



2025 ESG Insight

About the Report

What's Inside

This report mainly provides investors but not limited to other stakeholders with a comprehensive overview of AUO's sustainability agenda. It illustrates how the company integrates environmental stewardship, social responsibility, and sound governance into its overall strategy, while introducing its long-term vision, EPS 2030, which defines AUO's forward-looking sustainability commitments.

The report highlights AUO's transformation into a solutions-driven enterprise, emphasizing innovation, resilience, and commitment as it advances toward becoming an industry sustainability leader.

Environmental sections address key focus areas such as renewable energy adoption, carbon reduction, water and waste management, circular economy practices, and the development of sustainable products.

Social sections underline AUO's commitment to human rights and employee engagement, while governance sections focus on sustainable governance and risk management.

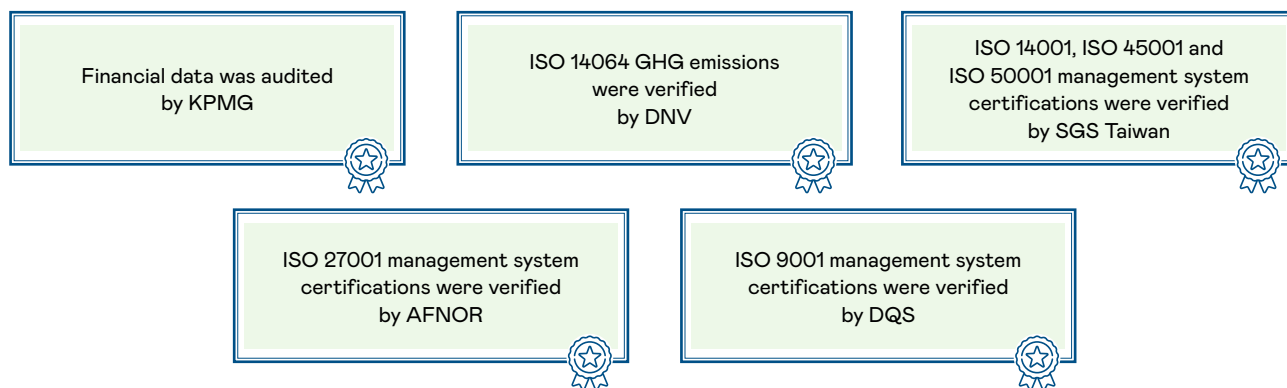
For investors, the report provides a clear and accessible overview of AUO's sustainability performance and progress. Looking ahead, AUO will continue to work closely with its stakeholders to go beyond CSR and create shared values.

1-1 Scope of the Report

This report discloses AUO's sustainability performance from January 1, 2025, to December 31, 2025 (corresponding to the financial reporting period) across its global offices and manufacturing facilities. The reporting boundary includes the parent company and its subsidiaries with major operational and production sites in Taiwan, China, other parts of Asia, the Americas, and Europe.

1-2 External assurance & verification

All of the data in the report were verified by an independent third party and presented using internationally accepted indicators.



AUO ESG Insight

Founded in 1996, AUO operates across Asia, the U.S. and Europe. We practice the Gung Ho belief, enthusiastic teamwork focusing on collaborative working culture to drive advancement and win-win for everyone.

Leveraging its strong research and development capabilities, AUO places display technology at the core of its strategy and integrates AIoT to combine hardware, software, cloud, and service platforms. In domains such as smart mobility, medical, education, retail, smart services, and green energy, the company delivers diverse smart living solutions and services that enhance quality of life and user experience, while dedicating efforts toward building a sustainable and better future.

2-1 Three Pillars For Sustainable Business

In recent years, under the guidance of the “biaxial transformation” strategy, AUO has focused on enhancing the added value of display technologies (“Go Premium”) and deepening applications in vertical markets (“Go Vertical”). The company is advancing toward becoming a solution provider centered on display technology, while integrating group resources across three major operational pillars: Display, Mobility Solution, and Vertical Solution, thereby continuously strengthening operational resilience.

AUO has established three pillars—Display, Mobility Solution, and Vertical Solution—to drive its strategic development. By collaborating with group companies to optimize resource integration and execution capabilities, the company is able to respond swiftly to market challenges and opportunities, mitigate the impact of industry cycles, and advance toward stable profitability and sustainable operations.

2-2 Sustainability Recognitions



Selected among the top 10% in the S&P Global Sustainability Yearbook 2026

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Included in the DJSI World Index for the 15th consecutive year



CDP Climate Change A
CDP Water Security A






ISS ESG Rating - Prime Status



EcoVadis Sustainability Rating - Silver

2-3 AUO EPS Target

The 17 Sustainable Development Goals (SDGs) developed by the United Nations was used by AUO to define a corporate sustainability roadmap of "Go Beyond CSR, Create Shared Values." Nine key SDGs were identified through the ranking of scores and used to consolidate the company's medium and long-term 2025 sustainability strategies. Targets and actions plans are also set every year for the continued implementation of related initiatives. The three EPS (Environment, People and Society) themes focusing on environmental sustainability, inclusive growth and agile innovation. The EPS sustainability framework has been extended into ten specific dimensions, each with clearly defined annual targets. For the year 2025, all ten targets were successfully achieved, resulting in a 100% completion rate.

| Categories | | 2025 Targets | 2018-2025 Cumulative Achievement Rate | |
|--|---------------------------|--|--|---|
|  Environment | Energy Optimization | Set reduction targets based on lifecycle and reduce carbon emissions by up to 6.5 million tones CO ₂ e cumulatively. | Accumulated reduction of 17.47 million metric tons of carbon emissions | ✓ |
| | Water Optimization | Work with the value chain to combat the threat of water resource shortages and conserve up to 100,000 CMD in tap water cumulatively. | Accumulated water savings of 350,000 CMD | ✓ |
| | Circular Production | Spearhead the development of the circular value chain, expand its economic performance and achieve a growth rate of 135%. | AUO generated economic benefits of NTD 10.31 billion | ✓ |
| | Climate Adaptation | Increase the resilience of climate adaptation and continue to reduce the risk of financial impact from climate change issues. | A total of 38 projects | ✓ |
|  People | Quality Education | Provide diversified educational opportunities to more than 600,000 people and increase employee participation in AUO quality education by 20% each year. | Promoting popular science education, employee competency, and industry-university collaboration with 730,000 participants | ✓ |
| | Inclusive Growth | Support the disadvantaged and ally with industry chain partners to grow inclusive employment and learning opportunities more than eight-fold. | Accumulated creation of 73,000 job opportunities | ✓ |
| | Enjoyable Workplace | Become the preferred enterprise and reach 80% in employee identification with the four dimensions in Primary demand, Management support, Team work and Learning and growth. | 81% of employees identify with the company | ✓ |
|  Society | Adorable and Clean Energy | Improve capability in renewable technology, expand the installed capacity of renewable energy around the world and double the cumulative growth rate. (100% cumulative growth) | The total installed capacity of renewable energy has reached 3,224 KW | ✓ |
| | Smart Manufacturing | Boost industry competitiveness and overall performance by 50% through intelligent manufacturing and technology integration. | Achieved an overall performance improvement of 157% | ✓ |
| | Intelligent Life | Develop products and integrated services to expand the cumulative reach of education, health, finance, shopping, lifestyle, transport and other smart city applications so that it can reach one billion people. | Diversified display products have reached a cumulative total of 1,666 million people | ✓ |

Since 2024, AUO has initiated the development of “EPS 2030” to ensure alignment between its sustainability strategy and the company’s medium- to long-term development direction. The vision of EPS 2030 is “Driving change through technological innovation to build a sustainable future of climate resilience and human-centric inclusiveness.” Building upon the three strategic pillars—Environment, People, and Society—AUO has redefined their scope to better reflect corporate transformation and global sustainability trends. The framework of EPS 2030 encompasses 10 dimensions and 30 sustainability goals, serving as the comprehensive foundation for AUO’s sustainability advancement.

 [See EPS Targets](#)

Environmental

Environmental Management Systems



100% sites with
ISO 14001、ISO 14064、ISO 50001、QC 080000



[See AUO CSR Web](#)

3-1 Responding to Climate Initiatives

AUO is committed to achieving net zero emissions and actively participates in international climate initiatives. It has also set more challenging carbon reduction goals. In 2024, AUO obtained SBTi validation under the 1.5° C scenario. As a member of RE100, AUO has pledged to achieve 100% renewable energy by 2050, making us the first global display manufacturer to do so.



AUO set a Science Based Target (SBT), which was approved by SBTi, to achieve an absolute 42% carbon reduction by 2030 with a 1.5° C warming scenario and use 2021 as the base year.



AUO joined RE100 and committed to using 30% renewable energy by 2030 and 100% renewable energy by 2050.



AUO publish climaterelated financial disclosure reports to enable external stakeholders to fully understand the achievements and information regarding climate-related risks and opportunities.



Establish a The Taskforce on Nature-related Financial Disclosures (TNFD) operational management framework to mitigate threats to biodiversity and collaboratively leverage influence with stakeholders.

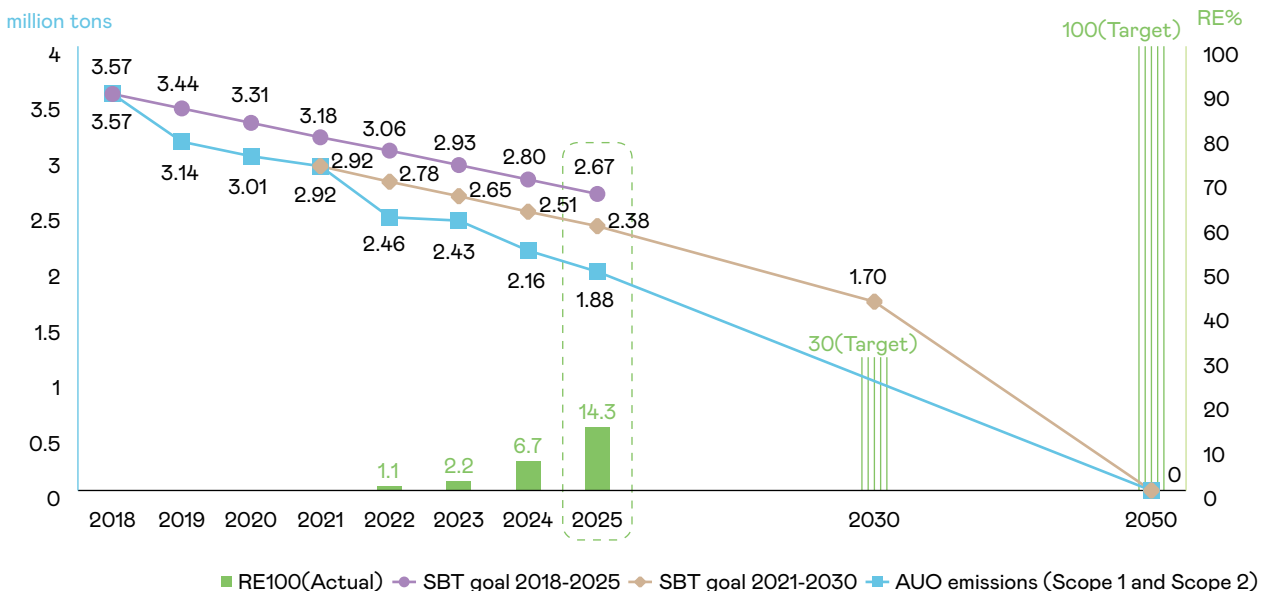


AUO worked with enterprises to establish Taiwan Climate Partnership to promote the implementation of energy saving and carbon reduction and drive industry chain suppliers towards net zero.



Joined the Taiwan Alliance for Net Zero Emission and committed to achieve carbon neutrality in the corporate headquarters building by 2023, carbon neutrality in Taiwan offices building by 2030, and towards carbon neutrality.

3-2 Net Zero & RE 100 by 2050



3-3 Carbon Price

AUO has converted the carbon costs derived from external climate regulation policies into an internal carbon price, continuously applying this carbon price to the benefit assessment of energy-saving investment projects in green manufacturing. This allows AUO can more accurately evaluate the carbon reduction costs of manufacturing activities under future net-zero pathways. In 2025, AUO's carbon price was TWD 8,318 per ton.

3-4 Carbon Neutrality Management and Actions

AUO is committed to achieving carbon neutrality for building operations across its Taiwan facilities by 2030. In 2024, the Global Research Center (GRC) headquarters building was designated as a demonstration site, successfully obtaining Taiwan's first building operation-stage carbon neutrality verification certificate in accordance with ISO 14068 standards. AUO continues to upgrade the operational facilities at its Taichung, Houli, and Longtan plants, adhering to the principle of 'prioritize reduction before offsetting.' Guided by the ISO 14068 Carbon Neutrality Standard, AUO implements a structured approach to carbon neutrality through four major steps: Inventory, Reduction, Creation, and Offset.

3-5 Carbon Credit Trading Management

Before the enactment of the Greenhouse Gas Reduction and Management Act, AUO engaged in early reduction projects and obtained offset carbon credits approved by Taiwan's authority. To enhance the utilization and value of carbon assets, AUO has proactively implemented autonomous reduction initiatives and established carbon credit management practices. In parallel, AUO provides carbon credit trading services for entities with offset needs, facilitating market participation and supporting the development of Taiwan's carbon market. In 2025, AUO listed 25 metric tons of offset carbon credits on the Taiwan Carbon Exchange, marking the first domestic carbon credit sale within Taiwan's technology industry.

3-6 AUO Task Force on Climate-related Financial Disclosures (TCFD) Transition Risk Case Study

Risk Management Deficiencies in Climate Resilience of Critical Supply Chains



Scenario

Rising temperatures have caused power shortages across the supply chain, exerting pressure on suppliers to sustain stable production.



Financial impact

It is estimated that AUO's shipments will be affected, resulting in a revenue reduction of 0.36 billion NTD per year.

Response strategy



✓ Short-Term Measures:

Enhance safety stock, strengthen supply chain transparency, and improve communication.

✓ Medium- to Long-Term Measures:

Diversify supplier locations to mitigate risks, establish supply assurance agreements with supply chain partners, and select suppliers with resilient power supply capabilities.



[For additional case studies, please refer to section 3.1.2 Climate Risk Management in the Sustainability Report.](#)

3-7 Greenhouse Gas (GHG) Emissions Management

| GHG Emissions (tons CO ₂ e) | 2023 | 2024 | 2025 |
|---|-------|-------|-------|
| Scope 1 (Direct Emissions) | 0.07M | 0.07M | 0.07M |
| Scope 2 (Indirect Emissions: Imported Energy) | 2.36M | 2.10M | 1.81M |
| Scope 3 (Indirect Emissions: Other) | 2.17M | 4.63M | 3.93M |
| GHG Emissions Intensity (kgCO ₂ e/m ²) | 44.06 | 36.59 | 31.7 |

3-8 Energy Management

| Strategy | Achievement | 2026 Target |
|---|---|---|
| <ul style="list-style-type: none"> ✓ Promote Renewable Energys ✓ Increase Energy Efficiency | <ul style="list-style-type: none"> ✓ 2025 annual electricity saving rate 4.73% (2025 Target : Annual electricity saving rate 4.5%) | <ul style="list-style-type: none"> ■ Annual electricity saving rate 3.3% |

| | 2023 | 2024 | 2025 |
|---|------------|------------|------------|
| Energy Usage (GJ) | 17,224,256 | 16,481,260 | 15,585,710 |
| Purchased Electricity | 16,155,824 | 14,758,985 | 12,743,386 |
| Natural Gas | 701,170 | 641,246 | 633,139 |
| LPG | 22,234 | 16,534 | 11,916 |
| Diesel | 53,863 | 56,178 | 55,878 |
| Gasoline | 983 | 983 | 981 |
| Self Generated and Used Solar Power | 202,081 | 225,790 | 233,753 |
| Self Generated and grid tied Solar Power (output) | 188,269 | 178,321 | 164,996 |
| Energy Intensity | | | |
| Energy consumption per input sheet (GJ/m ²) | 0.31 | 0.28 | 0.26 |
| Energy consumption per revenue (GJ/10,000 NTD) | 0.70 | 0.60 | 0.60 |

3-9 Water Management

| Strategy | | | |
|--|--|--|---|
| <ul style="list-style-type: none"> ✓ Reduce dependence on water resources | <ul style="list-style-type: none"> ✓ Improve production water recovery rate | <ul style="list-style-type: none"> ✓ Develop a range of water reclamation resources | <ul style="list-style-type: none"> ✓ Water condition monitor and contingency plans |

| | 2023 | 2024 | 2025 |
|--|--------|--------|--------|
| Water Withdrawal (million tons) | 23.81 | 23.74 | 23.22 |
| Surface water (include rainwater) | 0.01 | 0.01 | 0.02 |
| Groundwater | 0.20 | 0.39 | 0.01 |
| Third-party water (freshwater) | 20.77 | 20.00 | 33.79 |
| Third-party water (reclaimed water) | 2.84 | 3.36 | 12.62 |
| Production Water Recycle Volume | 184.07 | 131.44 | 131.68 |
| Process water recycling rate % | 95.02% | 94.70% | 95.24% |
| Production Process | | | |
| Process Water Consumption (million tons) | 18.41 | 17.53 | 14.40 |
| Process Water Intensity (tons/m ²) | 0.33 | 0.30 | 0.25 |



3-10 Waste Management

| Strategy | Achievement | 2026 Target |
|---|--|--|
| <ul style="list-style-type: none"> ✓ Prioritize reuse within the production process ✓ Raw materials reduction ✓ Recycling before incineration and landfill | <ul style="list-style-type: none"> ✓ 2025 total volume of non-reusable waste 6,239.84 ton (2025 Target : Total volume of non-reusable waste <8,500 ton) ✓ 2025 total volume of hazardous unreusable waste 2,519.77 ton (2025 Target : Total volume of hazardous unreusable waste <3,300 ton) | <ul style="list-style-type: none"> ■ Total volume of non-reusable waste : < 8,300 ton ■ Total volume of hazardous unreusable waste : < 3,200 ton |

| | 2023 | 2024 | 2025 |
|--------------------|--------|--------|--------|
| Total Waste (tons) | 73,469 | 70,634 | 65,180 |
| Recycled | 67,361 | 64,590 | 58,940 |
| Incinerated | 5,178 | 5,408 | 5,434 |
| Landfilled | 759 | 635 | 365 |
| Others | 172 | 2 | 441 |
| Recycled waste % | 91.69% | 91.44% | 90.43% |

3-11 Air Emissions

| Strategy |
|---|
| <ul style="list-style-type: none"> ✓ Internal and external air pollution monitoring are periodically conducted to keep track of equipment’s operating status and comply with regulatory requirements. ✓ Based on the composition and characteristics of process exhaust gases, advanced technologies are applied to enable stream segregation and purification, thereby enhancing treatment efficiency. |

| Total Air Emissions (tons) | 2023 | 2024 | 2025 |
|----------------------------------|-------|--------|--------|
| ODS Emissions | 0.05 | 0.06 | 0.09 |
| Sulfur Oxide (SOx) | 52.0 | 48.93 | 39.4 |
| Nitrogen Oxide (NOx) | 81.72 | 69.27 | 52.96 |
| Volatile Organic Compounds (VOC) | 138.8 | 129.68 | 128.28 |

3-12 Biodiversity Vision and Management

The "AUO Biodiversity, and Ecosystems, and zero-deforestation Policy" released in 2023 in response to the "Kunming-Montreal Global Biodiversity Framework" and the international community's consensus to stop the trend of biodiversity loss. This policy outlines AUO's commitment to biodiversity and establishes a corresponding policy framework to avoid, reduce, and repair the potential impacts of AUO's business operations on nature. Promote a transition towards a positive nature for nature, aiming to achieve the vision of a net positive impact on biodiversity by 2050.

AUO refers to the AR³T (Avoid, Reduce, Restore & Regenerate, Transform) framework to promote nature-related measures and actions, including avoid, reduce, restore & regenerate and transform. In the future, AUO will continue to explore various actions and opportunities to avoid and reduce investment in natural impacts, deepen the restoration and regeneration of the ecosystem around the site, and promote the transformation towards a positive nature with the vision of promoting the positive development of nature.

Avoid

Regarding air, water and pollutant issues, implementing and improving pollutant processing technologies.

Reduce

By reducing water consumption of manufacturing process, optimizing water recycling efficiency and increasing the use of reclaimed wastewater to reduce the impact. Reducing nonreusable waste generated from production.

Restore and Regenerate

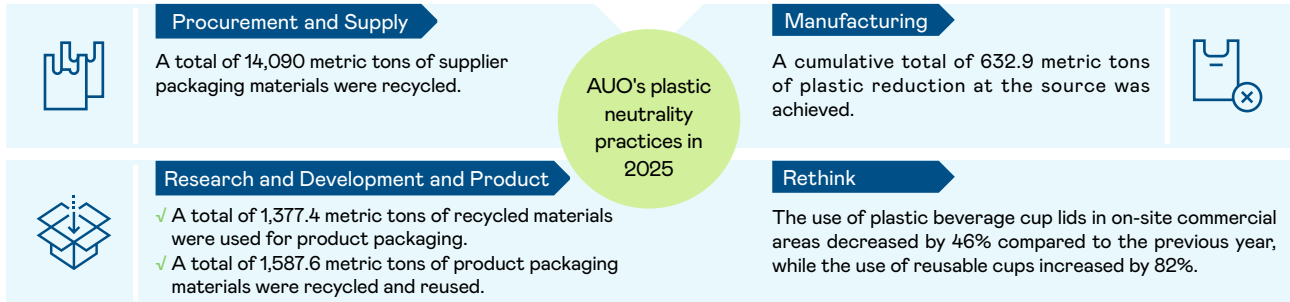
- ✓ Environmental monitoring round the Longtan site and the Xiaoli River
- ✓ Removing invasive plants along the Xiaoli River together with local stakeholders
- ✓ By adhering to the principles of low-density development and forest restoration, Mabuville preserves its original forest landscape, maintaining critical habitats for various second- and third-grade protected species, including mammals, birds, insects, and amphibians.

Transform

- ✓ AUO Green Party –promoting tree planting and awareness on deforestation and forest conservation.
- ✓ AUO Ocean Party –promoting beach cleaning and awareness on marine waste.
- ✓ AUO GreenArk -promoting environmental education on water resource to the public and local communities.
- ✓ In collaboration with certified professional ecological instructors, Mabuville has designed a variety of nature education programs, such as "Eco Magnifier", which explores the ecological features of each season, and "Night in the Black Forest", which introduces nocturnal animals through guided ecological interpretation.

3-13 Plastic Neutrality

AUO set 2023 as the base year to achieve "plastic neutrality" in 2030. By formulating a "3R+1" strategy: Replace/Reuse, Reduce, Recycle and Rethink, a cross-unit plastic working group was established to coordinate plastic reduction tasks. In addition, AUO also announced its plastic neutrality goal at the annual Supplier Co-Prospersity Conference and called on value chain partners to jointly participate in plastic reduction actions to reduce the impact of plastic on the environment.



3-14 Hazardous Substance Management

3-14-1 Hazardous Substance Management Regulation

AUO annually revises "The Green Products Hazardous Substance Management Regulation" according to international regulation, the requirements of customers, and environmental protection trends. In 2025, AUO has managed and controlled 157 hazardous substances, and the hazardous substances under control can cover the requirement of all key customer specifications.

| | | |
|-----------------------|--|-----------------|
| Banned Class A | The Test Report is required to prove it does not contain AUO banned substances | 12 items |
| Banned Class B | The Suppliers could self-declare that it does not contain substances banned by AUO | 64 items |
| Reporting | The controlled substance that the supplier needs to specify the content or concentration | 81 items |

3-14-2 PFAS Reduction Plan

In response to the PFAS restriction proposal published by the European Chemicals Agency (ECHA) in 2023, AUO has proactively implemented corresponding measures to ensure product compliance and maintain its competitiveness in the market.

3-15 Sustainable Products

AUO continues to integrate LTPS technology with the AHVA3+ high-transmittance pixel design and high-efficiency color concentrator materials to optimize display energy performance and ensure compliance with the latest energy-saving standards. These innovations are widely applied in premium notebooks and desktop monitors, delivering lightweight, low-carbon products that effectively reduce energy consumption and environmental impact, supporting customers in achieving carbon reduction goals. Looking ahead, AUO will strengthen digital market intelligence systems to anticipate demand shifts, while advancing technology upgrades, cost optimization, and differentiated applications to maintain competitiveness.

Desktop Monitor



In response to the TCO 10.0 energy consumption standards, AUO has adopted the new AHVA3+ high-transmittance pixel design and incorporated high-efficiency color concentrator materials to enhance optical performance and reduce backlight power usage. These innovations continuously optimize product energy efficiency to ensure compliance with the latest energy saving standards. The technology is widely applied across the 2025 product lineup, including 23.8-inch, 27-inch, and 31.5-inch monitors with various resolutions.

Notebook Display Products



LTPS technology with its ultra-narrow bezel and energyefficiency advantages was applied by AUO to the high-end notebook market characterized by lightweight, narrow bezel, and long standby times. Future development focuses on applying low refresh rate technologies to further reduce display power consumption while maintaining high image quality and integration. This enables smart notebooks to achieve long-lasting endurance in AI computing, contributing to energy conservation and carbon reduction, and meeting the evolving demand for environmentally friendly and intelligent devices.

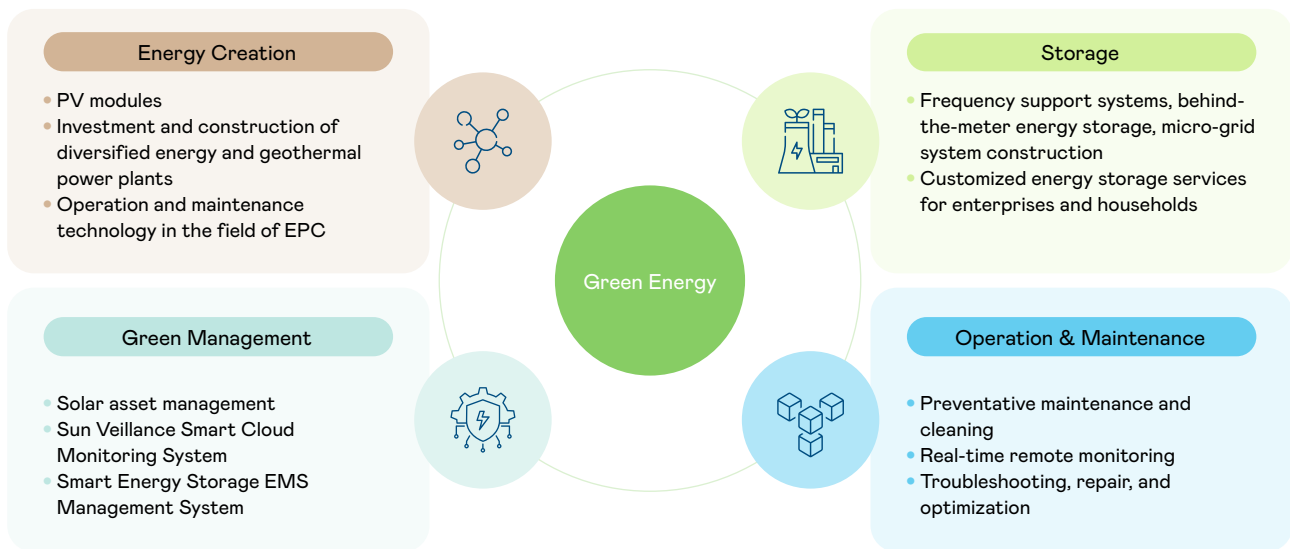


AUO's proprietary HiRaso bistable cholesterol liquid crystal technology consumes power only during image updates, achieving zero energy use for static displays and reducing energy consumption by approximately 90% compared with conventional LCDs. The HiRaso Panel PC supports wide-temperature operation from -30°C to 85°C and has passed IEC-61373 shock and vibration tests, meeting stringent railway safety standards. Even under high temperatures and frequent vibration, it maintains stable image quality and color performance, extends product lifespan, and ensures reliable and durable passenger information delivery.

3-16 Energy Business Development

AUO expanded from PV module manufacturing into the power plant investment, construction, operation and maintenance. Since then, we have continued to build up our ability to provide general contractor services on PV projects for everything from development, design, purchasing to construction. In line with global energy transition trends, the company is restructuring to strengthen its product portfolio, technical consulting, and operation services, ensuring reliable and efficient energy solutions for customers. Leveraging integrated expertise in power plant construction, maintenance, and smart energy management, AUO is also advancing into the low-carbon building sector, seamlessly combining solar applications with architecture to realize energy self-sufficient buildings and sustainable urban development.

3-16-1 Four Major Strategic Domains



Achievement



2025 solar power modules shipment achieved 233 MW



Accumulative solar power plant installation achieved 554 MW

The estimated annual electricity generation of 770 million kw which result in a reduction of 350,000 metric tons of carbon emissions.



Social

Social Management Systems



100% sites with
ISO 45001、ISO 9001、IATF 16949、QC 080000



[See AUO CSR Web](#)

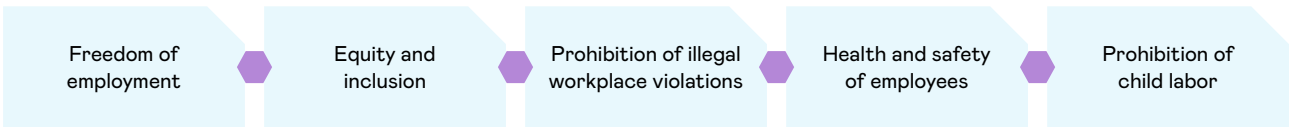
4-1 Human Rights Protection

AUO is dedicated to safeguarding the human rights of employees, and formulated human rights management policy and system by referring to international standards such as Social Accountability 8000 (SA8000), Global Sullivan Principles, The UN Guiding Principles on Business and Human Rights, the Proposal for a Directive on Corporate Sustainability Due Diligence issued by the European Commission, as well as the Responsible Business Alliance (RBA) Code of Conduct.

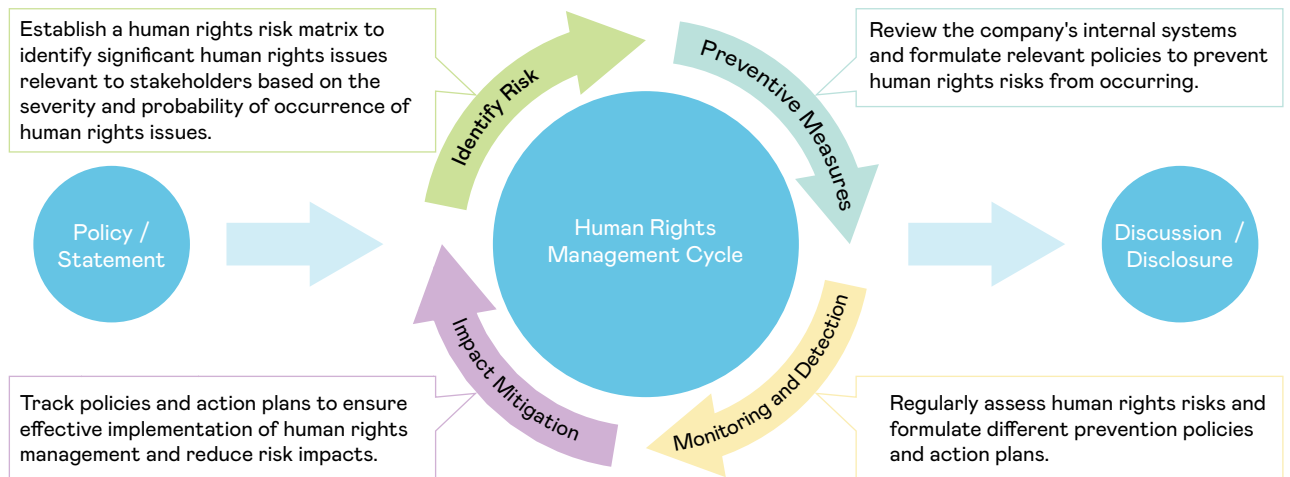


[See Human Right Policy](#)

4-1-1 Commitments and Policies

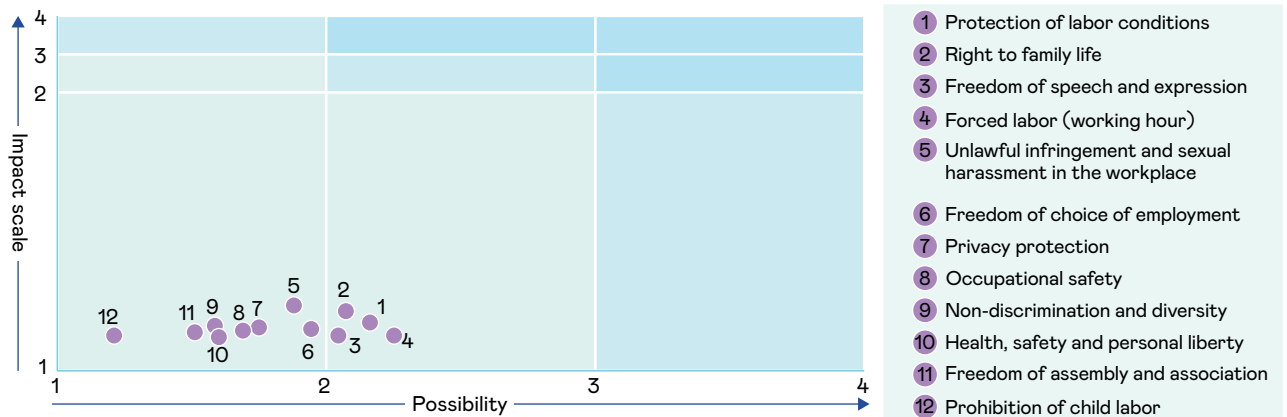


4-1-2 Human Rights Management Framework



4-1-3 Stakeholder Human Rights Risks Matrix


To comprehensively understand and manage human rights issues, AUO conducts human rights risk assessments for stakeholders. By inviting stakeholders to complete human rights risk assessment questionnaires, AUO achieved a 100% coverage rate in 2025. The risk calculations were used as a reference to identify the risks associated with each human rights topic. Using this twodimensional matrix, AUO is able to prevent and mitigate potential risks and hazards.



4-1-4 Freedom of Association/ Labor Union


AUO promote friendly and positive labor-management relations by guaranteeing worker's rights to freedom of association and collective bargaining. In 2025, there were 0 incidents of social disputes.

Taiwan



Has regularly labor-management conference based on Labor Standards Act

China (Suzhou 、 Xiamen)




100% union participation

Vietnam



75.07% union participation

Singapore



10.81% union participation
* In the Singapore site, only direct employees (DL) have proposed the need to organize a labor union, and all DL have joined the labor union.

4-2 Labor Practice Indicators

AUO is committed to creating a diverse and inclusive working environment that values equality, integration, and development. Employment opportunities at AUO are not based on factors such as gender, race, language, religion, etc. These factors do not affect remuneration and promotion opportunities.

Distribution by Gender

| | 2023 | 2024 | 2025 |
|--------|--------------|--------------|--------------|
| Female | 12,152 (35%) | 11,969 (34%) | 12,201 (34%) |
| Male | 22,841 (65%) | 22,952 (66%) | 23,443 (66%) |
| Total | 34,993 | 34,921 | 35,644 |

Distribution by Age

| | 2023 | 2024 | 2025 |
|-------|--------------|--------------|--------------|
| <29 | 10,001 (29%) | 9,931 (28%) | 9,602 (27%) |
| 30~49 | 22,826 (65%) | 22,388 (64%) | 22,609 (63%) |
| >50 | 2,166 (6%) | 2,602 (8%) | 3,433 (10%) |
| Total | 34,993 | 34,921 | 35,644 |

Distribution Ratio of New Employee Hires and Employee Turnover

| Year | 2023 | 2024 | 2025 |
|------------------------|--------|--------|--------|
| Number of Resignations | 7,424 | 6,618 | 6,718 |
| New Employees | 27,936 | 35,153 | 25,994 |
| Turnover Rate | 17.52% | 17.76% | 18.85% |
| New Hire Rate | 76.05% | 94.34% | 72.93% |

Note: China's Direct Labor Market structure is rather complicated and unstable, including a large number of temporary workers who cause high employee turnover. AUO has continuously made efforts to adjust the manpower structure by reducing the proportion of short-term employees, which results in the reduction of turnover rate.

4-2-4 Employee Gender Ratio Information

AUO attaches great importance to gender equality and career development of both genders. Female employees account for more than 34.23% of all employees and 30.93% of global female management positions. AUO has attached great importance to "gender equality" for a long time, continued to achieve the career development goals of outstanding female.

| Gender | Overall | Managers | Direct Employees Managers | Indirect Employees Managers | |
|--------|---------|----------|------------------------------|-----------------------------|-----------------------|
| | | | | Mid Level Managers | Senior Level Managers |
| Female | 34.23% | 30.93% | 53.99% | 16.09% | 10.17% |
| Male | 65.77% | 69.07% | 46.01% | 83.91% | 89.83% |

4-3 Employee Compensation

Employees are the greatest asset of AUO. AUO provides multiple and competitive remuneration and career development opportunities. Salaries of employees worldwide are determined based on factors such as educational background, experience, knowledge and skills, without any differentiation due to gender, ethnicity, nationality, religion, age, physical disability, political stance, marital status, or union membership.

Aligned with the company's overall operation, reward incentive schemes for both short-term and long-term goals are designed with varying job flexibility to share profits with employees. This approach aims to attract and retain high-quality talent.

| Starting salary for employees of 2025 |
|---------------------------------------|
| 1.2 times the local minimum wage |


Ratio of Basic Salary and Remuneration of Women to Men


| | Direct Employee | Indirect Employee | | | |
|---------------------|-----------------|-------------------|-----------------|--------------------|-----------------|
| | | Non- Managers | Junior Managers | Mid-level Managers | Senior Managers |
| Taiwan AUO Employee | 0.95 | 1.01 | 0.95 | 1.01 | 0.89 |

Note: Male employees are used as the reference group. Differences in the proportion of male and female employees across job categories, functions, and years of service may result in slight variations in salary ratios.

4-3-1 Remuneration & Benefits

| Annual Personal Subsidy | Festivity Subsidy | Accident Condolence |
|---|--|---|
| <ul style="list-style-type: none"> ✓ Lunar New Year Festival Bonus ✓ Travel reward points ✓ Dragon Boat Festival gift money ✓ Moon Festival Bonus | <ul style="list-style-type: none"> ✓ Wedding Subsidy ✓ Childbirth Subsidy ✓ Childcare Subsidy | <ul style="list-style-type: none"> ✓ Hospitalization Condolences ✓ Occupational Injury Condolences ✓ Funeral Condolences |

| | | |
|--|--|---|
| Employee Stock Ownership Trust Plan | AUO set up an "employee stock ownership trust plan" to relatively allocate incentive funds to help employees save small amounts in the long term and establish a short-to-medium-to-long term flexible fund utilization or financial planning. |  |
|--|--|---|

| | | |
|-----------------------|---|---|
| Pension Scheme | AUO has set up the "Employee Pension Regulation", and contributed towards relevant social security premiums including labor pension, medical care, senior pension and so forth as legally stipulated at each operating location for every employee. For Taiwan sites, AUO established the "Retirement Fund Supervisory and Management Committee" as required by law, to oversee pension management and retirement procedures. We appoint actuaries to compile an actuarial report every year to ensure that the reserve is adequate to meet pension obligations. With the launch of the new pension system, the company will deposit 6% of the employees' monthly salary into the employees' personal pension accounts in accordance with their pension interval. |  |
|-----------------------|---|---|

4-4 Employee Engagement

AUO actively cultivates constructive employee relations. Employees can give their opinions through a variety of open and constructive channels of communication such as via the "Internal Communication Mailbox," "Audit Committee Member's Mailbox," "Sexual Harassment Grievance Mailbox" and the "7885 Hotline". All the cases filed 2025 were cautiously handled and closed.

Number of cases accepted by Internal Communication Channels in 2025

| | Taiwan | China | Other area | Settled Cases |
|-------------------------------------|--------|-------|------------|---------------|
| Internal Communication Mailbox | 75 | 1,325 | 8 | 100% |
| Sexual Harassment Grievance Mailbox | 2 | 0 | 0 | 100% |
| 7885 Please Help Me Hotline | 227 | 0 | 0 | 100% |
| GM Mailbox | 9 | 46 | 0 | 100% |

| Q12 Employee Engagement Survey |
|---|
| In 2025, the Q12 average results achieved 81% . The sample of more than 30,400 employees had a coverage rate of nearly 88% . |

4-5 Global Talent Recruitment

AUO actively implements the "ESG-TALENTS" strategy to achieve sustainable talent development. Currently, AUO has a global workforce of about 35,000 employees, with presence across Asia, the Americas, and Europe. In line with its biaxial transformation strategy and 3 Pillars, AUO focuses on "ACE" talent. Including professionals with advanced display technology, car and mobility solution and expertise of vertical solution. With a goal of global expansion, AUO recruits outstanding local talents and is also committed to recruiting talents of diverse nationalities in Taiwan. Attracting local talents to enhance its global competitiveness.

| | |
|-------------------------------------|--|
| Industry-Academy Cooperation | Since its establishment in 2019, the AUO Industry-Academic Center has continued to establish partnerships with top universities around the world, build a real estate research ecosystem, introduce talents, technology and business opportunities, and accelerate the implementation of company strategies. |
|-------------------------------------|--|

4-5-1 Gap of Learning & Field (GOLF)


AUO operates the "Education Curriculum Committee" and the "Corporate Management Committee" within the GOLF Alliance to connect and integrate corporate learning resources. Since its establishment, the GOLF Alliance has expanded to include more than 100 academic and corporate members, comprising 47 enterprises and 59 universities. By linking industry resources with academic expertise, the Alliance jointly promotes digital learning and practical applications. To date, more than 600 online courses have been made available, enabling students to overcome the limitations of traditional learning environments, gain broad exposure to real-world industry practices, and develop job-ready competencies.

4-5-2 Diverse Internships

| | |
|---|---|
| A+ Summer Internship Program | A Pro Semester Internship Program |
| <p>During the two-month summer internship program, AUO provides a diverse range of cross-disciplinary project experiences and welcomes interns from various backgrounds. Throughout the internship, dedicated mentors from AUO support participants in adapting to the corporate environment. In addition, activities such as guided tours of manufacturing facilities and display technology showrooms are arranged to deepen industry knowledge and help interns explore and develop their potential.</p> | <p>Since 2019, AUO has promoted a Smart Manufacturing Semester Internship Program in collaboration with universities and colleges. Through project-based internships, students are supported in accumulating practical experience over a six-month period. To date, a total of 135 project-based internship opportunities have been provided, enabling students to apply their knowledge in real-world workplace settings, stimulate creativity and potential, and build a solid foundation for their future careers.</p> |

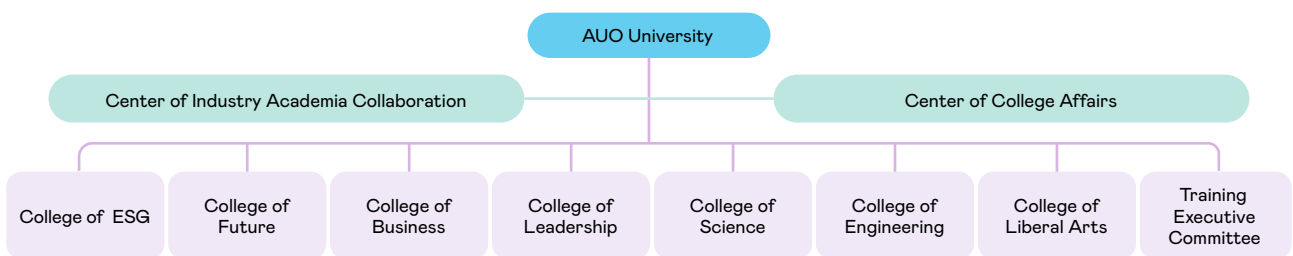
4-6 Talent Development

AUO has established an "Education and Training Procedure" as the basis for employee education and training. Education and training are used to enrich employees' knowledge and skills, improve productivity and quality, and combine employee growth with corporate development goals. Since joining the company, we have invested extensive resources into employees of different job positions and ranks, to conduct learning and development with systematic training plan, such as new employee training, on-the-job training, self-study, etc. Under the trend of digital learning, AUO has launched synchronous and asynchronous teaching modes with pre-recorded, live broadcast, micro-lectures, and e-learning textbooks to reshape the learning experience.

| | | |
|------------------------------|---|---|
| Achievement Highlight | <p>The total global training program expenditure amounts to TWD 46,584,724</p> <p>Average courses satisfaction rating for is 9.6 out of 10</p> |  |
|------------------------------|---|---|

4-6-1 AUO University

Starting from 2001, AUO University is to cultivate well-rounded business specialists as well as provide AUOers with diverse and comprehensive channels for in-service training and self-development.



4-6-2 Sustainability Competences




AUO adheres to the Sustainable Training Roadmap by conducting tiered training for different employee groups. Aiming to raise sustainable awareness and professionalism of employees and making sustainable awareness an integral part of every employee's working DNA. College of ESG held a variety of activities and themed courses to create an atmosphere for all employees to learn about sustainability and strengthen their knowledge and skills. Include global risk trend training, ESG short lectures, Green Materials, ESG STAR Award etc. Sustainability Academy courses and activities reached a cumulative total of 26,895 participants.

| | |
|------------------------------|---|
| Achievement Highlight | <ul style="list-style-type: none"> ✓ The ESG STAR Award attracted a total of 800 employee participants, generating more than 150 sustainability proposals. Through an internal popularity voting initiative, more than 4,700 employee engagements were generated, further raising awareness of sustainability issues and strengthening an internal culture of sustainability. Following a rigorous evaluation process by both internal and external professional review panels, a total of 10 benchmark teams were ultimately selected. ✓ In alignment with World Environment Day, AUO organized its first "Green Festival for earth" to enhance employees' engagement with sustainable living. The event adopted a curated exhibition format to showcase AUO's sustainability initiatives and achievements, with exhibition areas strategically located along employees' daily work routes and in common spaces to seamlessly integrate sustainability into everyday life. The Sustainability Experience Festival was conducted across all Taiwan sites through a relay format, complemented by online participation. Structured around three key dimensions—knowledge, lifestyle, and action—the month-long series offered a wide range of sustainability experiences. In total, more than 17,000 participations were recorded across both on-site and online activities. |
|------------------------------|---|

4-7 Building the DEI culture

AUO embraces the principles of diversity, equality, and inclusion in its corporate culture. Across its global sites, AUO actively seeks and welcomes diverse talents, ensuring that gender, race, language, religion, and other differences do not hinder employment, compensation, or advancement opportunities. Through initiatives encompassing cognitive insights, awareness shaping, advocacy action, optimizing environments, and refining systems, AUO continues to expand its impact in the areas of diversity, equity, and inclusion (DEI).

4-7-1 DEI Performance

| | | |
|--|---|--|
|  Female manager 29.3% |  Foreign migrant workers support program ✓ Fairly treatment ✓ Training system ✓ Career development |  Handicapped Employment exceeded requirement by 25% |
|--|---|--|

4-8 Occupational Health & Safety

Being people-centric, AUO continually devotes itself to promoting a culture of safety and seeks to construct a safe working environment through risk management. In 2025, all AUO manufacturing bases in global completed the ISO 45001 certification of occupational safety and health management system and covered 100% of sites. The Taiwan site has simultaneously obtained the CNS 45001 certificate in response to laws and regulations.

| | |
|---|--|
| <h4 style="background-color: #00AEEF; color: white; padding: 2px;">Safety and Life Saving Rules</h4> <p>Employees are not allowed to engage in dangerous work without training or certification. Employees should refuse work assignments that violate the Safety and Life Saving Rules to protect their own safety and work rights.</p> <ul style="list-style-type: none"> ✓ Comprehensive Enhancement of Safety Culture-Safetyabc ZerO2 : AUO encourages employees to uphold life-saving safety rules and to proactively refuse any tasks that may pose risks to their personal safety. | <h4 style="background-color: #00AEEF; color: white; padding: 2px;">Hazard Identification and Risk Assessment</h4> <p>AUO follows the framework of the Occupational Safety and Health Management System to execute hazard identification assessment, classify, and control, to achieve the purpose of eliminating hazards and reduce risks.</p> <ul style="list-style-type: none"> ✓ In accordance with ISO 45001 requirements, AUO has established comprehensive processes for hazard identification, risk assessment, and control, which are centrally coordinated and promoted by the Occupational Safety Committee to ensure organization-wide participation. |
| <h4 style="background-color: #00AEEF; color: white; padding: 2px;">Employee Engagement and Communication</h4> <p>According to the Occupational Safety and Health Act, to elect labor representatives, and jointly revise safety and health work rules, accident investigation, implement operating environment monitoring, etc., and jointly make decisions on various safety and health-related issues.</p> <ul style="list-style-type: none"> ✓ Through training, awareness programs, and drills, AUO ensures that stakeholders fully understand their occupational health and safety responsibilities and rights. | <h4 style="background-color: #00AEEF; color: white; padding: 2px;">Contractor Safety Management</h4> <p>We have established standard procedures with the digital Contractor Safety Management System for effective management. In order to prevent and reduce contractor accidents and improve contractors' safety literacy, AUO has organized a total of 1,383 contractor education and training courses in 2025.</p> <ul style="list-style-type: none"> ✓ AUO has identified the critical pathways for hazard communication prior to contractors entering the site and, based on this assessment, formulated three key measures: Measure 1: Strengthen hazard communication documentation and awareness Measure 2: Optimize system control mechanisms Measure 3: Implement a four-step contractor management approach, including guidance, penalties, inspections, and benchmarking visits |
| <h4 style="background-color: #00AEEF; color: white; padding: 2px;">Health</h4> <ul style="list-style-type: none"> ✓ Cardiovascular and Cerebrovascular Disease High-Risk Care : In response to the increasing number of employees at risk of cardiovascular and cerebrovascular diseases, AUO launched the Safetyabc ZerO2 initiative in 2025, aiming to address this risk through a more systematic approach to health and safety management. The program adopts a PDCA (Plan-Do-Check-Act) framework for continuous monitoring and improvement, with regular feedback provided to supervisors and employees on improvement progress. Following implementation, the overall number of high-risk individuals has significantly decreased. In 2025, the follow-up consultation rate reached 85.5%, representing a marked increase compared to 70.02% in 2024. ✓ Emergency Response Training for All Employees : The prevalence of metabolic syndrome among AUO employees is 19%. According to large-scale cohort studies conducted in Taiwan, metabolic syndrome significantly increases the risk of coronary heart disease and stroke, indicating that cardiovascular health risks require close attention. In 2025, AUO incorporated cardiopulmonary resuscitation (CPR) and Automated External Defibrillator (AED) training into mandatory employee training programs for the first time, with the aim of equipping employees with essential emergency response skills. To date, more than 10,000 course completions have been recorded through online training programs. | |

2025 Occupational Injury Statistics

| | Number of Work-related Fatalities | Ratio of Recordable Occupational Injuries (FR) (n/million hours worked) | Number of Recordable Workrelated Ill Health |
|----------|-----------------------------------|---|---|
| AUO | 0 | 0.12 | 10 |
| Supplier | 1 | 0.19 | 3 |

4-9 Supply Chain Management

4-9-1 AUO Supplier/Subcontractor Code of Conduct

All new suppliers are required to sign the "AUO Supplier/Subcontractor Code of Conduct Compliance Statement", to commit to respecting integrity, anti-corruption, and sustainability related international standards, such as RBA code of conduct and SA 8000. 100% of suppliers have signed the 《Supplier/Subcontractor Code of Conduct》. Additional codes are included such as biodiversity conservation, forest protection, soil conservation, carbon reduction and energy saving in response to international trends.



[See AUO Supplier/Subcontractor Code of Conduct](#)

4-9-2 AUO Supplier Management and Audit

Management Process

- ✓ Comply with the standards construction
- ✓ Risk assessment
- ✓ Audit confirmation
- ✓ Continuous improvement



Risk Evaluation

- ✓ ESG self-assessment
- ✓ Identify high-risk suppliers and take follow up actions (including human rights issue)



RBA Audit

- ✓ Follow RBA conduct to audit
- ✓ Monitoring the improvement state
- ✓ Third party verification



Engagement Recognition

- ✓ Majoring issues course sharing
- ✓ Excellent partner commendation
- ✓ Quarterly Business Review mechanism



4-9-3 ESG Scorecard

The ESG Scorecard was established by AUO with the scores used a reference for collaboration with suppliers, requires suppliers to adhere to environment, social, and governance standards. AUO uses the ESG Scorecard to promote the practice of sustainability management and further reduction of operating risks in the supply chain. To date, a total of 242 suppliers have been included in the evaluation, with the average score in 2025 increasing by 13.1% compared to 2023.

4-9-4 Green Supply Chain - Commit to Reduce Carbon Emissions by 25% by 2030

In 2025, AUO and its suppliers further announced an enhancement of the 2030 target to 25%, in response to international trends and the global momentum toward carbon reduction. By introducing ISO 14064 GHG inventory and ISO 50001 energy management system, AUO strives to achieve carbon inventory and carbon reduction in collaborations with its supply chain partners.

4-9-5 Supplier Sustainability Partnership Performance

Following the international low-carbon trend, suppliers are facing pressures on water, energy and resource consumption and carbon reduction. AUO made concerted efforts with the supply chain in climate action, water saving, energy saving, carbon reduction, waste reduction and green operations.

Energy Saving and Carbon Reduction

Suppliers cooperate to save electricity and reduce carbon emissions 380,000 ton in 2025

Supplier Packaging Material Recycling

Cooperate with suppliers to reduce 99% of supplier package through reverse logistics and recycling

Co-prosperity Series Activities

Since 2019, 31 courses on ESG transformation practices, RBA audit implementation, circular and zero-carbon initiatives in the display supply chain, application of the TNFD and LEAP frameworks, adoption of plastic recycling technologies, cybersecurity defense and case sharing, as well as energy-saving and carbon-reduction case study workshops.

4-9-6 Conflict Minerals

AUO is committed to fulfilling its social responsibilities, respecting and protecting human rights and establishing a conflict-free minerals policy in accordance with the due diligence procedures of the Organization for Economic Cooperation and Development (OECD) and also requires suppliers to comply.

- 1 AUO restates that AUO and its suppliers shall assume responsibility together for community and environment protection.
- 2 AUO does not accept gold (Au), tantalum (Ta), tin (Sn), tungsten (W), Cobalt (Co) and Mica mined illegally in Congo or conflict areas near Congo.
- 3 AUO will inform and ask its suppliers to perform the above statement.




Governance



5-1 Governance Organization

The duties of AUO's Board of Directors include: Supervising the Company's strategy, monitoring the management and the operation, and arrangement of the corporate governance system. It is also responsible for the Company and the Shareholders' Meeting, and exercises its powers in accordance with the law, the regulations of Articles of Incorporation, or the resolutions of the Shareholders' Meetings. In addition, through the disclosure of the Directors' attendance at Board Meetings and interest avoidance status in the annual report, the requirements of each Director's own responsibilities and obligations are emphasized to ensure the performance of Company monitoring and management. The Board meets at least once every quarter.

5-2 Board Diversity and Effectiveness Policy

| | | |
|--|---|------------------|
|  | Independent Directors exceeding one-half of the total director seats | Achieved 100% |
|  | Number of directors that are also company officers should not exceed 1/3 of the Board | Achieved 100% |
|  | Directors of any gender account exceeding one-third of the board seats | Achieved 100% |

Board of Directors with Diverse Background

| Name | Position | Gender | Age | Term of Office | | | Professional Knowledge and Skills | | | | | | | | Employee position |
|-------------------------|----------------------|--------|-------|----------------|-----------|--------------|-----------------------------------|--------------------|-----------------------|--------------------------|-----------------|-----------------|----------------------|----------------------|-------------------|
| | | | | Under 3 years | 3-9 years | Over 9 years | Technology industry | Technical research | Industrial innovation | Corporate sustainability | Risk management | Human resources | Financial accounting | Strategic investment | |
| Shuang-Lang (Paul) Peng | Chairman | Male | 60-69 | | | V | V | | V | V | V | V | | V | V |
| Frank Ko | Director | Male | 50-59 | | V | | V | V | V | | V | | | V | V |
| Chuang-Chuang Tsai | Director | Female | 70-79 | | V | | V | V | | | | | | | |
| Han-Chou (Joe) Huang | Director | Male | 60-69 | | V | | V | | V | | V | | | V | |
| Jang-Lin (John) Chen | Independent Director | Male | 70-79 | | V | | V | V | V | | | | | | |
| Chiu-Ling Lu | Independent Director | Female | 60-69 | | V | | | | | | V | | V | V | |
| Cathy Han | Independent Director | Female | 60-69 | | V | | V | | | | V | V | V | V | |
| Tzu-Ting Huang | Independent Director | Female | 60-69 | V | | | V | | | | V | V | | V | |
| Yen-Hsi Lin | Independent Director | Female | 60-69 | V | | | | | | | V | | V | | |

5-3 Remuneration Policies of the Board of Directors and Senior Management

The remuneration of AUO's senior manager is linked to the company's operational performance. The overall reward composition consists of salary, short and long-term variable bonuses, and profit-sharing employee bonuses. Among these, variable bonuses are determined based on operational performance, accounting for 70% to 90% of the total remuneration depending on position and performance. At the same time, the senior management team has a long-term reward plan (including the chairman, CEO, CSO, C-level executives, etc.), with stock rewards accounting for more than 50%, and includes clawback provisions. The Remuneration Committee sets performance goals in line with the company's long-term development strategy. In addition to financial indicators such as EBITDA, revenue, gross profit margin, and operating profit margin of strategic products, and contribution to shareholders, it also incorporates ESG sustainability performance and major theme management goals, and establish the proportion of compensation linked to the key E, S, and G key tasks undertaken by each senior manager, deepening the connection with shareholder interests and fulfilling our commitment to sustainable management.

5-4 Functional Committees

5-4-1 Corporate Governance and Nomination Committee Primary Duties

- 1 Establish standards for diverse backgrounds and independence such as the professional knowledge, technology, experience, and gender required by members of the board of directors, and seek, review and nominate director candidates.
- 2 Construct and develop the organizational structure of the board of directors and committees, evaluate the performance of the board of directors, committees and directors, and evaluate the independence of independent directors.
- 3 Develop and regularly review directors' training programs and president's (or equivalent) succession plans.
- 4 Establish the Company's corporate governance principles.

| Position | Name | Independent Director |
|----------|----------------------|----------------------|
| Convener | Paul SL Peng | |
| Member | Chiu-Ling Lu | ✓ |
| Member | Cathy Han | ✓ |
| Member | Tzu-Ting Huang | ✓ |
| Member | Jang-Lin (John) Chen | ✓ |
| Member | Yen-Hsi Lin | ✓ |

5-4-2 Remuneration Committee Primary Duties

- 1 Formulate and regularly review the policies, systems, standards and structures of directors and senior managers' performance evaluation and salary compensation.
- 2 Regularly evaluate and fix the salary and compensations of directors and senior managers.

| Position | Name | Independent Director |
|----------|----------------------|----------------------|
| Convener | Jang-Lin (John) Chen | ✓ |
| Member | Yen-Hsi Lin | ✓ |
| Member | Cathy Han | ✓ |

5-4-3 Audit Committee Primary Duties

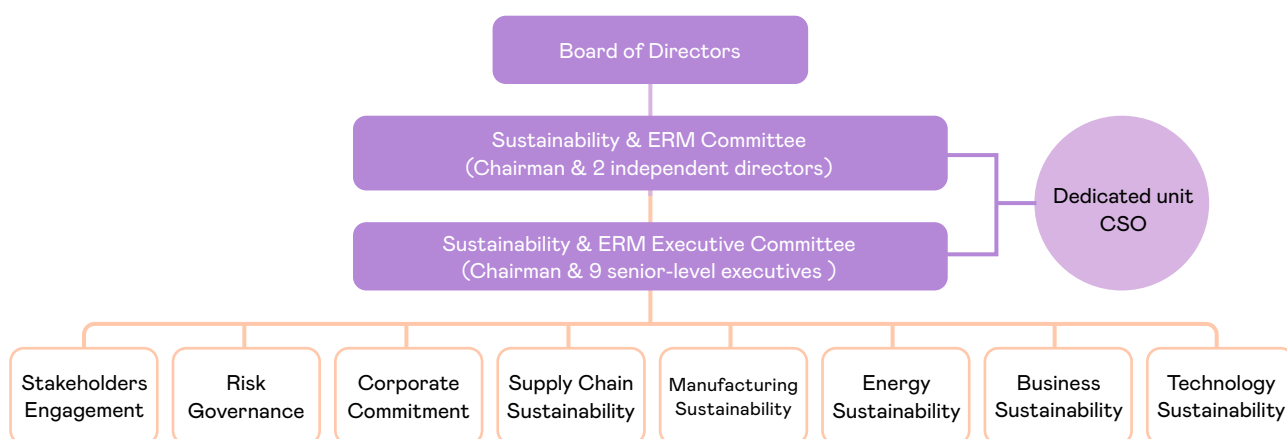
| | | | |
|---|---|---|--|
| 1 | Supervising and auditing the fair expression of the Company's financial statements | 4 | Reviewing the transaction of the Company's acquisition or disposal of assets, the lending of significant funds and endorsement or guarantee for others, and matters involving the director's own interests |
| 2 | Monitoring and evaluating the effective implementation of the internal control system | 5 | Raising, issuing or private equity securities |
| 3 | Supervising the Company's compliance with laws and regulations | 6 | Appointment, dismissal or remuneration of the accountants |

| Position | Name | Independent Director |
|----------|----------------------|----------------------|
| Convener | Chiu-Ling Lu | ✓ |
| Member | Jang-Lin (John) Chen | ✓ |
| Member | Tzu-Ting Huang | ✓ |
| Member | Cathy Han | ✓ |
| Member | Yen-Hsi Lin | ✓ |

5-4-4 Sustainability & Enterprise Risk Management (ERM) Committee

"Sustainability and ERM Committee" directly under the operation of the Board of Directors. With net-zero emissions by 2050 as our core goal, we will develop proactive mitigation and adaptation actions through drawing up strategic climate blueprints. The Committee takes on the carbon tasks of environment, society and corporate governance, to develop low-carbon technologies, promote carbon data applications, and deepen sustainable DNA efforts. Also, the committee as the highest governance unit of risk management to supervise and ensure enterprise risk management and operate effectively, by establishing an appropriate risk management mechanism and forming a risk management culture. In 2025, there were 2 meetings convened for Sustainability and ERM Committee.

| Position | Name | Independent Director |
|----------|----------------------|----------------------|
| Convener | Paul SL Peng | |
| Member | Jang-Lin (John) Chen | ✓ |
| Member | Chiu-Ling Lu | ✓ |



The average attendance rate of all members of the Board of Directors and various functional committees in 2025, along with the number of meetings held

| | Board of director | Audit committee | Remuneration committee | Corporate governance and nomination committee | Sustainability and risk management committee |
|-------------------------|-------------------|-----------------|------------------------|---|--|
| Average Attendance Rate | 98% | 97% | 100% | 100% | 100% |
| Number of Meetings Held | 7 | 6 | 2 | 2 | 2 |

5-5 Privacy Protection

Privacy protection is enforced by AUO for customers, suppliers, employees and all stakeholders as a key component in maintaining the trust of our stakeholders. We adhere to all laws and regulatory requirements on privacy and information security during our collection, storage, processing, dissemination, and sharing of personal information. In 2025, AUO had zero confirmed major cases penalized by the competent authority for violations of customer personal data protection.

Protection and management of personal information at AUO is governed by the "Personal Information Protection and Management Regulations" ,"Policy on Data Protection and Privacy of Personal Data" and "Privacy Statement" that serve our top guiding principles on protection of customers' personal information. We also set up an EU GDPR (General Data Protection Regulation) and China PIPL (Personal Information Protection Law) on our internal website to provide employees with references to related policies and official documents so they can actively respond to the regulatory requirements.

5-6 Integrity & Compliance

Rooted in a culture of integrity, AUO actively implements values of credibility and fairness and complies with the guidelines of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. Targeting the Board Directors, all employees, suppliers, contractors and other stakeholders, AUO strengthens the advocacy to prevent bribery and corruption, giving unlawful political donations, inappropriate charity donations or sponsorships, inappropriate gifts/hospitality or other illegitimate profits, violating intellectual property rights, engaging in unfair competitions and products or services damaging the rights and interests of stakeholders.



Customers

Prohibition of "anticompetitive behavior," and adherence to the principles of the "Fair Trade Act" and "Anti-Trust compliance."

- ✓ Adhere to the code of conduct set in the customer requirements
- ✓ Work proactively to ensure compliance with the inspection standards set by the customer



Suppliers

Protection of the trade secrets and information in accordance with the "confidentiality agreements."

- ✓ Promote the principles of honest trade and signing of "Integrity clause"
- ✓ Inspection of and counseling on integrity business behavior
- ✓ Conduct annual communication on integrity management cases



Employees

Embraces an integrity culture, set of guiding principles, and stipulated benchmarks for each dimension to make sure all employees understand and adhere to the concept of integrity.

- ✓ Integrity policy, management, communication and value

Integrity Culture

AUO regularly inspects the integrity department and defines the list of integrity positions for the departments with decisive influence on the import/export, product prices, investment targets and departments with frequent contact with suppliers, customers and contractors. AUO implements regular job rotation and business substitution through systematic management to prevent corruption.

Ethics Training

100 % new employee corporate ethics course and the integrity declaration

5-7 Whistleblower Protection

The Company has established a Whistleblower System, and employees have been trained to report misconduct using this system. For external cases, any illegal behavior in supply chain management can be reported directly to AUO through corporate website using the Employee Ethics Violations Reporting System, which will be followed by an internal investigation and action.

When a breach of integrity or ethical conduct is found, the following channels are all applicable for timely reports




Internal: Direct managers, President Mailbox, Audit Committee Mailbox

External: [Employee Ethics Violations Reporting System](#)

Once a case has been filed, investigations will be conducted by the Audit Department, or by a special investigation committee formed based on the "Management Methods of the Material Disciplinary Investigation Committee."

| Non-Retaliation Policy |
|--|
| AUO does not tolerate any retaliation against an employee for making a report in good faith. This includes any type of adverse action taken in response to a report, including firing, transferring, demoting or publicly attacking someone. It also includes even more subtle forms of retaliation, such as leaving someone who makes a good-faith report out of professional activities. |

Reported Whistle-blowing Cases Statistics

| | | |
|---|---|----------------------|
|  | Reporting System for Violation of Ethical Conduct | Cases Received 12 |
|  | Audit Committee Mailbox | Cases Received 3 |
|  | Whistle-Blowing Mailbox | Cases Received 2 |

Confirmed Cases of Unethical Violations: 1 case

5-8 Risk Management

5-8-1 Risk Management Policy

AUO has established the "Risk Management Policy and Procedures" in accordance with international risk management guidelines. And formulated the AUO Risk Appetite Statement articulate the types and levels of risk it is willing to undertake and accept in the pursuit of business growth and innovation. The AUO Sustainable and ERM Committee serves as the highest governing body, responsible for overseeing the Risk Governance Team. This team is tasked with identifying and assessing risks, including strategic, operational, financial, hazard, and emerging risks. Regular meetings are held to review diverse risk monitoring indicators and evaluate the organization's capacity to respond to risks.

5-8-2 Risk Identification and Management



Focused Risk

| Risk | Strategies |
|--|--|
| Tariff Risks Amid Rising Trade Protectionism | <ul style="list-style-type: none"> ✓ Implement continuous inventory control, optimize product portfolio, expand market applications, and accelerate transformation initiatives to mitigate the impact of tariff fluctuations on operations. ✓ Expand high-end products such as e-sports, automotive, medical and industrial products to strengthen profitability. ✓ Coordinate with AUO's biaxial transformation and merger strategy by implementing regional diversification of manufacturing bases and strategic investment planning. ✓ Establish a tariff policy monitoring and impact assessment mechanism, conduct scenario analysis and cost simulations, and incorporate findings into ongoing business continuity planning meetings. |
| Declining Market Demand and Industry Competition | <ul style="list-style-type: none"> ✓ Continuously control inventory, optimize product portfolio, expand market applications, and accelerate transformation to reduce the impact of fluctuations in consumer willingness on operations. ✓ Expand high-end products such as e-sports, automotive, medical and industrial products to strengthen profitability. |
| Operational Risks from Energy Transition and Carbon Fee Regime | <ul style="list-style-type: none"> ✓ Promote carbon reduction measures, including but not limited to site energy-saving operations and energy efficiency proposals, to address operational challenges arising from carbon tax and carbon fee policies. ✓ Manage and implement carbon emissions and energy consumption in accordance with ISO 14064 and ISO 50001, while ensuring continuous compliance with environmental regulations and advancing wastewater and waste treatment technologies at the back end. |

Emerging Risk

| Risk | Strategies |
|--|---|
| Risks Arising from Geopolitical and Economic Changes and Countermeasures | <ul style="list-style-type: none"> ✓ Transition to the Company's biaxial transformation and strategy to distribute production sites and investments over different regions. ✓ Conduct dynamic assessments and closely monitor changes in global geopolitical risk landscapes, with monthly collection and evaluation of potential risks that may affect the company's business and operations. Collaborate with relevant units to develop response strategies, such as enhancing supply chain management and adjusting production strategies to mitigate the impacts of regional conflicts and tariff fluctuations. |
| Digital Trust and Cybersecurity Risks Posed by AI Autonomy | <ul style="list-style-type: none"> ✓ Promote and implement information security management to protect the company's intellectual property and customer data, while enhancing employees' cybersecurity awareness to address the evolving threats of cybercrime and the expansion of information insecurity. ✓ Execute business continuity plan drills for information security incidents, and in 2025 establish a cross-functional response organization to proactively mitigate risks through scenario-based simulation exercises. |
| Challenges of Green Transformation and Structural Inflation | <ul style="list-style-type: none"> ✓ Actively engage with customers to jointly develop green products that meet client and market demands. ✓ Pursue stable development and create high-value green solutions. ✓ Leverage key net-zero strategic opportunities from the public sector, while expanding and deepening ecosystem partnerships. |

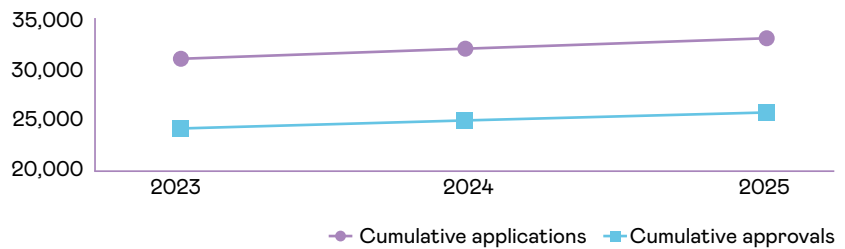
5-8-3 Information Security Management Strategies & Development

AUO conducts various information security activities through the Information Security Committee, regularly reviews the targets implementation of the year, and conducts risk improvements to protect the Company's intellectual property, customer data and enhance employees' info-security awareness. The Company's Chairman of the Board serves as the information security committee chairman, and the Company's Chief Digital Officer acts as the infosecurity convener for the task execution team. The organization concurrently establishes the role of Chief Information Security Officer to ensure the security of information assets and the technological environment.

5-9 Technological Innovation

5-9-1 Patent applications and approvals

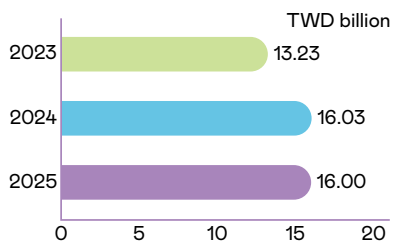
In 2025, AUO ranked second among Taiwanese legal entities in patent applications and third in granted patents, earning strong recognition from international organizations. As of the end of 2025, AUO has accumulated more than 33,000 patent applications, with over 25,500 patents granted worldwide.



5-9-2 Clarivate Top 100 Global Innovators

In 2025, AUO was recognized for the fourth time as one of the Clarivate Top 100 Global Innovators, ranking 35th globally. Since its initial inclusion in 2022, AUO has been listed among the Top 100 for four consecutive years. This recognition reflects AUO's ongoing efforts to strengthen its patent portfolio in high value-added products through dedicated patent incubation initiatives. By closely monitoring product applications in the market and strategically filing patents in optimal jurisdictions worldwide within priority deadlines, AUO is able to meet the evaluation criteria.

5-9-3 R&D Expenditure



5-9-4 Green Patents

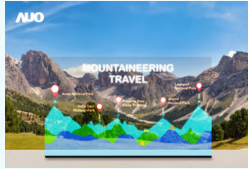
AUO actively develops production processes and products linked to energy conservation and carbon reduction. If an innovative technology reduces power consumption or involves alternative energy supplies, then it can be assigned to the energy conservation and carbon reduction sector. Examples of power consumption reduction included mini LED, Micro LED, OLED, LED light bar and E-paper; alternative energy included production processes, equipment and products related to solar cells. In 2025, AUO portfolio included around 4,880 patents relating to energy conservation and carbon reduction. A relatively high proportion was related to Micro LED. The proportion of Micro LED's certified volume in the current year is growing year by year.



5-10 Product Innovation

AUO has been dedicated to display technology for 27 years. In recent years, it has pursued a biaxial transformation, focusing on enhancing Go Premium and Go Vertical while investing diversely and establishing a partner ecosystem.

177-Inch High-Transparency Micro LED Display



The 177-inch high-transparency Micro LED display is seamlessly assembled from multiple 42-inch Micro LED display units. It offers exceptional transmittance, high brightness, and a wide color gamut, delivering vivid and sharp imagery while allowing objects behind the screen to remain naturally visible. Its transparent characteristics enable both effective information presentation and a sense of spatial openness, making it well-suited for applications in smart retail, exhibition venues, and transportation systems.

Micro LED technology inherently provides high efficiency and low power consumption. The transparent design further reduces the need for additional lighting, thereby enhancing energy savings and improving the overall utility of the display across diverse application environments.

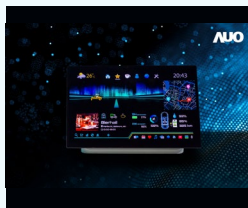
Smart Cockpit Domain Control Solution



The Smart Cockpit Domain Control Solution integrates QNX and Android Automotive OS within a single cockpit domain controller, supporting multiple displays, sensors, and AI functionalities to enable seamless coordination across in-vehicle systems. By leveraging a virtualization architecture, the solution reduces the need for multiple traditional hardware configurations, thereby lowering material usage and energy consumption while enhancing overall system efficiency.

This approach improves operational smoothness, stability, and energy efficiency, while delivering a more cohesive experience in in-car entertainment, information display, and safety features.

16-Inch Ultra-Wide Color Gamut Automotive Central Control Display



The 16-inch ultra-wide color gamut automotive central control display introduces blue-light chip-on-board (COB) technology for the first time in in-vehicle applications, combined with a quantum dot film to achieve an NTSC color gamut exceeding 110% and high-brightness image quality. The display module features high resolution and a slim design, allowing seamless integration with vehicle interiors to enhance information presentation and driver usability. By leveraging Mini LED and quantum dot technologies, the display delivers high luminous efficiency and energy-saving performance, helping reduce overall power consumption in automotive systems. This aligns with the demands of smart mobility and sustainable development.

5-11 Extended Insights

This report presents key insights. For a more holistic perspective, readers are encouraged to review it alongside the IFRS Sustainability Related Financial Information, Sustainable Impact Valuation Report, and Sustainability Report, integrating financial performance, operational value, and sustainability dimensions.



[See Sustainable Impact Valuation Report & Sustainability Report](#)



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Contact us

ir@auo.com
csr@auo.com