• 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.	• Implement multi-factor authentication to protect employee and system accounts, effectively preventing unauthorized access. • Use static IP addresses for servers and apply firewall rules to block unauthorized device connections. • Encrypt internal sensitive documents to reduce the risk of information leakage. • Install antivirus software and endpoint protection systems, and engage external cybersecurity providers for defense support. • Join cybersecurity alliance organizations to share and utilize threat intelligence for timely updates on threats. • Use cloud backup to minimize the risk of data loss caused by disasters. • Conduct regular disaster recovery drills to minimize business disruption during emergencies. • Provide regular cybersecurity awareness training for employees to reduce vulnerabilities.
Intellectual Property	• 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.	• Establish an intellectual property (IP) unit to manage infringement risks related to product and technology development, and to prevent IP violations. • Apply for and obtain intellectual property rights to gain counterbalancing leverage and strengthen the company's position in handling IP disputes. • Include IP searches and evaluations as part of product and technology development assessment processes.
Green Products	• Failure to monitor and implement legal and regulatory requirements in a timely manner results in non-compliance risks.	• Clearly define responsible units to collect and update applicable laws and regulations, customer environmental specifications, product standards, and other related requirements.
	• 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.

Medium-Level Risks and Response Measures in 2025(continued)

Issues	Effect	Strategy
QMS/EMS Standards	• 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.	• 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.
Supply Chain Management	• Failure to monitor customer demand trends in a timely manner results in continued production, increased inventory turnover days, and impaired operational performance.	• 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.
	• Failure to maintain continuous supply in the event of anomalies poses a risk of disrupted supply, affecting customer delivery schedules and quantities, potentially leading to compensation claims from customers.	• Integrated supply chain planning is the best defense against market uncertainty. • Develop resilient supply chain strategies to avoid disruptions—diversify suppliers and manufacturing partners. • 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 to maintain capacity and inventory buffers.
Product Quality	• 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.	• 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.
	• 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.	• Quality Assurance conducts process and product audits to confirm the effectiveness of implementation and identify potential risks that may not have been previously recognized.
Service Quality	• Damage to equipment or production molds, material shortages, production technology bottlenecks, labor shortages, or force majeure events (such as natural disasters or man-made disasters) may disrupt the production and sales process, resulting in customer complaints or claims for compensation.	• Promote technical knowledge exchange through site visits, technical sharing, and seminar participation to improve production technology and efficiency, and monitor production yield. • Response measures are implemented in accordance with government announcements to safeguard employee health and ensure continuity of production operations.
	• Products may be damaged during transportation, or that transportation capacity may become unavailable (for example, due to sudden natural disasters, international developments, or cargo management issues), resulting in delivery delays and customers receiving defective products or incurring property losses.	• Priority is given to on-time delivery, utilizing whatever transportation means are available at the time to achieve the on-time delivery. • Updates on international transportation conditions are provided to relevant departments, with early coordination with customers and suppliers to address transportation disruptions caused by force majeure events.
Infrastructure	• Delayed product deliveries to customers and production interruptions resulting in operational losses. • Employee injuries or inability to work due to business disruptions.	• Backup production capacity is established across multiple factories; production is also conducted at leased facilities in nearby areas. • The company has insured property, business interruption, and employer liability coverage.

Medium-Level Risks and Response Measures in 2025(continued)

Issues	Effect	Strategy
Workplace Environment	• 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.	• Label chemicals with SDS hazard information and Hazard Identification Cards (H Cards) to protect worker safety. • 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.
	• Human rights violations may compromise employee health, disrupt operations, and damage our image.	• Eliminate all forms of human rights violations and infringements and maintain open and accessible grievance channels. • Implement digital management systems for alert notifications, access control, and working hour monitoring (to prevent overtime abuse).
	• 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.
Environmental Protection	• Improper classification of recyclables leads to increased waste generation, inefficient resource utilization, and higher waste disposal costs.	• 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.
	• Wastewater discharge that fails to meet local regulations could result in fines and environmental pollution.	• Conduct engineering work for wastewater discharge pipelines. • Submit water usage plan for review; Obtain registration and permit approval for water pollution prevention measures/process wastewater discharge from the Science Park Bureau.

Low-Level Risks and Response Measures in 2025

Issues	Effect	Strategy
Financial Issues	• Global inflation, rising raw material costs, and increasing labor and related expenses have led to lower returns on investment, resulting in declining gross margins that affect the company's profitability.	• Actively develops niche product markets and customers to enhance profitability. • Alternative materials are sought to mitigate the impact of rising raw material costs, and selling prices are reviewed and adjusted on a customer-by-customer basis where appropriate to maintain balance. • Process management and technology are continuously improved to strengthen cost competitiveness and improve profit margins.
Energy Resource Issues	• Failure of chillers, air compressors, or the pure water system may result in abnormal production conditions and equipment downtime, affecting production.	• Sufficient backup water reserves are maintained to address emergency situations or scheduled water supply interruptions announced by the authorities, mitigating this risk. • Daily conservation measures are implemented, and production schedules are adjusted in coordination with government-announced water supply interruption plans, mitigating this risk. • Water conservation is promoted among employees.
Legal/Regulatory Issues	• Failure to safeguard employee rights may result in non-compliance or complaints, leading to potential disputes that affect the Company's reputation and expose it to penalties. • Violations of legal requirements resulting in environmental pollution may lead to administrative penalties, fines, mandated corrective actions within a specified period, or even suspension of operations.	• Regulatory identification is conducted covering laws and regulations related to integrity, occupational safety and health, environmental protection, human resources, and sustainability, as well as customer and supplier requirements. • Production and operational processes are required to comply with environmental regulations. • Internal training is conducted to ensure managers and employees understand and implement applicable regulations.
Green Products	• Failure to communicate international regulations and customer requirements to all employees may result in weak environmental awareness, such that operational practices could violate applicable requirements.	• A mandatory training curriculum by job function has been adopted, with the CE unit responsible for developing training materials, and all employees undergo GP training and assessments.
Product Quality	• 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.	• Quality Assurance conducts process and product audits to confirm the effectiveness of implementation and identify potential risks that may not have been previously recognized. • 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.

Low-Level Risks and Response Measures in 2025(continued)

Issues	Effect	Strategy
Service Quality	• Products may be damaged during transportation, or that transportation capacity may become unavailable (for example, due to sudden natural disasters, international developments, or cargo management issues), resulting in delivery delays and customers receiving defective products or incurring property losses.	• Product packaging is designed and verified in accordance with the transportation test work instructions, and must pass simulated transportation testing to ensure that customers do not receive complaints regarding packaging damage.
Workplace Environment	• Failure of contractors to comply with the company's safety and hygiene requirements may result in occupational safety incidents or environmental pollution impacts.	• Contractors are subject to pre-entry document review, environmental hazard communication, and required training, as well as management during and after work, to ensure construction safety and reduce the likelihood of environmental pollution impacts.
	• Fire incidents may result in casualties and property losses.	• Self-inspection checklists for fire safety equipment and fire prevention/evacuation facilities are used to confirm the normal operation of fire safety equipment. • Annual fire safety equipment inspection and report. • Annual emergency response drills are conducted by the ERT. • An emergency response management plan is in place. • Property insurance, business interruption insurance, and employer liability insurance, among others, are maintained.
	• Unsafe working conditions may increase the risk of occupational injuries and affect production efficiency.	• Workplace environmental monitoring is conducted to confirm that working conditions do not adversely affect employee health. • Health examinations are conducted for personnel engaged in special operations, and required qualifications/licenses are obtained for designated personnel. • Regular 6S environmental inspections are conducted. • Working environments and facilities are maintained in compliance with applicable labor-related laws and regulations. • Safety precautions are incorporated into WI, with operators required to follow them to prevent safety incidents, and regular personnel training is conducted to ensure personnel competency.
Environmental Protection	• Improper handling of waste resulting in environmental pollution impacts may expose the Company to administrative penalties, fines, mandated corrective actions within a specified period, compensation liabilities, or even suspension of operations.	• Waste generated on-site is disposed of through qualified licensed waste management contractors. • Triplicate manifest declarations are filed for waste transport, contractors are required to provide documentation confirming proper disposal and waste flow, and audits of waste management contractors are conducted.
	• Aging incineration equipment and incineration capacity reaching saturation have led to suspensions in general industrial waste collection, requiring temporary on-site storage of waste.	• A temporary storage area for general industrial waste is planned and established. • Communication efforts are strengthened to ensure that waste-generating units properly sort waste and recyclables, thereby reducing waste generation.

High-Level and Medium Opportunities and Response Measures in 2025

Issues	Level	Effect of the Opportunity	Response Measures
Intellectual Property	High	• Acquiring intellectual property rights helps exclude competitors and enhances product and technological competitiveness. ◦	• R&D and engineering personnel are trained in patent and intellectual property search and interpretation capabilities, enhancing R&D competitiveness.
Market Issues		• New technology application products are developed to expand the product line, increasing the Company's revenue and market share.	• International trends are actively monitored to develop new technologies, products, and applications, while new technologies, processes, and equipment are introduced and R&D personnel are recruited, enhancing the Company's core technology and process capabilities, reducing costs, and improving competitiveness.
Product Quality		• Manufacturing-related elements are integrated and optimized to enhance corporate competitiveness and profitability, strengthening the Company's role and value within the global supply chain — extending from cost, quality, and delivery to minimum order quantities and customized service satisfaction.	• Production scheduling is balanced across the three factors of quality, time, and cost to meet customer delivery requirements, with constraints and scheduling rules adjusted based on production mode, production needs, and order conditions to develop a reasonable production plan. • Strategy meetings and management meetings are held to clarify the Company's mission and objectives, and to assess the external environment and the Company's own resource conditions. • Organizational design is adjusted in line with the Company's strategic objectives to ensure effective division of labor and collaboration, clarifying employees' authority and responsibilities to ensure sound organizational operation.
Energy Resource Issues	Medium	• This enhances international visibility, attracts sustainable investment, and accelerates sustainability transformation and commitments.	• In accordance with the phased roadmap for listed companies under the IFRS Sustainability Disclosure Standards implementation blueprint, greenhouse gas inventories and assurance are completed by phase for each site, and sustainability information is prepared in accordance with the IFRS Sustainability Disclosure Standards.

3.4 Information Security Management

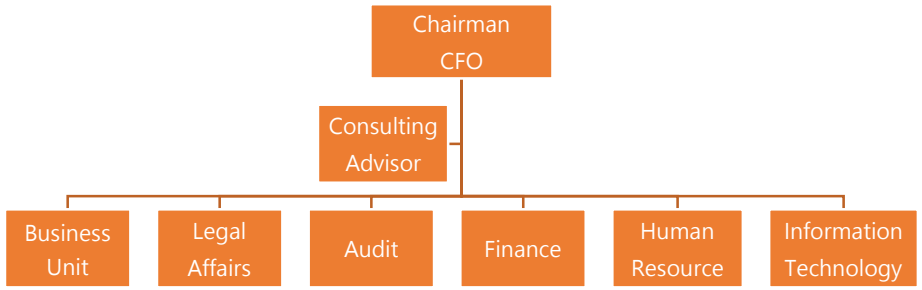
2-23, 2-24, TC-HW-230a.1

Young Optics is a member of the Science Park Information Sharing and Analysis Center (SP-ISAC), the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), and the CISO Association, and actively participates in information security training and seminars organized by these organizations to achieve the dual synergy of threat intelligence sharing and cross-sector security collaboration. In 2020, the Company established an "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 23, 2025.

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, , thereby ensuring the Confidentiality, Integrity, and Availability of information.
- 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.

Information 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.

Resources Invested in Information and Communication Security Management

We places significant emphasis on information security. In 2025, NT$4.10 million was invested in information security-related software resources and hardware equipment, and a budget for information security has been allocated for 2026 to continue introducing innovative security defense technologies, ensuring that the security architecture's protective capabilities keep pace with evolving threats.

2025 Information Security Management Initiatives

Enhancing Employees' Information Security Awareness

- In March, May, and September 2025, information security threat advisories and information security awareness newsletters were issued, covering recent security incidents and related information security updates.
- In December 2025, an email social engineering drill was conducted to enhance employees' vigilance regarding email-based threats, reducing the risk of network security incidents or personal data breaches caused by exposure to malicious emails.
- In December 2025, a company-wide information security awareness online training course was held to help employees understand the importance of information security, enhance their security awareness and response capabilities, and effectively manage information security risks.

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 89 on the platform, The Company's average score on this platform this year was 89 points, a slight improvement of 1 point compared to last year, and higher than the industry average of 82 points.

Computer Security Management

- 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.
- 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.

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

- Use malicious email filtering system powered by AI/ML technology, which automatically blocks highly sophisticated and covert malicious attacks, defending against increasingly severe phishing, malware intrusions, and Business Email Compromise (BEC) attacks. This provides comprehensive email protection, effectively reducing the risk of various emerging targeted email attacks.

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 September 2025.

2025 Information Security Management Initiatives

Introduction of Managed Detection and Response (MDR)

- MDR services have been implemented on all server hosts, 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.

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.

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.

Network Access Control (NAC) and Real-Name Network Management

- User and device identities are verified to prevent unauthorized access and to prevent unidentified or infected devices from directly accessing the internal network. Guest devices and IoT devices are segregated from internal systems to reduce the threat of lateral movement, strengthening internal network security and reducing the likelihood of information security incidents.

Network Detection and Response (NDR) System

- To strengthen the security and visibility of internal network usage, NDR is used to monitor internal network activity, integrating logs from various systems into a Security Information and Event Management (SIEM) system for event correlation. This is outsourced to a third-party Security Operations Center (SOC) for managed services, enabling early detection and warning of risky network behavior, and blocking information security threats before they materialize.

AI Tool Usage Management Guidelines

- Employees are guided to avoid inputting the Company's trade secrets, core technologies, or customer personal data into public AI models (such as generative AI) while leveraging AI tools to drive technological innovation, in order to prevent confidential information from being exposed through model training and to avoid violations of laws and regulations resulting from improper use.

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 412 employees completing the program, totaling 206 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. If causing damage to the Company's interests, offenders shall bear civil, criminal, and administrative liability under applicable law.
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 Manage 2-23, 2-24

Young Optics in accordance with the framework issued by the Financial Stability Board (FSB) under the Task Force on Climate-related Financial Disclosures (TCFD), conducts a biennial assessment of the impacts and effects of climate change on our company. This assessment is based on the four core elements — Governance, Strategy, Risk Management, and Metrics & Targets — as well as 11 specific indicators. Through this process, we effectively manage the risks and opportunities brought by climate change. The implementation status of each indicator is described in detail below. Our next scheduled assessment year is 2026.

Description of Roles and Responsibilities in Risk Management Organization

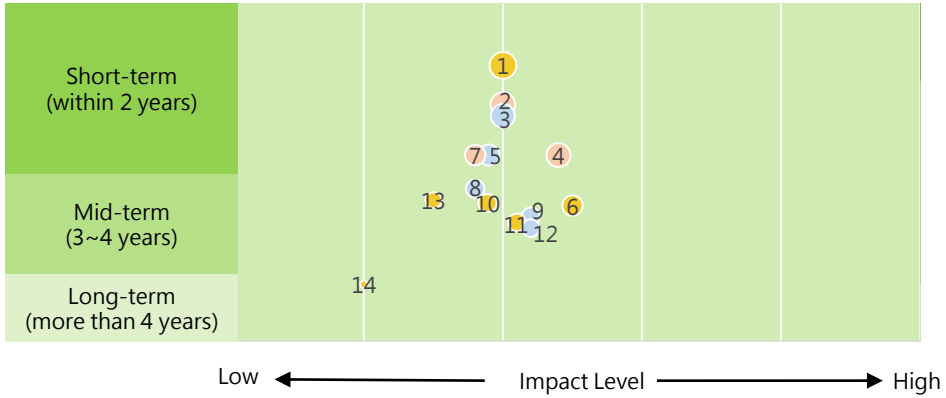
Board of directors	The Board of Directors is the highest governance body for risk management. It is responsible for approving risk management policies and related regulations, supervising, and ensuring the effective implementation and execution of the overall risk management mechanism.
Audit Committee	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.

<table>
<tr><th>Main Core</th><th>Disclosures</th><th colspan="3">Contents</th></tr>
<tr><td rowspan="2">Governance</td><td>Board Oversight of Climate-related Risks and Opportunities</td><td colspan="3">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.</td></tr>
<tr><td>Role of Management in Assessing and Managing Climate-related Risks and Opportunities</td><td colspan="3">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.</td></tr>
<tr><td rowspan="4">Strategy</td><td rowspan="3">Identified Short-, Medium-, and Long-term Climate-related Risks and Opportunities</td><td></td><td>Transition Risks</td><td>Opportunities</td></tr>
<tr><td>Short-term</td><td>Policies and regulations, carbon emission reporting obligations, Bureau of Energy’ s annual 1% electricity reduction requirement, Taiwan electricity price increases, and renewable energy obligations.</td><td>None.</td></tr>
<tr><td>Mid-term</td><td>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.</td><td>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.</td></tr>
<tr><td>Long-term</td><td>Changes in customer behavior, market uncertainties, rising raw material costs, and increasing customer demand for green products.</td><td>Participation in renewable energy projects and adoption of energy-saving measures, energy substitution/diversification, and enhancement of resilience against natural disasters.</td></tr>
<tr><td>Impacts of Climate-Related Risks and Opportunities on Business, Strategy, and Financial Planning</td><td colspan="3">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.</td></tr>
<tr><td>Resilience of the Strategy Considering Different Climate-related Scenarios</td><td colspan="3">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.</td></tr>
</table>

<table>
<tr><th>Main Core</th><th>Disclosures</th><th>Contents</th></tr>
<tr><td rowspan="3">Risk Management</td><td>Process for Identifying and Assessing Climate-related Risks</td><td>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-term, medium-term, and long-term climate-related risks and opportunities within the Company’ s operational scope.</td></tr>
<tr><td>Process for Managing Climate-related Risks and Opportunities</td><td>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.</td></tr>
<tr><td>Integration of Climate-related Risk Identification, Assessment, and Management into the Overall Risk Management System</td><td>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.</td></tr>
<tr><td rowspan="3">Metrics & Targets</td><td>Indicators Used to Assess Climate-Related Risks and Opportunities in Line with Strategy and Risk Management Processes</td><td><table><tr><th>Targets</th><th>Performance Indicators</th></tr><tr><td>Waste Generation Intensity</td><td>Reduce waste generation intensity by 5%</td></tr><tr><td>Reduce Waste Generation</td><td>50% resource recovery rate</td></tr><tr><td>Climate Change Management</td><td>3% reduction in GHG emissions</td></tr><tr><td>Reduce Electricity Consumption</td><td>Annual electricity savings >1%</td></tr><tr><td>Manufacturing Efficiency</td><td>Improve manufacturing efficiency by 10%</td></tr><tr><td>Wastewater Recycling Rate</td><td>Increase wastewater recycling rate by 15%</td></tr></table></td></tr>
<tr><td>Greenhouse Gas Emissions and Related Risks</td><td>In 2023, Young Optics officially implemented a carbon inventory system to systematically manage GHG data. In May 2026, 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 2025 are presented in the table below.<table><tr><th>Category 1</th><th>Category 2</th><th>Category 3</th><th>Category 3</th><th>Total</th></tr><tr><td>898.5</td><td>9,955.4</td><td>448.4</td><td>3,791.5</td><td>15,093.8</td></tr></table>Unit : tCO_2e</td></tr>
<tr><td>Targets Used to Manage Climate-Related Risks and Opportunities and the Performance in Achieving Them</td><td><table><tr><th>Targets</th><th>2025 Performance Indicators</th><th>2025 Implementation Results</th></tr><tr><td>Waste Generation Intensity</td><td>Reduce waste generation intensity by 5%</td><td>Achieved: Waste intensity reduced by 20% compared to 2024.</td></tr><tr><td>Reduce Waste Generation</td><td>50% resource recovery rate</td><td>Achieved: Resource recycling rate reached 62%.</td></tr><tr><td>Climate Change Management</td><td>3% reduction in GHG emissions</td><td>Achieved: Category 1 + Category 2 emission reduction reached 5.23%.</td></tr><tr><td>Reduce Electricity Consumption</td><td>Annual electricity savings >1%</td><td>Achieved: Average energy saving rate 1.13%.</td></tr><tr><td>Manufacturing Efficiency</td><td>Improve manufacturing efficiency by 10%</td><td>Achieved: Process improvement rate reached 13%.</td></tr><tr><td>Wastewater Recycling Rate</td><td>Increase wastewater recycling rate by 15%</td><td>Achieved: Wastewater recycling and reuse rate 15.88%.</td></tr></table></td></tr>
</table>

Climate Change Risks and Opportunities

In 2025, based on the climate risk and opportunity identification results from 2024, Young Optics will continue to monitor the changes and impact levels of six transition risks, three physical risks, and five climate-related opportunities. We will also review the effectiveness of existing response measures. The major climate risks faced by our company are primarily related to regulations and policy requirements, including electricity saving targets set by energy authorities, electricity price adjustment mechanisms, and obligations for large electricity consumers to install or procure renewable energy. To address these risks, our company continues to promote energy-saving management strategies, including strengthening mechanisms for managing energy demand and usage, and replacing low-efficiency equipment to reduce electricity consumption and improve energy efficiency. At the same time, we assess the feasibility of introducing renewable energy to mitigate potential policy risks and reduce their impact on operating costs.



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.
10	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
2	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

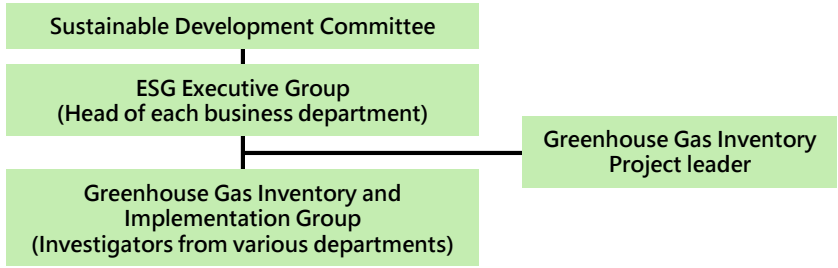
2-23, 2-24, 305-1, 305-2, 305-3, 305-4, 305-5

Greenhouse Gas Inventory Policy Statement

Sustainable development is a key global indicator for addressing environmental challenges, and corporate sustainability is a concrete manifestation of social responsibility. Young Optics is committed to continuously advancing Environmental, Social, and Governance (ESG) development, striving to achieve the vision of sustainable management. Since 2023, the company has adhered to the ISO 14064-1 standard, formally establishing a greenhouse gas inventory and information disclosure mechanism. In addition to implementing annual inventory work, we also set reduction targets based on scientific data and actively promote various carbon reduction actions.

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 on the right:



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 2025, 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 of right.

Category / Factory area	Taiwan	Kunshan	Suzhou	Bangladesh	Total
Category 1	898.5	265.9	3.2	122.9	1290.5
Category 2	9,955.4	2,217.4	33.1	2,541.3	14,747.2
Category 3	448.4	51.5	3.0	-	502.9
Category 4	3,791.5	781.7	45.5	696.1	5,314.8
Category 1+2	10,853.9	2,483.3	36.4	2,664.2	16,037.8
Category 1~6	15,093.8	3,316.4	84.8	3,360.3	21,855.3

Greenhouse Gas Inventory Results – Taiwan Factory

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. ◦ In 2025, the total greenhouse gas (GHG) emissions of Young Optics' Taiwan site amounted to 15,093.8 tons of CO_2e, representing a 9.95% reduction compared to the baseline year of 2023 and a 5.63% decrease from the previous year. This achievement meets the performance targets set by the Sustainability Development Committee.

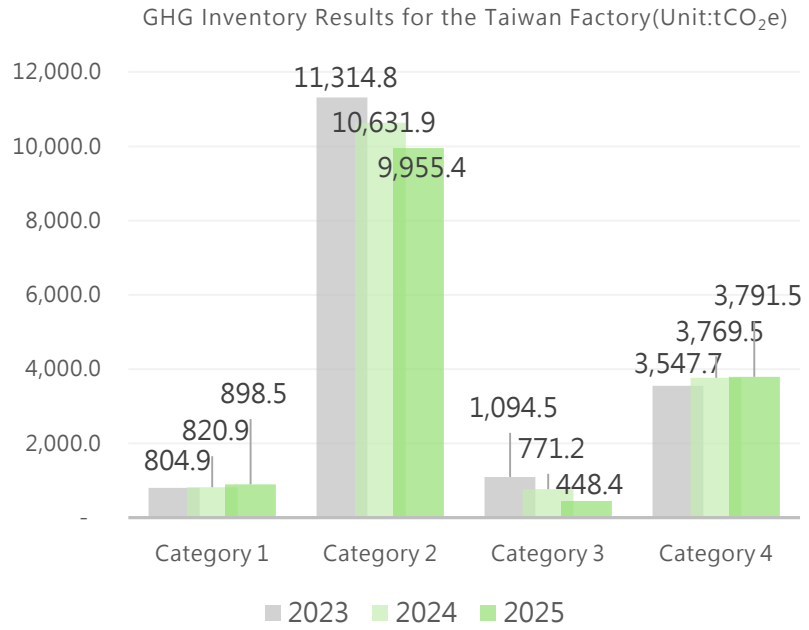
This year, the company has continued to implement greenhouse gas (GHG) inventory management and promote related reduction initiatives. Scope 3 inventory has been expanded to include upstream transportation and distribution of goods. Additionally, the downstream transportation inventory boundaries and methodologies have been reviewed and optimized based on trade terms to ensure data more accurately reflect actual operational conditions.

Through proactive energy-saving measures, including replacing lighting with energy-efficient equipment and continuously optimizing equipment operation efficiency, the company has effectively reduced indirect emissions from Scope 2 purchased electricity. At the same time, we have promoted the electrification of official vehicles, achieving a full replacement with electric vehicles by 2025. This has reduced the direct emissions from mobile combustion under Scope 1 to zero.

Furthermore, the company has encouraged the use of video conferencing to reduce business travel demand. Notably, in 2025, business travel related to overseas product development and technology transfer projects has been significantly reduced, leading to a substantial decrease in business travel emissions under Scope 3.

GHG Inventory Results for the Taiwan Factory(Unit: tCO_2e)					
Category/Year	2023 (the base year)	2024	2025	Reduction Status of 2025	
				Reduction rate (compare to 2023)	Compare to 2024
Category 1	804.9	820.9	898.5	11.62%	9.46%
Category 2	11,314.8	10,631.9	9,955.4	-12.01%	-6.36%
Category 3	1,094.5	771.2	448.4	-59.03%	-41.86%
Category 4	3,547.7	3,769.5	3,791.5	6.87%	0.58%
Category 1+2	12,119.7	11,452.7	10,853.9	-10.44%	-5.23%
Category 1~4	16,761.9	15,993.5	15,093.8	-9.95%	-5.63%

GHG Emission Intensity of the Taiwan Factory(Unit: tCO_2e per NT$ million)			
Category/Year	2023	2024	2025
Category 1+2	4.41	5.34	5.07
Category 1~4	6.10	7.46	7.04



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 2025/1/1 to 2025/12/31, 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**

In 2025, the China sites (Kunshan and Suzhou) emitted 269.2 tCO_2e in Scope 1 (7.91% of total). The majority of emission are from Scope 2:purchased electricity, was 2,250.5 metric tCO_2e (66.17%). Scope 3 and 4 combined emissions totaled 881.6 tCO_2e (25.92%). Compared to 2024, Scope 2 dropped by 255.0 tons due to less electricity use; Scope 3 decreased by 45.1 tons due to changes in freight calculation criteria ; Scope 4 fell by 312.5 tons due to revised goods calculation criteria and lower energy procurement.

- **Bangladesh Factory**

The Bangladesh site' s Scope 1 emissions were 122.9 tCO2e (3.66%). Scope 2, the main emission, was 2,541.3 tCO2e (75.63%). Scope 4 emissions were 696.1 tCO2e (20.72%). Compared to 2024, Scope 1 decreased mainly from less fire extinguisher refilling, while Scope 2 and 4 rose due to more workdays and higher production capacity.

GHG Emissions of China Factories(Unit: tCO_2e)

Year	2023			2024			2025		
Category / Factory area	Kunshan	Suzhou	Total	Kunshan	Suzhou	Total	Kunshan	Suzhou	Total
Category 1	232.1	4.6	236.7	258.1	4.5	262.6	265.9	3.2	269.2
Category 2	2,896.0	34.7	2,930.6	2,472.3	33.2	2,505.5	2,217.4	33.1	2,250.5
Category 3	52.8	3.2	56.0	84.7	14.8	99.5	51.5	3.0	54.4
Category 4	826.8	7.9	834.7	1,124.9	14.7	1,139.6	781.7	45.5	827.1
Category 1+2	3,128.0	39.3	3,167.3	2,730.4	37.7	2,768.1	2,483.3	36.4	2,519.7
Category 1~4	4,007.6	50.4	4,058.0	3,940.0	67.1	4,007.1	3,316.4	84.8	3,401.2

GHG Emission of the Bangladesh Factory (Unit: tCO_2e)

Category / Factory area	2023	2024	2025
Category 1	176.2	666.9	122.9
Category 2	2,455.3	2150.3	2,541.3
Category 3	-	-	-
Category 4	512.1	308.9	696.1
Category 1+2	2,631.5	2817.2	2664.2
Category 1~4	3,143.6	3126.1	3360.3

Note 1: Update of the 2024 power emission data for the Bangladesh factory.

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 Expenditures

In 2025, 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 2025 amounted to approximately NT$2.79 million, and for the China factory, approximately RMB 960,000. The expenditures were mainly invested in water resource management and waste treatment to preserve water resources and properly handle waste, thereby reducing the environmental impact of the production process.

	Environmental Expenditures of 2025			
Factory/Category	Air	Water	Waste	Total
Taiwan Factory (NT$ dollars)	48,610	1,517,137	1,232,346	2,798,093
China Factory (RMB$ dollars)	0	785,000	175,236	960,236

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.

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 targets for 2025 are a 50% resource recycling rate and a 5% reduction in waste generation intensity at the Taiwan site. Both targets were achieved in 2025. Moving forward, we will continue to advance waste reduction efforts to strengthen sustainable operations.

Targets	Indicator	2025 Performance
Waste Generation Intensity	Reduce waste generation intensity by 5%	Achieved, waste intensity in 2025 decreased by 20% compared to 2024.
Waste Reduction	Resource recycling rate of 50% for the year	Achieved, the waste recycling rate in 2025 reached 62%.

In 2025, the Taiwan sire generated a total waste volume of 289,554 kilograms, with 180,816 kilograms recycled, achieving a recycling rate of 62%. The waste intensity for the Taiwan factory was 0.149 kg per thousand NT dollars of revenue in 2024, and it decreased to 0.119 kg per thousand NT dollars of revenue in 2025, representing a 20% reduction compared to 2024.

Recycling Rate of Taiwan Site			
Item	Unit	2024	2025
Resource Recycling Volume	kg	212,356	180,816
Total Waste Volume	Kg	318,533	289,554
Resource Recycling Rate	%	**67%**	**62%**

Waste Generation Intensity of Taiwan Site			
Item	Unit	2024	2025
Total Waste Volume	kg	318,533	289,554
Revenue	Thousand NTD	2,142,915	2,435,694
Waste Intensity	kg / Thousand NTD Revenue	0.149	0.119
2025Waste Intensity Reduction Rate	%		-20%

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. In 2025, the Taiwan site used regenerated ion exchange resin, with a reuse amount of 7.24 metric tons. In 2025, the Taiwan site generated 289.55 metric tons of waste, of which 98.65% was general waste and 1.35% was hazardous waste; the China factory generated 70.99 metric tons of waste, with 99.91% general waste and 0.09% hazardous waste.

Category	Site	Taiwan		China	
	Intermediate processing/Year	2024	2025	2024	2025
General industrial waste	Physical handling	7.09	6.66	0.01	-
	Landfill	4.68	9.34	2.72	1.04
	Incineration	79.99	78.48	13.20	10.60
	Thermal treatment	-	3.11	-	-
	Reuse	-	7.24	31.82	23.84
	Resource recycling	-	180.82	47.75	35.48
	Total amount	317.39	285.65	95.49	70.96
	Proportion$_1$	99.17%	98.65%	99.96%	99.91%
Hazardous Industrial waste	Chemical Treatment	0.49	0.11	-	-
	Physical handling	-	-	-	-
	Incineration	1.97	3.79	0.02	0.03
	Total a	2.66	3.91	0.02	0.03
	Proportion$_2$	0.83%	1.35%	0.04%	0.09%
Total Waste Output (metric tons)		**94.23**	**289.55**	**95.51**	**70.99**

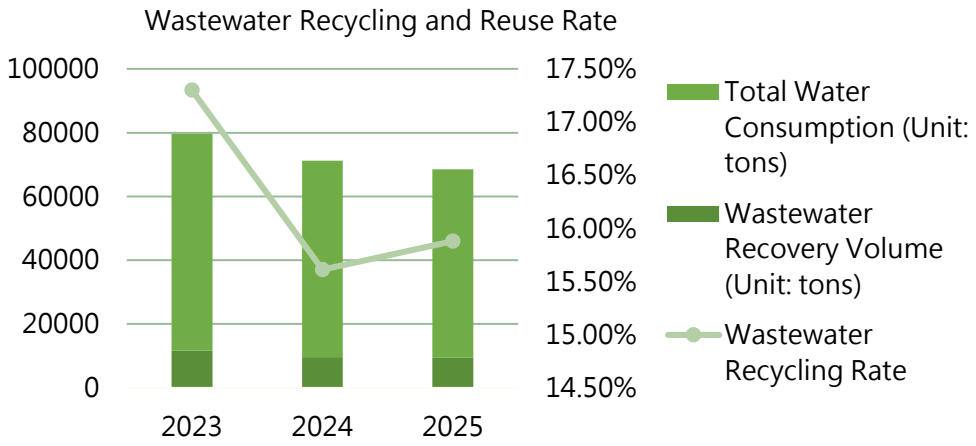
Note 1: The proportion of general waste to the total waste generated by the factory in the given year.
Note 2: The proportion of hazardous waste to the total waste generated by the factory in the given year.

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 2025, the total water consumption of the Taiwan site was 59,1517 tons, with 9,391 tons of wastewater recycled, achieving a wastewater recycling rate of 15.88%, meeting the management target of 15%. The China site annual water consumption was 17,974 tons, with 1,250 tons of wastewater recycled, resulting in a recycling rate of 6.95%. Although the China site is currently not included in the performance indicator scope of this report, its environmental data is proactively disclosed for stakeholder reference based on the principles of information transparency and continuous improvement of disclosure boundaries.



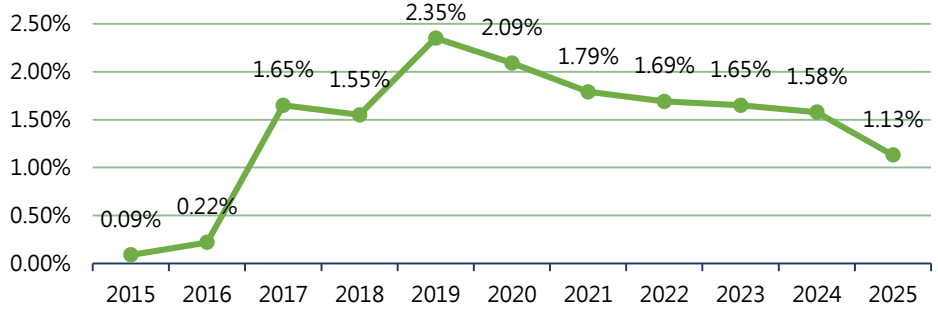
Water Usage In The Past 2 Years (Unit: tons)				
Category/Site/Year	Taiwan		China	
	2024	2025	2024	2025
Total Water Consumption	61,607	59,151	22,321	17,974
Wastewater Recovery Volume	9,618	9,391	1,500	1,250
Wastewater Recycling Rate (Wastewater Recovery ÷ (Water Consumption + Wastewater Recovery))	15.61%	15.88%	6.72%	6.95%

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. The Taiwan factory achieved an average annual electricity savings rate of 1.13% in 2025, meeting the management target.

Goal	Target	Result of 2025
Electricity Consumption Reduction	Average Annual Electricity Savings Rate > 1%	Target Achieved, with an Average Savings Rate of 1.13% in 2025

Taiwan Factory Average Annual Electricity Savings Rate (%) Over the Years



Energy Usage Status

In 2025, the Taiwan factory consumed 21,000,725 kWh of electricity, a decrease of 520,550 kWh compared to 21,521,275 kWh in the previous year. The China factory consumed 3,785,173 kWh, down 453,892 kWh from 4,239,065 kWh the year before.

To reduce energy consumption, our company not only analyzes the energy usage of individual equipment and implements equipment replacement for energy savings, but will also continue to focus on data diagnostics, intelligent control, and renewable energy initiatives in the future.

Energy Usage in the Past 2 Years	Taiwan factory		China factory	
Item/Year	2024	2025	2024	2025
Purchased Electricity – Renewable Energy (kWh	-	-	368,257	393,873
Purchased Electricity – Grey Electricity (kWh)	21,521,275	21,000,725	4,239,065	3,785,173
Diesel (Liters)	1,800	800	-	-
Purchased Electricity – Renewable Energy (GJ)	-	-	1,326	1,418
Purchased Electricity – Gray Electricity (GJ)	77,477	11,992	15,261	13,627
Diesel (GJ)	69	31	-	-
Total Energy Consumption (GJ)	77,546	12,023	16,586	15,045

Energy-Saving Measures

In 2025, the Taiwan and China factory implemented a total of four energy-saving projects, reducing electricity consumption by approximately 560,000 kWh and generating 393,873 kWh from photovoltaic systems.

Energy Saving Measures	2025 Energy Saving Results
Lighting Replacement	• At the Taiwan factory, 13 units of 500W mercury lamps in the parking lot were replaced with 150W LED lamps, improving lighting quality and energy efficiency, saving approximately 13,000 kWh annually. Additionally, 925 fluorescent tubes in public areas and production lines were replaced with LED tubes, saving a total of 48,000 kWh per year.
Air Conditioning Temperature Adjustment	• The chilled water temperature of the air conditioning system at the Taiwan factory was raised, reducing the load on the chillers and lowering summer operation hours, resulting in electricity savings of 264,000 kWh.
Standby Energy Improvement	• At the China factory, during night shifts with no production, the original air compressor (75 kW) and refrigerated dryer (5 kW) were shut down. Instead, a small air compressor paired with four air pumps (1.2 kW each, total 4.8 kW) supplies the coating machine’ s standby air demand. Compared to the original system’ s 80 kW power consumption, this significantly reduces standby electricity load at night. With approximately 10 hours of daily downtime until night shift resumes in December, this saves around 248,000 kWh.
Photovoltaic Power Generation	• The China factory generated 393,873 kWh of photovoltaic electricity in 2025.

4.7 Emergency Response

Under the impacts of climate change, extreme weather events have become increasingly frequent, posing severe challenges to the resilience of water resource supply. In response to this risk, Young Optics has established contingency procedures for hydrological emergencies to mitigate the operational disruptions caused by extreme climate events. The Company also ensures that relevant team members complete emergency response training, equipping them with the ability to promptly activate contingency plans and carry out recovery operation.

Taking the "Water Shortage Emergency Response Plan" as an example, the plan includes: promptly notifying relevant units and personnel, adjusting the internal water supply system, establishing external communication channels (such as water truck vendors and the municipal water company), and setting shutdown criteria and procedures. These measures help reduce risks such as equipment shutdowns and abnormal temperature and humidity caused by water shortages, thereby preventing production interruptions. During the recovery phase, clear plans are in place for water replenishment operations and equipment restart procedures. Once production conditions have stabilized, a formal notification is issued to resume production lines. Through cross-departmental collaboration, this plan effectively mitigates the potential operational risks posed by climate change.

Six Strategies for Emergency Response to Climate Change

1 Emergency response plan

2 Cross-unit response team

3 Daily monitoring mechanism

4 Internal notification started

5 Internal adjustment strain

6 External resource assistance

Water Shortage Emergency Response Plan

05 Sustainable Innovation

5.1 Innovation Management

5.2 Green Product

5.3 Sustainable Alliance

5.1 Innovation Management 2-24

To uphold the commitment to quality excellence, technological innovation remains one of Young Optics' core values. In 2025, 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. 0.78-inch 4K 3D printing optical engine.
2. AR glasses module assembly process.
3. F1.6 Large Aperture Ultra-Wide Angle 4K Resolution Lens
4. Full-color LiDAR sensor.
5. Reflowable co-packaged optics fiber connector.

Think beyond boundaries, challenge the status quo, and embrace new possibilities.

Push your limits and innovate to achieve better results.

Innovate boldly and collaborate to solve complex challenges.

Turning complexity into simplicity, empowering our flexibility and agility.

Intellectual Property

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, 2025, Young Optics has accumulated a total of 1,404 global patent applications, with 968 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.

Intellectual Property Portfolio		
Intellectual Property Rights		Quantity
Patent	Global Applications	1,404
	Global Grants	968
Trademark	Global Applications	10
	Global Grants	7
Trade Secrets		40,199

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
2025	Implement the Patent Maintenance and Evaluation Enhancement Plan

Product Quality

Young Optics has established a Continuous Improvement Committee through institutionalized operations to drive ongoing enhancements in production and operational systems. This aims to achieve continuous evolution and optimization in quality, cost, delivery, technology, and service.

The Continuous Improvement Team develops appropriate improvement plans based on the directions, goals, and deadlines set by the Continuous Improvement Committee. By employing suitable analysis, assessment, measurement, and improvement methods, CIT regularly reviews the progress and effectiveness of these plans. To encourage active participation from employees, a proposal reward mechanism is in place. At the 16th Continuous Improvement Presentation in 2025, approximately NT$66,000 in awards were distributed.

5.2 Green Product

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

Young Optics actively promotes green product concepts by establishing green product management procedures. We transform customers' requirements for green products into concrete design elements, collaborating with suppliers to jointly develop green products that meet customer demands, comply with local environmental regulations, and adhere to international standards. Focusing on Green Design, Green Procurement, and Hazardous Substance Management as core principles, we drive the development of green products to ensure product quality while addressing customer needs and sustainability goals. From research and development, component procurement, incoming inspection, production, product testing to final shipment, all processes are incorporated into standardized documentation and execution. This approach effectively integrates sustainability concepts into our product design and manufacturing workflows.

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.

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.

Sustainable Design Practices for Product Packaging

- Avoid PVC Usage: Prohibit the use of polyvinyl chloride (PVC) or chlorine-containing plastic packaging materials.
- Compliant Wood Usage: Wooden packaging materials and pallets must comply with ISPM #15, the international phytosanitary standard.
- Clear Recycling Labels: Fully implement internationally recognized recycling symbols to enhance consumer environmental awareness and promote proper sorting and resource recycling.
- Use of Eco-friendly Materials: Packaging materials must comply with the EU Packaging and Packaging Waste Regulation ((EU) 2025/40), with total concentrations of four heavy metals (Pb, Cd, Hg, Cr6+) not exceeding 100 ppm.

Continuous Optimization and Green Transformation

- We continuously review and update green product specifications to respond to regulatory changes and customer requirements. Sustainability concepts are integrated throughout the product lifecycle—from design and material selection to recycling processes—driving products toward green transformation.

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.

Young Optics has implemented a green supply chain platform, requiring suppliers to commit and guarantee that their products comply with green procurement standards. Suppliers must provide third-party certified RoHS testing laboratory reports, environmental hazardous substance questionnaires, lead-free component reliability surveys, Safety Data Sheets (SDS), material certifications, and comprehensive test summaries. Through the parts approval system, we ensure that suppliers are capable of providing green products that meet regulatory requirements, energy-saving and waste reduction goals, and pollution prevention standards. By 2025, the proportion of raw materials procured under green purchasing will reach 100%.

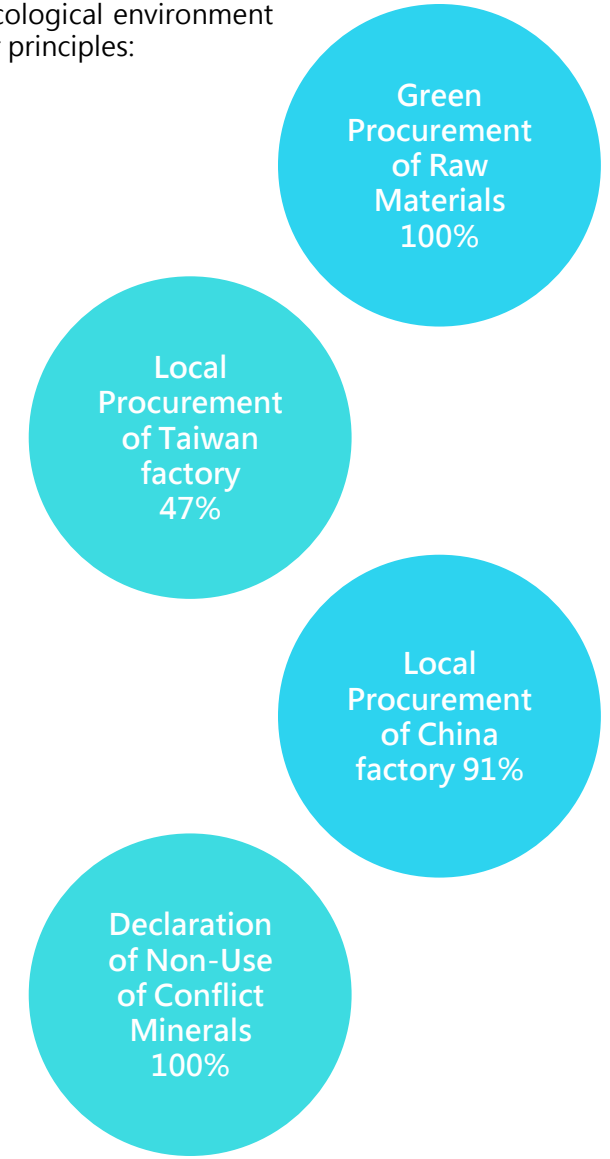
Local Procurement

Through the evaluation and testing of local raw materials and components, we aim to increase the proportion of local procurement while ensuring compliance with quality and standards, thereby reducing environmental impact. By 2025, Young Optics ' Taiwan factory targets a local procurement ratio of 47%, while the China factory aims for 91%.

Declaration of Non-Use of Conflict Minerals

Young Optics hereby declares that the standard products we provide—including the raw materials, components, (semi-)finished products, and additives used in our production processes—comply with the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (H.R. 4173). We do not use "conflict minerals" sourced from the Democratic Republic of the Congo (DRC) or neighboring countries where mining operations are controlled by armed groups, involve labor exploitation, child labor, or illegal trade supporting armed conflicts. These minerals include gold (Au), tantalum (Ta), tin (Sn), and tungsten (W).

Young Optics is committed to investigating our supply chain to ensure that the Au, Ta, Sn, and W used in our products do not originate from conflict-affected areas or illegal sources, except where customers specify certain materials or cases beyond our reasonable control.



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 RoHS 6 hazardous substances, ensuring compliance with international standards.

Hazardous substances monitoring implementation plan

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. Halogen-free plan: In line with customer needs, we design products that meet halogen-free specifications and conduct surveys on product materials:

   (1) Total Bromine (Br): < 900 ppm (2)Total Chlorine (Cl): < 900 ppm (3)Total Bromine + Total Chlorine: < 1500 ppm

5.3 Sustainable Alliance 308-1

In 2025 year, Young Optics has 379 qualified suppliers, including 346 suppliers of production materials and 33 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.

Green Supplier Evaluation

New production material suppliers are required to comply with the Young Optics Green Supplier Evaluation Procedure. The Taiwan factory' s Customer Engineering and the China factory' s Quality Engineering conduct green supplier evaluations in accordance with this procedure to ensure that the products provided by suppliers meet the specified requirements. In 2025, Young Optics completed evaluations for a total of 14 production material suppliers, achieving a 100% pass rate.

Supplier Evaluation

Young Optics regularly conducts supplier evaluations for both production material suppliers and calibration-related non-production material suppliers. This is to ensure that products, services, and quality management comply with customer requirements, product safety standards, and relevant regulations. The evaluations also aim to strengthen system and process levels to enhance customer satisfaction and to identify risks within manufacturing processes and the supply chain.

Evaluation Target		Evaluation Frequency	Audit Method	Actual Audited Suppliers (A)	Suppliers to be Audited (B)	Audit Rate (A÷B×100%)	Qualified Suppliers (C)	Qualification Rate (C÷A×100%)
Production Material Suppliers	Every 6 months if purchase batches ≥10; if less than 10 batches, accumulate until ≥10 batches for evaluation at that time.	Semi-annual	On-site / Remote audit	346	346	100%	346	100%
Calibration-related Non-production Material Suppliers	Annual if transactions ≥3 batches; if less than 3 batches per year, accumulate until ≥3 batches for evaluation at that time.	Annual	On-site / Remote audit	33	33	100%	33	100

Supplier Coaching

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

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 (SDS) or material composition lists.
Supplier Conference	Procurement 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.

Supplier Sustainability Assessment

Young Optics conducts supplier sustainability surveys and assessments through a self-assessment questionnaire. This process defines and classifies supplier risk levels to identify suppliers with high risks in economic, environmental, and social aspects. Relevant guidance and training programs are planned and evaluated to ensure effective risk control and mitigation. The questionnaire survey was conducted over approximately five weeks, from September 8 to October 13, 2025. The survey targeted 120 suppliers accounting for 85% of transaction volume, including affiliated companies, customers, agents, and customer-designated suppliers, achieving a 100% response rate. The questionnaire content is based on the Responsible Business Alliance (RBA) framework and covers four major sustainability dimensions, including the following topics.

Dimensions	Average score	Full Score	Score rate
Human right	30.64	32	96%
Ethics and integrity	16.18	18	90%
Health and safety	28.56	30	95%
Environmental	17.20	20	86%
Total	92.58	100	93%

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

The overall performance of the four major dimensions in this supplier sustainability self-assessment questionnaire was good, with average scores exceeding 85%. Among them, the **Human Rights** dimension scored the highest at 96%, indicating that most suppliers have comprehensive systems and implementations related to human rights and labor management. The **Health and Safety** dimension also performed well, achieving a 95% score, with suppliers generally having basic occupational safety and health management measures in place. The **Ethics and Integrity** and **Environment** dimensions scored 90% and 86% respectively, which were relatively lower. Some suppliers have room for improvement in institutionalizing ethics and integrity standards as well as in environmental management and related information disclosure.

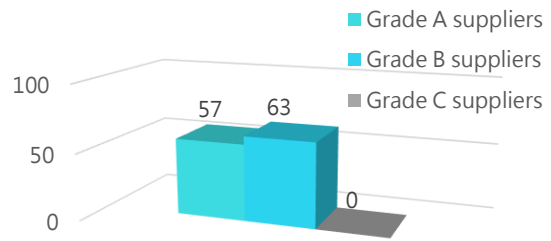
The average score across all four dimensions was 93%. Subsequent analysis will be conducted on each item within these dimensions to identify suppliers' specific strengths and areas for improvement in sustainability management, providing a basis for continuous optimization in the future.

Supplier Sustainability Grading and Management Mechanism

In 2025, Young Optics established a supplier sustainability grading and management mechanism to ensure that suppliers of different risk levels adopt corresponding corrective measures, enabling steady and effective promotion of sustainability management operations. Based on a comprehensive evaluation of self-assessment questionnaire scores and supporting documentation, suppliers were ultimately classified into three grades: A, B, and C, representing low, medium, and high-risk groups respectively. In this survey, there were 57 suppliers classified as Grade A (low risk), accounting for 48%; 63 suppliers classified as Grade B (medium risk), accounting for 52%; and zero suppliers classified as Grade C (high risk). Suppliers demonstrated stable self-assessment performance in sustainability management and operations, with a solid foundation in controlling and implementing sustainability-related aspects.

1. Grade A (Low-risk suppliers): Maintain stable cooperative relationships, designate as strategic partners, continuously monitor their sustainability performance, and encourage them to further enhance related management practices. These suppliers can serve as benchmarks for others in the future.
2. Grade B (Medium-risk suppliers): Conduct regular or as-needed sample-based document audits, request supplementation or updating of relevant supporting documents within deadlines to help strengthen their sustainability management, and ensure gradual compliance with the company's sustainability management requirements.
3. Grade C (High-risk suppliers): Identify as priority targets for guidance, evaluate and arrange on-site or online training and audits, require corrective action plans within deadlines for significant deficiencies, and continuously monitor implementation effectiveness to prevent sustainability risks from expanding and impacting operations.

Self-assessment Score	Supporting Documentation Submission Rate	Final Classification	Remarks
H(90–106)	C(80–100%)	Grade A	Low-risk suppliers
H(90–106)	P(60–79%)	Grade A	Low-risk suppliers
H(90–106)	I(0–59%)	Grade B	Medium-risk suppliers
M(70–89)	C(80–100%)	Grade A	Low-risk suppliers
M(70–89)	P(60–79%)	Grade B	Medium-risk suppliers
M(70–89)	I(0–59%)	Grade B	Medium-risk suppliers
L(0–69)	C(80–100%)	Grade C	High-risk suppliers
L(0–69)	P(60–79%)	Grade C	High-risk suppliers
L(0–69)	I(0–59%)	Grade C	High-risk suppliers



Customer Service

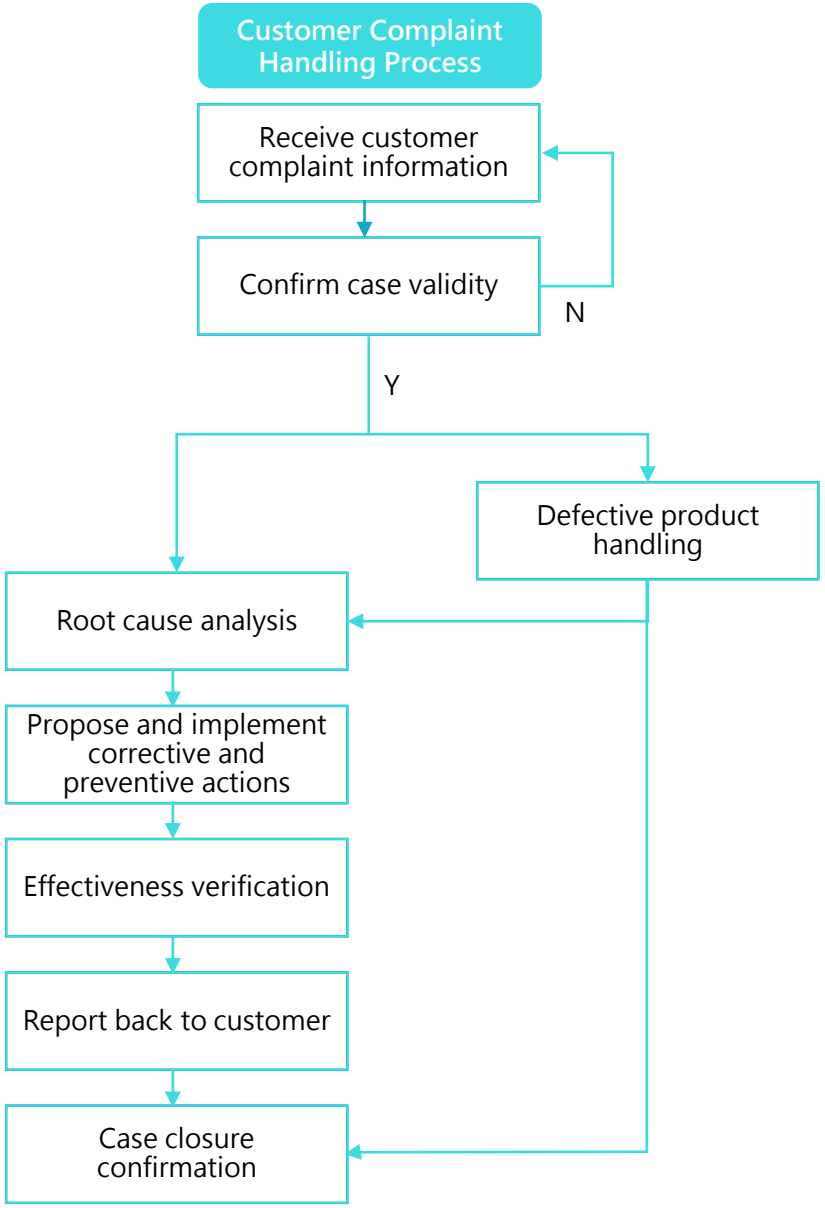
Young Optics sets the customer demand fulfillment rate as a management objective to ensure high product quality and on-time delivery, meeting customer requirements. According to the monthly performance control under the target management system, our company achieved a 100% on-time delivery rate for products from January to December 2025.

Goal	Indicator	Performance of 2025
Customer Demand Fulfillment Rate	Customer demand fulfillment rate: 100%	Achieved, with a fulfillment rate of 100%.

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.



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

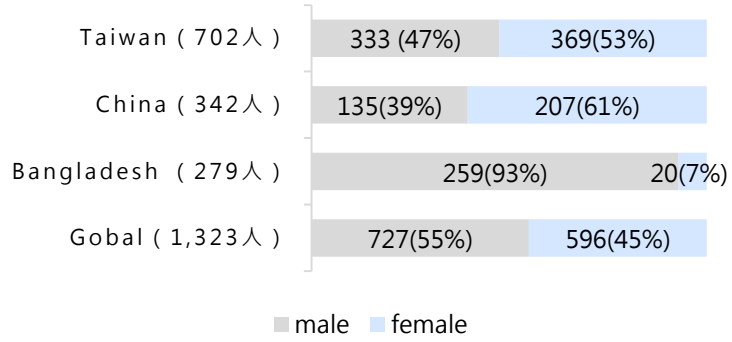
6.1 Workforce Overview

2-7, 2-8, 2-23, 401-1

Employee Distribution and Structure

As of December 31, 2025, the total global workforce of Young Optics and its subsidiaries reached 1,323 employees, including 702 employees in the Taiwan site, 342 employees in China site and 279 employees in the Bangladesh site. Globally, male employees account for 55% of the Company's workforce and female employees account for 45%, reflecting an overall balanced gender ratio; however, differences exist across regions. In Bangladesh, due to the local industry landscape being dominated by the garment and textile sector, women tend to show less interest in employment in the electronics manufacturing industry. As a result, male employees make up 93% of the workforce at the Bangladesh site.

The Company maintains a stable workforce structure. Globally, employees are predominantly in the 31–50 age group (young to middle-aged), and the workforce is mainly composed of long-term hires, with the majority being full-time employees under indefinite-term contracts. There are no part-time employees or employees without guaranteed hours. Among these, the China site has 111 non-employee workers (dispatched/temporary hourly workers), who are primarily engaged in direct production line work, serving as flexible supplementary labor in line with local workforce strategy needs.



Global Employee Distribution (by Age Range)

Type	Taiwan		China		Bangladesh		Total		
	M	F	M	F	M	F	M	F	%
Under 30 years old	62	77	34	33	182	14	278	124	30%
31-50 years old	228	230	89	170	75	6	392	406	60%
Over 51 years old	43	62	12	4	2	0	57	66	9%
Total	333	369	135	207	259	20	727	596	100%

Global Employee Distribution (by Employee Type)

Type	Taiwan		China		Bangladesh		Total	
	M	F	M	F	M	F	M	F
Direct	100	236	85	147	218	17	403	400
Indirect	233	133	50	60	41	3	324	196
Total	333	369	135	207	259	20	727	596

Non-Employee Workers

Type	Taiwan		China		Bangladesh		Total	
	M	F	M	F	M	F	M	F
Non-Employee Workers (Note)	-	-	43	68	-	-	-	-

Note : Workers who are not employees are dispatched hourly workers, primarily engaged as direct production line personnel.

Global Employee Distribution (by Employment Type)

Type	Taiwan		China		Bangladesh		Total	
	M	F	M	F	M	F	M	F
Full-time employees	333	369	135	207	259	20	727	596
Part-time employees	-	-	-	-	-	-	-	-
Non-guaranteed hours employee	-	-	-	-	-	-	-	-
Total	333	369	135	207	259	20	727	596

Global Employee Distribution (by Contract Type)

Type	Taiwan		China		Bangladesh		Total	
	M	F	M	F	M	F	M	F
Non-fixed term employees	244	243	71	84	259	20	574	347
Fixed term employees (Note)	89	126	64	123	0	0	153	249
Total	333	369	135	207	259	20	727	596

Note : 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.

New Hires

In 2025, 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 2.6%.

2025 Global Employee New Hire Rate

Type	Taiwan				China				Bangladesh				Global			
	M	%	F	%	M	%	F	%	M	%	F	%	M	%	F	%
Under 30 years old	12	16.22%	10	11.98%	0	-	0	0.00%	5	2.51%	0	-	17	5.99%	10	9.57%
31-50 years old	10	4.37%	13	5.62%	0	-	1	0.71%	2	2.92%	0	-	12	3.20%	14	3.71%
Over 51 years old	0	0.00%	2	3.57%	0	-	0	0.00%	0	0.00%	0	-	0	0.00%	2	3.45%
Total	22	6.43%	25	7.28%	0	-	1	0.67%	7	2.60%	0	-	29	4.07%	26	5.19%

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

In 2025, the global turnover rate for male employees was 12.64%, and for female employees was 11.30%. To effectively manage employee turnover, exit interviews are conducted upon an employee's resignation to understand the reasons for their departure.

2025 Global Employee Turnover Rate

Type	Taiwan				China				Bangladesh				Global			
	M	%	F	%	M	%	F	%	M	%	F	%	M	%	F	%
Under 30 years old	15	20.27%	12	14.37%	3	28.57%	1	16.67%	22	11.03%	1	6.67%	40	14.08%	14	13.40%
31-50 years old	25	10.92%	26	11.23%	14	17.95%	19	13.52%	8	11.68%	0	0.00%	47	12.52%	45	11.92%
Over 51 years old	3	7.69%	2	3.57%	0	0.00%	0	0.00%	0	0.00%	0	6.67%	3	5.71%	2	3.45%
Total	43	12.57%	40	10.78%	17	16.92%	20	13.47%	30	11.13%	1	4.88%	90	12.64%	61	11.30%

Note: The calculation method is (number of employees who left the company in 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%.

Employees with Disabilities

To protect and promote the employment of persons with disabilities, Young Optics complies with the Act for the Protection of the Rights and Interests of Persons with Disabilities by hiring employees with disabilities who have the capacity to work. In 2025, the Company hired a total of 7 employees with disabilities, meeting the required 1% employment ratio. 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
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.
Compliance with Minimum Wage Requirements: Employees are provided with wages and benefits that meet or exceed the minimum requirements stipulated by local laws.
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.
Freedom of Association: Employees have the legal right to freely associate. Currently, there is no labor union at the Taiwan factory, while both the Kunshan factory and the Bangladesh factory have established employee labor unions.
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.
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.
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.

Diversity and Inclusion

For four consecutive years, Young Optics has participated in the "TALENT, in Taiwan" Sustainable Talent Alliance. In response to the growing global focus on ESG and DEI, we uphold the principles of respecting diversity and promoting inclusion, and continue to advance employee care and workplace equality. Through a range of diverse initiatives, we ensure that all employees can work and grow in a safe, healthy, and dignified environment. We have designated diversity and inclusion as one of the 2025 management goals of the Sustainability Committee, holding a total of 8 focus group sessions for foreign employees, thereby meeting the target indicator, helping foreign employees adapt to the workplace, and enhancing workplace fairness.

Goal	Indicator	Result in 2025
diversity and inclusion program	3 diversity and inclusion activities	Achieved — a total of 8 sessions held

Foreign workers sessions

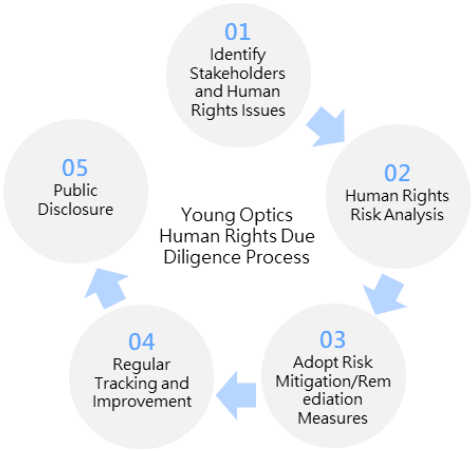
Date	times	Number of Participants
2025/3/20	2	221
2025/6/16	2	214
2025/9/24	2	218
2025/12/2	2	208
Total	**8**	**861**

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 safeguard labor rights, our company conducts due diligence with third-party labor brokers and educational institutions prior to and during cooperation, along with ongoing monitoring and periodic evaluation throughout the partnership, to ensure their compliance with applicable laws, regulations, standards, and customer requirements. Where non-compliance is identified, corrective actions are required; if improvement is refused, the cooperative relationship will be terminated. In 2025, the Company conducted human rights due diligence to uphold human rights across its own operations and value chain, fulfilling its commitment to corporate social responsibility and sustainable development.



Results of Human Rights Due Diligence and Measures Adopted

In 2025, the Company distributed human rights due diligence questionnaires to employees and contractors at its Taiwan and Kunshan factories. No actual human rights incidents occurred during the survey period, and the risk assessments for all affected parties across all human rights issues fell within the low-risk range. To strengthen preventive management, based on the assessment results for each site and its contractors, the Company has planned and implemented corresponding risk mitigation measures targeting the top three issues with relatively higher risk scores in the categories of "Labor Rights" and "Occupational Health and Safety." For further details, please refer to Young Optics' 2025 Human Rights Due Diligence Report.

Human Rights Due Diligence Results and Measures Adopted for Taiwan and China factories

Issues		factory Taiwan	factory China	Preventive/Mitigation Measures	Remedial Measures
Labor Rights	Excessive Overtime	●	●	System-based monitoring of overtime hours and access card is disabled after the 7th consecutive workday to prevent entry.	System monitoring.
	Wages	●	●	Overtime pay is calculated in compliance with regulations; employees can access their individual payroll details and attendance records.	None (already in compliance).
	Pay slip		●	Employees can inquire about their pay slip details.	None (already implemented).
	Identity Protection	●		Regulations have been established, along with physical and online communication channels.	None (already implemented).
Occupational Health & Safety	Emergency Preparedness	●		Conduct regular plant-wide evacuation drills and implement emergency incident awareness training.	Post-incident review and correction of evacuation routes or public announcement way after on-site incidents.
	Industrial Hygiene	●	●	• Regular occupational hygiene status assessment reports are conducted to evaluate workplace personal protective equipment needs. • Management regulations for protective equipment have been established, with appropriate personal protective equipment selected according to the working environment, subject to regular inspections and annual fit testing of respiratory protective equipment. • In accordance with noise control operating procedures, regular workplace environmental monitoring and noise zone management are conducted. • Regular hazard detection is conducted at the workplace. • Process improvements are implemented for job positions involving occupational hazards. • Physical examinations are conducted in accordance with occupational hygiene management regulations	Personal protective equipment is immediately provided to relevant personnel, along with training on proper use. Physical examinations are immediately conducted for personnel in positions involving occupational hazards.
	Health and Safety Communication	●	●	• Chemical management regulations have been established, with procedures implemented for chemical hazard labeling. • Fire prevention and protection management regulations have been established, with daily inspections conducted. • Inspections of on-site hazard labeling are conducted in accordance with occupational hygiene management regulations.	If a lack of labeling is identified during inspection, relevant warning signs and emergency evacuation information are immediately added or updated.

Contractor Human Rights Due Diligence Results and Measures Adopted

Issues		Preventive/Mitigation Measures	Remedial Measures
Labor Rights	Employees Under 18 Years of Age Excessive Overtime Equal Pay for Equal Work	Annual supplier sustainability self-assessments (including human rights dimensions) are conducted.	Follow-up guidance and improvement measures are implemented based on tiered classification of self-assessment results.
Occupational Health & Safety	Industrial Hygiene Health and Safety Communication	Contractors entering the factory are required to sign safety, health, and environmental regulations and complete safety and health training prior to entry.	Contractors must be equipped with the necessary protective equipment prior to entering the factory before commencing work.

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 2025, no employee grievance cases were reported of all sites. 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 five labor-management meetings were held in 2025. Additionally, all feedback submitted via the employee mailbox, labor-management meetings, and migrant worker forums received responses.

Communication and Grievance Channels

- Contact Email: employees@youngoptics.com
- Corporate Employee Information Portal (EIP).
- Employee suggestion box and grievance mailbox
- Labor–Management Meeting

2025 Labor–Management Meeting

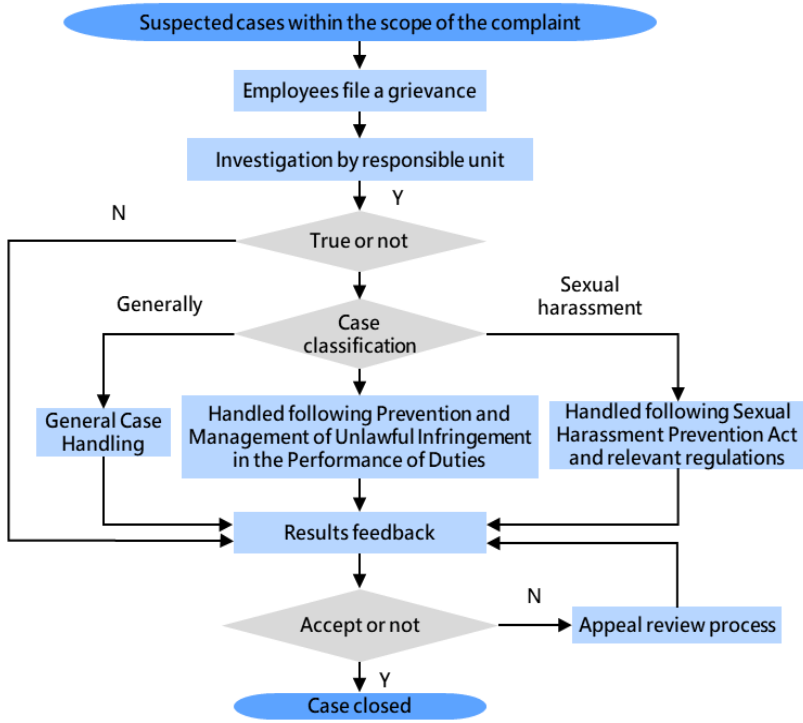
Date	No. of Proposals	Results
3/28	14	All responsible units provided explanations and solutions, and all resolutions were approved.
6/27	11	
8/27	1	
9/26	13	
12/23	7	

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.

Workplace Misconduct Grievance Handling Process



Employee Satisfaction Survey

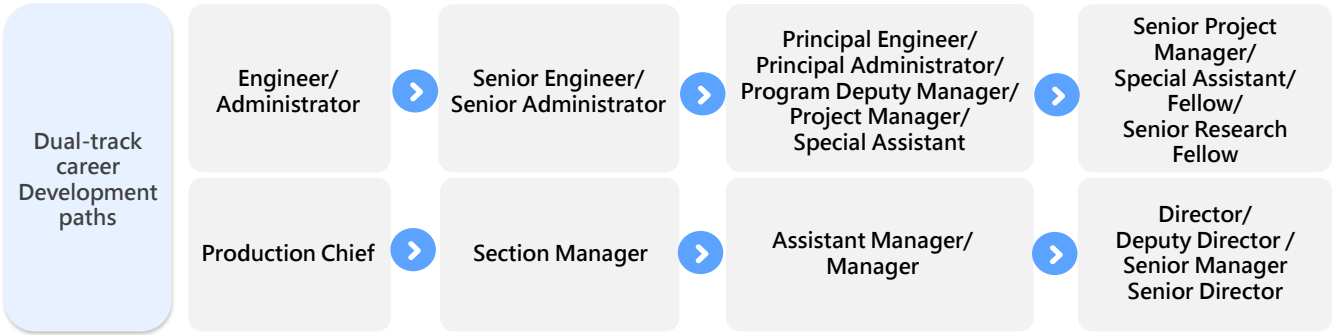
The employee satisfaction survey is conducted annually by the Sustainable Development and Human Resources Operations Division on an anonymous basis. From November 7 to November 14, 2025, a survey covering "Employee Environment and Cafeteria" was conducted among direct and indirect personnel across all sites, with 98 questionnaires collected (a coverage rate of 13.7%) and an average satisfaction score of 3.79 (on a scale of 1 to 5). Based on employee feedback, 15 improvement measures related to the working environment were formulated, including renovation of motorcycle parking areas, a pest control program, implementation of environmental inspection tracking, improvement of group meal quality, and smoking area awareness campaigns, with continued tracking of improvement outcomes. From November 24 to November 28, 2025, a survey was conducted among indirect personnel covering "Employee Personal Work Values," "Team Operations," and "Supervisory Leadership and Management," with 73 questionnaires collected (a coverage rate of 19.8%) and an average satisfaction score of 3.9 (on a scale of 1 to 5). This survey analyzed results by respondents' business unit, job grade, and age, and improvement measures were formulated accordingly, resulting in 4 improvement measures related to supervisory management and leadership and 3 improvement measures related to organizational matters. Related measures include cultivating a high-performance organizational culture, strengthening supervisors' provision of career development feedback during routine management and performance reviews through supervisor training, and enhancing internal communication to build organizational cohesion. In response to employees' development needs, related competency training programs are planned to support professional development and enhance organizational resilience and competitiveness.

6.3 Talent Development

404-1

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	Develop Competencies
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.

The Company has established a comprehensive Learning Management System, integrating various learning resources through E-learning to enable employees at all sites to share a wealth of knowledge and learning resources. In addition, the platform provides personalized learning for employees, allowing them to clearly track their own learning plans and learning history. In 2025, the Company continued to promote diversified education and training to enhance employees' professional capabilities and managerial competencies. Courses covered three major areas — management and administration, R&D and technology, and language and general education — including topics such as labor regulations, performance management, optical and process technology, quality management, AI applications, information security, human rights, and sustainability, cultivating employees' professional skills and strengthening the Company's capacity for sustainable operations. In 2025, a total of 225 training courses were held for employees at the Taiwan factory, with NT$378,410 invested in employee training; a total of 43 training courses were held for employees at the China factory, with RMB180,332.6 invested in employee training, encompassing both internal and external training to meet job-related and developmental needs. In addition, employees at the China factory participated in company-organized vocational skills training, with 129 employees passing the assessment and obtaining Drafter (Intermediate Level) certification, receiving a subsidy of RMB270,660.

2025 Training hours

Type		Male			Female			Total		
		Headcount	Participants	Hours	Headcount	Participants	Hours	Headcount	Participants	Hours
Taiwan	Senior	2	23	32	1	21	35	3	44	67
	Non-Senior	52	820	1,205	18	391	526	70	1,211	1,731
	Non-Managerial	279	2,535	1,746	350	2,511	2,027	629	5,046	3,773
China	Senior	0	0	0	0	0	0	0	0	0
	Non-Senior	30	208	494	11	62	168	41	270	662
	Non-Managerial	73	494	1,336	138	788	1,718	211	1,282	3,054

Staff training

Courses	Course category	Key Training Content
internal training	Management and Administration	Covers labor regulations, performance management, product thinking, procurement and cost management, process and system operations, internal controls, and business integrity, among other topics. Through related training, employees' management capabilities are enhanced, operational management efficiency is strengthened, and corporate governance is reinforced.
	R&D and technology	Covers professional training in optical principles, process technology, 3D printing technology, precision machining and metrology, quality management tools (such as SPC, MSA, and DOE), and process management, strengthening the professional capabilities of R&D and technical personnel and improving product quality and process efficiency.
	Language and General Studies	Covers courses such as new employee orientation, digital tools and AI applications, contract and legal fundamentals, information security, human rights education, sustainable development, and occupational safety and health, enhancing employees' general knowledge, legal compliance awareness, and sustainability-related knowledge.
External training	Professional Courses	Through participation in external professional institutions, seminars, and technical lectures, employees are assisted in keeping up with the latest technologies and industry developments, with external learning outcomes shared internally to promote knowledge exchange and enhance organizational capabilities.
Total		

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 2025, Young Optics recruited 6 young participants for the program, 5 of whom continued their employment after completing the training. Across dimensions such as training content, instructor performance, working environment, benefits system, and career preparation and capability development, the satisfaction survey results among training graduates reached 87%, reflecting overall positive feedback.

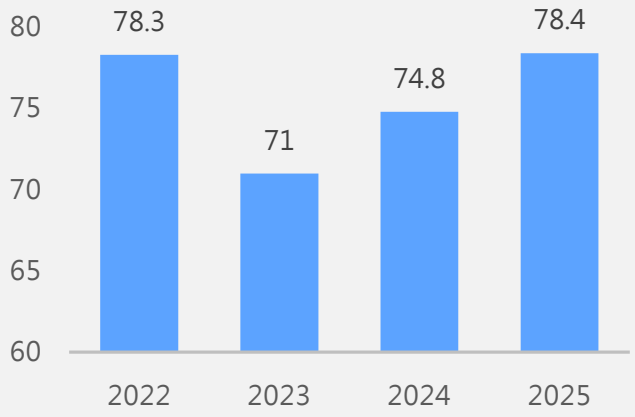
6.4 Remuneration and Benefits

2-19, 2-20, 201-3, 401-2, 404-3, 405-2, 406-1

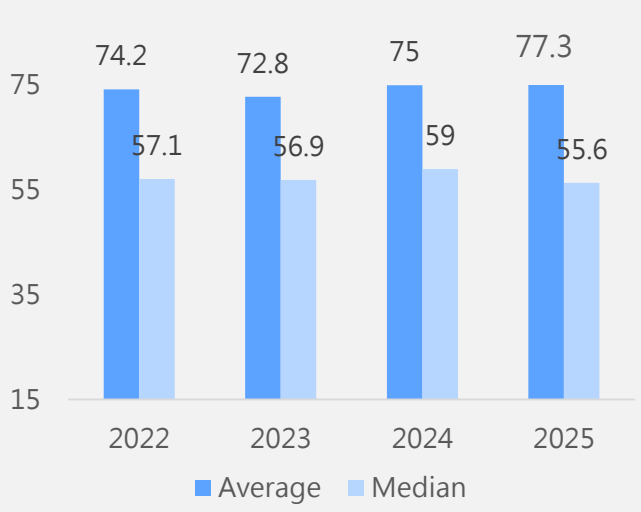
To attract and retain top talent, Young Optics offers a competitive compensation and benefits policy. Salaries are determined based on the nature of the position, educational background, work experience, and years of expertise. Each year, salary surveys are conducted to assess market compensation levels 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 2025, the company' s average employee annual income was NT$784,000, with the average salary for full-time non-management employees reaching NT$773,000. 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.

Among general staff (below G9 level), the average monthly salary of male employees is approximately 1.07 times that of female employees; among direct personnel job categories, the ratio of average monthly salary between male and female employees is 1:1. The Company's compensation system is determined based on job content, professional competency, and performance, without differential treatment based on gender.

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 2025 (Unit:%)

Classified by job category	Average monthly salary ratio	
	Female	Male
General personnel (below G9 level)	1	1.07
Direct staff	1	1

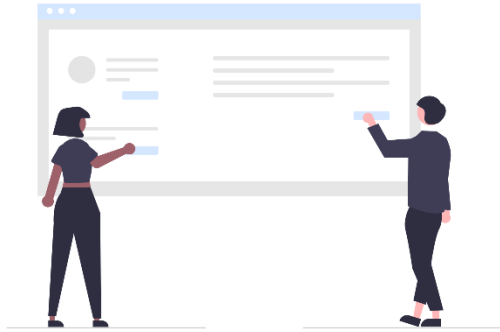
Performance Evaluation

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:

Management System	Goal Setting	Employee Self-Evaluation	Supervisor Review	Business Unit Supervisor Review	Performance Improvement
All indirect employees receive two performance evaluations each year. After evaluation, direct personnel are given monthly performance bonuses according to results.	Supervisors and employees jointly discuss work performance to ensure departmental goals are effectively achieved.	At the end of the period, employees must compile their work records and evaluate performance based on set indicators and competency standards.	Before the formal review, supervisors provide feedback to employees through one-on-one discussions, addressing strengths and weaknesses, improvement plans, and setting goals for the next period.	The company consolidates evaluation results and conducts performance review meetings. The department head then conducts the final review.	If performance is unsatisfactory, supervisors issue a Performance Improvement Notice requiring employees to attend meetings, identify problems, and develop improvement plans with a set timeframe. This ensures clarity of corrective actions and reduces the likelihood of repeated poor evaluations.

2025 Employee Performance Evaluation Coverage Rate

Item		Senior	Non-Senior	Non-Managerial	Total
Taiwan	Male	100%	100%	99%	100%
	Female	100%	100%	99%	99%
	Total	100%	100%	99%	99%
China	Male	-	100%	100%	100%
	Female	-	100%	100%	100%
	Total	-	100%	100%	100%
Bangladesh	Male	-	100%	100%	100%
	Female	-	100%	100%	100%
	Total	-	100%	100%	100%



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.

Other Benefits

Young Optics strives to create a friendly and flexible work environment. The company provides 5 days of flexible leave annually and implements a flexible work-hour system to help employees balance work and personal life. To safeguard employees' physical and mental health, the Company provides comprehensive health and welfare measures, including regular health examinations, on-site medical staff management, psychological counseling services, as well as group insurance and overseas travel insurance. 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 2025, a total of 91 employees received subsidies amounting to NT$147,000. In recognition of employees' long-term contributions, the company has also has a seniority reward program. In 2025, 20 long-service employees were recognized at the Taiwan factory, comprising 14 employees with 5 years of service and 6 employees with 10 years of service. At the China factory, 11 employees with 5 years of service and 9 employees with 10 years of service were recognized in 2025.

Flexible leave is provided beyond statutory requirements.

Offer flexible working hours on and off work.

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.

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

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.

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

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.

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).

2025 Subsidy Items of Taiwan factory

Item	cases	Amount($NT)
Marriage Subsidy	12	24,000
Hospitalization Allowance	9	18,000
Childbirth Subsidy	16	32,000
Funeral Condolence	54	73,000
Total	**91**	**147,000**

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

Auspicious Start-of-Work Day

To welcome the Year of the Snake and a fresh start to the new year, the Welfare Committee provided limited-edition snacks to all employees, wishing colleagues a great start and full energy for the year ahead.

2025 Young Optics New Year Party

We held a New Year party with a sports theme, featuring activities such as a photo booth experience, employee performances, and multiple rounds of prize drawings, with 665 employees participating.

Dragon Boat Festival Egg Balancing for Good Luck

Event was held during the Dragon Boat Festival, inviting employees to attempt balancing eggs at noon according to tradition, fostering employee interaction and engagement through cultural experience and a fun competition, with 124 employees participating.

Open House Family Day

Young Optics held its first Open House Family Day, inviting employees to bring their families to participate in activities such as bath bomb and building block flower DIY workshops and various parent-child games, promoting interaction between employees and their families and strengthening organizational cohesion, with 65 participants.

Mid-Autumn Festival Treats

The Company held an "Afternoon Tea Wishing Well" event, inviting employees to submit their food preferences and vote for 4 popular afternoon tea sets, collecting nearly 300 recommendations; additional afternoon tea vouchers were provided for employees unable to participate on the day. The Company also partnered with the "Hand of Love Association for the Visually Impaired" to provide shoulder and neck massage services, promoting employees' physical and mental relaxation while supporting social welfare through concrete action.

Christmas-Themed Walk

In 2025, we held a "Christmas-Themed Walk" event, inviting employees to hike at 18 Peaks Mountain, combining exercise with scenic mountain views, along with a "Mountain Critter Treasure Hunt" activity where employees could redeem small gifts by collecting designated photos, with 194 employees participating. A Christmas gift raffle was also held, offering prizes such as meal vouchers, massage vouchers, and movie tickets, allowing employees unable to join the walk to also experience the festive atmosphere.

Warmth Together, Christmas with You

For Filipino colleagues, Christmas holds significance comparable to that of Chinese New Year. This year, the Company also held a warm Christmas party at the dormitory, featuring delicious meal boxes and surprise lucky draws, allowing colleagues far from home to share in the warmth of togetherness and festive joy.

Cute Pet Popularity Contest

We held the second "Cute Pet Popularity Contest" during Christmas, inviting employees to dress up their pets in adorable holiday-themed costumes under the theme "Meow Woof Christmas." A total of 202 employees participated, with submitted photos displayed on a Christmas tree photo wall, encouraging employees to view and take photos, creating a comforting and celebratory atmosphere at year-end.

Coretronic Group Sports Meet

The Coretronic Group held a group-wide sports meet in September 2025, featuring diverse competitions such as checkers, badminton, archery, trampoline, foosball, and hula hoop relay races, encouraging employees to form teams and fostering cross-departmental interaction. A total of 85 Young Optics employees participated, and the Company won first place overall in team spirit.

An Acre on the Desk

In observance of Earth Day, the Company held an "An Acre on the Desk" event, inviting employees to grow sprouts on their office desks. Through hands-on planting, the event promoted green living concepts and healthy eating habits, with 30 employees participating, fostering an environmentally conscious office culture and encouraging sustainable living practices in daily life.

"Wish to Slim" Weight Loss Challenge

The Company promoted an employee health initiative through the "Wish to Slim" weight loss challenge, encouraging employees to develop good lifestyle habits and enhance health awareness. The event attracted 80 participating employees, who collectively lost 219.2 kg during the event period.

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 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 2025 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.

In 2025, Young Optics did not experience any disputes related to workplace safety. Employees may submit feedback through suggestion boxes located on each floor, an 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.

Young Optics Occupational Safety and Health Policy
Provide a safe and healthy work environment
Safeguard employee safety
Reduce hazard risks
Promote employees' physical and mental well-being

Young Optics Occupational Safety and Health Commitment
Comply with occupational safety and health laws and regulatory requirements
Strengthen employees' occupational safety awareness
Continuous improvement

Committee Organization	
Chairperson	Appointed by the General Manager or an authorized representative, responsible for overall committee management.
Secretary	Assists with general administrative affairs of the committee.
Employer Representative	Supervisors, managers, or designated personnel from various departments within the company.
Occupational Safety and Health Personnel	Certified OSH officers, OSH managers, or OSH administrators with legally required qualifications.
Health Service Medical/Nursing Personnel	Qualified medical or nursing staff who have passed training programs designated by the central competent authority.
Employee Representative	Elected by representatives from the labor-management conference or by employees.

Occupational Safety and Health Risk Assessment

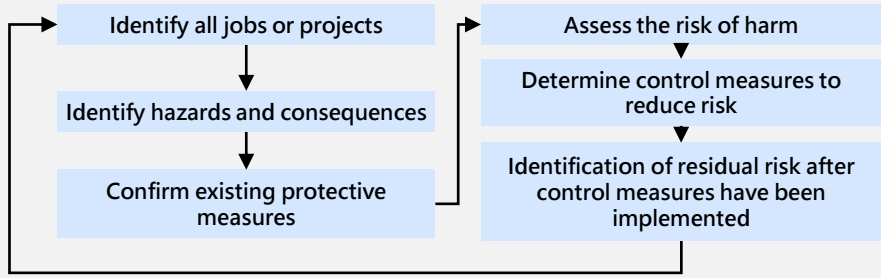
Young Optics has established a comprehensive occupational safety and health management system to safeguard worker safety and health. The company has formulated a "Safety and Health Hazard Identification and Risk Assessment Management Procedure" to effectively control hazards and risks, prevent accidents, 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 factory, improvement plans are developed and continuously refined.

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.

The Risk Assessment Process



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		
Places with obvious noise	noise		
Organic solvent workplace	organic solvent		
Dust workplace	Dust		
Specific chemical substances Workplaces	Specific chemical substances		

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 2025, the Taiwan factory conducted a total of 1,246 occupational safety and health training attendances, accumulating 2,366 training hours; the China factory conducted a total of 1,438 occupational safety and health training attendances, accumulating 3,109 training hours. Courses included general environmental safety and health training, specialized environmental safety and health training, fire safety and civil defense, and external occupational safety training for specialized personnel, among others.

2025 Occupational Safety and Health Training Results of Taiwan factory

Training Program	Participants	Training Hours
General Environmental Safety and Health Training for New Employees	70	210
Special Environmental Safety and Health Training for New Employees	70	210
Environmental Safety and Health Training for Current Employees	218	654
Annual Firefighting / Civil Defense Training	105	420
Evacuation Drill	709	709
ERT Training	53	53
Special Personnel External Occupational Safety and Health Training	21	110
Total	**1,246**	**2,366**

2025 Occupational Safety and Health Training Results of China factory

Training Program	Participants	Training Hours
General Environmental Safety and Health Training for New Employees	553	2,212
Environmental Safety and Health Training for Current Employees	151	302
Annual Firefighting / Civil Defense Training	38	76
Evacuation Drill	642	321
ERT Training	20	40
Chemical Spill and Disaster Prevention Drill	19	38
Special Personnel External Occupational Safety and Health Training	15	120
Total	**1,438**	**3,109**

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:

1. 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.
2. 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.
3. 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.

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 2025, the disabling injury frequency rate was 2.29, a marked decrease from 3.19 in 2024. The disabling injury severity rate also declined significantly from 19 to 2, and the total injury index decreased from 0.24 to 0.06, indicating that the Company's occupational injury risk was significantly reduced in 2025. The average number of lost days due to disabling injuries decreased from 5 days in 2024 to 0 days in 2025, with no major disabling injury incidents resulting in lost work hours. In terms of occupational injury types in 2025, the majority occurred in the category of "cuts/punctures/pinches," with 2 cases resulting in 15 hours of lost work time; 1 case of "contact with harmful substances" resulted in 10 hours of lost work time; and no cases of "bruises/contusions" occurred. No occupational injury cases occurred at the China factory. The company will continue to strengthen hazard identification, work safety management, and employee training, and through preventive measures and continuous improvement mechanisms, aims to reduce the risk of occupational injuries and progress toward the goal of zero major occupational injuries.

Work Accident Statistics of Taiwan factory in past 2 years

Item	2024	2025
Disabling Frequency Rate(A)	3.19	2.29
Disabling Injury Severity Rate(B)	19	2
Frequency-Severity Indicators(C)	0.24	0.06
Average number of days lost due to disabling injuries(B/A)	5	0

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: √(disabling injury frequency

2025 Work Accident Statistics of Taiwan factory

Type	cuts/punctures /pinches	Bruises /contusions	contact with harmful substances
Number of Cases(=people)	2	0	1
Lost Time(hour)	15	0	10

2025 Work Accident Statistics of China factory

Type	cuts/punctures /pinches	Bruises /contusions	contact with harmful substances
Number of Cases(=people)	0	0	0
Lost Time(hour)	0	0	0

In 2025, the Taiwan factory recorded 2 abnormal incidents (equipment malfunctions triggering fire detector activation) and 14 near-miss incidents (of which 12 involved fire detectors activating abnormally, 1 resulted from an employee accidentally triggering the manual smoke exhaust switch, and 1 was related to a fire drill test conducted by a neighboring facility). For the equipment malfunctions that triggered fire detector activation, incident investigation and repair of the malfunctioning equipment have been completed, along with revised operating procedures, enhanced employee safety training, and the addition of status labeling and usage registration, implemented company-wide, together with the establishment of inspection and monitoring measures. All incidents in 2025 have completed investigation and corrective actions, achieving a completion rate of 100%. In addition, the fire detector false alarm incidents have been progressively repaired and replaced; awareness campaigns and operational reminders have been provided for the accidental triggering incident; and the neighboring facility's test incident was confirmed to have no actual impact.

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】

Based on the results of the 2024 health examination ergonomic risk questionnaire, 15 employees were identified as suspected of having musculoskeletal issues related to ergonomic factors. In 2025, all 15 employees completed interviews with the on-site physician; 1 employee was confirmed to have an occupational disease, while the remaining employees were excluded from the scope of the ergonomic hazard prevention plan.

【Prevention Plan Against Disorders Triggered by Abnormal Workloads】

Based on the results of the 2024 health examination questionnaire, 33 employees were identified as at risk of illness triggered by abnormal workloads. In 2025, all 33 employees completed interviews with the on-site physician; following a follow-up questionnaire and interviews, all employees were excluded from the scope of the abnormal workload-triggered illness prevention plan.

【Maternal Health Protection Plan】

In 2025, 11 new employees were added to the Maternal Health Protection Plan; following confirmation by the EHS unit and the on-site physician, all were classified as Level 1 management cases.

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

This plan is established to prevent employees from experiencing unlawful infringement (such as violence, threats, or harassment) from internal or external parties while performing their duties, and to ensure prompt response and follow-up tracking in the event of an incident, safeguarding employees' physical and mental health and workplace safety. No cases of unlawful infringement occurred in 2025.

Protection Plan

To implement fire, earthquake, and other disaster prevention and response measures, and to achieve the goals of safeguarding human life and mitigating disaster impacts, Young Optics has established protection plans and disaster response training as part of its routine operations.

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).	
	Evacuation Training	Training on fire safety and evacuation facilities, with drills for announcements, guides, and assisting those with evacuation difficulties.	
	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.	
	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).	
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.	
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, 2025, to December 31, 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, with the most recent examination conducted in 2024. 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 2025, both the Taiwan and China factories conducted on-site special operations health examinations, covering operations involving nickel and its compounds, noise exposure, dust exposure, and ionizing radiation, among others. A total of 41 employees participated at the Taiwan factory, and 66 employees participated at the China factory. In addition, the Taiwan factory implemented multiple employee health examination initiatives, including free CT scans, on-site colorectal and oral cancer screenings, bone density and full-body fat composition measurements, influenza and pneumococcal vaccinations, as well as cancer screenings such as Pap smears and mammograms. Furthermore, in response to the 2024 company-wide health examination results identifying overweight as the primary health concern, the Company held a weight loss competition in February 2025, with 80 employees participating and a total weight loss of 219.2 kg. 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.

Item	Examination	Number of Participants	
		Taiwan	China
special operations health examinations	special operations examinations (covering nickel and its compounds, noise exposure, dust exposure, and ionizing radiation)	41	66

Item	Examination	Number of Participants of Taiwan
Other Health Examinations	CT scans	60
	colorectal and oral cancer screenings	37
	bone density and full-body fat composition measurements	34
	influenza and pneumococcal vaccinations	45
	cancer screenings include Pap smears and mammograms	31

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. 50 relaxation yoga sessions were held, with a cumulative total of 540 employee participants.
    c. 7 health seminars and wellness sessions were held, with a cumulative total of 221 participants.
    d. A professional psychologist is engaged to provide regular counseling services every Friday, offering employees a channel to share concerns from daily life. In addition, to protect employee privacy, the counseling service operates under a high level of confidentiality. In 2025, a cumulative total of 101 participants made use of this service.
3. 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.

Health Lectures and Healing Courses

Date	Activity	Participants
2025/2/18	Navigating Parent-Child Conflicts Over Digital Device Use	16
2025/4/23	Understanding Peptic Ulcers	23
2025/5/22	CPR and AED Session	82
2025/6/25	It's the Emotions That Are Bad, Not You" — Self-Healing in the Workplace	24
2025/8/6	Stress-Relief Handicraft Workshop (Coaster Weaving)	20
2025/11/25	Smooth Communication, Positive Action	12
2025/12/10	Relieve Shoulder and Neck Tension, Work Happily Without Aches	44
Total		**221**

Relaxation Yoga Session

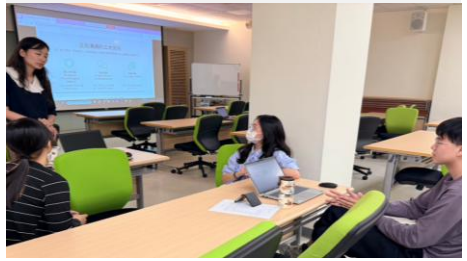
Work Happily Without Aches

CPR and AED Session

Self-Healing in the Workplace

Stress-Relief Handicraft Workshop

Smooth Communication, Positive Action



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.

The Taiwan factory provides unpaid parental leave, maternity leave, paternity leave, family care leave, a lactation room, reserved parking spaces for pregnant employees, and childbirth subsidies, and has established partnerships with multiple daycare centers and kindergartens in the Hsinchu area, encouraging employees to have children while providing safe and reassuring welfare support. In addition to dedicated parking spaces for pregnant employees, the Taiwan factory health center is also equipped with a lactation room, providing breast milk storage bags, nursing pads, and sterilizers, among other facilities, and has obtained lactation room certification from the Hsinchu City Health Bureau (certification valid from August 2023 to August 2026). The China factory is also equipped with a lactation room, providing 1 hour of daily breastfeeding leave in accordance with regulations; for multiple births, an additional 1 hour of breastfeeding time is provided per day for each additional infant.

Parental leave Statistics

Type	Taiwan			China		
	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave (2022~2025)	21	22	43	5	19	24
Number of employees who applied for parental leave in 2025	2	5	7	0	5	5
Number of employees to be reinstated after parental leave in 2025 (C)	2	4	6	0	5	5
Number of employees reinstated after parental leave in 2025 (D)	1	3	4	0	5	5
Reinstatement rate (D/C)%	50%	75%	67%	100%	100%	100%
Number of employees reinstated after parental leave in 2024 (E)	2	5	7	2	4	6
Number of employees who remained on the job one year upon reinstatement after parental leave in 2024 (F)	1	2	3	1	4	5
Retention rate (F/E)%	50%	40%	43%	50%	100%	83%

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

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 2025, the Taiwan factory held two blood donation drives, on March 11 and September 9, 2025, with a total of 293 participants and 368 units of blood donated during the year. In addition, the China factory organized a voluntary blood donation event on July 18, 2025, with approximately 20 employees participating, contributing these valuable blood resources to medical relief efforts and bringing hope to countless lives.

< 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 "Children of The Stars Handmade Shop." This action not only helped reduce the environmental burden but also supported children on the autism spectrum in building a shared, inclusive home.

<A Day of Companionship, Love in Motion>

The Company partnered with a counseling psychologist to hold a volunteer event titled "A Day of Companionship, Love in Motion," inviting employees and their families to participate. Through companionship and listening, participants extended care to others, conveying support and warmth through concrete action, while encouraging employees to engage in social welfare and fostering a corporate culture of positive mutual support.

< Donating Supplies – Spreading Warmth and Care >

In 2025, the Company made donations of supplies in January, February, May, July, and September to the Zhi-Shan Social Welfare Foundation and Chen-His Development Center.

< Charity Sale – Spreading Love and Hope >

In 2025, the Company invited the Yu-cheng Social Welfare Foundation, Mercyland Foundation, FortuneSeed Charity Association(Green Sprout Hope Factory), and Wulove Home Care to set up booths within the factory for charity sales, bringing warmth and positive energy through charitable sales and responding to social welfare needs through concrete action.

Appendix

Appendix 1 GRI Content Index

GRI Standards	Disclosure content	Chapter	Page
GRI 2 General Disclosures	2-1 Organizational details	1.1 Company Introduction	8
	2-2 Entities included in the organization's sustainability reporting	About the Report	4
	2-3 Reporting period, frequency and contact point	About the Report	4
	2-4 Restatements of information	About the Report	4
	2-5 External assurance	About the Report	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 3.3 Risk Management	17、36
	2-14 Role of the highest governance body in sustainability reporting	2.1 Sustainable Development	17
	2-15 Conflicts of interest	3.1 Corporate Organization 3.2 Integrity Management	30、35
	2-16 Communication of critical concerns	2.2 Stakeholders Communication	19
	2-17 Collective knowledge of the highest governance body	3.1 Corporate Organization	30
	2-18 Evaluation of the performance of the highest governance body	3.1 Corporate Organization	30
	2-19 Remuneration policies	6.4 Remuneration and Benefits	77
	2-20 Process to determine remuneration	3.1 Corporate Organization 6.4 Remuneration and Benefits	30 77
	2-21 Annual total compensation ratio	• The ratio of the annual total compensation for Taiwan factory’ s highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual) is 8.22. • The ratio of the percentage increase in annual total compensation for Taiwan factory's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 33.1. • Calculation basis: 633 employees with 12 months of service in 2024 and 670 employees with 12 months of service in 2023; items included in the calculation are salary, bonuses, and employee stock trust.	
	2-22 Statement on sustainable development strategy	2.1 Sustainable Development	17

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter		Page
GRI 2 General Disclosures	2-23	Policy commitments	2.1 Sustainable Development	4.3 Environment Policy and Promise	17、35、36、44、49、53、56、63、70、72、82
			3.2 Integrity Management	5.2 Green Product	
			3.3 Risk Management	6.1 Workplace Overview	
			3.4 Information Security Management	6.2 Inclusion and Employee Rights	
			4.1 Climate Change Management	6.5 Occupational Health and Safety	
			4.2 Greenhouse Gas Reduction and Management		
	2-24	Embedding policy commitments	2.1 Sustainable Development	4.3 Environment Policy and Promise	17、35、36、44、49、53、56、62、63、72、82
			3.2 Integrity Management	5.1 Innovation Management	
			3.3 Risk Management	5.2 Green Product	
			3.4 Information Security Management	6.2 Inclusion and Employee Rights	
			4.1 Climate Change Management	6.5 Occupational Health and Safety	
			4.2 Greenhouse Gas Reduction and Management		
	2-25	Processes to remediate negative impacts	2.2 Stakeholders Communication		19
	2-26	Mechanisms for seeking advice and raising concerns	2.2Stakeholders Communication	3.2 Integrity Management	19、35
	2-27	Compliance with laws and regulations	4.3 Environment Policy and Promise	6.5 Occupational Health and Safety	56、72、82
			6.2 Inclusion and Employee Rights		
			In 2025, Young Optics reported no instances of non-compliance with any applicable laws or regulations resulting in fines (materiality threshold: NT$1 million or above).		
	2-28	Membership associations	1.1 Company Introduction		8
	2-29	Approach to stakeholder engagement	2.3 Material Topics		21
			3.2 Integrity Management		35
	2-30	Collective bargaining agreements	Information is unavailable, our company has not yet formed a union.		
GRI 3 Material Topics	3-1	Process to determine material topics	2.3 Material Topics		21
	3-2	List of material topics	2.3 Material Topics		21
	3-3	Management of material topics	2.3 Material Topics		21
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		77
GRI 204 Procurement 2016	204-1	Proportion of spending on local suppliers	5.2 Green Product		63
GRI 205Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	3.2 Integrity Management		35
GRI 302 Energy 2016	302-1	Energy consumption within the organization	4.6 Energy Management		59
	302-4	Reduction of energy consumption	4.6 Energy Management		59
GRI 303 Water 2018	303-5	Water consumption	4.5 Water Management		58
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Reduction and Management		53
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Greenhouse Gas Reduction and Management		53
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Reduction and Management		53
	305-4	GHG emissions intensity	4.2 Greenhouse Gas Reduction and Management		53
	305-5	Reduction of GHG emissions	4.2 Greenhouse Gas Reduction and Management		53

Appendix 1 GRI Content Index

GRI Standards	Disclosure content		Chapter	Page
GRI 306 Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Waste Management	57
	306-3	Waste generated	4.4 Waste Management	57
	306-4	Waste diverted from disposal	4.4 Waste Management	57
	306-5	Waste directed to disposal	4.4 Waste Management	57
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.3 Sustainable Alliance	66
GRI 401Employment 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	77
	401-3	Parental leave	6.5 Occupational Health and Safety	82
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	6.5 Occupational Health and Safety	82
	403-2	Hazard identification, risk assessment, and incident investigation	6.5 Occupational Health and Safety	82
	403-3	Occupational health services	6.5 Occupational Health and Safety	82
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.5 Occupational Health and Safety	82
	403-5	Worker training on occupational health and safety	6.5 Occupational Health and Safety	82
	403-6	Promotion of worker health	6.5 Occupational Health and Safety	82
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.5 Occupational Health and Safety	82
	403-8	Work-related injuries	6.5 Occupational Health and Safety	82
	403-9	Occupational health and safety management system	6.5 Occupational Health and Safety	82
	403-10	Work-related ill health	6.5 Occupational Health and Safety	82
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	6.3 Talent Development	75
	404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Remuneration and Benefits	77
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	75
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	72 77
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.2 Inclusion and Employee Rights	72

Appendix 2 SASB Content Index

Topic	Code	Metric	Chapter/Omission Reason	Page
Product Security	TC-HW-230a. 1	Description of approach to identifying and addressing data security risks in products	3.4 Information Security Management	44
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	<table><tr><th rowspan="2">Category</th><th colspan="2">By Gender</th><th colspan="3">By Age</th></tr><tr><th>Male</th><th>Female</th><th>Under 30</th><th>31-50</th><th>51 and above</th></tr><tr><td>Executive management</td><td>0.3%</td><td>0.2%</td><td>0.0%</td><td>0.3%</td><td>0.8%</td></tr><tr><td>Non-executive management</td><td>11.5%</td><td>5.3%</td><td>0.6%</td><td>11.0%</td><td>19.0%</td></tr><tr><td>technical employees (R&D and Production Staff)</td><td>80.3%</td><td>74.8%</td><td>89.6%</td><td>75.3%</td><td>60.3%</td></tr><tr><td>all other employees(Sales and Admin Staff)</td><td>7.9%</td><td>19.7%</td><td>9.8%</td><td>13.4%</td><td>19.8%</td></tr></table>	-
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 23% 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	63
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	4.6 Energy Management	Gigajoules (GJ), Percentage(%)
2	Amount of total water withdrawn, and total water consumed.	Quantitative	4.5 Water Management	Thousand cubic meters(m^3)
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 2025 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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Report No. : (TH24-064 / Version 1)

Greenhouse Gas Verification Report Opinion

THGHG24064-02

Verification Scope:	Young Optics Inc. No. 7, Xin'an Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)
Verification Criteria:	ISO 14064-1 : 2018
Verification Objectives :	According to ISO 14064-3:2019, AFNOR Asia Ltd. (AFNOR ASIA) confirms that the GHG statement (GHG inventory report) of the above-mentioned organization(s) is reported in accordance with the verification criteria agreed by both parties. AFNOR ASIA performs the verification with an objective and fair position and principle (relevant, complete, consistent, accurate, and transparent).
Data Period :	From 01 01, 2025 to 12 31, 2025 (The data being viewed is historical in nature)
Verification Data :	Direct GHG Emissions (Category 1): 898.4928 tCO_2e Energy Indirect GHG Emissions (Category 2): 9955.3872 tCO_2e Indirect GHG Emissions (Category 3~6): 4239.9361 tCO_2e

Global Warming Potential (GWP) : Refer to IPCC The 06-assessment report 2021 Year

Statement Basis : This statement must be interpreted as a whole with the following.

GHG Inventory Report (Version : 2 ; Date : 04 08, 2026)

GHG Inventory (Version : 2 ; Date : 04 08, 2026)

Materiality : 5% (Category 1 and Category 2)

Type of Opinion : ☒Unqualified ☐Qualified (see the subsequent page) ☐Disclaim the issuance

Verification Conclusion: To confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by both parties, and fairly presents the GHG data and related information, which are consistent with the verification scope, objectives and criteria agreed by both parties.
Declares that the reasonable assurance level of the inventory data is Category 1 and Category 2; the limited assurance level of the inventory data is Category 3 to Category 6.

Date of Issuance: 05 10, 2026

APPROVED BY

Dr. August Tsai
Director for Certification
ON BEHALF OF
AFNOR ASIA

113-2024/00

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Report No. : (TH24-064 / Version 1)

Emissions Data for Each Category :

Category	Description of Content	GHG Emissions (tCO_2e)	Note
(Category 1) Direct GHG emissions	Stationary emissions, Fugitive emissions	898.4928	
(Category 2) Indirect GHG emissions from imported energy	Electricity	9955.3872	Location-based standard
(Category 3) Indirect GHG emissions from transportation	Upstream transportation of raw materials, Downstream transportation of products, Employee commuting, Business travel	448.3984	
(Category 4) Indirect GHG emissions from products used by the organization	Purchased goods, Waste treatment	3791.5377	
(Category 5) Indirect GHG emissions associated with the use of products from the organization	NA	NA	
(Category 6) Indirect GHG emissions from other sources	NA	NA	

Biomass Burning Emission : 0.0000 tCO_2e

Note: The presentation of data after the decimal point in this Verification Report Opinion shall follow the definition of the inventory procedures and other documents of the organization being verified; if not defined, it shall be presented by the provisions of the organizational level of MOENV: 4 decimal places.

113-2024/00

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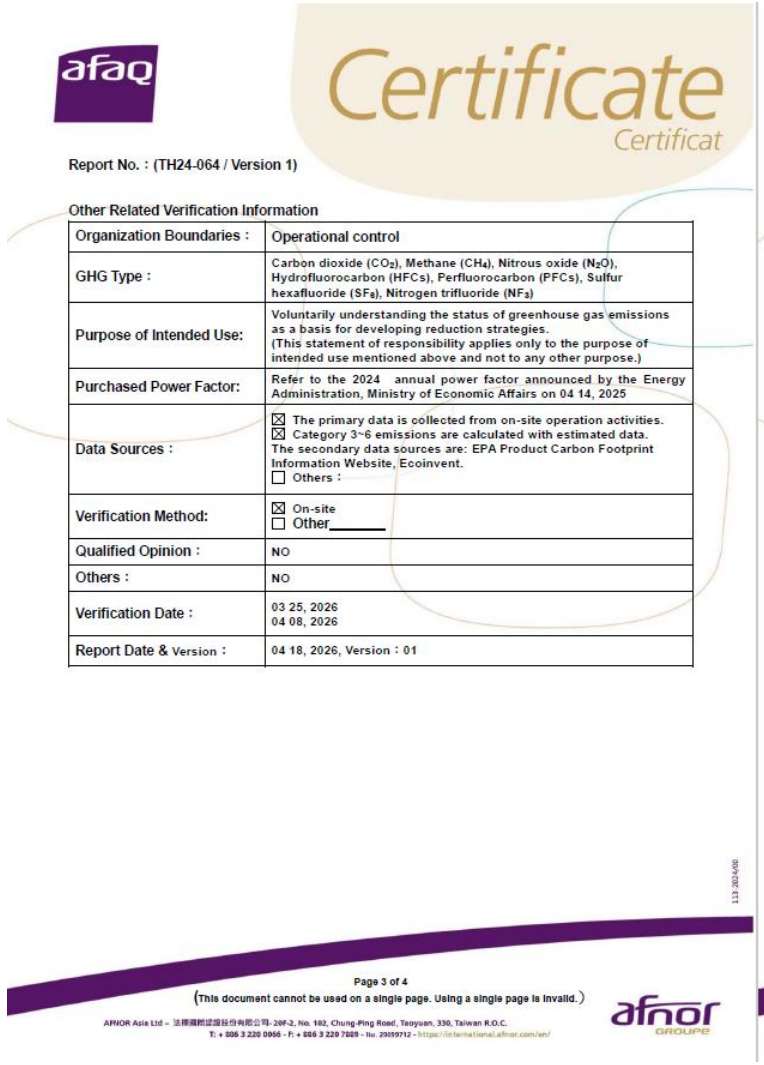
Appendix 4 ISO 14064-1 Verification Opinions Statement



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Report No. : (TH24-064 / Version 1)

Other Related Verification Information

Organization Boundaries :	Operational control
GHG Type :	Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbon (HFCs), Perfluorocarbon (PFCs), Sulfur hexafluoride (SF_6), Nitrogen trifluoride (NF_3)
Purpose of Intended Use:	Voluntarily understanding the status of greenhouse gas emissions as a basis for developing reduction strategies. (This statement of responsibility applies only to the purpose of intended use mentioned above and not to any other purpose.)
Purchased Power Factor:	Refer to the 2024 annual power factor announced by the Energy Administration, Ministry of Economic Affairs on 04 14, 2025
Data Sources :	☒ The primary data is collected from on-site operation activities. ☒ Category 3~6 emissions are calculated with estimated data. The secondary data sources are: EPA Product Carbon Footprint Information Website, Ecoinvent. ☐ Others :
Verification Method:	☒ On-site ☐ Other_____
Qualified Opinion :	NO
Others :	NO
Verification Date :	03 25, 2026 04 08, 2026
Report Date & Version :	04 18, 2026, Version : 01

113-2024/00

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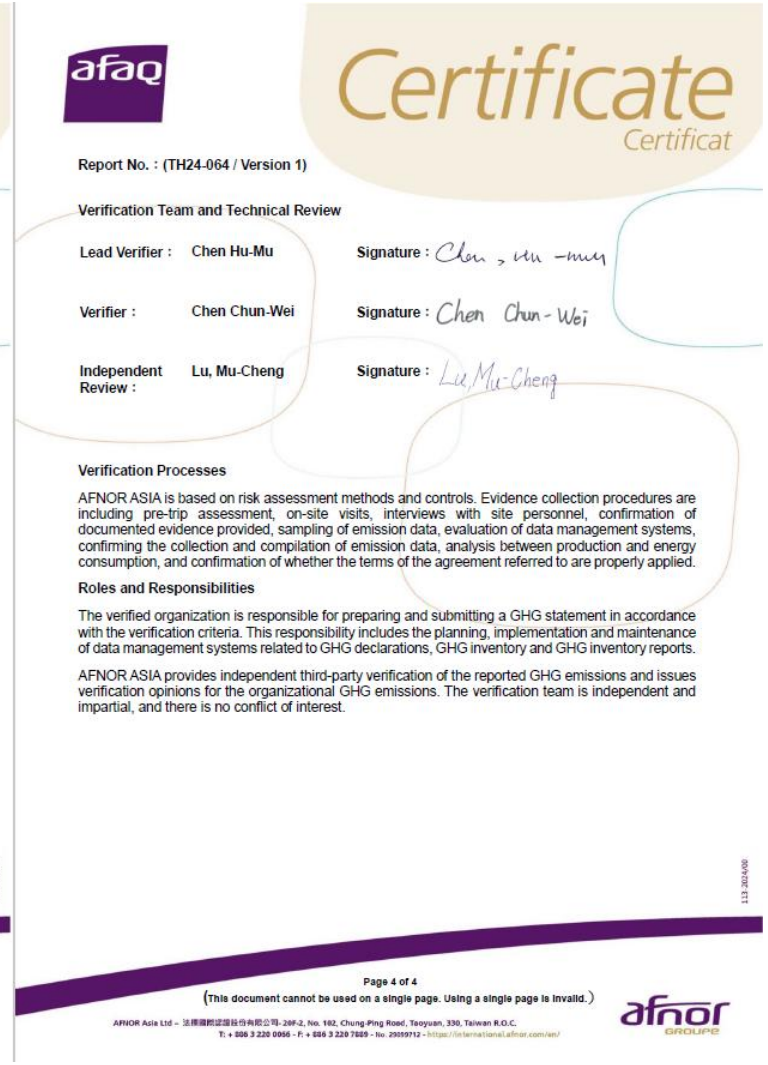

afaq Certificate Certificat

Report No. : (TH24-064 / Version 1)

Verification Team and Technical Review

Lead Verifier :	Chen Hu-Mu	Signature : Chen, Hu-Mu
Verifier :	Chen Chun-Wei	Signature : Chen Chun-Wei
Independent Review :	Lu, Mu-Cheng	Signature : Lu, Mu-Cheng

Verification Processes

AFNOR ASIA is based on risk assessment methods and controls. Evidence collection procedures are including pre-trip assessment, on-site visits, interviews with site personnel, confirmation of documented evidence provided, sampling of emission data, evaluation of data management systems, confirming the collection and compilation of emission data, analysis between production and energy consumption, and confirmation of whether the terms of the agreement referred to are properly applied.

Roles and Responsibilities

The verified organization is responsible for preparing and submitting a GHG statement in accordance with the verification criteria. This responsibility includes the planning, implementation and maintenance of data management systems related to GHG declarations, GHG inventory and GHG inventory reports.

AFNOR ASIA provides independent third-party verification of the reported GHG emissions and issues verification opinions for the organizational GHG emissions. The verification team is independent and impartial, and there is no conflict of interest.

113-2024/00

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