瑞儀光電股份有限公司
Radiant Opto-Electronics Corporation

RADIANT OPTO-ELECTRONICS CORPORATION

2023 SUSTAINABILITY REPORT

2023 RADIANT OPTO-ELECTRONICS CORPORATION

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0.1 About This Report

Radiant Opto-Electronics Corporation regularly publishes a sustainability report every year to maintain an open and smooth communication channel with stakeholders. This will be the tenth sustainability report published by Radiant Opto-Electronics Corporation. The Company started preparing environmental reports in 2012 and has been publishing corporate social responsibility reports annually since 2015. The report was renamed the Sustainability Report in 2021, and English versions were published starting in 2022, systematically presenting Radiant Opto-Electronics Corporation's goals and results in the areas of Environment (E), Society (S), and Corporate Governance (G). The aim is to invite more stakeholders to participate, understand Radiant Opto-Electronics Corporation's beliefs and directions on sustainable development, and lay a foundation for corporate sustainability.

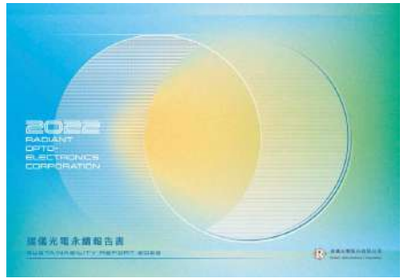
Reporting Period and Frequency

The information disclosure period of this report is from January 1, 2023, to December 31, 2023. In order to ensure the integrity of project and activity performance, certain content will cover periods before January 1, 2023, as well as after December 31, 2023. The 2023 Sustainability Report will be published in August 2024, and it can be downloaded from the "Corporate Sustainability Section" of the website.

- Current version: August 2024
- Previous release date: June 2023
- Next release date: August 2025

Principles of Preparation

Radiant Opto-Electronics Corporation studies and completes research on local and international sustainable topics and understands several material topics that stakeholders are concerned with to serve as a basis for information disclosure in this report. The report is prepared in accordance with the "GRI Universal Standards 2021" under the Global Sustainability Standards Board (GSSB). The 2021 edition was compiled based on eight principles of reporting disclosure, including accuracy, balance, clarity, comparability, completeness, sustainability context, and verifiability. Radiant Opto-Electronics Corporation also references the Sustainability Accounting Standards Board (SASB) sustainability indicators for disclosure. Climate-related risks and opportunities are identified and disclosed in accordance with the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB). Radiant Opto-Electronics Corporation has complied with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. As part of this compliance, Radiant Opto-Electronics Corporation has outlined the sustainability disclosure indicators for the optoelectronics industry and furnished climate related information in accordance with Article 4-1. For a comprehensive understanding of these provisions, please refer to the index in the Appendix.



- Radiant Opto-Electronics Corporation 2022 Sustainability Report

- 2021

- 2020

- 2019

- 2018

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Reporting Scope

This report covers Radiant Opto-Electronics Corporation's physical premises, including the factory in Kaohsiung, Taiwan, and three production plants located in mainland China: Wujiang Factory, Nanjing Factory, and Guangzhou Factory (referred to collectively as the "Group" in the text). Other subsidiary companies in different regions, including Profit Shine Investment Limited, Radiant OptoElectronics Viet nam Company Limited, Durff Co., Ltd., Radiant OptoElectronics (HongKong) Co., Ltd., Nanocomp Hong Kong Limited, and Nanocomp Optical Technology (Yangzhou) Co., Ltd., have not had significant impacts on the economic, environmental, and social aspects of Radiant OptoElectronics Corporation. Therefore, their sustainability-related information is not comprehensively disclosed in this report. Any information disclosed regarding other regions will be specifically noted in the report. The financial data presented in this report is sourced in accordance with internationally recognized financial reporting standards, international accounting standards, interpretations, and announcements approved and issued by the Financial Supervisory Commission (FSC) and verified by the accounting firm KPMG. Unless otherwise stated, all amounts are presented in New Taiwan Dollars (NTD). For further information, please refer to Radiant Opto-Electronics Corporation's 2023 Annual Report.

Report Management

All information contained in this report has been investigated and compiled by responsible units within Radiant Opto-Electronics Corporation, and the accuracy and completeness of the content has been reviewed by departmental managers. The report has been diligently compiled, edited, and refined by an editorial team under the strict oversight of the Sustainable Development Committee. Following thorough verification from a reputable third-party organization, it will be publicly released. The final comprehensive version of the report will be formally presented to the Board of Directors by the Sustainable Development Committee for meticulous review.

Internal management

- The Sustainability Development Committee and department heads review the content and accuracy of each section.
- The Board of Directors review ESG performance and strategic objectives.
- The Audit Supervisor verifies the accuracy of the information.

Basis for Publication

Issuing Unit	Item to Follow
The Global Reporting Initiative, GRI	The GRI Standards used in this report are compiled in accordance with the latest version of the Global Reporting Initiative (GRI). The Universal Standards adopted the 2021 version, while the standards GRI 303 and GRI 403 are based on the 2018 edition, GRI 207 is based on the 2019 edition, and GRI 306 is based on the 2020 edition. The remaining standards are based on the 2016 edition. An index of GRI content is provided in the Appendix.
Sustainability Accounting Standards Board, SASB	Hardware industry standards of Sustainability Accounting Standards Board, SASB (including product security, employee diversity and inclusion, product design and life cycle management, supply chain management, and materials sourcing)
ISO International Organization for Standardization	ISO 26000 Guidance on Social Responsibility
United Nations	Sustainable Development Goals, SDGs
	The UN Global Compact
TWSE	Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

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External Verification

In order to enhance the accuracy and credibility of the information in this report, ROEC has engaged a third-party verification unit, the BSI SG Taiwan Branch, in accordance with the AA1000 Assurance Standard V3 Type 2 - Moderate Assurance level and Type 1, Moderate Assurance level. The financial information mentioned in the report aligns with the consolidated financial statements of Radiant Opto-Electronics Corporation for the year 2023 and has been audited and certified by KPMG.

Verification Items	Standards to Follow	Coverage Area/Factories	Verification Agency	Verification Agency Disclosure Location
Sustainability Report	GRI Standards SASB	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	British Standards Institution (BSI)	Appendix 1: Statement of Independent Assurance Opinion
Financial Information	Accountant's Audit Certification of Financial Statements and Generally Accepted Auditing Standards	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	KPMG	Financial Information - Official Website of Radiant Opto-Electronics
Product Quality	ISO 9001 Quality Management System	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	SGS Taiwan Ltd. and Shanghai NQA Certification Co.,Ltd. (SNQA)	Radiant Opto-Electronics Corporation Sustainability Official Website
Information Security	ISO 27001 Information Security Management System	Kaohsiung Factory, Wujiang Factory	TUV NORD Taiwan Co., Ltd., China Quality Mark Certification Group (CQM)	Radiant Opto-Electronics Corporation Sustainability Official Website
Environmental Management	ISO 14001 Environmental Management System	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	SGS Taiwan Ltd. and Shanghai NQA Certification Co.,Ltd. (SNQA)	Radiant Opto-Electronics Corporation Sustainability Official Website
	ISO 14064-1 Greenhouse Gas Emission Verification	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	British Standards Institution (BSI), Ti Testing and Certification Group (Shanghai), and WIT Assessment	Radiant Opto-Electronics Corporation Sustainability Official Website
Workplace Safety	ISO 45001:2018 Occupational Health and Safety Management System	Kaohsiung Factory, Wujiang Factory, Nanjing Factory, and Guangzhou Factory	SGS Taiwan Ltd. and Shanghai NQA Certification Co.,Ltd. (SNQA)	Radiant Opto-Electronics Corporation Sustainability Official Website

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Contact Information

Thank you for reading this report. The report is available in both Chinese and English versions as e-books. For the complete files, please download them from theRadiant Opto-Electronics Sustainability Section on the official website. If you have any suggestions or queries regarding the sustainability of our business, please feel free to contact us. Our contact information is as follows:

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Radiant's official website

Radiant Sustainability Section

Radiant Education Foundation's Facebook page

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0.2 Letter from the Chairman

To those who are concerned about sustainability at Radiant Opto-Electronics:

Despite gradually emerging from the uncertainties and anxieties of the post-pandemic era, the global economy and industrial development continue to be fraught with high levels of uncertainty due to factors such as the ongoing conflicts in Ukraine and the Israel-Arab, the Red Sea crisis, soaring inflation, geopolitical tensions, and technological disruptions. "It was the best of times, it was the worst of times." Even amidst formidable challenges posed by the macro environment, Radiant Opto-Electronics persists in enhancing corporate resilience through ESG practices. Leveraging its profound innovative capabilities, we have expanded our technological research and development prowess, solidifying our unparalleled leadership=position in the integration of optics, mechanics, and electronics (OME), while advancing towards new milestones in smart manufacturing through digital transformation and data analytics. Radiant Opto-Electronics, with its strong foundation built over the years, competitive edge, and agile talent pool, maintains optimal flexibility, enabling swift adjustments to mitigate external challenges and impacts. Over the period from 2018 to 2023, Radiant Opto-Electronics has achieved remarkable revenue growth, with earnings per share (EPS) consistently exceeding one share of capital for six consecutive years. We express ourgratitude for the support and acknowledgment from all sectors.

2023 was also a year full of inspiration. We have witnessed the deep and unpredictableimpact of the overall economy and geopolitics on the entire industry chain, with rapidly shrinking visibility into customer demand. In the face of numerous uncontrollable external factors, the only thing we can control is our own behavior. Since its establishment, Radiant Opto-Electronics has had a strong focus on its overall strategic planning: "Maximizing profitability" is the highest principle. Although we offer a limited variety of optical components (with a focus on backlight modules), we devote our time and effort to thinking about how to "innovate" in every aspect of producing backlight modules. From optical design and sample evaluation for mass production, to quality control for rapid and largescale shipments, and minimizing inefficiencies and waste, all employees at Radiant Opto-Electronics are committed to doing things well and providing "Optical Solution" to ourcustomers. Despite the pandemic and the overall economic impact, Radiant's profitability has remained stable and even strengthened in recent years, reaffirming our commitment to the right endeavors. Precision optical components will continue to evolve towards lighter and thinner designs with smaller pattern structures. There will be a stronger demand for Optical Solution, and customers and suppliers will require professional and long-term strategic partners. The operational capabilities honed by Radiant over the past 10 years have provided a solid foundation. However, we still need to initiate several critical strategic investments and demonstrate even more precise execution capabilities in order to create maximum value for the company, customers, and shareholders in the long term.

Moreover, we completed the acquisition of Nanocomp, a Finnish optical company, marking the first year of Radiant's "Dual Engine Evolution." In the future, we will strengthen our core capabilities in design, molds, and processes through both "self-enhancement" and "external investment and mergers and acquisitions." Radiant Opto-Electronics will continuously focus on long-term customer needs, allowing resources to be logically and systematically deployed. In 2023, we also initiated projects such as the manufacturing base in Vietnam and the Advanced Technology Research and Development Center in Kaohsiung.These are important investment projects aimed at creating long-term value and enhancing supply chain resilience.

In order to systematically address corporate sustainability issues and establish a more robust and secure foundation for cybersecurity governance, Radiant Opto-Electronics established a new Information Security Committee in 2023. This initiative aims to ensure that information security-related policies align with the company's strategic development. Concurrently, the adoption of AI-driven digital transformation technologies has been implemented to create a more agile and real-time cloud domain, thereby reducing work schedules and crisis response times. Additionally, the ISO 27001 Information Security Management System has been introduced to concretely implement information security policies, safeguard customer data and company intellectual property, and strengthen the capability to respond to information security incidents. In response to climate action, in 2023, Radiant Opto-Electronics implemented the "UL2799 Zero Waste to Landfill System," yielding impressive results across all four manufacturing sites with a growth rate exceeding 20% compared to the previous year. The zero landfill conversion rates for the three major production bases in mainland China have reached 90%, with the Guangzhou factory surpassing 95%.

Talent development is a crucial focus for Radiant Opto-Electronics, where employees are regarded as vital "assets" to the Company. Alongside the internal learning management system of "Radiant Academy," an agile talent pool is being

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cultivated, complemented by enhanced employee welfare initiatives. The Company is committed to fostering a happy workplace that matches individuals with suitable roles and embraces diversity and inclusivity. Radiant Opto-Electronics has also been honored with the "TTQS Talent Qualitymanagement System - Silver Award" from the Workforce Development Agency, Ministry of Labor. Moving forward, the Company will continue to optimize its group performance evaluation system, assess successor and key talent development programs, and establish a talent ladder organization that embodies Radiant Opto-Electronics' most competitive workforce.

We are honored to receive recognition through various sustainability awards following years of dedicated efforts in the sustainability field. In our stakeholder communications and disclosure practices, Radiant Opto-Electronics not only received accolades such as the TCSA "Top 100 Sustainable Exemplary Enterprises Award" and the "Silver-level Sustainability Report (Electronics Manufacturing Industry)" but also attained the bronze award for the "Global Corporate Sustainability Award (English Version Sustainability Report)" from GCSA for the first time. Through continuous optimization of environmental sustainability performance, Radiant Opto-Electronics significantly improved its score by two levels in the highly reputable CDP Climate Change Questionnaire, achieving recognition with a B management rating. Regarding carbon management policies, Radiant Opto-Electronics was once again listed in the Business Weekly's "Top 100 Carbon Competitiveness Ranking." In the realm of social engagement, our commitment to supporting local cultural arts earned us the Ministry of Culture's "Arts & Business Award" in the categories of "Permanent Award (Bronze)" and "Special Award - Corporate Culture Award." Radiant Opto-Electronics leverages its influence through the enlightenment of light and endeavors for positive social impact, aspiring for blossoming effects step by step.

In the face of challenges such as the future digital technology transformation, increasing attention to biodiversity issues, and the acceleration of corporate efforts towards net-zero and carbon reduction throughout the supply chain, Radiant Opto-Electronics will approach each new scenario with caution and openness. We will continue to strengthen our innovation and research capabilities, build agile and resilient teams, deepen ESG sustainability governance, and steadfastly pursue our three major visions: "environmental coexistence, social prosperity, and mutual benefit." Our goal is to establish ourselves as the world's premier and irreplaceable core in the optical technology service industry. Together with our global partners and stakeholders, we will collaborate wholeheartedly to enhance Radiant Opto-Electronics' competitive advantage and leadership position in the global industry, striving to create a better and more sustainable future for all.

Radiant Opto-Electronics Corporation

Chairman of the Board and President

Yu-Chao Wang

王昱超

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0.3 Sustainability Column

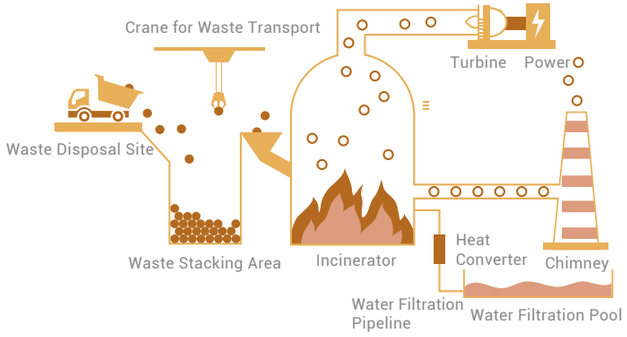
01 Special Report

Corporate Sustainable Operations: Introduction of UL2799 Zero Waste to Landfill System, Achieving 90% Landfill Diversion Rate in Three Production Bases in China

Radiant Opto-Electronics prioritizes source reduction, waste sorting, and recycling. We meticulously record and manage the different types of business waste generated throughout our production and operation processes and ensure that waste storage, cleaning, and disposal are all in compliance with legal requirements by conducting proper recycling or disposal in accordance with the law. In 2023, Radiant Opto-Electronics has implemented the "UL2799 Zero Waste to Landfill System" and integrated waste classification lists from various plants with local regulatory waste code names. After taking inventory of recyclable waste materials at each workstation, we conducted field visits to recycling facilities, confirmed the recycling and disposal processes and obtained the "Zero Waste to Landfill Declaration" to track the flow of waste recycling and disposal and improve actual conversion rates.

Waste to energy

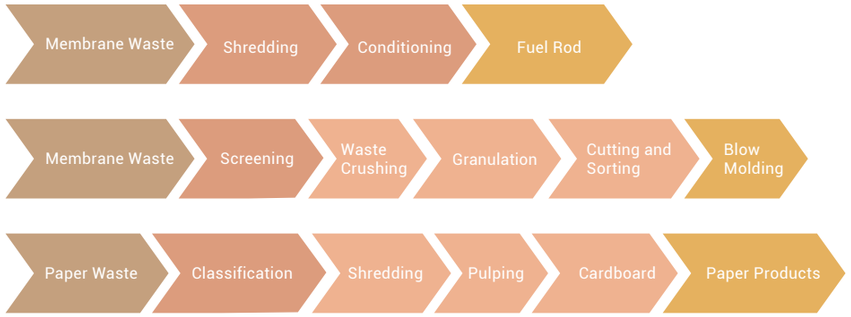
In response to global trends, Radiant Opto-Electronics continues its efforts to collaborate with waste-to-energy treatment facilities for the conversion of waste through incineration to energy. Presently, the waste-to-energy value at each of our factories is less than 10%.



As part of measures to enhance conversion rates, Radiant Opto-Electronics employs various "Onsite Diversion Pathways" including "Waste to Energy," "Recycle," and "Anaerobic Digestion" to effectively convert organic waste, membrane waste, and non-recyclable industrial waste. Simultaneously, through "Insite Diversion Pathways," the Company focuses on "Reduce" and "Reuse" to increase the recovery rate of various packaging materials, thereby enhancing the actual effectiveness of zero waste to landfill initiatives.

Recycle

Radiant Opto-Electronics inventories various types of waste and follows differentiated processing mechanisms. This includes recycling membrane waste into fuel rods or blown bag forming, as well as repurposing paper waste into paper products.



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Anaerobic digestion

Regarding food waste, a small portion is incinerated at the Kaohsiung factory, while all waste at the mainland production bases is directed towards reuse. Furthermore, the Guangzhou factory employs anaerobic digestion for food waste disposal.

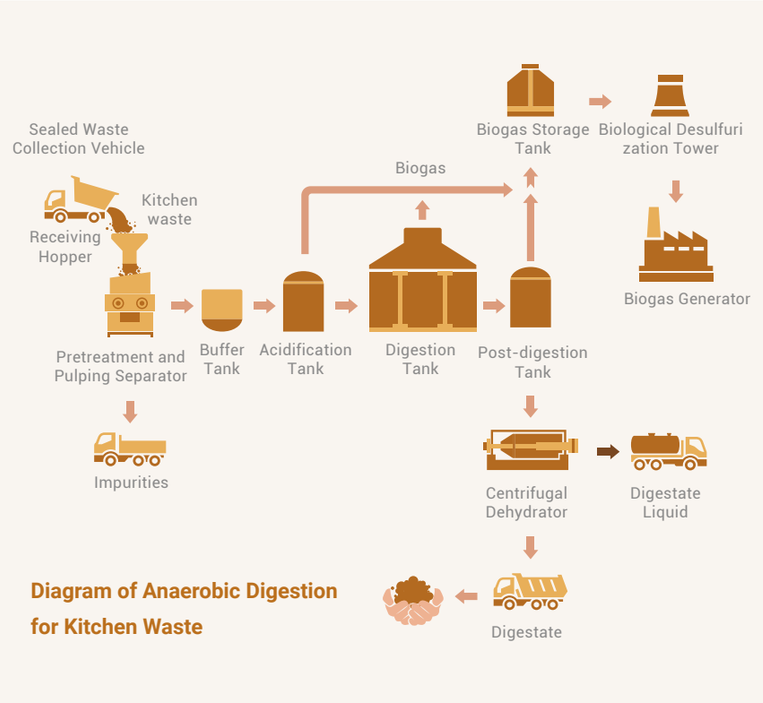

Diagram of Anaerobic Digestion for Kitchen Waste

Plants	Kaohsiung plant	Wujiang plant	Nanjing plant	Guangzhou plant
Disposal Methods	Incineration with Recycling	Recycling	Composting	Anaerobic Digestion

In summary of the aforementioned conversion measures, all four manufacturing plants within the Group achieved impressive "growth rates exceeding 20%" in 2023. The zero landfill conversion rates for the three production bases in mainland China have all reached 90%, with the Guangzhou plant exceeding 95% (with 4.9% conversion to energy through incineration).

UL2799 Certification Levels	Conversion Rate	WtE	Landfill Rate
Platinum Level	100%	0-10%	0%
Gold Level	95-99%	0-10%	0-5%
Silver Level	90-94%	0-5%	5-10%
Certified Waste Conversion Rate	<90%		

"Circular economy" has become a core concept in Radiant Opto-Electronics' ESG initiatives in recent years, with achieving "zero landfill" waste disposal serving as a significant indicator. In response to the threat of climate change to global sustainability and in line with Taiwan's 2050 net-zero emissions goal and the requirements of key customers, Radiant Opto-Electronics has identified 11 Sustainable Development Goals (SDGs) from the United Nations' Sustainable Development Goals (SDGs) as its sustainability targets. The Company utilizes UL2799 Zero Waste to Landfill Verification as a means to fulfill the "SDGs12 Responsible Consumption and Production" commitment, further embodying the goal and vision of "Radiant Opto-Electronics' Sustainable Operation = EPS + ESG."

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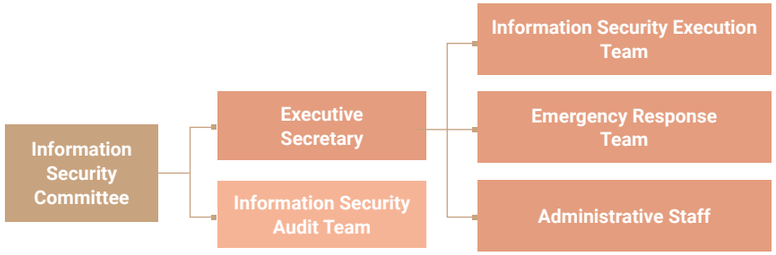
02 Special Report

Digital Transformation Innovation - ISO 27001 + PATS Intellectual Property Management System

Actively embracing digital transformation governance, leveraging innovative technologies to maximize corporate value

Digital transformation has become a critical issue in global industrial competition, presenting opportunities for organizational innovation and digital remodeling through enterprise digital transformation models. Radiant Opto-Electronics, in accordance with the guidelines set forth by the Financial Supervisory Commission (FSC) regarding "Information Security Management Measures for Listed and OTC Companies," established an Information Security Committee in 2023. The Chief Information Officer (CIO) of the Group's Information Department serves as the top executive in charge of information security at Radiant Opto-Electronics, ensuring that information security-related policies align with the Company's strategic development. In 2023, Radiant Opto-Electronics obtained ISO 27001:2022 certification for its Information Security Management System, concretely implementing information security policies to safeguard customer data and company intellectual property, and enhancing the capability to respond to information security incidents.

Radiant Opto-Electronics has implemented governance strategies and practices to mitigate financial impacts arising from information security risks and vulnerabilities. For instance, to address the potential risk of system service interruptions, the Information Department has established backup and redundancy mechanisms and conducts regular restoration drills for contingency planning. Meanwhile, Radiant Opto-Electronics continues to monitor supply chain cybersecurity risks. Despite its backlight module products not containing information systems internally, Radiant Opto-Electronics manages its supply chain to mitigate risks such as counterfeit products, components, or production information security breaches. To enhance supply chain cybersecurity management, Radiant Opto-Electronics has implemented Multi-Factor Authentication (MFA) mechanisms since 2022 to strengthen the security of identity verification. This ensures the protection of information security for all customers and employees throughout the digital transformation process.



Concept of Multi-Factor Authentication (MFA)

Multi-factor authentication (MFA) is a multi-step account login process that requires users to provide additional information beyond entering a password. For example, users may be prompted to input a verification code sent to their email, answer security questions, or scan their fingerprints. This secondary form of authentication can help mitigate unauthorized account access in cases where system passwords have been compromised.

As a global leader in professional backlight module manufacturing, Radiant Opto-Electronics views "innovation" as the driving force behind its continuous growth. Through listening to customers, focusing on research and development, and enhancing the highest standards of customer confidentiality, Radiant Opto-Electronics continues to cultivate sustainable and mutually beneficial partnerships. To construct a robust intellectual property portfolio, Radiant Opto-Electronics internally promotes a "Green Innovation Proposal Incentive Mechanism" through its Sustainable Development Committee, incentivizing employees to propose innovative solutions. Additionally, in 2023, the Company implemented the systematic "PATS Patent Intellectual Property Management System" to optimize the efficiency of intellectual property searches. It also established a "Patent Realtime Dashboard" page to provide R&D personnel, legal personnel, production management personnel, and information unit personnel with precise oversight of various patent application progressions, thus avoiding the time-consuming duplication of research and development efforts.

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Externally, Radiant Opto-Electronics' Intellectual Property Division closely communicates with R&D colleagues from the receipt of patent proposals to the patent examination stage, aiming to achieve consensus between the inventor and patent examination authorities. The Company is dedicated to obtaining high-quality patent protection. As of December 31, 2023, Radiant Opto-Electronics has acquired a total of 1183 patents, primarily focusing on various backlight module technologies and electronic manufacturing service technologies. Intellectual property is considered one of the significant outcomes of research and development and is an essential component of innovation management. Radiant Opto-Electronics firmly believes that possessing excellent intellectual property management capabilities is essential to maintaining its leading position in corporate innovation.

03 Special Report

Expansion Strategy - Acquisition of Finland's Nanocomp to Enter New Markets + Establishment of Manufacturing Facility in Vietnam to Extend Technology and Enhance Resilience

Radiant Opto-Electronics Expands Market Reach with Dual Initiatives: Deepening Presence in Automotive and AR/VR Sectors, Establishing Manufacturing Base in Vietnam to Mitigate Geopolitical Risks

Amidst ongoing challenges posed by climate change, geopolitical instability, and various emerging risks worldwide, Radiant Opto-Electronics has maintained a steady and prudent business approach during turbulent times. Reviewing the period from 2018 to 2023, Radiant Opto-Electronics has achieved remarkable revenue growth, with earnings per share (EPS) continuously increasing for six consecutive years, generating significant returns for shareholders. In pursuit of its strategy to expand and deepen core technological capabilities, accelerate the enhancement of corporate resilience and transformational adaptability, and maximize the benefits of industry value chain integration, Radiant Opto-Electronics, during its 2023 Board of Directors meeting, approved the 100% acquisition of Finland's Nanocomp Oy Ltd. This acquisition is expected to enable the integration of Nanocomp's nano- and microparticle photonics processes, further strengthening Radiant's already world-leading capabilities in the manufacture of light guide products.

Nanocomp, based in Finland, specializes in providing micron and nano-scale microstructural thin films used in consumer electronics products. The Company possesses proprietary UVcurable adhesive and roll-to-roll nano-imprint lithography lines. Moreover, Nanocomp holds key technologies such as unique optical design and Rayser embossing molds, enabling the production of complex free-form microstructures. This capability is poised to inject a stream of innovative, flexible, and high-potential vitality into Radiant Opto-Electronics, particularly deepening its presence in standard displays, biopharmaceuticals, electronic paper, automotive, AR/VR, and other markets. Consequently, it will continue to expand its market leadership position.

In addition to acquiring Nanocomp to deepen its presence in the electronic paper, automotive, and AR/VR markets, Radiant Opto-Electronics is also reinforcing its core business in backlight modules. The Company is collaborating with customers and system assembly factories to establish production lines in Vietnam, thereby strengthening its alliance relationships. Simultaneously, Radiant Opto-Electronics is increasing its overseas production locations to enhance resilience and competitiveness, mitigating instability risks associated with geopolitical factors.

Looking ahead to 2024, Radiant Opto-Electronics aims to continue rolling out high-optical efficiency, low-power consumption backlight modules to meet the demands of high computational consumer electronic products. With the infusion of energy from Nanocomp, mass production of roll-to-roll printed front lights and backlight panels will commence. Furthermore, we will continue improve and Full Array Local Dimming technology applied to automotive displays. While 2024 is expected to present challenges comparable to those of 2023, Radiant remains confident that by prioritizing customer needs and strategic initiatives, it will sustain steady profitability and navigate through any obstacles.

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0.4 About Radiant Opto-Electronics Corporation

The Most Trusted Global Manufacturer of Backlight Modules

Founded in July 1995, Radiant Opto-Electronics Corporation is located in the Kaohsiung Technology Industrial Park (formerly known as Kaoshiung Cianjhen Export Processing Zone). Our head office is located in the Kaohsiung Technology Industrial Park in Taiwan, with a focus on research and development. In addition, we have three production bases in mainland China, located in Wujiang, Nanjing, and Guangzhou. In 2023, Radiant Opto-Electronics, with a total workforce of 12,219 employees across the entire group, stands as Taiwan's premier manufacturer specializing in the research and development as well as manufacturing of Backlight Modules. Radiant Opto-Electronics places technological innovation at the core of its growth strategy, developing proprietary technologies, fostering intellectual property rights, cultivating key technology research and development teams, and implementing sustainable business practices, gradually emerging as a leader among global Backlight Module manufacturers. The Company's service scope encompasses Backlight Module design, manufacturing, assembly, and sales, leveraging value-added from core technologies to extend its operational footprint into the digital product sector, thereby fostering close and mutually trusting partnerships with its clients.

Diversifying Touchpoints: Capturing Trends and Advanced Technologies

Radiant Opto-Electronics has been consistently investing in increasing machinery and equipment in recent years, aligning with customers' expansion plans to actively expand production capacity. Additionally, to provide customers with higher value-added services, the Company is promoting on-site service systems, strengthening after-sales service and technical support. This approach aims to align with customer needs, enhance interactive relationships, effectively grasp market dynamics, and expand operational scale in conjunction with timely capacity establishment. Regarding production lines, in addition to the backlight module assembly line, Radiant Opto-Electronics has also established a complete mold factory and molding factory, mastering multiple key technologies. This has enabled the successful entry into the production of critical components such as light guide panels, thereby enhancing profit margins. In terms of product development, Radiant Opto-Electronics will expand its optical design capabilities, comprehensively develop high-end optoelectronic application modules, and continue to actively collaborate with customers in developing automotive products. Simultaneously, the Company is aggressively pursuing applications related to front light boards to capture market opportunities in this segment.

In the future, Radiant Opto-Electronics will grasp the trends in domestic and international product and manufacturing technology development, develop new process technologies to maintain a leading position in production technology, and become a leading manufacturer of backlight modules. Backlight module-related technologies will evolve towards thinning, high efficiency, low power consumption, wide color gamut, narrow bezel, HDR, Mini LED, and VR. Radiant Opto-Electronics will continue its consistent dedication, focusing on optical design, mold design and manufacturing technology, Mini LED process, injection-molded light guide plate (LGP) technology, and non-injection-molded light guide film (LGF) process research and development, in order to meet customer needs and maintain its industry-leading position. Additionally, new product and process technologies will target front light boards, roll-to-roll (R2R), and augmented reality (AR) fields, aiming to provide more diversified optical services and accelerate global deployment.

Company Overview

Company Name	Radiant Opto-Electronics Corporation
Number of employees	12,219
Total Capital Amount	Total capital of NT$4.65 billion
Date Founded	24 July 1995
Main Operation	LCD backlight modules, LCD light guide plates
Chairman	Yu-Chao, Wang
Company Headquarter	No. 1, Central Sixth Road, Qianzhen District, Kaohsiung City
Operating Locations	Kaohsiung, Wujiang, Nanjing, Guangzhou

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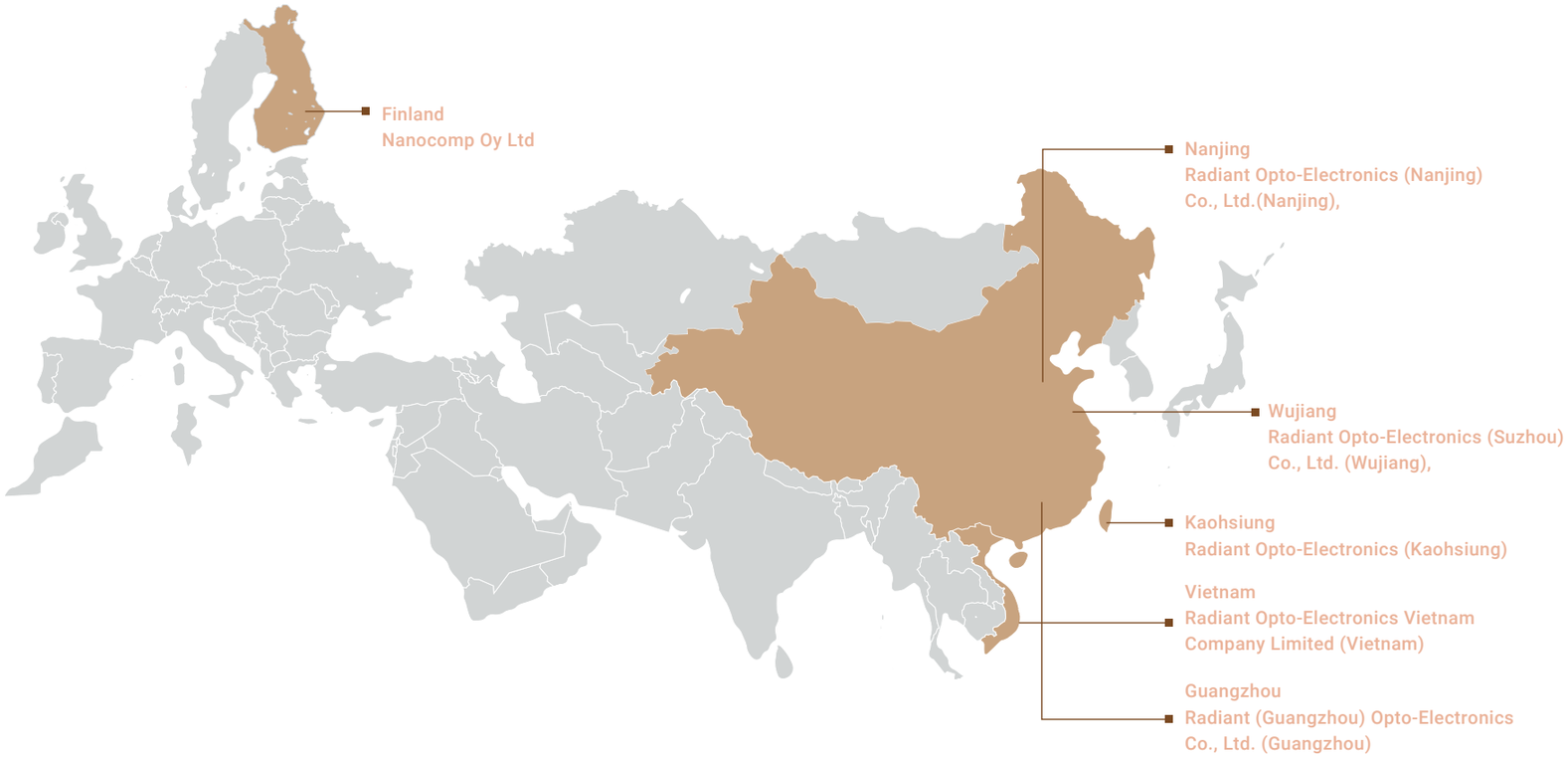
Distribution of Operating Locations



Within the scope of the report

- Radiant Opto-Electronics (Kaohsiung)
- Radiant Opto-Electronics (Suzhou) Co., Ltd. (Wujiang)
- Radiant Opto-Electronics (Nanjing) Co., Ltd.(Nanjing)
- Radiant (Guangzhou) Opto-Electronics Co., Ltd. (Guangzhou)

Outside the scope of the report

- Radiant Opto-Electronics Vietnam Company Limited (Vietnam)
- Nanocomp Oy Ltd. (Finland)

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Business Philosophy and Vision

With the flexibility the Company has in business operation, we will actively accommodate customers' product demands to satisfy their diverse and customization needs, seize market shares of all product sizes, and pursue innovation and value-added products. At the same time, the Company will integrate its core competencies in backlight module development, key component assembly, and manufacturing-related activities, and work closely with all customers to continuously improve overall customer satisfaction, thus consolidating our leading position in the market.

According to the supply and demand situation and growth of the backlight module market in the future, it is expected that the proportion of automotive displays wil gradually increase in the future. In recent years, our main customers have continuec to focus on selling various types of tablets, upgraded laptops, desktop computers and desktop displays. As a major supplier, Radiant Opto- Electronics Corporatior has worked closely with our customers to develop new models and technologies with a main focus on highly competitive and profitable products. With the mass production of Mini LED backlight modules, we have successfully entered the supply chain of well-known car manufacturers in Europe and the United States, after passing the certification requirements of both panel and car manufacturer customers. With its long life cycle and good profitability, automotive panels have become another niche product for ROEC after tablet PCs and laptops. Our strategy of focusing our resources on high margin products and optimizing our internal management has demonstrated benefits, which have helped us maintain stable growth momentum.

To seek breakthroughs and innovation, Radiant Opto-Electronics Corporation holds consensus meetings every year. These meetings involve employees from various managerial levels, ranging from baseline supervisors to the Chairman, President, and senior managers. Through these meetings, the Company engages in serious discussions on topics such as sustainability, management, research and development, sales, and manufacturing. This ensures that the entire group has a unified set of operational goals and vision. In recent years, the Company has achieved vertical integration of both its upstream segment, which includes parts and components, and its downstream segment, which consists of the customer base. Additionally, the Company has been able to maintain control over key raw materials, resulting in the annual improvement of gross profit margins. Meanwhile, Radiant actively recruits professionals from various fields to enhance product innovation and marketing capabilities, aiming to secure orders from more world-class manufacturers, increase market share, and establish long-term strategic partnerships with customers, ultimately becoming the world's leading backlight module manufacturer.

Vision

The World's Leading Backlight Module Manufacturer

Mission

Building Innovative Core Technologies
Cultivating Agile Talent for Autonomy
Co-creating a Sustainable Future for Radiant

Core Values

Customer-Oriented
Technological Innovation
Sustainable Operations

2023 RADIANT OPTO-ELECTRONICS CORPORATION

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Operating Strategies for 2023

- To stimulate new momentum in core competencies and to advance into growing industries.
- To exchange new technologies with customers and develop competitive products together.
- To leverage the benefits of vertical integration and expand the development of high value-added products.
- To be committed to research and development into low-carbon products and expanding the use of renewable energy.
- To master new product development and trial production parameter verification, and demonstrate high yield during the initial mass production phase.
- To emphasize creativity within the organization and create room for future growth.

Short-term, Medium and Long-term Development strategy

R&D Department

Short-term	Medium and Long-term
▪ Development of slim BLU ▪ High efficiency HED, AED and LGP with lower power consumption ▪ High-specification MNT, medical care, and industrial control ▪ High screen ratio monitors, thin-bezel product design ▪ Front light guide for e-book ▪ Development of automotive Mini LED 2D BLU ▪ Development of automotive privacy backlight modules ▪ Application of large, curved-screen automotive products ▪ Design of customized automotive module ▪ Automotive Smart control of 2D BLU ▪ Development of high luminance and high-quality VR products	▪ Continue to invest in technology R&D and cultivate talents to develop more competitive backlight modules ▪ Continue to invest in key equipment and manufacturing to improve R&D capacity ▪ Keep abreast of growth trends in the display industry and leverage our existing expertise in backlight modules to diversify our business, developing products in displayrelated sectors and extending our reach both vertically and horizontally ▪ Integrate the technical strengths of the Company in optical, mechanical, and electrical areas, strengthen our core capabilities in backlight modules, and open up more possibilities for new businesses ▪ Stay abreast of market trends and continue to develop smart lighting products

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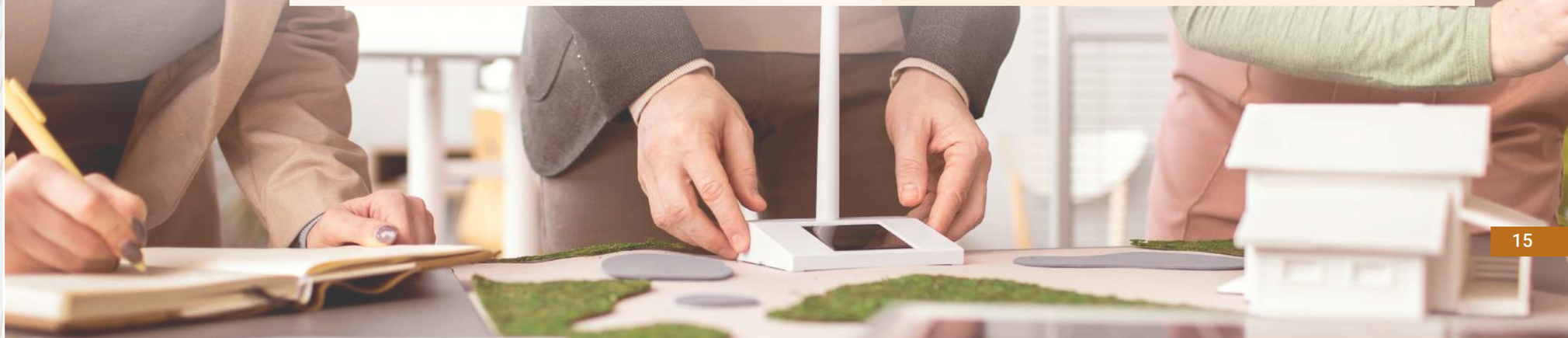
Production

- Master and enhance the technological development ability and production process capacity, actively expand production capacity to satisfy customer needs
- Continue to integrate the light guide plate and module development technology to effectively lower production costs, enhance product quality and increase competitiveness
- Build equipment for module automation and complete the automatic system
- Implementing smart manufacturing, leveraging comprehensive data analytics, aims to optimize its production lines to proactively identify issues and effectively enhance OEE metrics
- Actively planning energy-saving and carbon-reduction programs at each factory to improve energy efficiency and achieve annual carbon reduction targets
- Plan the electronic management of equipment inspection, improve the efficiency of inspections, and reduce paper consumption
- Build long-term partnerships with key component manufacturers to maintain control over materials sourcing
- Master the development trends of the manufacture technology, develop new processes to become the leading supplier of the backlight module industry
- Enhance the automation system to reduce labor and production costs and improve competitiveness
- Extract the concepts of smart manufacturing, upgrade the Company's systems to full smart management, and further improve OEE index
- Introduce assembly line and product testing automation, plan a production process based on the principle of manpower reduction to lower labor costs
- Plan the continuing electronic management of equipment inspection, improve the efficiency of inspections, and effectively reduce paper consumption

Marketing

- Actively expand and work closely with international customers, supplying backlight modules and endline modules of all sizes for niche customers
- Use our excellent core technical skills, including optical design, mold development, light guide plate injection, and module manufacturing,to provide full-scope products and services to our customers in all areas, including design, development, production, marketing, and after-sales services
- Develop a model development and sales system that interacts closely with customers, continuing to enhance customer satisfaction
- Meet the diverse needs of customers, accommodate customers global business plans, build new cooperation models, and become a long-term strategic partner



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Association and Union Participation

As a member of the global backlight module industry, Radiant Opto-Electronics not only strives for maximum achievements in its core business but also actively engages in external exchanges, evaluations, and advocacy in the fields of its core business and sustainable development. This practice aims to achieve mutual prosperity and benefit for the industry, showcasing Radiant Opto-Electronics' ambition and efforts in sustainability issues.

Kaohsiung Factory

- Member of Taiwan Export Processing Zone Electrical and Electronic Manufactures Association
- Member of the Institute of Internal Auditors-Chinese Taiwan
- Member of Kaohsiung Personnel Representative Association
- Taiwan Display Materials & Devices Association
- Computer Emergency Response Team (CERT)/Computer Security Incident Response Team (CSIRT) Alliance

China Factories

- Member of Jiangsu Foreign-invested Enterprise Association
- Supervisor of Suzhou Wujiang Taiwan Investment Association
- Supervisor of Suzhou Wujiang Foreign-invested Enterprises Association
- Member of Suzhou Wujiang Intelligent Manufacturing Association
- Member of Suzhou Wujiang Charity Club

Sustainability Advocacy Organizations and Evaluation

- CSR@CommonWealth
- Taiwan Climate Partnership
- Participated in the Taiwan Corporate Sustainability Awards (TCSA)
- Participated in the Global Corporate Sustainability Awards (GCSA)
- Carbon Disclosure Project (CDP)
- Dow Jones Sustainability Index (DJSI)
- In accordance with the guidelines set forth by the Task Force on Climate-related Financial Disclosures (TCFD)

Timeline of Major Events

1995
Radiant Opto-electronics Corporation obtains approval for registration

1996
- Outbound shipment of first batch of products
- Establishment of a branch oce in Japan

2000
Recorded a profit for the first time

2002
- Reinvested in Radiant Opto-electronics (Suzhou) Co., Ltd., Mainland China
- Company's shares are listed on the over-the-counter securities trading market

2003
Reinvested in Radiant Opto-electronics (Nanjing) Co., Ltd., Mainland China

2007
- Company's shares are listed on the Taiwan Stock Exchange
- Reinvested in Radiant Opto-electronics (Korea) Co., Ltd., South Korea
- Reinvested in Radiant Opto-electronics (Guangzhou) Co., Ltd., Mainland China

2011
The Group posts consolidated operating income exceeding NT$60 billion, earns EPS of NT$10 for the first time

2012
Annual notebook shipments exceed 100 million units for the first time

2015
- Smartphones go into mass production
- First Corporate Social Responsibility Report published

2016
Donations allocated for establishment of Radiant Education Foundation

2021
- Recorded an increase in EPS for fourth consecutive year
- Mass production of BLU for US electric vehicles
- Mass production of Mini LED BLU

2022
- Earnings per share exceeded NT$10 for five consecutive years
- Macbook achieved a monthly sales milestone by surpassing 3 million units
- Car infotainment products achieved a monthly sales milestone by surpassing 300,000 units
- The gross profit margin in the third quarter reached a record high of over 21% since the company listed on the Taiwan Stock Exchange

2023
- Earnings per share exceeded NT$10 for six consecutive years
- Radiant Opto-Electronics (Vietnam) Co., Ltd. has been established
- Acquisition of Nanocomp Oy Ltd in Finland

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Sustainability Performance Highlights

Management Policy and Sustainable Performance for 2023

Six Capitals

Financial
Provide financial resources for R&D and services through sound financial management

Intellectual
Continuously inject innovative R&D energy, actively pursue patent strategies, and deepen intangible asset capabilities

Natural
Optimize the efficiency of energy and resource utilization through upstream management, midstream monitoring, and downstream control

Manufactured
Ensure product quality and innovation to meet customer needs and expectations

Human
Secure critical talent, prioritize talent cultivation, and strengthen the Company's soft power

Social
Active and systematic social engagement for the mutual benefit of all stakeholders

Sustainability Performance

Mutual Benefit Corporate Governance

- Performance Evaluation of the Board of Directors **Excellent**
- Establishment of a newly formed Information Security Management Commit
- Corporate Governance Evaluation was ranked in top **5%**
- Manager performance incorporated into ESG objectives
- Earning per share exceeded NT$10 for six consecutive years, with EPS at **NT$11.35**
- Shipped a total of approximately **91,011,000** backlight modules for the year
- Cumulative number of patent applications globally is over**1,930**
- Conducted evaluations of 215 suppliers through "New Supplier ESG Self-assessment Form"
- **100%** pass rate for on-site audits of tier 1 key suppliers

Environmental Symbiosis_Environment

- Biodiversity and commitment to zero deforestation
- Identified 20 risks and 11 opportunities based on TCFD; Based on the1.5°C: climate scenario, generating a matrix chart of short, medium, and long-term climate-related risks and opportunities for Radiant Opto-Electronics
- Scope 1 & 2 carbon emissions of the Group : **107,600 tons** of CO_2e
- Greenhouse Gas Emission Intensity for 2022 : **3.09** (metric tons CO_2e/NT$ million)
- Group energy savings : **5,539,000 kWh**
- Renewable energy generated : **3,295,000 kWh**
- Group water savings : **27.3 million liters**
- Group packaging material recycle rate over **98%**
- Recycling rate of packaging material **41%**
- Full occupancy rate of transport exceeded **98%**

Social Prosperity_Society

- Education & training hours for employees approx.**146,000 hours, 39,000 participants, 19** employee care activity sessions with over **475 participants**
- **Zero** occupational disaster cases among contractors
- Total of **433 hours** in social welfare activities and volunteer services
- Total of **95 events** participated and organized by Radiant Education Foundation, total number of participants was **2,190,844** (both physical & virtual events)
- Percentage of local procurement within the Group **49.48%**
- Frequency Severity Indicator **0.08**
- A total of **17** health promotion activities were held across the entire group, with **2,189 participants** in 2023

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CDP
B management level rating on the "Climate Change Questionnaire"

TCSA
- **Top 100 Corporate Sustainability Awards**
- **Silver Award** for "Electronic Information Manufacturing Reporting"

GCSA
Bronze Award for English Version Sustainability Report

TWSE
- **Taiwan High Compensation 100 Index**
- **Ranked in top 5%** in TWSE Corporate Governance Evaluation

Ministry of Culture
16th Arts & Business Award
Bronze Award : Permanent Award
Special Award : Corporate Culture Award

Ministry of Labor
Talent Quality Management System-**Silver Certification**

Ministry of Economic Affairs
- **Level A Certification**-Taiwan Intellectual Property Management System
- Top 100 Taiwan Corporation Patent Rankings

Ministry of Economic Affairs, Department of Export Processing Zone Administration
"Contribution to Public Welfare" Award

Ministry of Education, Department of Sports
"Sports Enterprise Certification"

Commonwealth Magazine
- Ranked **83th** "Top 2000 Companies in the Manufacturing Sector"
- Ranked **5th** "Top 2000 Companies in the Optoelectronics Sector"

Business Weekly
"Top 100 Carbon Competitiveness"

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1.1 A Sustainable Vision

Radiant Opto-Electronics Corporation's Sustainability Commitment

Radiant Opto-Electronics Corporation's sustainability strategy is centered on the development of backlight modules as its core competency. The strategy aligns with the United Nations Sustainable Development Goals (SDGs), global trends in sustainability, and stakeholder concerns.Additionally, through the promotion and implementation of the Sustainable Development Committee, Radiant Opto-Electronics Corporation has established the"Sustainable Development Committee Organizational Charter", "Corporate Sustainability Best Practice Principles", and"Corporate Governance Best Practice Principles" as guidelines and principles for the Company's sustainable development strategy. We hope to expand our global influence with the Company as the core and collaborate with the Radiant Education Foundation and other related stakeholders to practice sustainable values. Therefore, the Company proposes three sustainable visions

Mutual Benefit

We uphold our original intention of operating with integrity by establishing a robust enterprise system, focusing on risks and opportunities, and dedicating ourselves to creating the best interests of all stakeholders. We aim to exert positive influence in the supply chain and practice sustainable development by ensuring the implementation of our sustainability policy, disclosing sustainability-related information, and incorporating sustainability into our operations and development direction. Our ultimate goal is to achieve a sustainable vision of "Mutual Benefits" for all.

Environmental Symbiosis

We are committed to creating a sustainable environment by continuously developing green products, enhancing energy/resource efficiency, conducting greenhouse gas inventories and certifications, reducing waste and strengthening pollution preventionand control. We use recycled materials with low environmental impact to enable sustainable use of global resources, mitigate the impact of climate change, and strive for a sustainable vision of "environmental symbiosis."

Social Prosperity

To create a healthy and safe working environment for employees, we emphasize respect for human rights, compliance with international human rights regulations, gender equality, protection of the right to work, and the prohibition of discrimination. We have also established a comprehensive talent cultivation system and welfare measures, established diverse employee communication channels, and actively engaged in charitable activities to achieve a sustainable vision of " social prosperity."

Biodiversity and Commitment to Zero Deforestation

Commitment to Biodiversity

The United Nations announced the "2030 Sustainable Development Goals" (SDGs) in 2015, with SDG 15, "Life on Land," serving as a pivotal indicator globally for the conservation and sustainable use of terrestrial ecosystems, ensuring biodiversity and preventing land degradation. All manufacturing factories of Radiant Opto-Electronics are situated within science/industrial parks. Following an inventory of current operational sites, none are located within globally or nationally designated areas of significant biodiversity importance or sensitivity. Furthermore, in the planning of future facility constructions, Radiant Opto-Electronics commits to avoiding placement in or near these designated areas. If unavoidable value chain activities impact biodiversity or ecological conservation areas, Radiant Opto-Electronics will take action to eliminate, mitigate, restore, or offset future losses in species diversity and ecosystem diversity. Radiant Opto-Electronics commits to further protecting and stabilizing biodiversity, pledging to adhere to SDG 15 for the conservation of terrestrial ecosystems in the future.

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Commitment to Zero Deforestation

Forests are one of the primary carbon sinks on Earth and provide natural habitats for flora and fauna. Radiant Opto-Electronics adheres to all relevant international and local regulations across its global operations. In the future, the Company will establish a nodeforestation policy and implement a group-level monitoring system to cease any deforestation activities along its value chain, restore degraded forests, and significantly increase global afforestation and reforestation efforts, fulfilling its commitment to zero deforestation. Radiant Opto-Electronics' long-term goals include aligning with SDG 13 on climate action and SDG 15 on terrestrial ecosystems.

Biodiversity conservation and zero deforestation are currently critical global issues of concern. Radiant Opto-Electronics, with its long-standing commitment to global trends, acknowledges the significance and impact of these two issues on the entire environment. The Company aims to mobilize its employees, partners, and stakeholders through proactive advocacy efforts.

ROEC pledges

- **In the establishment and operation of plants, we will strive to avoid operating in or near environmental preserves or areas of significant biodiversity in order to fulfill the Company's commitment to biodiversity and zero deforestation.**
- **We will ensure that all of the Company's operations comply with international, domestic, and local biodiversity-related laws and regulations.**
- **We will avoid or minimize the release of pollutants into the environment to protect the environment from damage.**
- **We aim to gradually promote the concept of biological and environmental protection to the general public in order to facilitate ecological conservation action.**

Corporate Sustainability Best Practice Principles

Sustainable Development Committee Organizational Charter

Corporate Governance Best Practice Principles

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Radiant Opto-Electronics' Commitment to Carbon Reduction Goals

Radiant Opto-Electronics conducts a comprehensive assessment of its overall operations through the lens of the United Nations Sustainable Development Goals (SDGs) to establish the"Radiant Opto-Electronics Sustainable Development Goals 2025." The Company aims to deepen internal sustainability practices and enhance external stakeholder engagement, horizontally integrating customers, suppliers, and other stakeholders to pave the way for greater possibilities in sustainable development. Regarding the"Greenhouse Gas Reduction Target, "outlined in the "Radiant Opto- Electronics Sustainable Development Goals 2025" established in 2019, the objective is to "achieve a 20% reduction in greenhouse gas emissions per unit of output across the Group compared to 2015 levels."

However, in recent years, Radiant has taken even more diligent steps to implement carbon reduction initiatives across the Group, setting proactive and pragmatic carbon reduction targets. Through efforts such as energy conservation and enhancing process efficiency, Radiant Opto-Electronics has significantly exceeded its targeted carbon reduction levels by 2023. This demonstrates Radiant Opto-Electronics' firm commitment to carbon reduction.

As the deadline for the "Radiant Opto-Electronics Sustainable Development Goals 2025" approaches, Radiant Opto-Electronics plans to actively develop the "2030 Radiant Opto-Electronics Sustainable Development Carbon Reduction Targets" by referencing the linear decarbonization pathway outlined by SBTi. These targets are expected to be disclosed in the "2024 Radiant Opto-Electronics Sustainability Report."

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1.2 Sustainable Management Framework

Sustainable Development Committee

The Sustainable Development Committee was established by ROEC in 2015, originally named the Corporate Social Responsibility Committee, and officially renamed as the Sustainable Development Committee in 2022, with the aim of implementing the vision and goal of sustainable development and creating value for stakeholders. The committee is responsible for coordinating various sustainable development tasks, committing to fulfilling sustainable commitments, taking actions to exert sustainable influence, and leading the Company towards corporate sustainability.

“Sustainable Development Committee” is under the Board of Directors, and its members are appointed through the resolution of the Board of Directors. The President serves as the chairperson of the Committee. The most senior supervisors of the Logistics & Manufacturing Center of the Group and the Administrative Center of the Group serve as the vice chairperson. Four independent directors serve as Steering Committee members. The “risk management team,” “employee care and social participation team,” “environmental sustainability team,” “corporate governance team,” “low-carbon products team,” “energy efficiency team,” and “green procurement and transportation team” were established within the committee. Members of these subcommittees are determined by the Board of Directors and seven senior supervisors from different fields were appointed as team leaders for each group. The Sustainable Development Committee of Radiant Opto-Electronics has a total of two female senior executives, representing 14.28% of the total. The diverse composition of the Sustainable Development Committee embodies the belief of “top-down formulation and bottom-up implementation”. In addition to effectively connecting resources across departments, it also enables the sustainability blueprint to be implemented and deeply rooted in all parts of the Company.

The Sustainable Development Committee divides its work according to the different issues of concern to stakeholders and formulates strategies, goals, and action plans for the Company in the environment, corporate governance, and society sectors through internal meetings, various questionnaires/surveys, and document signing. The Sustainable Development Committee convenes meeting at least once a year, with a total of two meetings held in 2023. Additionally, it reports to the Board of Directors at least once annually on ESG strategy and execution outcomes, with two reports submitted to the Board in 2023. The scope of reporting includes climate change risks, performance results, work priorities, and other relevant issues. The Board of Directors is responsible for supervising the impact management process and results of the Sustainable Development Committee to ensure that sustainability strategies are effectively implemented in the Company’s operations.

An Executive Secretary of the Committee and Sustainability Report Editorial Team have been established. The former is responsible for convening meetings, arranging agendas, organizing information, preparing minutes, and managing meeting instructions. The latter is responsible for planning and coordinating the annual sustainability report, which is reviewed by internal supervisors and verified by external third parties. With the existence of Sustainable Development Committee, the Company aims to expand its sustainability influence, fully realizing the value of sustainability management within the organization. With meticulous division of labor, the committee ensures progress and execution effectiveness, collectively weaving a prosperous and sustainable future.

Age Distribution Ratio	31-40	41-50	51-60	61-70	71-80	Total
Number of Shareholders	1	3	5	3	2	14

Sustainable Development Committee Organizational Charter

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Organizational Structure

Committee/ ESG Guiding Member

- Supporting from the Board of Directors
- Ensuring the blueprint for a sustainable society
- Supervising sustainability performance and carbon performance

- Executive Secretary
- Sustainability Report Editorial Team

Risk Management Team	Employee Care and Social Engagement Team	Environmental Sustainability Team	Corporate Governance Team	Low Carbon Product Team	Energy Efficiency Group	Green Procurement and Logistics Team
Members	**Members**	**Members**	**Members**	**Members**	**Members**	**Members**
General Auditing Office of the Group	Administr ation Center of the Group Radiant Education Foundation	Administr ation Center of the Group Radiant Education Foundation	Administr ation Center of the Group	R&D Center of the Group Planning and Manufacturing Center of the Group Digital Product & Intelligent Manufacturing Center	R&D Center of the Group Planning and Manufacturing Center of the Group Administr ation Center of the Group	R&D Center of the Group Administr ation Center of the Group Planning and Manufacturing Center of the Group
In Charge of	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**
▪ Sustainability Standards and Compliance ▪ Tracking Risk Management Issues ▪ Sustainab ility Report Compliance ▪ ESG Informati on and Internal Control of the Procedures	▪ Management of Human Rights and Employee Relationships ▪ Talent Development and Diversity ▪ Occupational Health and Safety ▪ ESG Educational Training ▪ Corporate Social Responsibility	▪ Environmental Operations (ISO 14001) ▪ Compliance with Environmental Regulations ▪ Pollutant Management ▪ Waste Management ▪ Supplier ESG Audits	▪ Integration of ESG Information with the Annual Report ▪ Presenting the Corporate Governance Assessment ▪ ESG Disclosures (TWSE MOPS) ▪ Assisting with the Operations of the Board of Directors	▪ Designing products based on the concept of product life and resource cycles ▪ Applying core technologies to promote lowcarbon design and manufacturing ▪ Building the most efficient green logistics system ▪ Establishing and promoting short- and mediumterm carbon reduction targets ▪ Team Progress Report	▪ Establishing benchmarks for energy efficiency ▪ Improvin g energy use competiti veness ▪ Establishi ng a foundatio n of smart manufact uring ▪ Obtaining stable renewable energy ▪ Establishing agreen procurement system ▪ Building the most efficient green logistics system ▪ Team Progress Report	▪ Establishing agreen procurement system ▪ Building the most efficient green logistics system ▪ Improving the utilization rate of packaging materials ▪ Establishing and promoting short- and mediumterm carbon reduction targets ▪ Team Progress Report

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1.3 Stakeholder Communication and Material Topics Analysis

Material Topics Identification and Stakeholder Engagement

As the world's No. 1 backlight module manufacturer, Radiant Opto-Electronics Corporation is a sound and efficient organization. The Company continues to establish various communication channels with stakeholders, constantly meeting stakeholders expectations by adhering to the principles of "integrity" and "transparency," creating mutual benefits to enhance competitiveness and growth momentum of the Company. Material topics analysis is a critical preliminary process for drafting the annual sustainability report. Radiant Opto-Electronics has established a systematic analytical approach, which involves listening to and taking stock of stakeholders'concerns regarding ESG sustainability issues. Simultaneously, the Company considers its own operational attributes to identify ESG sustainability issues that significantly impact its operations. The final outcome serves as the foundation for drafting the sustainability report and driving sustainability initiatives.

Identification of Stakeholders

After communicating and discussing with internal and external experts, Radiant Opto-Electronics Corporation has identified seven major organizations or institutions that are either affecting or affected based on the degree of dependency on operations, responsibilities, influence, diverse views and attention, according to the AA1000 Stakeholder Engagement Standard (AA1000SES). These stakeholders include customers, shareholders, employees, suppliers/contractors, non-profit organizations, community residents, and government agencies. In terms of social participation, ROEC has partnered with the Radiant Education Foundation to provide educational and artistic resources to create sustainable influences.

Stakeholder Engagement

To better understand the concerns and expectations of stakeholders, Radiant Opto-Electronics Corporation values the communication with them, reporting the communication status to the Board of Directors at least once a year. The Company adheres to three key communication principles: timely and proactive disclosure, providing comprehensive information, and establishing appropriate and diverse communication channels. It interacts with seven major stakeholder groups, continuously gathering feedback to inform the formulation of corporate sustainability development strategies. This aims to achieve an understanding of stakeholder needs and expectations and to appropriately address ESG key issues of concern. Additionally, Radiant Opto-Electronics employs systematic mechanisms for ongoing review and improvement, thereby enhancing corporate sustainability performance. In 2023, the outcomes of stakeholder communication efforts were not only promptly responded to by responsible departments but also disclosed externally through sustainability reports/websites to share the achievements of stakeholder engagement and the Company's sustainable development goals with all stakeholders. The results of stakeholder concerns and annual material topics assessments were also reported to the Board of Directors in the fourth quarter of 2023.

Main Stakeholders

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The Significance of Key Stakeholders to Radiant Opto-Electronics

Employees

Employees are the cornerstone of Radiant Opto-Electronics' sustainable operations. The Company offers competitive compensation and benefits as well as a diverse learning environment to support the retention of talented employees. This vision fosters the establishment of a flexible, innovative, and highly agile team, enhancing Radiant Opto-Electronics' operational performance and efficiency.

Customers

For Radiant Opto-Electronics, meeting the needs of customers is a primary source of economic performance and steady growth. The Company accurately understands customer requirements and collaborates with them for mutual growth through innovative core technologies and comprehensive services, thus achieving the vision of sustainable and shared prosperity.

Shareholders

Shareholders serve as the primary source of funding and support for the Company. Radiant Opto-Electronics aims to gain investor confidence by transparently disclosing operational information and demonstrating operational effectiveness. The Company continuously strives to channel stable funds to create investment value.

Non-Profit Organizations

Non-profit organizations serve as vital sources of diverse perspectives for Radiant Opto-Electronics' sustainability initiatives and are crucial partners in engaging with society. Radiant Opto-Electronics collaborates with the Radiant Education Foundation to enhance its positive societal impact through ongoing communication and mutual cooperation.

Community Residents

Radiant Opto-Electronics collaborates with the Radiant Education Foundation to establish harmonious and mutually supportive partnerships with local residents. Through providing educational and cultural resources, the Company becomes a strong support for both the local community and its employees in Kaohsiung.

Suppliers/Contractors

Suppliers are long-term partners in Radiant Opto-Electronics' sustainable development. Through collaboration with supplier partners to promote economic, environmental, and social aspects, the Company aims to enhance the overall value of the supply chain. Contractors contribute expertise to address any manpower shortages across various factories. Radiant Opto-Electronics establishes clear human rights guidelines to ensure occupational health and safety practices are implemented in daily operations, thus creating a secure and sustainable supply chain management system.

Government agencies

Radiant Opto-Electronics adheres to local government regulations at each of its factories with a cautious and proactive approach. The Company aims to go beyond regulatory requirements in its actions, responding to government policies in a manner that exceeds legal standards, thus fostering a compliant and lawful operating environment.

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The following is a summary of the communication methods, frequency, key topics of concern, and results with key stakeholders of Radiant Opto-Electronics

Stakeholder	Communication Method/Frequency	Key Focus Material Topics	Key Points of Communication and Results from Engagement with Stakeholders in 2023 :
Employees	**Regular** ▪ Monthly : Welfare Committee, Mess Committee ▪ Quarterly : Labor-Management Meetings, Green Proposal Review Meetings, Occupational Health and Safety Committee **Ad Hoc** ▪ Internal and External Websites of the Company, Various Electronic Newsletters, Complaints Mailbox, Group Sta Meetings, Employee Hotline 1720 (“Together We Care”), New Employee Pre-Job Training, Performance and Development Discussions, Business Briefings with the Contact Window	▪ Talent Attraction and Retention ▪ Talent Cultivation and Development ▪ Compliance with Laws and Regulations ▪ Economic Performance ▪ Information Security Management ▪ Product Responsibility and Innovation ▪ Human Rights ▪ Climate Change	▪ 2,119 cases of employee consultations and communications were received, including 936 cases from the Kaohsiung Factory and 1,183 cases from factories in Mainland China. ▪ 12 Welfare Committee Meetings ▪ 12 Mess Committee Meetings ▪ 4 Regular Labor-Management Meetings ▪ 4 Regular Labor-Management Meetings ▪ 4 Safety Committee Meetings ▪ 20 Business Briefings with the Contact Window
Customers	**Regular** ▪ Communications and Discussion Meetings Based on Customer Requirements ▪ Quarterly : Technical Exchange Meetings ▪ Annually : Customer Satisfaction Surveys **Ad Hoc** ▪ Customer website system ▪ Customer survey responses ▪ Customer audit discussion ▪ Suppliers conferences	▪ Ethical Management ▪ Compliance with Laws and Regulations ▪ Economic Performance ▪ Information Security Management ▪ Risk management ▪ Product Responsibility and Innovation ▪ Climate Change ▪ Greenhouse Gas Management	▪ Conducted the customer satisfaction survey with 12 customers, and the satisfaction rate reached 95.23% ▪ Responded to 12 customers and conducted 14 ESG audits
Shareholders	**Regular** ▪ Annually : Shareholders’ Meeting, Financial statements ▪ Quarterly : Corporate Information Session **Ad Hoc** ▪ Company Website ▪ Conference for domestic and foreign investment institutions ▪ Material information released by the MOPS	▪ Ethical Management ▪ Corporate Governance ▪ Compliance with Laws and Regulations ▪ Economic Performance ▪ Sustainable Strategy ▪ Risk Management ▪ Climate Change ▪ Greenhouse Gas Management	▪ 1 Shareholders’Meeting ▪ 5 institutional investors conferences, included 1 was convened by ROEC, and 4 were by invitation ▪ Public reporting of information on monthly revenue 12 times

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Stakeholder	Communication Method/Frequency	Key Focus Material Topics	Key Points of Communication and Results from Engagement with Stakeholders in 2023 :
Suppliers/ Contractors	**Regular** ▪ Annually : Questionnaire Surveys and Audit Interviews, Carbon Risk Questionnaires, Sustainability Report/Website ▪ Monthly : Contractor Meetings **Ad Hoc** ▪ Review Reports or Meetings ▪ Explanations on Environmental, Health, and Safety (EHS) and Corporate Sustainability Management	▪ Compliance with Laws and Regulations ▪ Economic Performance ▪ Sustainable Strategy ▪ Risk Management ▪ Product Responsibility and Innovation ▪ Human Rights	▪ 215 copies of ESG questionnaires from suppliers ▪ ESG Sustainability Self-Assessment Questionnaires conducted with 27 qualified suppliers ▪ ESG investigations conducted into 7 suppliers
Non-Profit Organizations	**Regular** ▪ Annually : Invitation to ADHD Families to Participate in Company Family Day Event **Ad Hoc** ▪ Project Cooperation and Events ▪ Radiant Education Foundation CSR X Facebook Page ▪ External Communication Mailbox ▪ Company Website	▪ Information Security Management ▪ Risk Management ▪ Human Rights	▪ Worked with 5 Non-Profit Organizations ▪ Promoted 95 projects and events ▪ The online community has 101 articles published, interacted with 10,954 people, and reached 153,779 people.
Community Residents	**Regular** ▪ Annually : Material Topics Survey Questionnaire **Ad Hoc** ▪ Project Cooperation and Events, External Communication Mailbox, Company Website	▪ Ethical Management ▪ Sustainable Strategy ▪ Information Security Management ▪ Product Responsibility and Innovation	▪ 1 university/2 rural primary and secondary schools/27 kindergartens ▪ 4 parenting lectures and family activities ▪ 27 “Sea You Again”events ▪ 2,190,844 participants in projects and events ▪ Promoting the “Public Piano Scheme” to bring art into everyday life, which has reached nearly one million people
Government agencies	**Ad Hoc** ▪ Inspection by Supervisors ▪ Policy Programs/ Seminars ▪ Document Management Platform	▪ Ethical Management ▪ Compliance with Laws and Regulations ▪ Sustainable Strategy ▪ roduct Responsibility and Innovation ▪ Human Rights	▪ ITRI’s Industrial Net Zero Transformation Service Group promotes energy resource management projects. ▪ Applied for the Energy Saving Performance Assurance Project Demonstration and Promotion Grant from the Bureau of Energy, Ministry of Economic Aairs to promote energy resource management. ▪ Collaborated with Processing Export Zone under Ministry of Economic Aairs to organize 2 blood donation activities with total of 414 donors donating 617 bags of blood ▪ Supported the “Taiwan Science Festival” program hosted by the National Science and Technology Museum, reaching nearly 1,234,388 people. ▪ Supported the promotion of shadow puppetry by the Kaohsiung Museum of Shadow Puppetry under the Kaohsiung Museum of History.

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Identification of Material Topics

ROEC takes the expectations of our stakeholders seriously and uses material analysis as an important guideline in preparing sustainability reports, formulating long-term sustainability goals, and communicating with stakeholders. In material analysis, we have adopted the GRI 3: Material Topics 2021 reporting standards and AA1000 accountability principles. We have developed a framework for material analysis based on the four principles of inclusivity, materiality, responsiveness, and impact. This framework responds to the needs of stakeholders and serves as the basis for the strategic planning for sustainable development of ROEC, as well as for setting long-term sustainability management goals.

In 2023, Radiant Opto-Electronics identified 23 sustainability focus areas. Through an open questionnaire on the Company's website, external stakeholders provided feedback on the level of interest in these 23 sustainability focus areas. A total of 866 responses were collected in 2023. Additionally, internal managers and the sustainability editorial team conducted surveys and discussions to assess the operational impacts of these sustainability focus areas. Based on the information gathered from these two sources, a matrix chart was created, identifying 13 material topics. Subsequently, the 13 material topics were subjected to a questionnaire to invite the entire Radiant Opto-Electronics sustainability report project team to conduct positive and negative impact assessments. These assessments serve as the basis for the information disclosure framework in this report.

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STEP 1 Identify

Identify Stakeholders

7 Stakeholders

Based on the AA1000 SES Stakeholder Engagement Standard, the team discussed with internal executives and external experts to identify seven key stakeholders, including customers, shareholders, employees, suppliers/contractors, non-profit organizations, community residents, and government agencies. The stakeholders were identified based on their degree of dependency, responsibility, concern, influence, and diversity.

Identify and collect potential issues

23 Issues of Concern

To identify and collect potential issues, we approach from both internal and external perspectives, identifying issues relevant to the operations of Radiant Opto-Electronics. This includes referencing international sustainability standards and frameworks (GRI Guidelines, SASB, TCFD, TNFD, SDGs), industry-specific issues, internal operational objectives, and sustainability investment ratings (DJSI, CDP, MSCI, FTSE4), among other sources. The working group compiled a list of 23 sustainability issues. Compared to the previous year, four new sustainability issues were added: “Greenhouse Gas Management,” “Waste Management,” “Circular Economy,” and “Regulatory Compliance.”

STEP 2 Investigate

Investigate the level of stakeholder concern

866 Questionnaires

The material issues questionnaire follows the new version of the GRI 3 : Material Topics 2021 guidelines. The questionnaire was structured into two main indicators: the level of concern and the level of operational impact. It rated on a five-point scale for stakeholders to fill out. A total of 866 valid questionnaires were collected, including customers (19), shareholders (20), employees (684), suppliers (61), non-profit organizations (23), community residents (50), and government agencies (9).

STEP 3 Analysis

Filter and rank Material Topics

13 Material topics

Based on stakeholder feedback, discussions with internal executives and external experts, and analysis of the level of concern and impact, a total of 13 material topics were presented to the Board of Directors for final decision, which include “Ethical Management,” “Regulatory Compliance,” “Product Responsibility and Innovation,” “Corporate Governance,” “Information Security Management,” “Economic Performance,”“Risk Management,” “Sustainable Strategies,” “Greenhouse Gas Management,” “Climate Change,” “Human Rights,” “Talent Attraction and Retention,” and “Talent Cultivation and Educational Development.” Through identification and screening, a materiality matrix was generated, resulting in short, medium, and long-term objectives for each material topics, along with corresponding management policies.

Analyze positive and negative impacts

14 Internal Questionnaires

Based on the 13 material topics, a positive and negative impact questionnaire was distributed to the responsible departments, and 14 internal questionnaires were collected. The editorial team reviewed the impact of the material topics in the upstream, operational, and downstream boundaries of the Company’s value chain on a case-by-case basis.

STEP 4 Confirm

Confirm the material topics Corresponding GRI Guidelines

18 GRI-specific Topics

The results of the 2023 material topics identification process were presented to the Board of Directors by the Sustainability Development Committee, and it was ultimately confirmed that eight sustainability issues were of material importance. The 13 material topics can be mapped to 18 specific GRI topics, (2-9, 2-22, 2-27, 201, 205, 206, 305, 401, 404, 406, 407, 408, 409, 410, 411, 415, 417, 418), and the Company collected and disclosed internal information, data, and management policies in accordance with the reporting requirements of the Standards.

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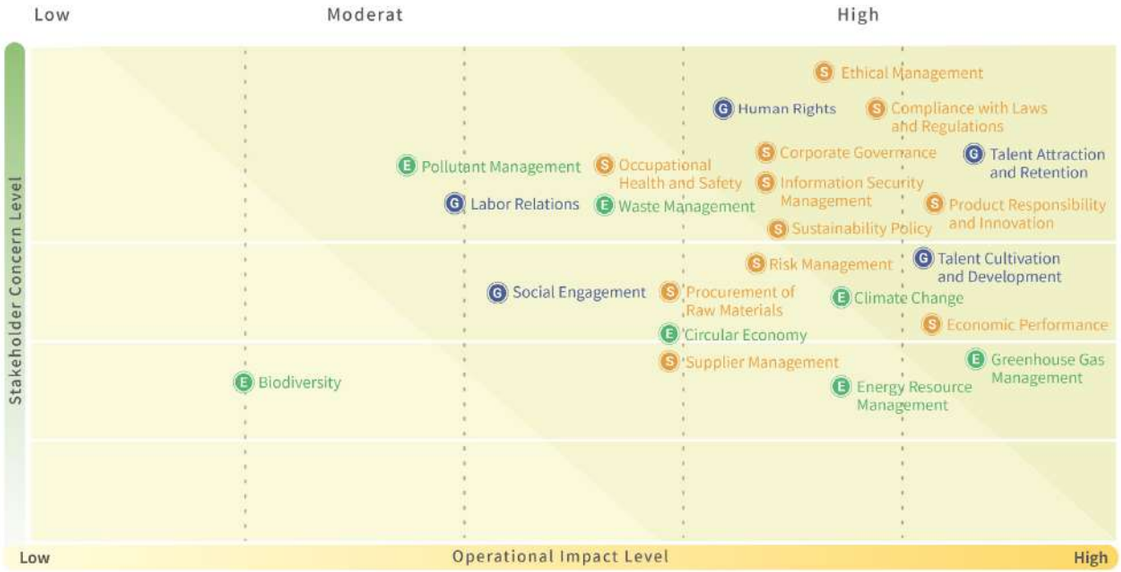
Material Topics Matrix



Radiant Opto-Electronics' list of 13 material topics for the year 2023：

E Environment
- Greenhouse Gas Management
- Climate Change

S Social
- Human Rights
- Talent Attraction and Retention
- Talent Cultivation and Development

G Governance
- Ethical Management
- Compliance with Laws and Regulations
- Product Responsibility and Innovation
- Corporate Governance
- Information Security
- Management
- Economic Performance
- Risk management
- Sustainable Strategy

Material Topics Matrix

Aggregating the impact index calculation and engagement with stakeholders'results. We define topics with significant impact on both the operational impact level and stakeholder concern level of Radiant Opto-Electronics as “highly significant topics.” The following are definitions and management strategies for theme significance：

- **High Significance：** Establish goals and regularly monitor management.
- **Moderate Significance：** Develop management policies with dedicated units in charge.
- **Low Significance:：** Low short-term impact, continue to monitor.

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Significant Changes to Material Topics in 2023

This year, the Company compiled a total of 23 sustainability issues as the basis for the Material Topics Questionnaire. After considering the opinions of stakeholders, internal executives, and external experts, 13 sustainability issues were identified as the material topics for this year.

Material Topic in 2023	Comparison with the Previous Year	Explanation
Ethical Management	Materiality Enhancement (Moderate - High)	In today's business landscape, companies frequently encounter various operational risks. Ethical management has become a key factor for companies to enhance their value.
Talent Attraction and Retention	Materiality Enhancement (Moderate - High)	Talent is the core competitive advantage in business operations. Companies must continuously cultivate a friendly workplace environment.
Talent Cultivation and Development	Materiality Enhancement (Moderate - High)	In response to various issues and the rapid rise of emerging technologies, talent cultivation and educational development have become essential capabilities that businesses should prioritize.
Corporate Governance	Materiality Enhancement (Moderate - High)	A robust corporate governance mechanism is pivotal for addressing the concerns of stakeholders.
Compliance with Laws and Regulations	Addition Topic	Implementing comprehensive regulatory compliance measures can help companies reduce operational risks and enhance corporate reputation.
Greenhouse Gas Management	Addition Topic	To mitigate global climate change, businesses must implement measures to reduce greenhouse gas emissions across Scope 1 to Scope 3 categories.
Economic Performance	Maintained	Continuously focusing on operational performance growth to increase company competitiveness.
Sustainable Strategy	Maintained	Continuously prioritizing the implementation of sustainability strategies and actively promoting and strengthening the operation of the Sustainable Development Committee.
Information Security Management	Maintained	Continuously prioritizing information security, safeguarding stakeholder privacy, and enhancing information security systems and management strategies.
Risk management	Maintained	Continuously prioritizing the management of both traditional risks and emerging risks, devising management strategies, and regularly tracking and reviewing effectiveness.
Product Responsibility and Innovation	Maintained	Continuously valuing customer feedback, innovating in technology research and development to maintain industry competitiveness.
Human Rights	Maintained	Continuously promoting human rights-related policies to ensure that every employee receives equal and just working conditions.
Climate Change	Maintained (Text Adjustment)	Continuously monitoring and addressing the potential significant impacts of climate change on production and operations.

Note :
1.Materiality Enhancement (Moderate to High): Identified as a material topics this year after not being selected as a material topics last year.
2.Addition Topic: A sustainability issue that was not present last year but has been identified as a material topics this year.
3.Maintained: Identified as a material topics both last year and this year.

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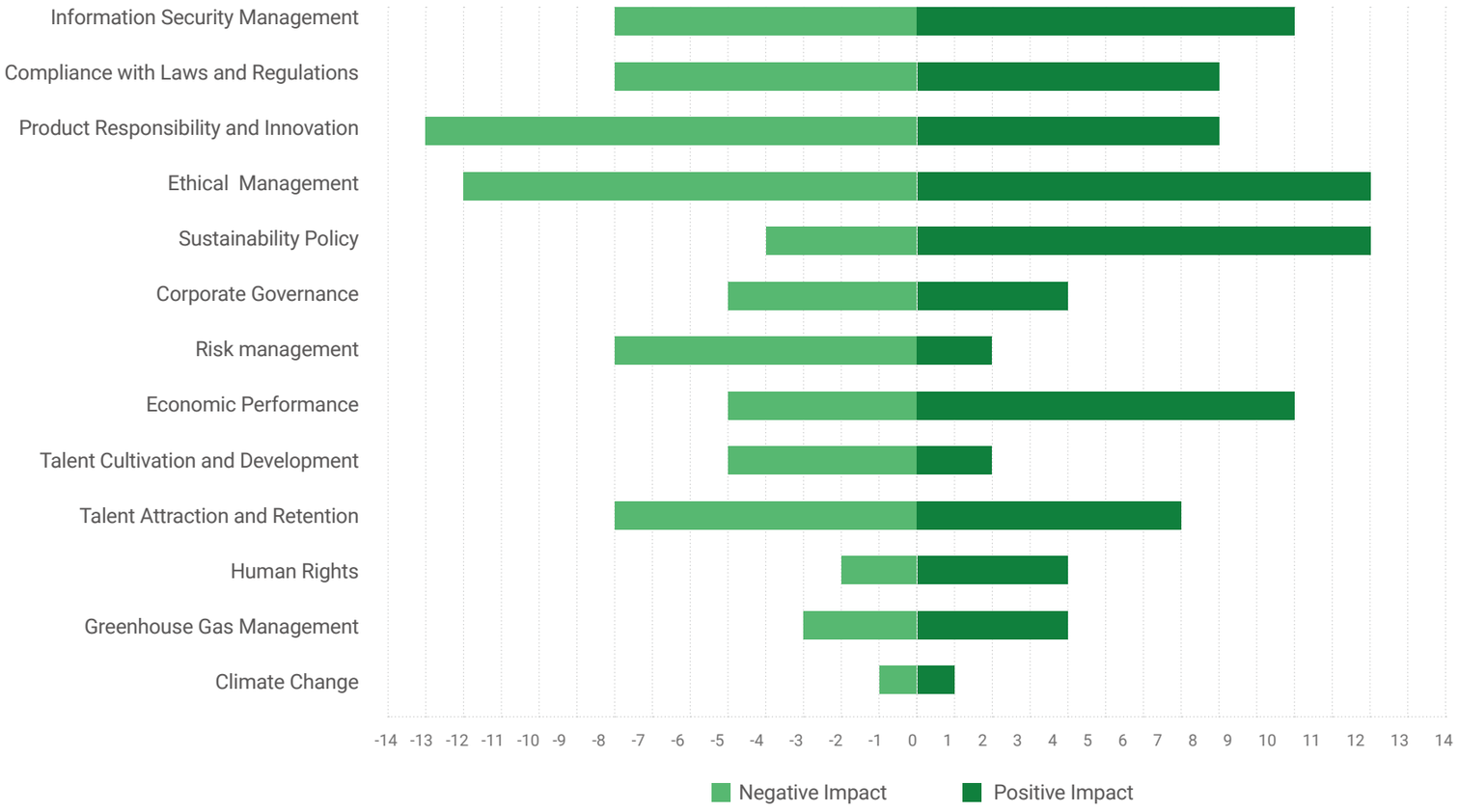
Evaluation of Positive and Negative Impacts of Material Topics

Following the GRI guidelines, a questionnaire-based evaluation of positive and negative impacts was conducted for the 13 material topics, serving as the basis for the information disclosure framework in this report. Analysis of the results reveals that seven topics, namely "Information Security Management," "Regulatory Compliance," "Product Responsibility and Innovation," "Ethical Corporate Management," "Sustainability Strategy," "Economic Performance," and "Talent Attraction and Retention," have received a majority of impact evaluations (the absolute sum of positive and negative impacts exceeding 14).

Positive and Negative Impact Evaluation Table



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Alignment of Material Topics Impact Evaluation with Value Chain

● Direct Impact ○ Indirect Impact

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		Positive Impact	Negative Impact	Supply Chain	Radiant Opto-Electronics Group	Investors	Customers	Society		
G Governance and Economic Aspects										
Ethical Management	Good integrity management establishes a solid foundation for sustainable business operations.	The Company operates its business with a robust approach, upholding principles of integrity and honesty, while establishing a comprehensive corporate governance framework and driving relevant initiatives to safeguard the interests of all stakeholders.	Should any unlawful incidents occur, resulting in financial losses due to violations of competition laws and related legal litigations, it may impact the Company's operations.	○	●	●	○	○	GRI 205 : 2016 GRI 206 : 2016	Ethical Management p.72
Compliance with Laws and Regulations	Adhering to relevant regulations governing company operations, all services and products also comply with applicable laws and regulations, thereby reducing operational risks and the risk of penalties, which are essential foundations for sustainable governance.	1. Meeting environmental protection standards in accordance with international environmental conventions, prioritizing safety and health, and complying with ISO 14001:2015 and ISO 45001:2018 standards and customer requirements enhance the corporate image. 2. Obtaining Taiwan's TIPS or mainland China's Intellectual Property Management System certification strengthens employee awareness of intellectual property rights and enhances the corporate image. 3. Adhering to labor regulations ensures the Company avoids penalties from regulatory authorities and	1. Non-compliance with environmental, safety, and health regulations resulting in regulatory penalties can damage the Company's reputation. 2. Leaks of trade secrets may lead to financial losses for the Company. Offering courses on legal matters or sharing thelatest information in real-time can make employees more vigilant about confidentialinformation, thereby preventing the leakage of trade secrets. 3. Restricted management authority withinthe Company reduces flexibility and increases human resource costs.	●	●				GRI 2-27 : 2021	Legal Compliance p.77

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Product Responsibility and Innovation	Radiant Opto-Electronics values customer feedback and believes that excellent product quality can help customers gain a competitive edge in the market. The Company's research and development capabilities in innovative technologies enable Radiant Opto-Electronics to maintain its competitiveness continuously.	1. Developing products that align with market trends and customer requirements is essential for maintaining competitiveness and driving revenue growth, as well as attracting talent.Enhancing the Company's product competitiveness facilitates continuous investment in new products. 2. Understanding market and customer trends in new product development and providing diverse custom services. 3. Leveraging government subsidies in China to reduce the cost of acquiring intellectualproperty, thereby increasing the number of patent applications and enhancing the Company's position in intellectual propertylitigation to reduce the risk of intellectual property infringement.	1. Failure to meet market trends and customer requirements can lead to a decrease in revenue and operational activities, as well as talent outflow. It can also reduce the trust of shareholders and investors, affecting the Company's image and continuously reducing competitiveness. 2. Long periods without generating new technologies may result in a lack of new niche businesses (products), failing to meet customer needs and affecting company development. 3. Failure to ensure product quality during development can result in heavy work or customer loss. 4. Leakage of trade secrets may lead to financial losses for the Company. Offering legalrelated courses or sharing the latest information with company employees can make them more attentive to confidential information and prevent the leakage of trade secrets.		●	○	●		GRI 417 : 2016	Product Responsibility and Innovation p.98
Corporate Governance	Radiant Opto-Electronics practices good integrity management, laying a solid foundation for sustainable business operations.	Actively enhancing corporate governance levels helps the Company to review internal risks, improve sustainable development, and safeguard shareholder interests.	Failure to optimize corporate governance may result in the inability to promptly detect internal risks, affecting market willingness to invest in the company.		●	●			GRI 2-9 : 2021	Corporate Governance p.60

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Information Security Management	Radiant Opto-Electronics places a high emphasis on information security to safeguard the privacy of all stakeholders. The Company continuously strengthens processes and regulatory standards, as well as enhances information security systems and management strategies.	By implementing ISO 27001 "Information Security Management System," Radiant Opto-Electronics reinforces operational processes and control measures, mitigating unknown attack events and reducing the financial losses caused by security risks.	1. If facing a cybersecurity attack event could potentially lead to operational disruptions and the risk of disclosing critical information. 2. In response to supply chain security requirements, malicious attacks resulting in customer data theft could lead to substantial claims and penalties.	○	●		●		GRI 418 : 2016	Information Security Management p.87
Economic Performance	With a strategy vision of continuously advancing in the field of professional backlight modules, Raytek Optoelectronics not only focuses on developing sustainable strategies but also emphasizes the growth of operational performance to enhance company competitiveness.	Excellent operational performance can increase employment opportunities in the industry and improve capital market efficiency, attracting domestic and foreign funds, enhancing international visibility, and increasing company competitiveness.	Poor operational performance may lead to budget cuts and layoffs. It can also result in losses for capital market shareholders and investors, affecting the Company's image and continuously reducing competitiveness.	○	●	●	○		GRI 201 : 2016	Financial Performance p.93

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Risk management	Radiant Opto-Electronics values the management of both traditional and emerging risks, staying abreast of changes in risks and devising management strategies for significant potential risks, with regular monitoring and evaluation of effectiveness.	1. Regular on of risks and their inclusion in risk management policies can mitigate the impact of negative risks. 2. Effective risk management facilitates the creation of opportunities and enhances positive outcomes for the organization.	Failure to develop management policies for specific risks or insufficient risk identification or assessment may result in reduced organizational capacity to respond to risks and may even require more resources for recovery and remediation.	○	●	●	○		Radiant's Customize	Risk management p.80
Sustainable Strategy	Radiant Opto-Electronics places a strong emphasis on the implementation of sustainable strategies, actively promoting and strengthening the operation mode of the Sustainable Development Committee to realize the sustainable goals of "top-down formulation and bottom-up implementation."	Establishing sustainable strategies and carbon reduction pathways not only meet government regulatory requirements but also align with market ESG trends and customer-related ESG requirements, enhancing the longterm overall competitiveness of the Company.	Companies that fail to establish sustainable strategies may struggle to comply with government regulations and adapt to external environments, resulting in operational contraction and poor management.	○	●			○	GRI 2-22 : 2021	Radiant Opto-Electronics Sustainability Strategy p.52

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E Environmental Aspect										
Greenhouse Gas Management	Radiant Opto-Electronics follows international standards to set carbon reduction targets, actively implementing energy-saving and carbonreduction measures to reduce overall carbon emissions and enhance corporate competitiveness.	1. By setting netzero carbon emission targets and establishing comprehensive mechanisms, the Company can meet customer demands and enhance ESGrelated ratings and corporate image. 2. Conducting greenhouse gas inventories and energy management audits in accordance with ISO 14064-1:2018 and ISO 50001:2018, meeting international certification standards, and obtaining thirdparty certification meet the expectations of stakeholders such as customers and investors. 3. The domestic "Climate Change Response Act" is expected to impose carbon fees by 2025. Future carbon reduction achievements can help the Company reduce carbon fee expenditures or obtain voluntary reduction quotas.	1. ISO 14064- 1:2018 and ISO 50001:2018 need to increase inventories of other indirect greenhouse gas emissions sources (employee travel, employee commuting, waste transportation, downstream supply chain, etc.) and energy management. This requires outsourcing assistance and increases verification expenses. 2. The SBTi 2050 net-zero carbon emission initiative is an international trend and a domestic government carbon reduction goal. Failure to set SBTi net-zero goals and carbon reduction pathways may lower ESGrelated ratings, potentially affecting the Company's assessment results and sustainable business image. 3. Facing the rise of international carbon border taxes and domestic carbon fee collection policies, future carbon emissions will directly impact company revenue.	○	●				GRI 305 : 2016	Greenhouse Gas Management p.138

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Climate Change	Climate change and extreme weather events pose significant potential impacts on the production and operations of the optoelectronics industry. We have developed a related net-zero carbon emission blueprint and established a carbon management team to strengthen climate mitigation and adaptation capabilities, actively addressing the impacts of climate change on the Company.	1. Disclosing climate-related information can enhance transparencyand assist investors in their decisionmaking, thus improving theCompany's image. 2. Establishing a comprehensivemechanism in advance for netzero carbon emission targets enhances the Company's image. 3. Pre-planning climate risk response strategies in advance is crucial for strengthening organizational resilience and exploring new business opportunities. 4. Successfully developing climate action strategies can reduce the Company's electricity consumption and mitigate its environmental impact. 5. Conducting greenhouse gas inventories using ISO 14064-1:2018 meets international certification standards, obtains thirdparty certification, and meets the expectations of stakeholders such as customers and investors. 6. By improving the corporate carbon management system, responding to external sustainability assessment organization questionnaires (such as DJSI/CDP), the Company's carbon management performance is highlighted.	1. Failure to disclose climate-related information in accordance with regulations may result in opacity of information, affecting investor judgment. 2. Failure to implement carbon management for operations may result in higher operating costs for the company in the future, particularly when carbon taxes or fees are imposed. 3. Failure to proactively address climate threats in advance may lead to operational losses when future customer demands arise. 4. Failure to conduct timely assessments and prevention of climate change risks may affect the Company's ability to comply with ESG investment development and sustainable finance regulations in the future, impacting related fund borrowing and market evaluations due to inadequate response capabilities. 5. ISO 14064- 1:2018 needs to include inventories of other indirect greenhouse gas emissions sources (employee travel, employee commuting, waste transportation, downstream supply chain, etc.), requiring outsourcing assistance and increasing verification expenses.		●		○		GRI 201 : 2016 GRI 305 : 2016	Climate Change p.121 Environmental Pollution Prevention and Control P.148

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S Social Aspect										
Human Rights	Radiant Opto-Electronics adheres to the nine core human rights conventions of the United Nations and related international principles of respecting human rights. Not only have relevant human rights policies been established, but also action plans consistent with the RBA have been adopted to ensure that every employee of Radiant receives equal and just working conditions.	1. By fostering a people-centric and friendly workplace, prioritizing the physical and mental health of employees, and promoting harmonious work environments, job satisfaction and corporate image can be enhanced. 2. By implementing the concept of human rights protection throughout the Group, and ensuring compliance with customer audits and labor regulations, the impact of violations of relevant regulations can be minimized, thereby ensuring the smooth operation of the Company. 3. Establishing supplier audit management processes to ensure suppliers comply with codes of conduct allows for the identification of sustainability risks among key suppliers. Adhering to RBA requirements meets the expectations of stakeholders such as customers and investors, thus enhancing ESG performance. 4. Compliance with occupational health and safety management systems can enhance workplace safety, improve employee morale, and reduce occupational safety and health costs.	1. Occult employment discrimination can affect employee retention and company reputation, while failure to pass customer audits and labor inspections can result in losses. 2. Instances of workplace bullying or unlawful behavior can lead to decreased employee trust in the company and morale, as well as a decline in corporate mage. 3. Working overtime or beyond capacity can harm employees' physical and mental health, leading to decreased efficiency and increased risks of occupational diseases and accidents. 4. Failure to implement supplier management in accordance with RBA requirements not only prevents the timely implementation of responsive measures to supplier risks but also affects stakeholders' expectations, potentially resulting in missed business opportunities and damage to reputation. 5. Failure to comply with regulations on health examinations can lead to occupational diseases, violating legal norms and impacting the Company's reputation. 6. Failure to properly identify and control hazards in the work environment can increase the risk of occupational accidents for employees, affecting both employee safety and company operations.	●	●				GRI 406 : 2016 GRI 407 : 2016 GRI 408 : 2016 GRI 409 : 2016 GRI 410 : 2016 GRI 411 : 2016 GRI 415 : 2016	Human Rights Policy and Commitment p.157

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Talent Attraction and Retention	Employees are the invaluable assets of Radiant Opto-Electronics, with continuous efforts directed towards attracting highpotential talents and fostering a conducive workplace environment conducive to sustained contribution and growth within the organization.	Radiant Opto- Electronics offers competitive salary packages and benefits in alignment with market standards, alongside an equitable and transparent promotion mechanism, all geared towards cultivating a fulfilling workplace that enhances retention rates for exceptional talents.	The lack of alignment between key talents and the organization may lead to talent turnover and mobility, thereby escalating recruitment costs and impacting operational activities. Inadequate mechanisms for attracting and retaining noncompetitive talents could result in the loss of internal talents and the failure to attract potential external talents.		●				GRI 401 : 2016	Talent Attraction and Retention p.171

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Talent Cultivation and Development	Radiant Opto-Electronics provides a diverse array of learning resources to ensure employees are equipped with the necessary skills to fulfill their roles, establishing a comprehensive nurturing system aimed at setting industry benchmarks and collaboratively enhancing talent capabilities globally.	1. Talent constitutes the cornerstone of sustainable business operations and a crucial element of future core competitiveness. To align with the goal of talent development, Radiant endeavors to construct a robust training management framework to nurture sustainable talent. 2. To bolster employees' intrinsic motivation for autonomous learning, a competencybased approach is adopted, designing requisite abilities for various hierarchical roles and integrating them with the Company's career advancement system, thereby enabling employees to grasp their career trajectory and training objectives. 3. The Company offers diverse learning channels to reinforce employees' fundamental competencies, encompassing education and training, key talent and succession planning programs, competency management, performance appraisal, and career development. Guided by the Talent Quality Management System (TTQS), this approach enhances the Company's competitiveness.	1. In response to rapid market changes and technological advancements, coupled with increasingly diverse end-user demands, nurturing talent within the organization presents a challenge. Failure to establish cultivation and retention mechanisms aligned with the Company's development strategy may result in talent gaps, attrition, and diminished performance capabilities. 2. Inaccurate identification of key talents could lead to misallocation of training resources.		●				GRI 404 : 2016	Talent Cultivation and Development p.186

Note : Major incidents are defined as cases where fines exceed NT$1 million.
Note : The material topic text is colored green to represent potential impact.

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Short-, medium-, and long-term goals for material issues

G Mutual Benefit - Governance Aspect

Ethical Management

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Commitment on Honesty and Integrity	Addition topic of the year	Note	In accordance with the Ethnical Management Regulations, establish preventive measures to strengthen precautions : 1. Achieve a 100% completion rate for employees signing the "Commitment on Honesty and Integrity" agreement 2. Achieve a 100% completion rate for qualified suppliers signing the "Commitment on Honesty and Integrity" agreement	Implement an inspection system, conducting ad-hoc self-assessments to prevent oversights.	
Corruption cases	Addition topic of the year	Note	Establishing internal control mechanisms and conducting regular inspections to ensure zero instances of corruption cases	Establishing internal control mechanisms and conducting regular inspections	
Rate of Coverage for Ethical Management Education and Training	Addition topic of the year	Note	Require all employees to complete ethical management education and training 100% annually	Require all employees to complete ethical management education and training annually	
Relevant Policies	▪ Ethical Management Guidelines ▪ Procedures for Ethical Management and Code of Conduct ▪ Supplier CSR Management Regulations				

Note : Due to "ethical management" not being listed as a material topics in 2022, there is no performance data for 2023.

Corporate Governance

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Corporate Governance Evaluation	Ranked in the top 6%- 20 of the Corporate Governance Evaluation	● Note	Ranked in the top 5% of the Corporate Governance Assessment		
Relevant Policies	▪ Bylaws of Radiant Opto-Electronics Corporation ▪ Corporate Governance Best Practice Principles				

Note : Exceeding the target, Radiant Opto-Electronics was selected into the top 5% of the 10th Corporate Governance Evaluation for the first time.

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Compliance with Laws and Regulations

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Environmental Health and Safety Regulations	Addition topic of the year	Note	Environmental Health and Safety Compliance Rate of 99.9%		
Legal Intellectual Property Management	Addition topic of the year	Note	1. Maintain Taiwan TIPS A Grade Verification (Sampling Inspection) 2. Maintain Guangzhou Factory Intellectual Property Management System Certification (Revalidation)	1. Obtain Next TIPS A Grade Verification Certificate for Kaohsiung Factory 2. Obtain Next Intellectual Property Management System Certification for Guangzhou Factory	
Significant Violations Involving Amounts Over NT$1 Million	Addition topic of the year	Note	Establish an internal audit mechanism to proactively prevent any instances of non- compliance.	Continuously optimize internal audit mechanism to proactively prevent any instances of non-compliance.	
Relevant Policies	▪ Regulations on Occupational Safety and Health Management ▪ Guidelines for Establishing Internal Control Systems for Publicly Traded Companies ▪ Control Program for Business Operations				

Note：Due to "regulatory compliance" not being listed as a material topics in 2022, there is no performance data for 2023.

Sustainable Strategy

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Sustainable Strategy	1. Regularly review the status of each department's compliance with sustainability strategy goals 2. Convened 1 committee meeting 3. Report to the Board of Directors at least once on the effectiveness of ESG implementation	●	1. Convened the Sustainable Development Committee 2 times 2. Establish Radiant Opto-Electronics's 2030 Sustainable Goals	Enhance the operational model of the Sustainable Development Committee, integrate company resources, and promote sustainable strategies to be implemented across all units.	
Relevant Policiess	▪ Sustainable Development Committee Organizational Charter ▪ Sustainable Development Best Practice Principles				

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Economic Performance

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
EPS	Maintain double digits or higher	●	Maintain double digits or higher	Continuously improve operational efficiency, actively invest in product innovation and industrial transformation, activate assets, and drive a new wave of growth momentum.	
GP Customer Complaint Irregularities	0 occurrences of abnormal customer complaints for GP	●	1. 0 occurrences of abnormal customer complaints for GP 2. Green material qualification rate 100% 3. Green product returns: zero instances of quality failure costs		
Green material	Green material qualification rate 100%	●			
Foreign exchange risk	Exchange loss is less than the materiality standard for material information	Not achieved Note	Exchange loss is less than the materiality standard for material information		
Tax risk	Zero penalties under tax regulations and application for tax incentives	●	Zero penalties under tax regulations and application for tax incentives		
Liquidity	Maintain available funds (with at least two months' worth of operating capital available)	●	Maintain available funds (with at least two months' worth of operating capital available)		
Investment risk	The interest rate shall not be lower than the interest rate on a US dollar deposit in which the Company has invested	●	The interest rate shall not be lower than the interest rate on a US dollar deposit in which the Company has invested		
Relevant Policies	▪ Control Program for Business Operations ▪ Operating Policy for Radiant Opto-Electronics in 2023 ▪ Implementation Measures for Quality Assurance Basic Policy ▪ Green Product Environmental Management Substance Management Measures ▪ Customer Complaint Handling Procedures ▪ Customer Sample Confirmation Procedures				

Note : Due to the impact of easing inflation in the United States and market expectations of the Federal Reserve initiating interest rate cuts, Asian currencies appreciated, resulting in increased foreign exchange losses (translation losses).

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Information Security Management

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
ISO 27001:2022	Kaohsiung Factory obtained ISO 27001:2022 thirdparty cybersecurity certification	●	1. Nanjing Factory completes ISO 27001:2022 certification 2. Kaohsiung Factory and Wujiang Factory achieve ISO 27001:2022 audit certification.	1. The audit department oversees and continuously obtains third-party cybersecurity certifications 2. Guangzhou Factory completes ISO 27001:2022 certification in 2025	
Information Security Simulation Drill	1. Conduct 1 social engineering simulation drill and 1 penetration test annually 2. Regular vulnerability scans and source code checks 3. Ensure that all online systems undergo 100% security testing and pass thirdparty cybersecurity certification	●	1. Conduct 1 social engineering simulation drill and 1 penetration test annually 2. Regular vulnerability scans and source code checks 3. Annually conduct risk evaluation and business continuity drills 4. Zero significant cybersecurity incidents	1. Regularly provide cybersecurity education, training, and awareness 2. Engage cybersecurity consulting firms to conduct annual social engineering simulation drill 3. Zero significant cybersecurity incidents	
Relevant Policies	▪ Information Security Area Management Procedures ▪ Information Security Incident Management Procedures ▪ Information Business Operations and Continuity Management Procedures				

Risk Management

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Risk Management	1. Prepare audit plans based on material issues and risks 2. Review the results of the execution of targets of each department 3. Material topics and risk assessment results are reported to the Board of Directors	●	1. Risk assessment report will be presented to the Board of Directors 2. Regularly conduct audits or reviews of the execution outcomes of material topics objectives across all units 3. Report the results of material topics identification to the Board of Directors	1. Each unit implements internal controls and self-inspections 2. Continuously revise risk management policies based on the results of annual risk identification and analysis	
Relevant Policiess	▪ Risk Management Policy and Procedures				

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Product Responsibility and Innovation

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Customer development	1. To cater to our niche customers, we offer customized new product design solutions, develop high-contrast technology, and provide cost-effective products that are more attractive to the market 2. Diversify operations by leveraging existing funds to invest in promising technologies 3. Assist strategic partners in validating advanced product specifications, providing effective solutions for low-power energy-saving products	● Note1	1. Promote highly optimized products, providing feasibility for mass production and expanding product reach 2. Develop high-contrast products to rival OLED/Micro LED technology, boosting revenue potential	1. Strategically plan and expand into new markets in the Southbound direction, establishing internationally renowned manufacturing capabilities 2. Stay abreast of market trends, offering competitive technology and products to meet market demands	
Product Development (Core Product)	1. Number of Product Development (European and American customers ≧ 5, Japanese customers ≧ 2, Vehicle type ≧ 10, New Technology Projects ≧ 2) 2. 16 Product patent designs (including 9 for technical research and development; 7 for product development)	●	1. Number of Product Development (Automotive 2D models acceptance rate: Total ≥ 11; Front light panel acceptance models: Total ≥ 5; New Technology Projects: Total ≥ 7) 2. 21 Product patent designs (including 9 for technical research and development; 12 for product development)	1. Expanding our range of vehicle models 2. Investing in the development of new products related to the industry	
Product Development (Lighting Products)	1. DPBU Smart Manufacturing Platform System 2. Certifications for Lighting Products: UL-1 series, CE-1 series 3. DPBU patent designs: 5 4. DPBU New Product/New Technology Development: 3	● Note2	1. Achievement of sales to more than 10 customers for lighting products,with acquisition of VOC 2. Lighting product development: Completion of Taiwan Energy Label certification for flat panel lighting products 3. Lighting product certifications: Completion of Health Lighting Specification tests for 4 product series	1. Profitability of Lighting Business in 2025 2. Growth in production and marketing of lighting business	
Packaging materials recycling rate	Packaging materials recycling rate 95%	●	Packaging materials recycling rate 96%	Packaging materials recycling rate 98%	
Full capacity rate of transportation	Full capacity rate of transportation 90%	●	Full capacity rate of transportation 91%	Full capacity rate of transportation 95%	
Addition of regrind materials	Addition of regrind materials 20%	●	Addition of regrind materials 22%	Addition of regrind materials 30%	
Energy saving in production	Electricity savings per PCS BLU for each plant's production: Wujiang Factory: 1.5; Nanjing Factory : 1.4;Guangzhou Factory: 6.5; Kaohsiung Factory: 7.2 (Unit: 10-6 kWh)	● Unit Correction	Electricity savings per PCS BLU for each plant's production: Wujiang Factory: 13; Nanjing Factory : 1.85; Guangzhou Factory: 2.15; Kaohsiung Factory: 26.95 (Unit: 10-2 kWh)	Electricity savings per PCS BLU for each plant's production: Wujiang Factory : 12.35; Nanjing Factory: 1.76; Guangzhou Factory: 2.04; Kaohsiung Factory: 25.6 (Unit: 10-2 kWh)	

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Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Patent Application	1. Cumulative number of patent applications worldwide are over 1,850 Note3 2. Ranked among the top 100 corporate invention patent applications in Taiwan 3. Re-verification of Guangzhou factory implementation standards, and re-verification of TIPS at the Kaohsiung factory	●	1. Cumulative number of patent applications worldwide are over 2,000 2. Ranked among the top 100 corporate invention patent applications in Taiwan	1. Cumulative number of patent applications worldwide are over 2,500 2. Ranked among the top 100 corporate invention patent applications in Taiwan	
Relevant Policiess	▪ Operating Policy for Radiant Opto-Electronics in 2023 ▪ Review management of patents and technical confidentiality ▪ Control Program for Business Operations				

Note 1 : For the third indicator, because customers proposed improving contrast when verifying advanced product specifications, no effective solution has yet been provided
Note 2 : The third and fourth indicators are temporarily suspended due to the adjustment of the group's overall development strategy.
Note 3 : The original target was 1,650 pieces, but was later adjusted to a more aggressive target.

E Environmental Symbiosis - Environment Aspect

Environmental Symbiosis - Environment Aspect

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Greenhouse gas inventory ISO14064-1: 2018 Group greenhouse gas reduction goals	1. Completed 2022 annual greenhouse gas inventory and passed ISO 14064-1:2018 third-party verification 2. The Group's greenhouse gas emission intensity per unit of product in 2022 decreased by 11% compared to 2015	●	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant completed the greenhouse gas inventory for 2023 and passed the ISO 14064-1:2018 verification 2. The Group's greenhouse gas emissions (Category 1 + Category 2) in 2023 decreased by 7.5% compared to 2020 (base year adjustment)	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant have completed the annual greenhouse gas inventory and passed the ISO 14064-1:2018 verification, which meets the FSC's requirement of completing consolidated subsidiary companies'inventory and verification by 2029 2. The Group's greenhouse gas emissions (Scope 1 + Scope 2) in 2030 decreased by 25% compared to 2020 (base year)	
Energy Management System Certification ISO 50001:2018	Addition topic of the year	Note	ISO 50001 : 2018 verification passed and certification obtained	Continue to report energy saving improvement measures to ensure the validity of ISO50001：2018 Certification	
Relevant Policies	▪ Greenhouse Gas Inventory Management Procedure ▪ Energy Goals and Program Management Method ▪ Energy Operation Management Method				

Note : Due to the omission of "Energy Management System Certification ISO 50001:2018" as a sustainability indicator in the material topics for 2022, there is no performance report for the year 2023.

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Climate Change

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
TCFD	Following TCFD, disclosure of a standalone chapter on climate change adaptation	●	The Group has adopted the TCFD framework and completed the TCFD report	In accordance with the Net Zero Carbon Emission Blueprint of Radiant, gradually improve carbon management system	
Carbon management team	1. Carbon reduction targets to be reported to the Chairman at least twice annually 2. Each person receives 22 hours of carbon-related training per year	●	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year 2. Each person receives 22 hours of carbon-related training per year	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year 2. Each person receives 24 hours of carbon-related training per year	
Relevant Policies	▪ Sustainable Development Committee Organizational Charter ▪ Corporate Sustainable Development Best Practice Principles				

S Mutual Coexistence - Social Aspect

Talent Attraction and Retention

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Diversity and Equality Performance Evaluation	Addition topic of the year	Note	1. Listening to supervisors and employees to adjust institutional regulations 2. Establishing a personnel evaluation committee mechanism according to the assessment system regulations	1. Implementing uniform performance evaluations across the entire group to avoid discrepancies 2. Establishing retention mechanisms for successors and key talents 3. In addition to maintaining existing communication channels, strengthening digital communication channels (such as 580 and ER mailbox)	
Enhancing market competitiveness in salary and remuneration	Addition topic of the year	Note	Conducting external thirdparty remuneration and benefits surveys to examine existing internal disparities		
Enhancing market competitiveness in salary and remuneration	Addition topic of the year	Note	1. Organizing a total of 25 employee forums, where employees can openly provide personal feedback and suggestions 2. Holding regular quarterly labor-management meetings, where employee representatives can express their views on issues to ensure consensus between labor and management		

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Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Employee care events	12 employee care events, reaching a satisfaction level of 4.5	●	Employee care events are planned and arranged based on employee feedback, increasing the diversity of activities to enhance employee participation and satisfaction. 12 employee care events, reaching a satisfaction level of 4.5	Planning and arranging activities based on employee feedback, increasing the number and diversity of events to enhance employee participation.	
Relevant Policies	▪ Performance management measures ▪ Promotion and job change management measures ▪ Recruitment and appointment management measures ▪ Employee care management measures				

Note : Due to the omission of "Diversity and equality performance evaluations," "Enhancing market competitiveness in salary and compensation," and "Open communication channels" as sustainability indicators in the material topics for 2022, there is no performance report for the year 2023.

Talent Cultivation and Development

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Establishing the Radiant Academy	Addition topic of the year	Note	1. Establishing the Company's core competencies and common competencies for various levels of management. 2. Providing explanations and making revisions to the talent specifications for each department. 3. Developing professional competency items for each unit and level. 4. Producing two sets of digital educational materials annually in response to current events.	1. Establishing industry-academic partnerships with schools based on future strategic development and professional competencies (in Taiwan, Finland, Vietnam). 2. Adding new language options (English, Vietnamese) to the academy in response to globalization. 3. Continuing succession planning programs for leaders (department and section-level supervisors).	
Radiant Talent Pool	Addition topic of the year	Note	1. Conducting competency assessments for department-level supervisors and key talents. 2. Initiating the first TRC based on the assessment results. 3. Completing 30 succession plans.		
Handling patent litigation crises	Addition topic of the year	Note	Establishing a crisis management manual for handling corporate patent litigation.	Strengthening organizational intellectual property awareness and patent portfolio layout.	
Relevant Policies	▪ Employee education and training regulations ▪ Detailed operational procedures for education and traini				

Note : Due to the omission of "Talent Cultivation and Education Development" as a sustainability indicator in the material topics for 2022, there is no performance report for the year 2023.

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Human Rights

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
RBA training courses	Full participation from factories in training courses on RBA Code of Conduct, Ethics, and Integrity	●	New and existing employees are required to complete 100% of the RBA and Ethics & Integrity training courses as per the plan each year.		
Labor Rights	0 major violations of labor rights	● No major violations of labor rights occurred throughout the year.	Regular inspections were conducted to proactively prevent any violations of labor rights, resulting in zero instances of major violations of labor rights.		
Supplier ESG Audit Management Process	100% pass rate for first tier key suppliers	●	100% pass rate for first tier key suppliers		
Employee Health Examinations Implement health care	Achievement rate of 95%, implementing a grading system	●	1. Employee participation rate in health check-ups: 99% 2. Abnormality tracking rate for health check-ups: 100% 3. Occupational disease incidence rate: 0%		
Number of Occupational Injuries	Fewer than 15	Note	Fewer than 15		
Rate of Occupational Injury	Fewer than 1	●	Fewer than 1		
Environmental Health Education	20 sessions	●	20 sessions		25 sessions
Relevant Policies	▪ Responsible Business Alliance Code of Conduct Management Manual ▪ Code of Conduct for Behavioral Management ▪ Employee Code of Conduct ▪ Advocacy of humane treatment and ethical behavior standards ▪ Regulations Governing Management of the Health Examination for Employees ▪ Regulations Governing Management of Sexual Harassment Prevention Measures ▪ Regulations Governing Prevention of Discrimination and Harassment ▪ Regulations Governing Strike Management				

Note : In 2023, a total of 15 occupational injuries occurred. The main reasons are the low safety awareness of the workers and the lack of experience of the new employees.

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1.4 Radiant Opto-Electronics Sustainability Strategy

Radiant Opto-Electronics Corporation Sustainability Official Website

Material Topics	Sustainable Strategy
GRI Comparison	GRI 2-22 : 2021
Policy	▪ Sustainable Development Committee Organizational Charter ▪ Sustainable Development Best Practice Principles
Commitment to Management Strategy	1. Continuously refine the structure of the Sustainability Development Committee, leveraging its authority, with the Risk Management Team under the Sustainability Development Committee reviewing annual achievements. 2. Based on the organization's core capabilities and business vision, and taking into account the expectations and suggestions of stakeholders, a sustainable strategy is formulated. 3. In response to the external environment and internal organizational conditions, the sustainable strategy direction and goals will be flexibly adjusted.
Communication Mechanism	Develop and publicly disclose the sustainability goals for Radiant Opto-Electronics for the years 2025 and 2030.
Concrete Actions	1. Sustainable Development Committee Meetings 2. Regularly focus on the sustainability development strategies of benchmarkcompanies both domestically and internationally.

Radiant Opto-Electronics, guided by the perspective of sustainable business operations, has outlined a blueprint for future sustainable development. It is initiated by the Sustainability Development Committee, Radiant Opto-Electronics conducts an assessment of its sustainability risks by analyzing data from domestic and international rating agencies and industry benchmarks. This assessment is based on a comprehensive evaluation of the overall operational context by senior executives of Radiant Opto-Electronics. The Company then formulates the "2025 Radiant Opto-Electronics Sustainability Development Goals," transforming past performance into future visions. These goals align with the United Nations Sustainable Development Goals (SDGs).

Radiant Opto-Electronics aims to deepen internal sustainability practices, strengthen external supply chain influence, and integrate sustainability horizontally internally and vertically across the supply chain. The Company collaborates with customers, suppliers, and stakeholders to create more possibilities for sustainable development. Additionally, Radiant Opto-Electronics will launch the "2030 Radiant Opto-Electronics Sustainability Development Goals" project in 2024. This project will integrate the latest international trends, guidelines, and evaluation criteria into the overall operational assessment, further focusing on the strategic direction of Radiant Opto-Electronics' sustainability development goals.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
Sustainable Development Committee Operations	1. Regularly review the status of each department's compliance with sustainability strategy goals 2. Convened 1 committee meeting 3. Report to the Board of Directors at least once on the effectiveness of ESG implementation	●	1. Convened the Sustainable Development Committee 2 times 2. Establish Radiant Opto-Electronics's 2030 Sustainable Goals	Enhance the operational model of the Sustainable Development Committee, integrate company resources, and promote sustainable strategies to be implemented across all units.	

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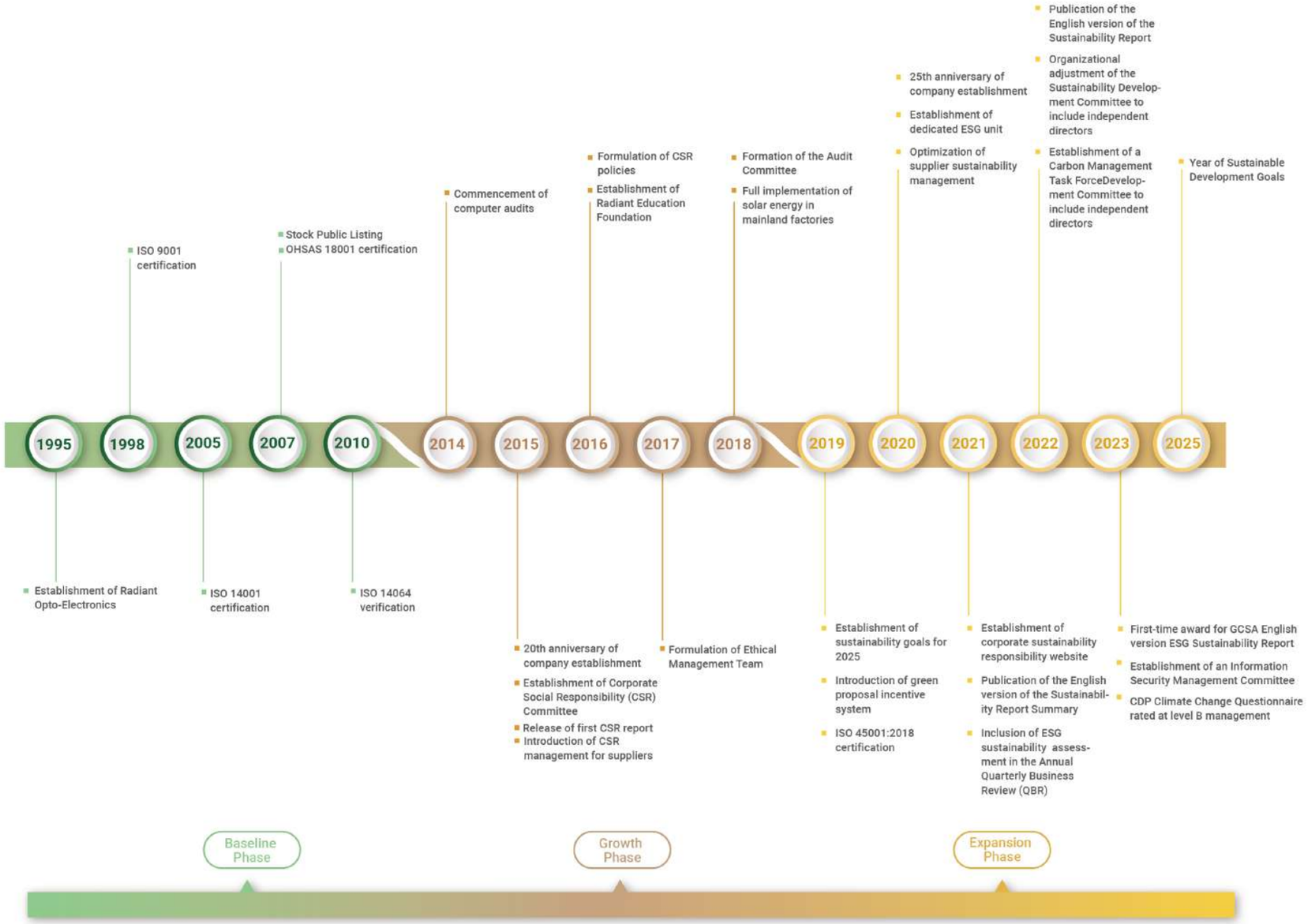

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To achieve the vision and goals of Radiant Opto-Electronics, we focus on three core elements of sustainable development as our main axis: Environmental, Social, and Governance (ESG). We gradually establish a comprehensive and interconnected sustainable development strategy, including Greenhouse Gas Management, Energy Resource Management, Waste Management, Human Resource Development and Training, Labor Rights and Management, Employee Safety, Employee Health Care, Product Safety and Quality, Privacy and Data Security, Anti-corruption, Supply Chain Management, Customer Satisfaction, and Innovation Management.

Radiant Opto-Electronics adopts the United Nations Sustainable Development Goals (SDGs) as the common direction for promoting sustainable development. In addition to referencing 11 UN SDGs in our planning, we also consult the SDG Compass guidelines published by UN Global Compact, GRI, and WBCSD for comparison and linkage, demonstrating our determination and contribution to aligning Radiant Opto-Electronics with international frameworks.

Three cores of sustainable development

E Environmental Symbiosis

S Social Prosperity

G Mutual Benefit

Sustainability Indicators	United Nations Sustainable Development Goals (SDGs)	Specific Goals	Radiant Opto-Electronics Actions	Corresponding Chapter	2025 Radiant Opto-Electronics Sustainable Development Goal
	Goal 3 Ensure healthy lives and promote well-being for all at all ages	3.6 By 2020, globally reduce the number of deaths and injuries from traffic accidents by half. 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals, air pollution, water pollution, soil pollution, and other forms of pollution.	▪ Continuously enhance safety awareness among colleagues to reduce traffic accidents. ▪ Provide a safe and healthy work environment, continuously conduct various operational environmental monitoring, and promote occupational safety and health promotion programs.	Occupational Health and Safety	▪ Total participation in health promotion activities : 8,000 person-times
	Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning.	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for vulnerable groups, including persons with disabilities, indigenous peoples, and disadvantaged children.	▪ Collaborate with the Radiant Education Foundation to address issues related to special education, vulnerable groups, and education in remote areas.	Corporate Citizenship	▪ Implemented ADHD projects for 7 consecutive years, benefiting 15 ADHD children in 2023. ▪ Initiated the Special Education Music School program for the first time, benefiting a total of 192 special education children in 2023.

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Sustainability Indicators	United Nations Sustainable Development Goals (SDGs)	Specific Goals	Radiant Opto-Electronics Actions	Corresponding Chapter	2025 Radiant Opto-Electronics Sustainable Development Goal
	Goal 5 Achieve gender equality and empower all women and girls.	5.6 Ensure universal access to sexual and reproductive health and reproductive rights, in accordance with the International Conference on Population and Development (ICPD) Program of Action, the Beijing Platform for Action, and the outcome documents of their review conferences.	▪ Ensure equal opportunities in the workplace and implement gender equality. ▪ Promote gender equality and strengthen maternity and paternity leave retention rates.	Salary and Benefits	▪ Annual maternity and paternity leave retention rates: Kaohsiung factory 85%, mainland factory areas (including Wujiang factory, Nanjing factory, and Guangzhou factory) 60%.
	Goal 7 Ensure access to affordable, reliable,sustainable, and modern energy for all.	7.1 By 2030, ensure access to affordable, reliable, and modern energy services for all.	▪ Coordinate the planning of various energy-saving schemes and propose corresponding measures according to the characteristics of each factory's processes.	Energy Resource Management	▪ The Group's energy resource usage costs have decreased by 20% compared to 2018 (including water, electricity, and natural gas).
	Goal 8 Promote inclusive and sustainable economic growth, achieve full and productive employment, and ensure decent work for all.	8.5 By 2030, achieve full and productive employment and ensure decent work for all men and women, including young people and persons with disabilities, and achieve equal pay for equal work. 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor by 2025. 8.8 Protect labor rights and promote safe working environments for all workers, including migrant workers, particularly women and those engaged in hazardous work.	▪ Design competitive remuneration systems that do not differentiate based on gender, religion, race, nationality, or political affiliation. ▪ All outsourced manpower units in each factory comply with regulations prohibiting child labor, including the employment of workers in industryacademia/ schoolenterprise cooperation programs and summer internships. ▪ Establish health protection plans, conduct hazard assessments, classify management, and implement improvements to the work environment and hazard prevention. ▪ Implement ISO 45001:2018 management system operations and comply with regulatory requirements, aiming to improve occupational safety and health management performance and establish a safe and healthy workplace	Talent Cultivation and Development Occupational Health and Safety Quality Management	▪ Annual global education training hours per capita: 20 hours ▪ Cumulative number of internal training instructors: 125 persons ▪ Performance improvement plan completion rate for low-performing employees: 50% ▪ Annual comprehensive indicator of disability injury ≤ 0.03 ▪ No major occupational injuries or occupational disease cases ▪ 100% compliance with or better than regulations related to harmful substances in products ▪ Zero abnormal customer complaints regarding harmful substances in products

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	Goal 9 Establish resilient infrastructure, promote inclusive and sustainable industrialization, and accelerate innovation.	9.1 Develop high-quality, reliable, sustainable, and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on providing affordable and equitable access for all.	▪ Reduce operational risks following ISO 27001:2013 guidelines. ▪ Strengthen information security management to safeguard customer and employee data privacy and security.	Information Security Management	▪ There have been no customer complaints regarding breaches of customer privacy or incidents of confidential information leakage.
	Goal 11 Promote inclusive, safe, resilient, and sustainable cities and human settlements.	11.4 Further efforts in the preservation of global cultural and natural heritage.	▪ Collaborate with the Radiant Education Foundation to integrate the core business of the Company and involve the research and development department in the preservation and promotion of Kaohsiung's unique intangible cultural heritage of traditional shadow puppetry.	Corporate Citizenship	▪ Since 2019, support has been provided for the shadow puppetry project. In 2023, the new shadow puppetry play "Path of Light" was officially launched.
	Goal 12 Ensure sustainable consumption and production patterns.	12.2 By 2030, achieve sustainable management and efficient use of natural resources. 12.5 By 2030, significantly reduce waste generation through prevention, reduction, recycling, and reuse. 12.8 By 2030, ensure that everyone has access to relevant information and awareness for sustainable development, promoting a lifestyle in harmony with nature.	▪ Implement an environmental management system framework to reduce environmental impact and minimize effects on ecosystems. ▪ Enhance ESG management standards throughout the supply chain, incorporating sustainability assessments for suppliers, including evaluations on carbon and water management, to leverage value chain influence.	Waste Management Supplier Sustainability Management Product Responsibility and Innovation Patent Research and Development Strategy	▪ Group unit product waste disposal reduced by 30% compared to 2015 ▪ 100% of raw material suppliers completed CSR assessments ▪ Annual customer service satisfaction rating reached 85% ▪ Cumulative number of patent applications worldwide are over 1,850 ▪ Implementation of the Intellectual Property Management System (TIPS) ▪ Ranked among the top 100 corporate patent applications in Taiwan

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	Goal 13 Implementing emergency measures to address climate change and its impacts:	13.3 Enhancing education, raising awareness, and building the capacity of individuals and institutions in climate change mitigation, adaptation, impact reduction, and early warning.	▪ Continuing greenhouse gas inventories, identifying organizational climaterelated risks and opportunities following the TCFD framework, strengthening renewable energy, and promoting group carbon neutrality initiatives. ▪ Encouraging colleagues to engage in green initiatives.	Greenhouse Gas Management	▪ The Group's greenhouse gas emission per unit of product have decreased by 20% compared to 2015. ▪ The total number of green initiatives proposed has reached 150.
	Goal 16 Promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable, and inclusive institutions at all levels.	16.5 Significantly reduce all forms of corruption and bribery.	▪ Specific guidelines for staff during the execution of their duties include avoiding any direct or indirect provision, promise, solicitation, or acceptance of any improper advantage, or engaging in other dishonest behaviors such as breaches of integrity, unlawful acts, or violations of fiduciary obligations.	Ethical Management	▪ No significant legal violations have been incurred. (fines over NT$ 1 million)
	Goal 17 Strengthening the implementation methods of sustainable development and catalyzing global partnerships for sustainable development.	17.17 Encourage and promote effective collaboration between civil society and the private sector based on cooperative experiences and resource strategies.	▪ Collaborating with the Radiant Education Foundation, along with the Kaohsiung Museum of History and the Kaohsiung Shadow Puppetry Center, and traditional shadow puppet theater troupes, we are combining resources from both the public and private sectors to promote the preservation of traditional shadow puppet culture.	Corporate Citizenship	▪ Since 2019, collaborating with National Sun Yat-Sen University on the Don't Sleep in Yancheng Project, injecting new life into the old community of Yancheng. ▪ Supporting the Shadow Puppetry Project since 2019, and continuing collaborations with three performance troupes since 2022. ▪ Supporting the National Kaohsiung Center for the Arts-Weiwuying' Public Piano Maintenance Project since 2022.

Note : Projects marked with an asterisk (*) are not part of Radiant Opto-Electronics' 2025 sustainability goals. However, as these projects align closely with the Company's sustainability vision and are highly relevant to the SDGs, they are undertaken annually as specific actions to address the SDGs.

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Sustainable Development Management System

To concretely practice corporate social responsibility, the Board of Directors of Radiant Opto-Electronics has endorsed the "Corporate Sustainability Practices Code," which explicitly defines four main principles: (1) promoting corporate governance, (2) developing sustainable environments, (3) upholding social welfare, and (4) enhancing the disclosure of corporate sustainability information.

These principles serve as the highest guiding principles for Radiant Opto-Electronics in promoting sustainable development. In addition, the Sustainability Development Committee reports annually to the Board of Directors on the Company's performance in corporate sustainability and social responsibility execution, as well as the plans and objectives for the following year. The President serves as the Chairman of the Corporate Sustainability Development Committee.

Radiant Opto-Electronics Corporate Sustainable Development Best Practice Principles

Corporate Sustainability and Management System	
Environmental Management System	In order to minimize the adverse environmental impacts of operations, products, and services, Radiant Opto-Electronics is committed to responding to climate change initiatives. The Company pledges to establish long-term and feasible measures to promote climate sustainability. This includes adopting a lifecycle perspective to design, manufacture, distribute, consume, and dispose of products and services, with the aim of planning and preventing negative impacts on the environment.
Energy Management System	In order to enhance energy efficiency and transition towards low-carbon operations, Radiant Opto-Electronics implements effective monitoring and management at its operational and production sites. This is aimed at reducing energy resource consumption costs and greenhouse gas emissions, thereby achieving sustainable operations and environmental friendliness goals.
Quality Management System	Radiant Opto-Electronics places utmost importance on product quality and customer service. The Company is committed to ensuring that its research and development as well as manufacturing processes adhere to international quality standards and regulations. This commitment ensures the delivery of the most competitive and high-quality products to its customers.
Occupational Health and Safety Management System	Radiant Opto-Electronics values all stakeholders, including employees, suppliers, and contractors, and is committed to upholding human rights and occupational health and safety protections for them. Through strengthened self-management and continuous optimization of occupational health and safety performance, the Company aims to enhance health promotion and reduce the probability of occupational injuries.
Information Security Management System	In order to strengthen the privacy management and information security protection for customers and employees, Radiant Opto-Electronics follows the three core principles of confidentiality, integrity, and availability. The Company continuously works to reduce information security risks.

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2.1 Corporate Governance

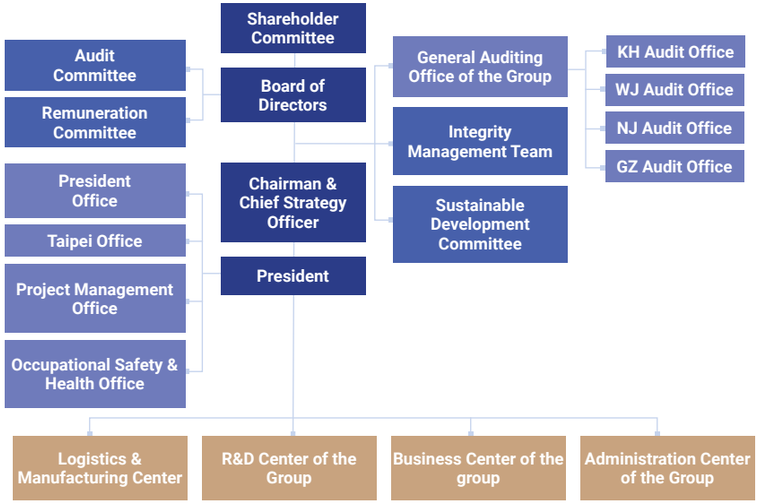
Material Topics	Corporate Governance
GRI Comparison	GRI 2-9 : 2021
Policy	1. Bylaws of Radiant Opto-Electronics Corporation 2. Corporate Governance Best Practice Principles
Commitment to Management Strategy	1. Safeguarding shareholder rights. 2. Enhancing the functions of the Board of Directors 3. Optimizing the role of the Audit Committee. 4. Respecting the rights of stakeholders. 5. Enhancing information transparency.
Communication Mechanism	The Board of Directors and the Audit Committee should focus on and supervise these activities annually review the self-assessment results of each department and quarterly review the audit reports of the audit unit.
Concrete Actions	1. Establishing mechanisms for shareholder interaction, convening board and shareholder meetings. 2. Setting up various functional committees such as audit, remuneration, sustainable development, or others. 3. Maintaining open communication channels with stakeholders and establishing a dedicated section for stakeholders on the Company's website.

Board of Directors

Bylaws of Radiant Opto-Electronics Corporation

Board of Directors' Structure

In compliance with the Companies Act, Securities and Exchange Act, and other applicable laws and regulations, Radiant Opto-Electronics Corporation has developed a corporate governance structure and standard operating procedures. Additionally, we have established a comprehensive and effective governing organization to oversee the Corporation's daily operations and safeguard the interests of our shareholders.



Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Corporate Governance Evaluation	Ranked in the top 6%- 20% of the Corporate Governance Evaluation	● Note	Ranked in the top 5% of the Corporate Governance Assessment		

Note: Exceeding the target, Radiant Opto-Electronics was selected into the top 5% of the 10th Corporate Governance Evaluation for the first time.

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The Board of Directors is responsible for supervising, appointing, and directing the management team, as well as overseeing the overall operation of the Corporation. Asthe highest governance unit of the Group, the Board of Directors plays a crucial role in ensuring the success of the Corporation. In 2016, the Board of Directors approved the Corporate Social Responsibility Best Practice Principles.In 2021, the name was changed to the“Sustainable Development Best Practice Principles”, serving as the guiding principles.

In the 10th corporate governance evaluation, Radiant Opto-Electronics was rated as one of the top 5% companies for the first time, demonstrating that the corporate governance system has been gradually improved in recent years and has a sound supervision mechanism and management capabilities. In the future, it will adhere to the practice of rolling optimization. We hope to continue to receive the best recognition in corporate governance evaluations.

In compliance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” as well as the qualification requirements outlined in the Securities and Exchange Act and Article 14-2 of that same Act, Radiant Opto-Electronics Corporation established independent directors. The 10th Board of Directors was re-elected in July 2021, with ten directors elected, including four independent directors and one female director. The average age of the directors is 69, and their diverse professional backgrounds were taken into account during the election process. The Board of Directors of the Corporation convenes at least once every quarter. In 2023, a total of 17 meetings were held, with an attendance rate of 87.06%.

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Name	Gender	Experience (education)	Attendance in person	Attendance by proxy	Actual number of times to attend	Attendance rate (%)
Chairman and Chief Strategy Officer						
Pen-Jan, Wang	Male	▪ Chairman and Chief Strategy Officer of Radiant Opto-Electronics Corporation ▪ Chairman of the Radiant Education Foundation ▪ Bachelor of Water Resources Engineering and Conservation, Feng Chia University	1	0	17	6
Director						
Luck Sincere Investment Co., Ltd. Representative : Hui-Chu Su	Female	▪ Chairman of Luck Sincere Investment Co., Ltd. ▪ Bachelor of Computer Science and Information Engineering, Ming Chuan University	17	0	17	100
Dragonjet Investment Co., Ltd. Representative : Been-Fong Wang	Male	▪ Director of Dragonjet Investment Co., Ltd. ▪ Master of Chemical Engineering, California Miramar University ▪ Assistant Manager of R&D Center of Radiant Opto-Electronics Corporation	17	0	17	100
Pen-Chin Wang	Male	▪ Attending Physician, Taipei Veterans General Hospital ▪ Bachelor of Medicine, Kaohsiung Medical University	17	0	17	100
Pen-Tsung Wang	Male	▪ Manager and Director of Dragonjet Corporation ▪ Master of Business Administration, Chang Gung University	16	0	17	94
Hsiang-Kuan Pu	Male	▪ Deputy General Manager of WK Technology Fund ▪ Director of the Radiant Education Foundation ▪ Master of Computer Engineering, University of Southern California	17	0	17	100
Independent						
Yao-Chung Chiang	Male	▪ Chairman of Taiwan High Speed Rail Corporation ▪ Ph.D. in Mechanical Engineering, University of Wisconsin- Madison	13	4	17	76
Tzi-Chen Huang	Male	▪ Chairman of ISheng Electric Wire & Cable Co., Ltd. ▪ Executive Master of Business Administration, Kun Shan University	17	0	17	100
Lun-Pin Tseng	Male	▪ Deputy General Manager and Chief Technology Officer of EDOM Technology Co., Ltd ▪ Master of University of Illinois Urbana- Champaign	16	1	17	94
Jung- Yao Hsieh	Male	▪ Deputy General Manager of Kaohsiung Opto-Electronics Inc. ▪ Bachelor of Sociology, Fu Jen University	17	0	17	100

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Age Distribution of Directors

Tenure for the 10th Board of Directors : 2021/07/22~2024/07/21		
	Age	Number
Age Distribution of Directors	50~60	0
	61~70	6
	71~80	4
	Average Age	69

Nomination and Selection of Board of Directors

At the 2021 Annual Shareholders' Meeting held on April 28, 2021, the Board of Directors approved the re-election of ten directors, four of whom are independent directors. The Board reviewed the list of director candidates, taking into account their diversity, independence, academic and industrial experience, professional background, and skills relevant to the organization's impact. The list of director candidates complies with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 192-1 of the Corporation Act. All present directors of the Corporation agreed to approve the nomination of Pen-Jan Wang, Hui-Chu Su, Been-Fong Wang, Pen-Chin Wang, Pen-Tsung Wang, and Hsiang-Kuan Pu as candidates for general directorship, and Tzi-Chen Huang, Yao-Chung Chiang, Lun-Pin Tseng, and Jung-Yao Hsieh as candidates for independent directorship. This decision was made on July 22, 2021. The provisional Board of Directors also approved Pen-Jan Wang as Chairman.

Criteria for the Selection of Diverse Board Members:

Fundamental Requirements and Values	Shared vision, respect for diversity in gender, race, nationality, and independence.
Professional Knowledge and Skills	Educational and professional background, professional skills, and industry experience
Corporate Sustainability and Social Participation	Corporate governance, environmental sustainability, human rights protection, corporate social responsibility, and regulatory compliance

Tzi-Chen Huang and Yao-Chung Chiang have each served three terms as independent directors of Radiant Opto-Electronics Corporation. Their extensive experience in management, corporate governance, and crisis management, as well as their familiarity with relevant laws and regulations, make them valuable assets to the Corporation. As such, they have been nominated once again as candidates for independent directors. Their expertise will enable them to provide professional advice to the Board of Directors in fulfilling their duties as independent directors. Please refer to the Annual Report for information regarding the core competencies of the Board of Directors and the diversity of its committees.

Key Critical Events

The Board of Directors convened a meeting to review the Corporation's business performance, major investment cases, and audit plan results. They also assessed the integrity management practices in response to critical events and evaluated corporate governance operations. Additionally, the Board discussed key ESG strategies and intellectual property management plans. During the meeting, the Board assigned and confirmed the authority and responsible unit for relevant matters. They also committed to tracking and monitoring the actual progress and current situation in subsequent meetings. For further information, please consult the "Information on the Operation of the Board of Directors" in the Annual Report and the Corporation's website.

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Principles of Recusal

All members of the Board of Directors at Radiant Opto-Electronics Corporation were nominated. The Board of Directors adheres to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to establish the "Rules of Procedures for the Board of Directors" and to regulate the principle of recusal of directors in the event of conflicts of interest. Currently, the only Directors who may face a conflict of interest are those who serve on other Boards of Directors. In order to prevent and reduce conflicts of interest among directors who serve on other boards, Radiant Opto-Electronics Corporation has established principles for recusal. The Corporation requires its Board of Directors to exercise a high degree of self-discipline and prudence in fulfilling their ethical obligations as managing persons and carrying out their business and duties. Additionally, the Corporation stipulates that directors who have an interest in matters being discussed at a board meeting, whether for themselves or for the legal entity they represent, must disclose the content of their interests at the current board meeting. If a situation arises that could harm the interests of the Corporation, the director in question must not participate in the discussion or voting process, and must recuse themselves from the discussion and voting process. They must also refrain from exercising their voting rights on behalf of other directors.

Diversity in Board of Directors Composition

As per Article 20 of the "Code of Practice on Corporate Governance" for Radiant Opto-Electronics Corporation, the Corporation shall consider the professional backgrounds of candidates when selecting members for the Board of Directors. Additionally, appropriate diversity policies shall be formulated based on the Corporation's operations, operating patterns, and development needs. The Board of Directors of the Corporation comprises ten members, all of whom possess extensive operational and academic experience in the industry. Notably, one of the directors is female. The Board of Directors possesses professional knowledge in eight key areas: operational judgment, business management, leadership decision-making, industry knowledge, financial accounting, international market perspective, crisis management, and environmental and social participation. Within business management, the Board covers various aspects such as environment, society, and corporate governance, fully embracing the concept of diversity among its members. For further information, please consult the table available on the Corporation's website.

Objectives for Management of Board Diversity

Management Objectives	Achievement
At least one-third of the Board has experience in manufacturing-related industries	Achieved
It is recommended that no more than one-third of the total number of Board of Directors members also hold managerial positions within the Corporation.	Achieved

Further information of the Board of Directors of Radiant Opto-Electronics

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Diversity of the Board of Directors

Name	Business Judg ment	Business Manage ment	Lead ership Decisions	Industry Knowledge	Financial Accountin	International Market Perspective	Crisis Han dling	Environmental Management and Social Participation
Chairman and Chief Strategy Officer								
Pen-Jan,Wang	●	●	●	●	●	●	●	●
Director								
Hui-Chu Su				●	●			●
Been-Fong Wang	●	●	●	●		●		●
Pen-Chin Wang				●		●		
Pen-Tsung Wang		●		●	●	●		
Hsiang-Kuan Pu	●	●	●	●	●	●	●	●
Independent Director								
Yao-Chung Chiang	●	●	●	●	●	●	●	●
Tzi-Chen Huang	●	●	●	●	●	●	●	●
Lun-Pin Tseng	●	●	●	●	●	●	●	
Jung- Yao Hsieh	●	●	●	●		●		●

Performance Review of the Board of Directors

To reinforce corporate governance and enhance the operational effectiveness of the Board of Directors at Radiant Opto-Electronics, the Company has established a Method of Performance Review of the Board of Directors. This methodology entails conducting an annual assessment, completed in the first quarter of each year, to evaluate the performance of the preceding year. The evaluation encompasses the overall Board of Directors, individual directors, and functional committees. Evaluation forms for selfassessment are completed by board members. The assessment results consistently demonstrate a rating of “excellent.”

Method of Performance Review of the Board of Directors

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Board Performance Evaluation Results 2023

Assessment Metrics	Score/Full Score	Evaluation Results
Performance Review of the Whole Board		
Participation in Corporation's operations	25.09/26.66	Excellent
Improving the quality of policy decisions made by the Board of Directors	25.83/26.66	
Composition and Structure of the Board of Directors	14.57/15.56	
Continuing Professional Development of Directors	14.86/15.56	
Internal Controls	15.06/15.56	
Performance Review of Individual Board Members		
Understanding and execution of Corporation's objectives and responsibilities	12.66/13.05	Excellent
Understanding of director's role and responsibilities	12.66/13.05	
Participation in Corporation's operations	33.14/34.78	
Internal Relationship Management and Communication	12.85/13.04	
Continuing Professional Development of Directors	12.66/13.04	
Internal controls	12.75/13.04	
Audit Committee		
Participation in Corporation's operations	17.73/18.18	Excellent
Awareness of the duties of the functional committee	22.50/22.72	
Improving the quality of policy decisions made by the functional committee	31.82/31.82	
Composition of the functional committee and election of its members	13.64/13.64	
Internal controls	13.64/13.64	
Remuneration Committee		
Participation in Corporation's operations	21.05/21.05	Excellent
Awareness of the duties of the functional committee	26.32/26.32	
Improving the quality of policy decisions made by the functional committee	36.84/36.84	
Composition of the functional committee and election of its members	15.79/15.79	
Sustainable Development Committee		
Participation in Corporation's operations	22.18/23.53	Excellent
Awareness of the duties of the functional committee	16.97/17.65	
Improving the quality of policy decisions made by the functional committee	39.66/41.17	
Composition of the functional committee and election of its members	16.81/17.65	

Note: Scoring Guide: 90-100=excellent, 80-89=very good, less than 79=needs improvement

Director Self-Improvement Program

Every year, Radiant Opto-Electronics Corporation arranges for its directors and supervisors to participate in a self-improvement program aimed at improving their knowledge and capabilities on issues related to economics, society, and the environment. Recently, the programs that were participated in included Corporate Governance 3.0 - Sustainable Development Blueprint, Sustainable Development of Corporations, Climate Governance, and others. Furthermore, to enhance the understanding of Radiant Opto-Electronics' directors regarding the compliance and applicability of the Company's risk management system in promoting improvement, a seminar titled "Practical Implementation of Risk Management Guidelines for Listed and OTC Companies: How Companies Promote and Enhance Risk Management Systems" is scheduled for October 26th. This seminar aims to provide practical insights and sharing on how the company can promote and enhance its risk management system. All members of the Board of Directors are invited to participate.

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The table below provides details on the courses that took place in 2023

Name	Date of Training	Organizer	Name of Program	Training Hours
Director				
Been-Fong Wang	04/10	Taiwan Investor Relations Institute	Opportunities and challenges in the net zero movement	3
	03/03	Taiwan Corporate Governance Association	Key insights and responsibility analysis from the annual report : Perspectives from Directors and Supervisors	3
Pen-Chin Wang	06/09	Securities and Futures Institute	Benefits of circular economy and Its business models	3
	03/17	Securities and Futures Institute	Addressing legal risks and responses for Directors and Supervisors : Insights from Major Corporate Scandals	3
Pen- Tsung Wang	09/20	Securities and Futures Institute	Analysis of common violations of securities trading laws	3
	08/23	Securities and Futures Institute	Board of Directors and Supervisors: How to Oversee Enterprise Risk Management and Crisis Handling	3
Hsiang-Kuan Pu	07/21	Taiwan Corporate Governance Association	Strategies for Equity Planning and Organizational Structure Design in Start-up Companies	3
	07/07	Taiwan Corporate Governance Association	The AI Boom: Technological Developments and Business Opportunities in ChatGPT and Conversational AI	3
Independent Director				
Yao- Chung Chiang	10/24	Independent Director Association Taiwan	The Latest World Economic Trends : Risk Assessment and Strategies for Post- Pandemic Recovery	3
	08/09	Securities and Futures Institute	Creating Value : The Intersection of Goodness,Sustainability, and Profitability (ESG/SROI)	3
	04/12	Securities and Futures Institute	The Future Development of the Metaverse and Cryptocurrency Blockchain	3
Tzi-Chen Huang	09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
	04/27	TWSE and TPEX	Promoting Sustainability Action Plans for Listed Companies	3
Lun-Pin Tseng	11/24	Taiwan Corporate Governance Association	Unveiling the mystery behind the scenes of corporate governance : operational practices of corporate governance personnel	3
	10/20	Taiwan Corporate Governance Association	The Distance Between Climate Change and Us	3
Jung- Yao Hsieh	04/25	Accounting Research and Development Foundation	How Boards and Senior Executives Review ESG Sustainability Reports	3
	02/02	Accounting Research and Development Foundation	Driving Green Transformation : Towards Net Zero Carbon Emissions	3

In 2023, the total number of training hours for directors was 51 hours.

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Dedicated Unit for Corporate Governance

To enhance the implementation of corporate governance, on October 26, 2023, Radiant Opto-Electronics resolved in the Board of Directors meeting to establish a dedicated Corporate Governance Officer (CGO) position. This appointment aims to protect the rights and interests of shareholders and reinforce the Board's functions.

The major duties for the corporate governance officer

1. Company registration and changes to company registration.
2. Handle matters related to the Board of Directors and shareholders' meetings according to laws and regulations, as well as assisting the Company in complying with relevant laws and regulations.
3. Produce minutes of the Board meetings and shareholders' meetings.
4. Provide Directors with the materials to perform their duties and the latest development in laws and regulations related to the Company's operations, so as to assist the Directors in compliance.
5. Matters related to investor relations.
6. Other matters stipulated in the Articles of Incorporation or contract.
7. Assist in formulating annual training plans and provide relevant information when necessary.

2023 Business Execution

Assist the directors in performing duties, provide necessary materials and organize continuing education

- Notify Board members of the latest revisions to laws and regulations regarding the Company's business domains and corporate governance.
- Assist in formulating annual training plans and provide relevant information when necessary.
- Arrange meetings among independent directors, internal audit manager and CPAs to enhance understanding of the Company's finance and business.

Maintain investor relationship

- Enhance the investors'understanding of the Company's finance, business and corporate governance through hosting annual institutional investors'conferences, attending institutional investors'conferences, and organizing annual shareholders' meetings to communicate with the investors in order to ensure shareholders' rights.

Self-improvement Program for Corporate Governance Supervisors in 2023

Date	Organizer	Name of Program	Training Hours
Ju-Yu Huang Deputy Director of the Finance and Accounting Department at Radiant Opto-Electronics (Tenure: December 27, 2018 - October 26, 2023)			
04/10	Taiwan Investor Relations Institute	Opportunities and challenges in the net zero movement	3
10/13	Securities and Futures Institute	2023 Annual Insider Trading Prevention Seminar	3
Ching-Jung Wu Manager of the Finance and Accounting Department at Radiant Opto-Electronics (Tenure: October 26, 2023 ~ present)			
10/26-10/27	Taiwan Corporate Governance Association	Carbon governance and sustainable ecosystem	9
11/24	Taiwan Corporate Governance Association	Unveiling the mystery behind the scenes of corporate governance: operational practices of corporate governance personnel	3
12/12	Securities and Futures Institute	Concepts, Practices, and Tools for Group Tax Governance	3

Assist with meeting procedures and compliance regarding the functional committees, Board of Directors and shareholders' meetings

- Prepare meeting procedures and notify the directors seven days in advance, as well as providing relevant information and issues to be discussed in the meetings. In case of conflict of interest and need for recusal, the director we provided on the day of the meeting.
- Assist and remind the directors of the laws and regulations that should be followed when conducting business or making a formal Board resolution.
- Announce important resolutions of the Board of Directors and ensure compliance and correctness of the information so as to ensure information equality between investors.
- Register the date of shareholders'meetings, prepare necessary documents such as meeting notice, agenda, minutes and annual report for the investors' reference.

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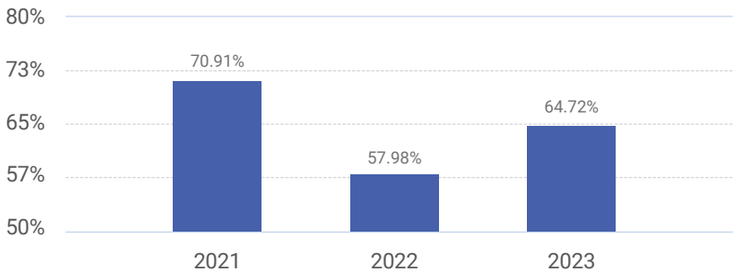
Safeguarding shareholders'rights and interests

Radiant Opto-Electronics Corporation regularly or occasionally organizes and participates in corporate briefings, conducts annual shareholders'meetings to engage with investors, and occasionally updates the corporate website to provide investors with relevant information on the Company's financial, business, and corporate governance. To safeguard the rights and interests of shareholders, we have implemented e-voting during Shareholders'Meetings to promote shareholder activism. Additionally, we have designated a spokesperson and an investor relations contact person to address any suggestions, questions, disputes, or litigation matters from shareholders. Furthermore, we have established the "Regulations on Prevention of Insider Trading" and the "Procedures for Handling Significant Internal Information" to strictly prohibit insiders from trading marketable securities based on non-public information.

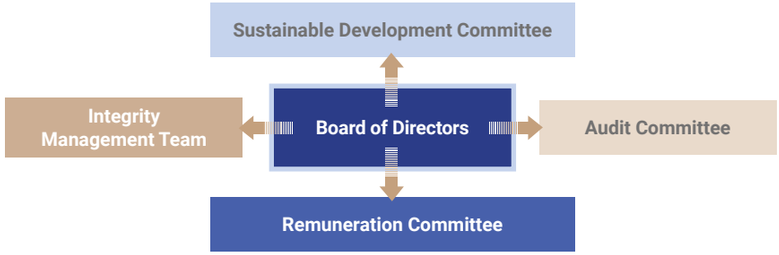
Attendance Rate of the Shareholders'Meeting



Operation and Primary Responsibilities of the Functional Committee

To enhance the supervisory function of the board and strengthen management efficiency, Radiant Opto-Electronics' Board of Directors has established the Audit Committee, the Remuneration Committee and Sustainable Development Committee. Each functional committee is accountable to the Board of Directors and submits proposed resolutions to the board for decision-making.

Organizational Chart of Radiant Opto-Electronics



Sustainable Development Committee

The Sustainable Development Committee is a committed team focused on promoting sustainable development. It comprises seven members, including four independent directors, and is chaired by the Chairman. The Vice Chairman positions are held by the top supervisors of the Planning and Manufacturing Center and the Administrative Center of the Group. The Committee regular reports ESG (Environmental, Social, and Governance) strategy and implementation results to the board of directors. The reports cover topics such as climate change risks, performance achievements, work priorities, and so on. The board is responsible for supervising the impact management processes and outcomes of the Sustainability Development Committee to ensure the eective implementation of sustainable development strategies in the company's operations.

Year of Establishment	Established in 2015 (Renamed in 2022)
Members	Members: Chairman, President, top supervisor of the Logistics & Manufactureing Center of the Group, top supervisor of the Administrative Center, 4 independent directors, and 7 senior executives
Convener	President
Meeting Summary	Attendance Rate in 2023: 100.00% ; Number of Meetings : 2 times

Regulations on Prevention of Insider Trading

Procedures for Handling Significant Internal Information

Further information of the Functional Committee of Radiant Opto-Electronics

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Audit Committee

The Corporation has established an Audit Committee in compliance with applicable regulations. The committee comprises four independent directors who are responsible for formulating and revising the internal control system, standard operating procedures for significant financial transactions, and matters related to directors' interests.

Year of Establishment	2018
Members	Tzi-Chen Huang, Yao-Chung Chiang, Lun-Pin Tseng, Jung-Yao Hsieh
Convener	Tzi-Chen Huang
Meeting Summary	Attendance Rate in 2023: 95.00% ; Number of Meetings: 10 times

Remuneration Committee

The Remuneration Committee of Radiant Opto-Electronics is established under the under the Board of Directors. The Remuneration Committee is comprised of members who are appointed by the Board of Directors and are required to comply with professional qualifications and independence as stipulated by relevant regulations. Currently, the Committee is chaired by Tzi-Chen Huang, with Yao-Chung Chiang, Lun-Pin Tseng, and Jung-Yao Hsieh serving as members. In 2023, the Remuneration Committee convened 5 meetings, with an attendance rate of 100%. Radiant Opto-Electronics Corporation is committed to gathering employee feedback through various communication channels, including employee suggestion boxes, labor-management meetings, and employee seminars. This feedback is then utilized to inform adjustments and optimizations to our salary-related policies.

Year of Establishment	2011
Members	Tzi-Chen Huang, Yao-Chung Chiang, Lun-Pin Tseng, Jung-Yao Hsieh
Convener	Tzi-Chen Huang
Meeting Summary	Attendance Rate in 2023 : 100.00% ; Number of Meetings: 5 times

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Remuneration Policies

Remuneration for Directors

The remuneration of directors encompasses travel expenses and compensation from profit distribution. Regarding travel expenses, payment will be based on the number times in attendance at board meetings. Each director will receive NT$10,000 per payment. As per Article 29 of Radiant Opto-Electronics Corporation's Articles of Incorporation, 1.1% of the remaining earnings balance, after deducting the amounts specified in paragraphs 1 to 4, will be allocated as directors' remuneration. The Remuneration and Compensation Committee will prepare a proposal for this allocation, which will then be approved by the Board of Directors. The proposal will be submitted to the Shareholders' Meeting, and the director's remuneration will be paid based on the agreed number of rights as resolved by the Shareholders' Meeting. In 2023, the salary of the chairman of Radiant Opto-Electronics and the median salary of non-supervisory employees at the Kaohsiung factory are approximately 34.1 to 1. In response to the floating adjustment of earnings distribution in each year, the change ratio of the chairman's salary to that of non-supervisory employees in 2023 is approximately 6.8 to 1. The chairman's personal salary is disclosed in the annual report.

Remuneration Policies for Managers

The compensation of the manager, which includes salaries, bonuses, and employee benefits, is determined by industry standards that are based on the position held and the responsibilities assumed. The manager's performance is assessed based on their progress towards achieving the Board of Directors'goals in the context of the Corporation's sustainable development. Additionally, the manager's leadership skills, ability to plan and implement integrated ESG goals, performance (including the effectiveness of ESG key projects), and level of ESG awareness are taken into consideration.

Integrity Management Team

Radiant Opto-Electronics Corporation is dedicated to upholding the highest standards of business ethics and integrity, relying on responsible business conduct. To further enhance our integrity management, we established an "Integrity Management Team" in 2017 under the Board of Directors. The team comprises the Audit Oce, Human Resources Oce, and Legal Oce, with the head of the Audit Oce serving as the convener. The team was supervised by the Audit Oce and regularly reported to the Board of Directors.

Year of Establishment	2017
Members	Audit Oce, Human Resources Oce, and Legal Oce
Supervision and execution unit	Audit Oce
Meeting Summary	Report to the Board of Directors on April 13, 2023 111 Annual Integrity Report

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2.2 Ethical Management

Material Topics	Ethical Management
GRI Comparison	GRI 205 : 2016 GRI 206 : 2016
Policy	1. Ethical Management Guidelines 2. Procedures for Ethical Management and Code of Conduct 3. Supplier CSR Management Regulations
Commitment to Management Strategy	The Company has formulated the "Procedures for Ethical Management and Code of Conduct" and mandates new employees to sign the "Integrity and Incorruptibility Commitment" upon joining; Operational standards have also been established for suppliers, who are required to comply with and sign the "Integrity and Incorruptibility Commitment" to ensure that all employees and suppliers adhere to the Company's policy of integrity management policy.
Communication Mechanism	There are established reporting procedures, with the whistleblower email address and hotline published on internal and external websites. The Integrity Management Team under the Board of Directors is responsible for managing this process.
Concrete Actions	1. Establishment of ethical management regulations in each company 2. Enhanced ethical management education and training

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
Honesty and Integrity Letter of Commitment	Addition topic of the year	Note	In accordance with the Ethnical Management Regulations, establish preventive measures to strengthen precautions	Implement an inspection system, conducting ad-hoc self-assessments to prevent oversights.	
Corruption cases	Addition topic of the year	Note	Achieve a 100% completion rate for employees signing the "Commitment on Honesty and Integrity" agreement.	Establishing internal control mechanisms and conducting regular inspections	
Rate of Coverage for Ethical Management Education and Training	Addition topic of the year	Note	Achieve a 100% completion rate for qualified suppliers signing the "Commitment on Honesty and Integrity" agreement.	Require all factory employees to complete ethical management education and training annually.	

Note : Due to "ethical management" not being listed as a material topics in 2022, there is no performance data for 2023

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Integrity Management

Radiant Opto-Electronics Corporation refers to the Code of Conduct–Responsible Business Alliance (RBA) and has established several management practices, including the"Code of Conduct on Integrity Management", "Procedures and Conduct Guidelines for Integrity Management", "Procedures for Handling Internal Material Information" and "Code of Ethical Conduct for Directors and Managers"and other management practices.The Corporation has provided specific guidelines for employees to follow while performing their job duties to prevent the provision, promise, request, or receipt of any illegitimate interests, either directly or indirectly. Additionally, employees are expected to avoid any dishonest actions that breach good faith, are illegal, or violate fiduciary obligations. All operating bases of the Group, including the Kaohsiung, Wujiang, Nanjing, and Guangzhou Factories, have been included in the scope of the corruption risk assessment. We are pleased to report that there were no reported cases of financial or accounting regulation violations in 2023.

To ensure that all employees adhere to the principles of honesty and integrity, our Corporation provides ethical and integrity education as part of both the orientation program for new hires and the annual internal staff training. This means that every employee in the Corporation, without exception, receives ethics and integrity awareness courses every year. Radiant Opto-Electronics Corporation offers R+eHRD online and physical courses, as well as various publicity methods, to safeguard the rights and interests of the Corporation and all stakeholders. These efforts are aimed at upholding the values of fairness, honesty, trustworthiness, and transparency that the Corporation is committed to.

To enhance the independence of our internal auditors and establish a robust corporate governance system, Radiant Opto-Electronics Corporation reports the appointment, dismissal, assessment, and remuneration of internal auditors to the Chairman for approval, as per relevant regulations. The internal management system and operating procedures governing the appointment, dismissal, assessment, and remuneration of internal auditors are disclosed in The Corporation's website.

Business Ethics

The Board of Directors of Radiant Opto-Electronics has successively approved and promulgated regulations related to business conduct and ethics, clearly and comprehensively specifying policy norms, guidelines, operational procedures, behavior guidelines, and complaint mechanisms to prevent dishonest behavior. This is aimed at implementing a culture of honesty and accountability at Radiant Opto-Electronics and demonstrating a commitment to the highest ethical standards in all business activities. To guide Radiant Opto-Electronics and stakeholders in understanding the Company's standards of business ethics, we not only post "Important Company Regulations" on the company website to announce relevant policy norms, practices, and the implementation status by the Board of Directors and management, but also convey Radiant Opto-Electronics' business ethics concepts and specific actions through various methods such as education, advocacy, and online training within the Company.

In addition, to leverage its influence within the supply chain, Radiant Opto-Electronics requires all suppliers to adhere to the "Supplier Code of Conduct." Apart from signing the "Supplier Code of Conduct Commitment Letter" during the on-boarding process of new suppliers, relevant guidelines and regulations are also announced in purchase orders and the supplier e-commerce system. This ensures that all suppliers understand and commit to the norms and principles they must adhere to in their business activities with Radiant Opto-Electronics. Furthermore, through periodic seminars, educational training sessions, and monthly/quarterly/annual evaluations, Radiant Opto-Electronics assesses the practical outcomes of suppliers in adhering to the Supplier Code of Conduct. It is expected that suppliers uphold common values and principles of integrity in their business dealings with Radiant Opto-Electronics.

Radiant Opto-Electronics Integrity Management Guidelines

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Important Company Regulations

Integrity and honesty are fundamental core values that Radiant Opto-Electronics consistently upholds and advocates. The Company conducts all business activities with integrity and regularly self-assesses its operations with the spirit of integrity, honesty, fairness, accuracy, and transparency. Within the framework of operational regulations, Radiant Opto-Electronics has established relevant policies or guidelines for various compliance areas, including professional ethics, financial reporting, internal controls, insider trading, risk management, and corporate sustainability. Through these specific policies and guidelines, Radiant Opto-Electronics aims to enhance operational efficiency, ensure compliance with regulations, and promote professional ethics. For more information on Radiant Opto-Electronics' key regulations, please refer to the "Important Company Regulations" section on the official website.

Item	Name of Regulations	Key Points of Regulations
1	Corporate Governance Best Practice Principles	To promote the sound development of the Company and establish a robust corporate governance system, we have formulated our practices by referencing the "Practical Guidelines for Corporate Governance of Listed and Over-the-Counter Companies."
2	Audit Committee Organizational Charter	Formulated in accordance with the provisions of Article 3 of the"Regulations Governing the Exercise of Powers by Audit Committees of Publicly Issued Companies."
3	Sustainable Development Committee Organizational Charter	To enhance the management of corporate sustainability, in accordance with the provisions of the "Corporate Governance Best Practice Principles of Radiant Opto-Electronics Corporation," a unit responsible for promoting sustainable development management has been established. Additionally, the organizational regulations for the Sustainable Development Committee have been formulated.
4	Remuneration Committee Organizational Charter	To strengthen the compensation system for directors and executives of Radiant Opto-Electronics, the "Regulations for the Establishment and Exercise of Powers of the Remuneration Committee of Companies Listed on the Stock Exchange or Traded at Securities Firms" Article 3 has been formulated.
5	Ethical Management Guidelines	To maintain the culture of integrity in operations and promote the sound development of Radiant Opto-Electronics, regulations have been formulated in accordance with the "Integrity Management Guidelines for Listed and Over-the-Counter Companies." These regulations include provisions prohibiting unfair competition, bribery, and corruption, as well as prohibiting the provision of illegal political donations.
6	Procedures for Ethical Management and Code of Conduct	To implement the policy of integrity management and actively prevent dishonest behavior, this operating procedure and code of conduct guidelines have been formulated in accordance with the "Code of Conduct for Integrity Management" and relevant laws and regulations in the jurisdictions where the operations of the group companies and organizations are located.
7	Code of Ethical Conduct for Directors and Managers	According to the relevant provisions stipulated in Letter Cheng-Chi-Yi-Tzu No. 0930005101 issued by the Financial Supervisory Commission, Executive Yuan (R.O.C.) and Letter Tai-Cheng-Shang-Tzu No. 0930028186 issued by Taiwan Stock Exchange, the Company shall establish a code of ethical conduct and may also formulate codes of ethical conduct for different managers.
8	Corporate Sustainable Development Best Practice Principles	To practice corporate sustainability and promote the sustainable development of the economy, environment, and society, guidelines have been formulated with reference to the practical guidelines published by the TWSE and the Taipei Exchange.

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Item	Name of Regulations	Key Points of Regulations
9	Risk Management Policy and Procedures	To strengthen corporate governance and implement risk management in the process of business operations, construct a comprehensive risk management framework, and through systematic and institutionalized risk management processes, confirm operational risks and provide the feasibility of implementing risk mitigation and adaptation strategies. Furthermore, risk management is integrated into operational activities and daily management processes to achieve corporate objectives, enhance management performance, provide reliable information, and efficiently allocate resources.
10	Regulations on Prevention of Insider Trading	Based on the Regulations Governing the Scope and Public Disclosure Methods of Material Information Pursuant to Article 157-1 and Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act, transactions involving the purchase or sale of stocks or other securities with equity characteristics by insiders shall be conducted in accordance with prescribed procedures.
11	Supplier Code of Conduct	To ensure workplace safety and the protection and respect of employee rights, this guideline is formulated in accordance with the Responsible Business Alliance (RBA) Code of Conduct, the United Nations Guiding Principles on Business and Human Rights, as well as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.
12	Procedures for Handling Significant Internal Information	To establish a robust mechanism for handling and disclosing significant internal information, prevent inappropriate information leakage, and ensure consistency and accuracy in external communications, procedures are formulated to adhere to.

Distribution of reporting channels

The official website of Radiant Opto-Electronics Corporation announces the reporting channel for both internal and external personnel to report any wrongdoings directly to the Corporation through the public reporting mailbox (cl@radiant.com.tw). The option of reporting anonymously is also available. The receiving unit is required to maintain the confidentiality of the whistleblower's identity and the incident and not disclose it to any third party not related to the investigation unless necessary to prevent unfair and unfavorable treatment of the whistleblower. The relevant protection system, case acceptance process, and handling standards for violations are clearly stipulated in "Procedures and Conduct Guidelines for Integrity Management.

Whistleblowing Handling Process

1. Information shall be reported to the department head if involving employees. Information shall be reported to independent directors if involving a director or a senior manager.
2. The Audit Office of the Company and the department head being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal office or other related departments.
3. If a violation is confirmed, immediate cessation of the relevant actions by the accused individual is demanded, followed by appropriate disposition.
4. Documentation of the whistleblowing receipt, investigation process, and investigation results should be maintained in written form and retained for a period of five years.
5. The relevant units shall review internal control systems and operating procedures and propose improvement measures.
6. The Audit Office of the Company shall submit to the board of directors a report on the whistle-blowing case, actions taken, and subsequent reviews and corrective measures.

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In order to establish a good communication channel within the company, in addition to establishing a reporting channel, Radiant Opto-Electronics also regularly organizes employee interviews and other caring actions through the internal [Employee Care Management Measures] to collect employee opinions and feedback and handle matters with the corresponding department heads, in order to create A workplace environment with two-way communication, diversity and friendliness. In 2023, Radiant Opto-Electronics received a total of 42 employee feedback cases, with a case closure rate of 100%.

	2021		2022		2023	
	Number of Cases	Closing Rate	Number of Cases	Closing Rate	Number of Cases	Closing Rate
Leadership Management	58	100%	90	100%	33	100%
Labor Dispute	100	100%	162	100%	0	0
Sexual Harassment	0	0	3	100%	0	0
Others (Violation of Labor Regulations)	6	83% Note	0	0	9	100%
Total	**164**	**94.4%**	**255**	**100%**	**42**	**100%**

Note: According to the Employee Care Management Regulations of Radiant Opto- Electronics, for tracking and addressing employee feedback matters, the Employee Care Team is responsible for documenting relevant employee information. Under the premise of protecting employees'legal rights and interests, they collaborate with respective department supervisors to address the issue and provide feedback to the employee after reviewing the handling results. Additionally, relevant service matters are recorded in an employee feedback tracking form for archival purposes. Furthermore, in adherence to the "real-time principle," handling of employee feedback generally does not exceed one week, and progress and results of feedback handling must be communicated to the employee. If deemed appropriate for disclosure, public announcement may be utilized.

Example : Handling Principles for Workplace Violence Incidents

1. Information Gathering Providing employees with an anonymous reporting channel

(1) Employee service mailbox (er@radiant.com.tw)

(2) Dedicated personnel window - HR employee care hotline (extension 1720)

2. Case Investigation

If there is a complaint case, depending on the severity and scope, a Complaint Review Committee for Workplace Violence Prevention and Complaints, composed of the Audit Department, General Affairs Department, HR Department, and other relevant units, will be convened to handle related work.

If the case enters judicial proceedings or is referred to the Control Yuan for investigation or judicial authorities, the Complaint Review Committee may decide to temporarily suspend the investigation and review.

3. Result Review

The Complaint Review Committee's investigation results are documented in a Complaint Decision Letter and delivered to the parties involved.

If workplace violence is confirmed, the Company is requested to take legal action accordingly. If the complaint is found to be false, appropriate sanctions are imposed on the complainant. In cases involving criminal liability, they may be referred to judicial authorities for processing.

4. Improvement of Management Mechanisms

Records of workplace misconduct reports and actions taken are retained for three years.

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2.3 Legal Compliance

Material Topics	Legal Compliance
GRI Comparison	GRI 2-27 : 2021
Policy	1. Regulations on Occupational Safety and Health Management 2. Guidelines for Establishing Internal Control Systems for Publicly Traded Companies 3. Control Program for Business Operations 4. Privacy and Personal Data Protection Policy
Commitment to Management Strategy	Radiant Opto-Electronics establishes a dedicated legal department to ensure compliance with local government regulations and laws governing operational activities. This department collaborates closely with audit, finance, and relevant departments to closely monitor any domestic or international policies and regulations that may impact the Company.
Communication Mechanism	Enhancing employees' understanding of legal compliance through internal education and training initiatives.
Concrete Actions	1. The Legal Department regularly publishes the bimonthly legal journal called "Obey Law". 2. Employee education and training 3. The Legal, Audit, and Finance Departments conduct regular internal controls.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027- 2030
Environmental Health and Safety Regulations	Addition topic of the year	Note	Environmental Health and Safety Compliance Rate of 99.9%		
Legal Intellectual Property Management	Addition topic of the year	Note	1. Maintain Taiwan TIPS A Grade Verification (Sampling Inspection) 2. Maintain Guangzhou Factory Intellectual Property Management System Certification (Revalidation)	1. Obtain Next TIPS A Grade Verification Certificate for Kaohsiung Factory 2. Obtain Next Intellectual Property Management System Certification for Guangzhou Factory	
No Significant Violations Involving Amounts Over NT$1 million	Addition topic of the year	Note	Establish an internal audit mechanism to proactively prevent any instances of noncompliance.	Continuously optimize internal audit mechanism to proactively prevent any instances of non-compliance.	

Note : Due to "regulatory compliance" not being listed as a material topics in 2022, there is no performance data for 2023.

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Radiant Opto-Electronics Corporation has prioritized compliance with legal requirements and operating with integrity since its establishment in 1995. The Corporation considers this to be the most fundamental responsibility of any enterprise and has instilled this spirit in all its subsidiaries within the group. To ensure compliance with local governmental regulations, we have established a dedicated legal unit that collaborates with our audit, finance, and related departments. This unit closely monitors both domestic and foreign policies and regulations that may impact our Corporation and stays up-to-date with the latest amendments to ensure that all units strictly adhere to regulations in their operations. This is crucial in protecting our corporation's reputation. In 2023, our corporation has not incurred any significant monetary or nonmonetary penalties for violating environmental, economic, or social laws and regulations. Additionally, we have not faced any litigation for engaging in anticompetitive behavior. and no negative news as well. "Significant violations" are defined as fines exceeding NT$1,000,000 or more, or any suspension of business, operations, or work that may impact the Corporation's operations.

Legal Compliance Education

Radiant Opto-Electronics Corporation is committed to enhancing employee awareness and knowledge of legal compliance. To achieve this, we regularly organize internal education and training sessions. Given the rapid changes in labor laws and regulations, we will be introducing an educational course on labor laws and regulations in Mainland China in 2023. Additionally, our Legal Department will compile the Group's past arbitration and litigation cases in labor relations and educate management at all levels on current practices. This will help to minimize legal risks and ensure compliance with all relevant laws and regulations. The Corporation oers educational courses and staff training on legal compliance. In addition, the Legal Department of the Corporation has published a bimonthly legal journal called "Obey Law"18 times since 2020. This journal covers legal write-ups related to the Corporation or current events, as well as legal questions answered in a Q&A format. The purpose of this journal is to enhance the legal knowledge of colleagues in an easily accessible manner. By reading "Oh Bai Law," colleagues can become familiar with relevant laws and regulations, enabling them to comply with laws and regulations related to their business operations.

Handling of Confidential Data Protection

Radiant Opto-Electronics has consistently approached the handling of confidential information from clients, suppliers, and partners with a proactive attitude, striving relentlessly over the years to maintain competitive advantages for all parties involved. In accordance with trade secret laws, the Company has formulated corresponding Confidential Information Management Measures, which encompass institutional, managerial, and legal aspects, ensuring the continuous protection of confidential data and effectively safeguarding the Company's proprietary information. Achieving a balance between "strict protection" and "paperless management," the Company has implemented systematic procedures for regular management, thereby saving labor costs and enhancing control effectiveness. In terms of cybersecurity, all terminal devices accessing the Company's premises are subjected to the Information Technology Department's network access control system, which identifies internal network devices and blocks unidentified external devices. This proactive, real-time, and automated detection of abnormal events within the Company's network, coupled with automatic report generation, constitutes the most crucial information security measure in endpoint device management. It guarantees the security of confidential data. In 2023, Radiant Opto-Electronics did not receive any complaints from partners regarding the protection of confidential information, nor were there any incidents of confidential data leakage.

Privacy and Personal Data Protection Policy

Policies and Objectives

Radiant Opto-Electronics places significant emphasis on and cares deeply about the protection of privacy and personal data. We have established privacy and personal data protection policies, along with relevant internal management measures. We require all members of Radiant Opto-Electronics and its collaborating partners to adhere to the Personal Data Protection Law of Taiwan, the General Data Protection Regulation (GDPR) of the European Union, and other applicable data protection regulations in regions where operations are conducted. This ensures compliance and collective commitment to safeguarding the rights of individuals regarding personal data security. Our privacy and personal data

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protection policies clearly outline regulations and compliance requirements concerning the use and protection of personal data. Members of Radiant Opto-Electronics and its collaborating partners are obligated to adhere to these policies. Personal data should be collected, processed, and utilized within the necessary scope and to the minimum extent required for specific purposes, with appropriate security measures in place. Furthermore, Radiant Opto-Electronics pledges never to disclose the personal data of data subjects to third parties or use it for purposes other than those for which it was collected. To effectively manage the risk associated with personal data processing, we conduct an annual inventory of personal data projects and assess their compliance with current policies.

Promotion and Advocacy

To continuously strengthen the compliance awareness of Radiant Opto-Electronics members regarding personal data protection, and to implement compliant management and regulatory adherence, we regularly conduct internal educational training and disseminate important announcements regarding relevant laws on personal data protection and compliance operational guidelines. We also conduct inspections on the maintenance status of personal data security and assess potential non-compliance risks in daily operations. Based on the assessment results, we develop corresponding management plans and measures.

Personal Data Usage and Complaints

Radiant Opto-Electronics has established a dedicated unit for privacy rights and personal data protection compliance and has set up channels for colleagues and external parties to seek consultation on personal data-related matters or to make requests based on their legal rights. We continuously review the status of personal data usage. In the fiscal year 2023, Radiant Opto-Electronics did not utilize collected personal data for purposes other than the original specified purposes. Employees and external parties can lodge complaints or reports regarding personal data through relevant reporting channels (cl@radiant.com.tw).

Radiant Opto-Electronics did not receive any complaints or penalties related to personal data in 2023.

Customer Privacy Protection Policy

Protecting the personal privacy of customers and suppliers is a crucial aspect of gaining and maintaining trust with stakeholders. The Company is committed to upholding privacy rights, safeguarding personal data, and ensuring information security. To achieve this, the Company implements the following measures both in administrative management and information security technology :

- In terms of administrative management, employees are bound by strict confidentiality obligations outlined in the Employee Confidentiality Agreement. This includes maintaining the secrecy of confidential information to the best of their abilities and taking necessary measures to protect sensitive data belonging to company clients, suppliers, etc., during their tenure.
- In terms of information security technology, as Radiant Opto-Electronics operates in non-e-commerce and non-financial sectors, where large volumes of B2C (Business to Consumer) customer data need safeguarding, there's no requirement for specific personal data protection certifications to garner customer trust and assurance. Presently, employee, customer, and supplier data are stored in corresponding ERP, HR, and payroll application systems in database format. These systems reside within the Company's most central internal network and benefit from layered protection provided by physical, network, and system-level firewalls, antivirus software, intrusion detection systems, vulnerability scanners, and other cybersecurity solutions. Therefore, the infrastructure should offer a high level of security, with an extremely low risk of personal data breaches.

No customer privacy incidents occurred in 2023. In the event that a customer suspects or discovers any data leakage, they may also lodge a complaint through Radiant Opto- Electronics' reporting email address (cl@radiant.com.tw).

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2.4 Risk Management

Radiant Opto-Electronics Risk Management Policy and Procedures

Material Topics	Risk Management
GRI Comparison	Radiant's Customized Themes
Policy	Risk Management Policy and Procedures
Commitment to Management Strategy	1. Incorporate identified material issues and major risks into annual audit plan. 2. Include each department in work project management according to the identified major risks, supervised by the risk management team.
Communication Mechanism	An annual report on the operation of risk management is scheduled to be presented to the Board of Directors at least once per year.
Concrete Actions	1. Regularly conduct audits or reviews of the execution outcomes of material topics objectives across all units. 2. Revised risk management organizational chart to strengthen the implementation of corporate risk governance and management.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
Risk management	1. Prepare audit plans based on material issues and risks 2. Review the results of the execution of targets of each department 3. Material topics and risk assessment results are reported to the Board of Directors	●	1. Risk assessment report will be presented to the Board of Directors 2. Regularly conduct audits or reviews of the execution outcomes of material topics objectives across all units. 3. Report the results of material topics identification to the Board of Directors.	1. Each unit implements internal controls and self-inspections 2. Continuously revise risk management policies based on the results of annual risk identification and analysis	

Risk Management Framework and Mechanism

In recent years, global enterprises have been confronted with the challenge of a rapidly changing environment and emerging risks. Radiant Opto-Electronics Corporation upholds the operational philosophy of "environmental coexistence, social co-prosperity, and mutual benefit" to ensure stable operations and proactively mitigate various risks. In 2022, the Corporation established a Risk Management Team under the Sustainable Development Committee, through continuous review of internal operations, external environmental factors, and changes in issues, various operational units analyze operational impacts, identify corresponding risks and opportunities, and develop risk and crisis management plans along with business continuity plans. Also, they conduct training and execute the implementation of business continuity plans. Simultaneously, enhance the risk awareness of all employees, and establish a transparent and comprehensive risk communication mechanism with all stakeholders to continuously control, mitigate, or eliminate risks, increase risk tolerance and resilience, reduce the proportion of high-risk projects, and implement risk governance and management in line with management objectives. This is aimed at achieving the Corporation's vision of sustainable operation. The team reports to the Board of Directors at least once a year on risk management operations and develops risk management policies and procedures.

All significant risks at the Company level are under control, and there have been no incidents causing severe operational losses to the Company.

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Opto-Electronics Risk Management Organization Chart

Risk Management Process of Radiant Opto-Electronics Corporation

STEP 1

Identification of Scope of Risk The Corporation relies on risk research

The Corporation relies on market dynamics and industry trends issued by external experts, as well as domestic and foreign institutions, to identify risks related to the company's operational business.

STEP 2

Risk Measurement

The Corporation evaluates the potential impact and likelihood of occurrence of risk items listed in the identified risk items.

STEP 3

Risk Monitoring

We establish countermeasures for possible risk items and monitor and review them regularly to reduce the impact of risks on the Corporation's operations.

STEP 4

Risk Reporting and Disclosure

The relevant responsibility teams regularly report to the Sustainable Development Committee to ensure the implementation of risk management.

Radiant Opto-Electronics Corporation not only has a responsible team that continuously tracks relevant risk issues, but also convenes senior executives from various departments within the group to hold a series of business strategy meetings. The purpose of these meetings is to collect market dynamics and industry trends published by domestic institutions and international organizations, as well as to summarize and analyze the strengths and weaknesses of each department through horizontal information exchanges between units. Additionally, discussions are held, and management strategy objectives are formulated regarding various strengths, weaknesses, opportunities, and threats. We formulate management strategies for major potential risks and regularly track and review their effectiveness.

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Risk Management Strategies

Radiant Opto-Electronics Corporation conducts regular identification and classification of potential risks for each operation. The risks identified for 2023 fall into two major categories: financial and operational. In this report, we will discuss strategies for monitoring and managing these risks to achieve stable operations. Through active assessment and regular monitoring, efforts are made to manage various risks effectively, thereby advancing towards the goal of stable operations

Risk Category	Potential Impact	Control Policy/Practices
Financial		
Foreign Exchange Risk	▪ Unfavorable exchange rates may lead to reduced profitability, affecting investors and company earnings.	▪ To address this risk, the Company has designated personnel responsible for collecting exchange rate trends and international market information to monitor fluctuations in exchange rates. They maintain close communication with financial institutions to timely adjust foreign currency assets, liabilities, or utilize foreign exchange hedging tools as necessary. ▪ In response to changes in the international situation, the Company adjusts its exchange rate strategy, accordingly, considering comprehensive assessments of exchange rate movements. This involves determining the timing of foreign currency exchanges and managing foreign currency assets and liabilities to mitigate exchange rate risk.
Liquidity Risk	▪ Insufficient liquidity assets to support operational expenses can lead to operational crises.	▪ Review the structure of assets and liabilities, maintain adequate available funds and emergency response mechanisms, ensure sufficient funds to meet operational needs, and mitigate liquidity risk for the Corporation. ▪ Reserve at least two months of working capital for disposal.
Operations		
Market Risk	▪ If Radiant Opto-Electronics fails to anticipate technological changes and swiftly develop innovative technologies for mass production, it risks gradually losing its industry-leading advantage.	▪ Continue to develop and produce ultra-thin, high-precision, and costeective light guide and backlight module products.
Raw Materials Supply Disruption Risk	▪ To avoid increasing in procurement costs due to short of materials or operational disruptions.	▪ Increase the frequency of investigations to grasp the capacity status and lead times of critical materials and equipment from original manufacturers. ▪ Actively introduce alternative materials, raise inventory levels, and adjust ordering modes to diversify procurement and reduce risks.
Climate Change Risk	▪ Failure to conduct real-time assessment and prevention of climate change risks may lead to operational losses in the future when customers or suppliers demand such measures. ▪ Failure to conduct carbon footprint assessments and management for operations may result in higher operational costs in the future when carbon taxes/fees are imposed, potentially leading to increased expenses for Radiant Opto-Electronics.	▪ Introduce the TCFD framework to facilitate subsequent formulation of relevant countermeasures. ▪ Continuously conduct greenhouse gas inventories and undergo thirdparty verification according to ISO 14064-1:2018. ▪ Develop a carbon reduction roadmap for the Group by 2030.

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Risk Category	Potential Impact	Control Policy/Practices
Energy Risk	▪ Failure to properly manage energy efficiency may result in increased operational costs in the future due to fluctuations in the availability and pricing of fossil fuel energy sources.	▪ Build a power monitoring system. ▪ Cooperate with the carbon management team to propose energy-saving projects every year. ▪ Replace old equipment, and introduce low-energy-consuming equipment
Information Security Management Risk	▪ Cyberattacks and data breaches may result in system downtime and the unauthorized disclosure of trade secrets, impacting company operations and competitive development.	▪ Implemented the ISO 27001 “Information Security Management System” to enhance our operational processes and control measures, mitigate unknown attacks, conducting regular simulations of potential incidents and performing system recovery drills to mitigate the impact of unforeseen emergencies or abnormal incidents on information operations, ensuring the continuous operation of information systems.

Business Continuity Management (BCM)

Radiant Opto-Electronics Corporation recognizes the potential risks that come with the ever-changing global economy, society, and natural environment. To ensure uninterrupted operations and pursue sustainable business practices, we offer our customers a range of diversified, professional-quality backlight modules. Our manufacturing principles prioritize the continuous management of our operations. Radiant Opto-Electronics Corporation has established an emergency response team that regularly holds discussions with relevant units to identify and assess both internal and external risks. Based on the level of risk, the team develops emergency response plans. Additionally, management has implemented measures to ensure that all products continue to meet customer requirements during any major event that may occur. These measures will be in place until the production line has recovered, in order to protect customer interests and minimize any potential impact.

The Corporation always strives to ensure ecient customs clearance and safe transportation of cargo shipments. Our factories in Kaohsiung and Wujiang obtained AEO certification in 2012 and 2015, respectively. The Kaohsiung Factory was the first manufacturer in the Kaohsiung Technology Industrial Park to obtain AEO certification. On an annual basis, the Corporation conducts risk assessments on various categories of logistics risks in order to enhance its internal control mechanism, mitigate overall risk, and ensure the safety of its supply chain.

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Emergency Response Team

At present, the emergency response team comprises nine units that have been chosen from various factories within the Corporation. The team is led by a chief commander who is the top supervisor of the manufacturing center. The senior executives, in line with their authority and responsibility, bring together the Corporation's resources and consistently review and improve the plan. They also conduct simulation tests at least once a year to assess the plan's effectiveness and ensure that in the event of a disaster, Radiant Opto-Electronics Corporation can make every effort to maintain and resume continuous operations while safeguarding the interests of all stakeholders.

Based on the planning of the Emergency Response Team, the current simulation scenario includes :

1.Notification of Suspicious Persons : Our warehouse security team conducts regular drills to ensure the safety of our premises. If an unknown individual is discovered within the warehouse, our protocol dictates that they will be questioned, and the supervisor will be immediately notified. Additionally, a guard will be dispatched to escort the individual o the premises.

2.Cargo Security Inspection : Use metal detectors to conduct cargo security inspection and report back to the responsible unit regarding the situation.

3.Mail and Cargo Abnormality : In the event of a suspicious parcel being discovered during the sending or receiving of mail, the local police department will be immediately notified. The site will then be sealed, and all personnel presents will be evacuated simultaneously.

4.Climate Change-related Natural Disasters and Fires : We regularly call our colleagues from each unit to conduct fire drills and practice the use of fire hoses to prevent fires and other emergencies.

Further information on the internal audit organization and operation of Radiant Opto-Electronics

Internal Controls and Internal Audits

Internal Controls

Radiant Opto-Electronics Corporation conducts annual audits in accordance with the"Guidelines for Public Listed Companies to Establish Internal Control Systems" by the Financial Supervisory Commission. These audits assist the Board of Directors and management in supervising all internal systems and processes of the Corporation. We implement annual audit plans and continuously monitor related operating systems to ensure the accuracy, reliability, timeliness, and transparency of operational, financial, and management information.

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We also ensure compliance with relevant laws and regulations and provide timely suggestions for improvement to ensure the continuous and effective implementation of the internal control system. Each year, the Corporation requires a review of the selfassessment reports on the internal control system for every unit and subsidiary, in accordance with applicable provisions. The report must be presented regularly to the CEO and Board of Directors, along with the results of the internal audit and progress made towards improvement. This ensures that management has a clear understanding of whether the purpose of management is being achieved and the effectiveness of the supervision mechanism being implemented.

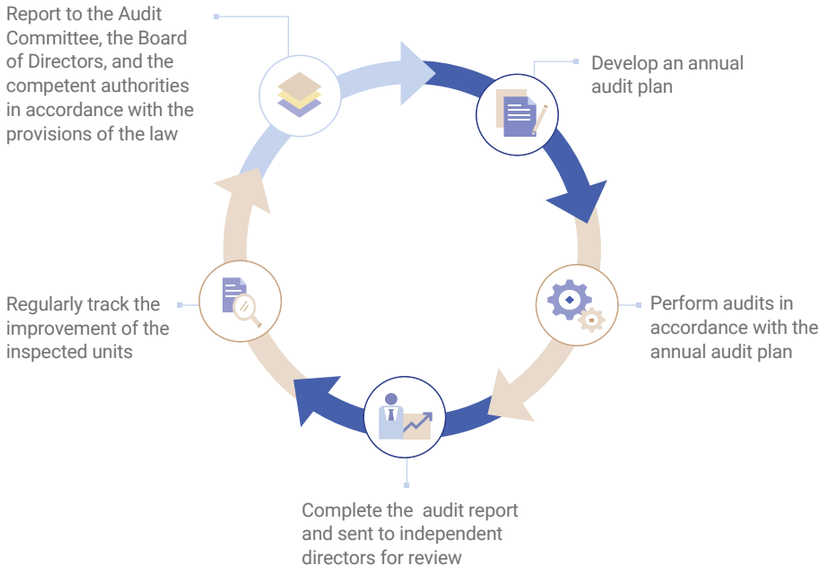
To ensure continuous implementation of the self-supervision mechanism, the Auditing Office conducted an anonymous survey on internal control self-assessment. The purpose of the survey was to gain an understanding of the results of implementing internal controls. According to the survey results, the self-assessment scores for internal control at both the overall and operational levels have shown a slight decrease of approximately 1% and an increase of 2%, respectively, in 2023 compared to 2022. This indicates that both management and employees are dedicated to effectively implementing the internal control system to maintain operational risk control within acceptable limits. Furthermore, the results demonstrate that the current operational control measures are satisfactory.

Internal Audit Operation

The Auditing Office is an autonomous department under the Board of Directors, tasked with examining and assessing the internal controls of Radiant Opto-Electronics Corporation. Its primary objective is to enhance the Corporation's operational efficiency. The manager designs the internal control system, which is then approved by the Board of Directors. This system is developed in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Securities and Futures Bureau, while also taking into account the Corporation's overall operational activities. The internal control system is comprised of eight cycles and two operating procedures, which are sales and collection. It includes components and control operation focus to ensure the following objectives are reasonably achieved :

1. the effectiveness and efficiency of operations
2. the reliability, timeliness, and transparency of reporting, and compliance with relevant regulations
3. compliance with relevant laws and regulations

The internal audit unit is responsible for establishing the implementation details of internal audits in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Additionally, the unit formulates an annual audit plan to inspect and evaluate the implementation of internal controls. The purpose of this plan is to provide timely recommendations for improvement to ensure the continuous and effective implementation of the internal control system. The Audit Office conducts an annual review of the self-inspection reports submitted by each Corporation unit and subsidiary, in compliance with regulations. These reports, along with the outcomes of internal audits and any corresponding improvements, serve as the foundation for the Board of Directors and Chief Executive Officer to assess the efficacy of the internal control system and to issue a statement on its status. This statement has been included in both the annual report and public statement to comply with regulations. The FSC is provided with online access to the annual internal audit plan, its implementation, and the efforts made to address any internal control deficiencies or irregularities, as required by regulations.



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Big Data Risk Warning Audit

The Corporation has been consistently developing a monitoring mechanism to provide early warning of risks at all levels. In 2021, a computer audit management platform was introduced, and an audit database and program were established to create an automated system for audit scheduling. We have implemented a network automated pricing access platform to enhance the efficiency of our internal operations and increase our overall contribution. The Corporation established the POWER BI model for cluster analysis, supervision, and non-supervisory management detection of abnormalities through cooperation projects between academia and enterprise. In 2022, the Corporation adopted new audit methods that incorporate artificial intelligence, utilizing machine learning to enhance the depth of project audits and Robotic Process Automation (RPA) to streamline routine operations. By leveraging information technology, we have developed an online database of laws and regulations to improve the eciency of compliance checks. All departments within the Corporation must conduct thorough selfinspections and improve the quality of their internal control systems by utilizing the computer audit management platform.

The Corporation began computer auditing in 2014-2016 to provide audit risk warnings. This approach effectively identified abnormalities through the characteristics of a large number of transactions. In 2017, the Corporation identified and analyzed potential risk factors of transactions. Based on riskoriented audit plans, they constructed monitoring indicators for various risk critical points. In 2018, the Corporation focused on the cost failure agenda and introduced monitoring indicators for a dedicated system. In 2019, the Corporation focused on high-risk areas within the core operation process. They integrated information sharing systems through a digital audit platform to obtain results and achieve the corporation's objective for continuous audit monitoring. In 2020, the Corporation paid attention to risk factors related to confidential information leakage. They utilized the recording function of relevant facilities to monitor the source of information leakage and prevent the Corporation from risks and fraud. As of 2023, continuous computer auditing has been extended to all departments throughout the Company, facilitating early detection of anomalies through monthly data checks.

Audit Process

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2.5 Information Security Management

Further information on the Information Security Management of Radiant Opto-Electronics

Material Topics	Information Security Management
GRI Comparison	GRI 418 : 2016
Policy	1. Information Security Area Management Procedures 2. Information Security Incident Management Procedures 3. Information Business Operations and Continuity Management Procedures
Commitment to Management Strategy	1. Promote the enhancement of information security management, ensure compliance with regulations from external regulatory bodies, and adhere to the information security requirements stipulated in customer contracts, in order to safeguard the normal operation of the Company's business. 2. Provide information security education and training to promote the awareness of information security and to strengthen the awareness of personnel's responsibilities. 3. Safeguard the business activity information of the Company, prevent unauthorized access and modification, thereby ensuring its accuracy and integrity. 4. Conduct regular internal and external audits to ensure that all relevant operations are implemented. 5. Ensure that the Company's critical business systems maintain a certain level of system availability.
Communication Mechanism	The Management Review Meeting should be held annually.
Concrete Actions	The Group implemented ISO 27001-related information security management systems.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
ISO 27001 : 2022	Kaohsiung factory obtained ISO 27001:2022 third-party cybersecurity certification.	●	1. The Nanjing factory completes ISO 27001:2022 verification. 2. Kaohsiung Factory and Wujiang Factory achieve ISO 27001:2022 audit certification.	1. The audit department oversees and continuously obtains third-party cybersecurity certifications. 2. Guangzhou Factory completes ISO 27001:2022 certification in 2025.	
Information Security Simulation Drill	1. Conduct 1 social engineering simulation drill and 1 penetration test annually. 2. Regular vulnerability scans and source code checks. 3. Ensure that all online systems undergo 100% security testing and pass thirdparty cybersecurity certification.	●	1. Conduct 1 social engineering simulation drill and 1 penetration test annually 2. Regular vulnerability scans and source code checks. 3. Annually conduct risk evaluation and business continuity drills. 4. Zero significant cybersecurity incidents	1. Regularly provide cybersecurity education, training, and awareness. 2. Engage cybersecurity consulting firms to conduct annual social engineering simulation drill. 3. Zero significant cybersecurity incidents	

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Information Security Management System

Continuously maintaining information security and safeguarding confidential information has always been the core value of Radiant Opto-Electronics and a long-term goal. Information security management becomes increasingly complex with the continuous evolution of technology. Faced with these daunting challenges, Radiant Opto-Electronics remains committed to upholding the principles of information security. The organization actively promotes information security management systems internally to ensure the confidentiality, integrity, and availability of information assets, thereby ensuring the sustainable operation of the business.

Information Security Governance Organization

Radiant Opto-Electronics established the Information Security Systems Department in 2023, with Wang Chi, Director of the Group Information Management Department, appointed as the Chief Information Security Officer (CISO) for Radiant Opto-Electronics. Additionally, an Information Security Committee was formed, with Wang Chi serving as the convener. The purpose of the Information Security Management Committee is to ensure that information security-related policies align with the Company's strategic development, coordinate the resources needed for information security work, and oversee the effective implementation of information security policy objectives and measures. Therefore, members of the Information Security Management Committee are represented by department heads from various departments, including representatives from the Audit, Legal, and Finance departments, to facilitate comprehensive operation and implementation of the information security system.

The Information Security Committee shall hold a "Management Review Meeting" once a year and may convene ad hoc meetings as needed. Each year, through internal and external audits, we ensure that our operational practices comply with regulations, thereby safeguarding the confidentiality, integrity, and availability of our critical assets. The Wujiang factory passed ISO 27001:2013 verification for designated customer models in 2022; the Kaohsiung factory obtained ISO 27001:2022 Information Security Management System certification in 2023; the Nanjing factory is scheduled to implement ISO 27001:2022 in 2024, and the Guangzhou factory in 2025.

Information Security Governance Organizational Chart

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Information Security Management Policie

To strengthen information security management and ensure the confidentiality, integrity, and availability of the information assets belonging to the Company, in order to provide an information environment for the continuous operation of our information business and to comply with relevant regulations, thereby protecting against deliberate or accidental threats from internal or external sources, this policy has been established.

Vision and goals

1.Vision of Information Security Policy :

- Strengthen the knowledge of personnel
- Prevent data leakage
- Implement daily maintenance operations
- Ensure service availability

2.Based on the vision of the Information Security Policy, the following information security goals are proposed :

- Promote the enhancement of information security management, ensure compliance with regulations from external regulatory bodies, and adhere to the information security requirements stipulated in customer contracts, in order to safeguard the normal operation of the Company's business.
- Provide information security education and training to promote the awareness of information security and to strengthen the awareness of personnel's responsibilities.
- Safeguard the business activity information of the Company, prevent unauthorized access and modification, thereby ensuring its accuracy and integrity.
- Conduct regular internal and external audits to ensure that all relevant operations are implemented.
- Ensure that the Company's critical business systems maintain a certain level of system availability.

3.To achieve the aforementioned information security goals, annual to-do list, required resources, responsible personnel, expected completion time, evaluation methods, and assessment results should be formulated. Relevant supervision and measurement procedures should follow the Company's "ISMS Supervision and Measurement Management Procedure." This helps to identify any potential vulnerabilities in the program and address them promptly.

Systemic aspects

- Implement and drive of IT security policy
- Implement internal and external information security audit system
- Execution of information security risk assessment mechanism
- Compliance with information security ordinances
- Compliant with software and hardware licensing legalizati

Data aspects

- Protect information and data access security
- Protect information and data access security System acquisition, development, and maintenance security
- Information asset configuration management

Execution aspects

- Ensure ecient environmental and physical facility operations
- Management of information security incidents
- Monitor of internal and external communication security
- Sustaining the Corporation's operational continuity

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time	Exercise measures and results
2023.03	Email Social Engineering Drill and Email Social Engineering Information Security Education Training with a total of 3,000 participants. Conducted phishing email simulation with 30,000 emails and host five information security training sessions.
2022.07	Carried out 6 on-site operational continuity exercise plans.
2023.07	Implemented ISMS framework and added 41 new ISMS management procedures.
2023.10	Conducted penetration testing on 4 target systems, resulting in 6 medium-risk and 5 low-risk vulnerabilities identified. All vulnerabilities have been patched.
2023.11	Performed internal audit of ISMS, identifying 4 areas requiring corrective actions and successfully implementing improvement measures.
2023.12	ISO 27001:2022 certification for the Kaohsiung factory has been achieved.

Information Security Risk Management

After assessing the existing information security risks, the information department immediately implements preventive measures to strengthen the protection capacity of information security through the intelligent application of software and hardware systems. The expectation is to eliminate threats in the shortest possible time in the event of an information security incident, in order to ensure that the Corporation can maintain normal operations. The control strategies and practices are specifically as follows:

Assetsecurity configuration	Control Policy/Practices
Risk Prevention	▪ Information security policies are reviewed in November of each year and adjustments are made accordingly. ▪ We regularly educate all factory personnel on the information security policy and conduct social engineering drills with emails every year. ▪ Daily backup of important folders, preparing for restoration in case of emergency. ▪ The verification of the main host disaster recovery mechanism is carried out veach year to ensure the recovery of important systems.
Protective Facilities	▪ Smart software and hardware device protection, network endpoint management application, information system loophole scanning and introduce east-west network isolation to enhance virus protection on production line computerd and prevent execution of illegal software program.
Emergency Response	▪ Develop response plans for potential server room disasters and design a flowchart to streamline emergency operations. ▪ If a long-term power outage occurs without prior notification, the selfpowered generator at the Kaohsiung Factory will be utilized as a backup power source for the information systems of all factories in China. This will be done promptly to ensure uninterrupted connectivity.

Radiant Opto-Electronics has established an Information Security Management System (ISMS) based on the "Plan-Do-Check-Act" (PDCA) cycle to ensure its continuous improvement and effective operation.

- **Planning and Establishment (Plan) :** Formulation of company information policies and security procedures.
- **Implementation and Operation (Do) :** Execution of information measures implementation, security awareness campaigns, and personnel education and training.
- **Monitoring and Review (Check) :** Supervision of the implementation of various operations of the information security management system and conducting information asset risk assessments.

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- **Maintenance and Improvement (Act) :** Based on the results and recommendations of monitoring and review, establish improvement measures, and implement them while simultaneously improving internal operational procedures to ensure the smooth operation of the information security management system.

Product Information Security and Loopholes

Radiant Opto-Electronics Corporation has implemented management and control strategies and practices to address the financial impact of information security risks and vulnerabilities. For instance, the IT Department has established a backup redundancy mechanism and conducts regular recovery drills to mitigate the potential risk of system service interruption. Meanwhile, Radiant Opto-Electronics continues to monitor supply chain cybersecurity risks. Despite its backlight module products not containing information systems internally, Radiant Opto-Electronics manages its supply chain to mitigate risks such as counterfeit products, components, or production information security breaches. To carry out control on supply chain information security, Radiant Opto- Electronics Corporation introduced Multi-Factor Authentication (MFA) in 2022 to enhance the security of identity authentication.

Furthermore, most of the information systems used in the business operation of Radiant Opto-Electronics Corporation are based in the server room of the Kaohsiung Factory In this regard, the continuous operation of system services is extremely important. Therefore, important systems in the factory adopted mechanism of multi-host mutual backup, some are even stored in different server rooms for off-site backup to maintain the high availability of the system. With backups of important data from hosts, services can be quickly resumed through necessary data restoration, avoiding the loss of important information during emergencies or disasters, and reducing the risk of operational disruption.

The uninterrupted power system (UPS) in the server room was only capable of providing power for approximately 1-2 hours. To prevent unexpected power outages caused by natural disasters or other factors, the Corporation has installed an independent diesel generator system at the Kaohsiung Factory. This system has a power capacity that can support operations for more than 20 hours and can be refilled to meet uninterrupted power generation demands. By extending the usage time for power backup facilities, all information systems of the group can operate without interruption, eectively reducing the risk of information system failure due to power abnormalities.

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3.1 Economic Performance

Material Topics	Economic Performance
GRI Comparison	GRI 201: 2016
Policy	▪ Control Program for Business Operations ▪ Operating Policy for Radiant Opto-Electronics in 2023 ▪ Implementation Measures for Quality Assurance Basic Policy ▪ Green Product Environmental Management Substance Management Measures ▪ Customer Complaint Handling Procedures ▪ Customer Sample Confirmation Procedures
Commitment to Management Strategy	1. To stimulate new momentum in core competencies and to advance into growing industries 2. To exchange new technologies with customers and develop competitive products together 3. To leverage the benefits of vertical integration and expand the development of high value-added products 4. To be committed to research and development into low-carbon products and expanding the use of renewable energy 5. To master new product development and trial production parameter verification, and demonstrate high yield during the initial mass production phase 6. To emphasize creativity within the organization and create room for future growth
Communication Mechanism	Convening of the annual general shareholder meetings and a corporate briefing to ensure shareholders and investors are immediately informed of the Company's financial performance.
Concrete Actions	7. Convene a Shareholders' General Meeting and Corporate Briefing 8. Regularly convene key client technical exchange meetings

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Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
EPS	Maintain double digits or higher	●	Maintain double digits or higher	Continuously improve operational efficiency, actively invest in product innovation and industrial transformation, activate assets, and drive a new wave of growth momentum.	
GP Customer Complaint Irregularities	0 occurrences of abnormal customer complaints for GP	●	1. 0 occurrences of abnormal customer complaints for GP. 2. Green material qualification rate 100% 3. Green product returns: zero instances of quality failure costs		
Green material	Green material qualification rate 100%	●			
Foreign exchange risk	Exchange loss is less than the materiality standard for material information	Not achieved (note)	Exchange loss is less than the materiality standard for material information		
Tax risk	Zero penalties under tax regulations and application for tax incentives.	●	Zero penalties under tax regulations and application for tax incentives.		
Liquidity	Maintain available funds (with at least two months' worth of operating capital available)	●	Maintain available funds (with at least two months' worth of operating capital available)		
Investment risk	The interest rate shall not be lower than the interest rate on a US dollar deposit in which the Company has invested.	●	The interest rate shall not be lower than the interest rate on a US dollar deposit in which the Company has invested.		

Note: Due to the impact of easing inflation in the United States and market expectations of the Federal Reserve initiating interest rate cuts, Asian currencies appreciated, resulting in increased foreign exchange losses (translation losses).

For Radiant Opto-Electronics, 2023 was a challenging year. Despite remaining the primary supplier to brand customers, the severe fluctuations in the overall economy have impacted end-demand. In 2023, revenue reached its lowest point in nearly 14 years at 44.09 billion (YoY -24.9%), and the shipment volume of Backlight Module has been declining year by year, However, our gross profit margin has been increasing year by year, (18.5% in 2021 and 19.9% in 2022). In 2023, we achieved the highest gross profit margin since our listing in 2007, at 20.14%, with an EPS of 11.35 , earning back a share of our capital for the sixth consecutive year. Further solidify Radiant Opto-Electronics' leading position in the profitability of the backlight module industry.

2023 was also a year full of inspiration. We have witnessed the deep and unpredictable impact of the overall economy and geopolitics on the entire industry chain, with rapidly shrinking visibility into customer demand. In the face of numerous uncontrollable external factors, the only thing we can control is our own behavior. Despite the pandemic and the overall economic impact, Radiant's profitability has remained stable and even strengthened in recent years, reaffirming our commitment to the right endeavors. Precision optical components will continue to evolve towards lighter and thinner designs with smaller pattern structures. There will be a stronger demand for Optical Solution, and customers and suppliers will require professional and long-term strategic partners. The operational capabilities honed by Radiant over the past 10 years have provided

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a solid foundation. However, we still need to initiate several critical strategic investments and demonstrate even more precise execution capabilities in order to create maximum value for the company, customers, and shareholders in the long term.

The backlight module business of Opto-Electronics Corporation accounted for 100% of the Corporation's total revenue. In 2023, the Corporation's consolidated operating income reached NT$44.09 billion, with earnings per share of NT$11.35. The total income tax expenses for the year were NT$2.2 billion. All business segments are operated in accordance with applicable local tax regulations, relevant financial information is published on the Corporation's website regularly. A consolidated profit & loss statement is also prepared annually in accordance with International Financial Reporting Standards. For the remaining information in details, please refer to the 2023 Annual Report of the Corporation.

Consolidated Statement of Comprehensive Income (Unit: NT$ thousand)

Item	2021	2022	2023
Operating revenue	56,924,059	58,700,962	44,088,580
Operating cost	46,364,505	47,021,980	35,210,978
Gross operating profit	10,559,554	11,678,982	8,877,602
Operating expenses	3,224,083	3,638,965	3,296,282
Other operating income and expenses	227,384	185,937	140,231
Operating income (loss)	7,562,855	8,225,954	5,721,551
Net non-operating income and (expense)	(30,559)	4,441,457	1,820,766
Net profit before tax	7,532,296	12,667,411	7,542,317
Income tax expenses	2,342,321	5,940,437	2,266,354
Net profit for the current period	5,189,975	6,726,974	5,275,963
Earnings Per Share (NT$)	11.16	14.47	11.35

Consolidated financial income and expenses and profitability analysis

Item		2021	2022	2023
Finance Income and Expenditure	Operating revenue	56,924,059	58,700,962	44,088,580
	OOperating cost	46,364,505	47,021,980	35,210,978
	Profit after tax	5,189,975	6,726,974	5,275,963
Profitability	Return on assets (%)	8.55	10.28	8.87
	Return on shareholders' equity (%)	17.27	20.80	15.45
	Percentage of paid-up capital (%) - operating profit	162.63	176.89	123.04
	Percentage of paid-up capital ratio (%) - profits before tax	161.98	272.40	162.19
	Profit margin (%)	9.12	11.46	11.97
	Earnings Per Share (NT$)	11.16	14.47	11.35

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Direct economic value generated and distributed by the Organization

Item (Unit: NT$ thousand)		2021	2022	2023
Direct economic value generated	Operating income (Including net sales plus income from financial investments and asset sales)	56,924,059	58,700,962	44,088,580
	Non-operating income (Interest on financial loans; dividend income from holding shares; royalties; direct income from assets; tangible assets; intangible assets)	620,655	1,084,594	2,256,750
Economic value distributed	Operating cost (including rent, licensing fees, venue and equipment usage fees, royalties, outsourced labor fees, education and training fees, and fees for personal protective clothing)	41,331,041	41,836,785	31,155,110
	Employee Salaries and Benefits (including salary, employee tax, unemployment fund, pension, insurance premium, business car, private medical, housing subsidy, interest-free loans, public transportation subsidy, education allowance, and severance pay)	6,676,491	7,121,915	5,730,812
	Payments to contributors (e.g., Board of Directors, shareholders, interest payments on lenders' debts or loans, dividends not paid to preferred stock shareholders)	3,816,704	3,720,218	4,650,273
	Payments to government (Business tax, income tax, property tax)	1,670,141	3,104,485	2,221,480
	Social investment (donations to charitable organizations or arts and educational activities, community recreational facilities)	4,000	5,004	4,034
Economic value retained		4,046,347	3,997,149	2,583,621

Note: Retained economic value = Direct economic value generated - Economic value distributed

Taxation Policies and Governance

Radiant Opto-Electronics Corporation has established a tax governance policy in response to the international trend of tax governance and to effectively control tax risks, create long-term corporate value, ensure compliance with tax regulations, and fulfill corporate social responsibility, Radiant has established the "Taxation Policies and Management Measures." These were approved by the Board of Directors on December 28, 2023, to fully protect the interests of the Company and its investors. The Board of Directors is the highest authority for effective tax management at Radiant Opto-Electronics, responsible for the approval of tax policies and overseeing the effective operation of the tax management system. The executive units responsible for all types of taxes are the accounting departments of Radiant Opto-Electronics Corporation and its subsidiaries are the executive units responsible for all types of taxes.

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Radiant Opto-Electronics Corporation Taxation Policies:

The tax governance of Radiant Opto-Electronics follows principles of integrity and prudence. The upheld tax policies are as follows :

1 Compliance with laws and regulations

Comply with local tax laws in each country and adhere to international tax standards, honestly declare and fully pay tax liabilities, and fulfill the social responsibilities of a taxpayer.

2 Avoid inappropriate tax planning

Carefully evaluate all investment structures and transaction models to ensure they align with economic substance and legitimate business purposes, and not use tax havens for planning or deliberately transfer profits to countries or regions with low tax rates for the purpose of tax avoidance.

3 Related Party Transactions

In accordance with the Transfer Pricing Guidelines published by the Organization for Economic Co-operation and Development (OECD), related party transactions are structured to comply with the principle and applicable transfer pricing regulations.

4 Evaluation of tax risk

Significant transactions and decisions of the Company should take into account the impact of taxation. It is essential to prudently assess the tax risks associated with economic risks and changes in tax regulations in the countries where the companies operate, and to devise appropriate response measures.

5 Information Disclosure

Tax information disclosure is handled in accordance with relevant legal regulations and standards.

6 Relationship with Tax Authorities

The Company is committed to establishing a relationship of mutual trust and honest communication with tax authorities. Timely discussions on tax issues and providing perspectives based on industry practices are prioritized to aid in the improvement of the tax environment.

Policy on communication with stakeholders on tax-related issues:

Radiant Opto-Electronics Corporation's primary stakeholders are the government tax authorities. Tax reporting and payment operations are conducted in accompliance with the relevant laws and regulations of each country. In cases of daily operations, if there is any uncertainty regarding the applicable laws and regulations during daily operations, we directly contact the governmental authorities directly or through the local accounting firms to inquire about the appropriate handling method. Should there be a tax audit undertaken, we will maintain an open and good communication relationship with the tax inspection authority at all times and cooperate with the tax authorities in the inspection.

To showcase the transparency of Radiant Opto-Electronics Corporation's tax governance policy, we aim to reach out to other stakeholders, including shareholders and investors. Additionally, we will address any tax-related concerns raised by stakeholders through the Stakeholders Area of Radiant Opto-Electronics Corporation's social website, the annual report, and the shareholders' meeting.

Tax-related Penalties

Radiant Opto-Electronics experienced no significant fines in 2023. The Company will continue to strengthen its tax management system, basing its approach on transparency, public disclosure, and compliance with laws, in order to implement sustainable corporate development.
(Note: Significant fines refer to penalties exceeding NT$1 million for violations.)

Financial Subsidies from the Government

In the fiscal year 2023, the Company received financial and tax subsidies totaling NT$2,167 thousand from the government of the Republic of China. Additionally, subsidies totaling NT$619,126 thousand were obtained from the governments of other countries

Countries	Subsidy Program	Subsidy amount (Unit: NT$ thousand)
The Republic of China	Tax reductions and credits, government subsidies	2,167
Mainland China	Tax reductions and credits, government subsidies	619,126

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3.2 Product Responsibility and Innovation

Material Topics	Product Responsibility and Innovation
GRI Comparison	GRI 417: 2016
Policy	▪ Operating Policy for Radiant Opto-Electronics in 2023 ▪ Review management of patents and technical confidentiality ▪ Control Program for Business Operations
Commitment to Management Strategy	1. The Company controls market trends, understands customer needs, and proposes design solutions that aim to meet customer satisfaction. 2. With extensive autonomous capabilities in opto-mechatronics, data analysis, and smart manufacturing. 3. Continue to develop high-value new products through superior research and development of new technologies. 4. Enhance the technical capabilities of the Backlight Module to ensure the quality of the development phase prototypes.
Commitment to Management Strategy	The Company has established annual R&D KPIs and patent application goals. Regular reviews are conducted to assess the efficacy of patents and trade secrets.
Concrete Actions	1. Technical exchange meetings with key clients are held at least once every quarter to semi-annually. 2. Customer satisfaction exceeds 90%.

Product Responsibility and Innovation

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
Product Development	1. To cater to our niche customers, we offer customized new product design solutions, develop high-contrast technology, and provide cost-effective products that are more attractive to the market. 2. Diversify operations by leveraging existing funds to invest in promising technologies. 3. Assist strategic partners in validating advanced product specifications, providing effective solutions for low-power energy-saving products.	● Note1	1. Promote highly optimized products, providing feasibility for mass production and expanding product reach. 2. Develop high-contrast products to rival OLED/Micro LED technology, boosting revenue potential.	1. Strategically plan and expand into new markets in the Southbound direction, establishing internationally renowned manufacturing capabilities. 2. Stay abreast of market trends, offering competitive technology and products to meet market demands.	

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Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Product Development (Core Product)	1. 1.Number of Product Development (European and American customers ≥ 5, Japanese customers ≥ 2, Vehicle type ≥ 10, New Technology Projects ≥ 2) 2. 16 Product patent designs (including 9 for technical research and development; 7 for product development)	●	1. Number of Product Development (Automotive 2D models acceptance rate: Total ≥ 11; Front light panel acceptance models: Total ≥ 5; New Technology Projects: Total ≥ 7) 2. 21 Product patent designs (including 9 for technical research and development; 12 for product development)	1. Expand the scope of vehicle-mounted models, projected to account for 20% of sales revenue by 2028. 2. Investing in the development of new products related to the industry	
Product Development (Lighting Products)	1. DPBU Smart Manufacturing Platform System 2. Certifications for Lighting Products: UL-1 series, CE-1series 3. DPBU patent designs: 5 4. DPBU New Product/New Technology Development: 3	● Note2	1. Achievement of sales to more than 10 customers for lighting products, with acquisition of VOC 2. Lighting product development: Completion of Taiwan Energy Label certification for flat panel lighting products 3. Lighting product certifications: Completion of Health Lighting Specification tests for 4 product series	1. Profitability of Lighting Business in 2025 2. Growth in production and marketing of lighting business	
Packaging materials recycling rate	Packaging materials recycling rate 95%	●	Packaging materials recycling rate 96%	Packaging materials recycling rate 98%	
Full capacity rate of transportation	Full capacity rate of transportation 90%	●	Full capacity rate of transportation 91%	Full capacity rate of transportation 95%	
Addition of regrind materials	Addition of regrind materials 20%	●	Addition of regrind materials 22%	Addition of regrind materials 30%	
Energy saving in production	Electricity savings per PCS BLU for each plant's production: Wujiang Factory: 1.5; Nanjing Factory: 1.4; Guangzhou Factory: 6.5; Kaohsiung plant:7.2 (Unit: 10-6 kWh)	● Unit Correction	Electricity savings per PCS BLU for each plant's production: Wujiang Factory: 13; Nanjing Factory: 1.85; Guangzhou Factory: 2.15; Kaohsiung plant: 26.95 (Unit: 10-2 kWh)	Electricity savings per PCS BLU for each plant's production: Wujiang Factory: 12.35; Nanjing Factory: 1.76; Guangzhou Factory: 2.04; Kaohsiung plant: 25.6 (Unit: 10-2 kWh)	
Patent Application	1. Cumulative number of patent applications worldwide are over 1,850 Note3 2. Ranked among the top 100 corporate invention patent applications in Taiwan 3. Re-verification of Guangzhou factory implementation standards, and re-verification of TIPS at the Kaohsiung plant	●	1. Cumulative number of invention patent applications worldwide are over 2,000 2. Ranked among the top 100 corporate patent applications in Taiwan	3. Cumulative number of invention patent applications worldwide are over 2,500 4. Ranked among the top 100 corporate patent applications in Taiwan	

Note 1 : For the third indicator, because customers proposed improving contrast when verifying advanced product specifications, no effective solution has yet been provided

Note 2 : The third and fourth indicators are temporarily suspended due to the adjustment of the group's overall development strategy.

Note 3 : The original target was 1,650 pieces, but was later adjusted to a more aggressive target.

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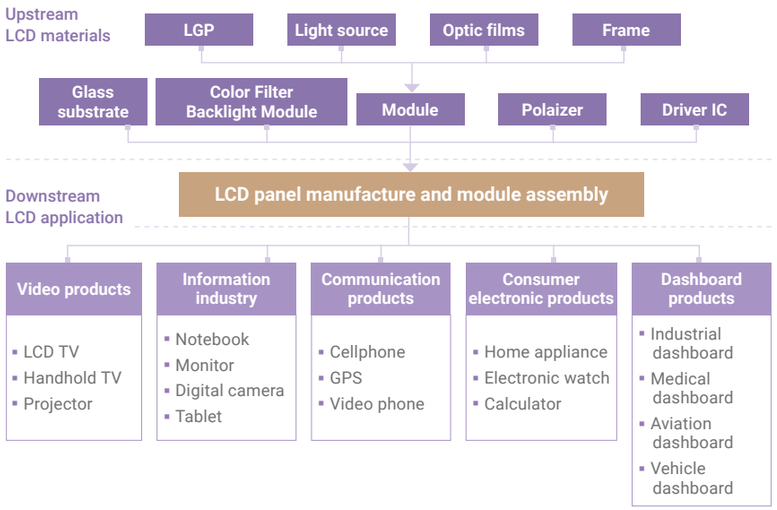
Introduction to the Operating Principles of Core Products

Global electronic devices are evolving rapidly, with the introduction and commercialization of key new technologies such as smartphones, wearable electronics, virtual/augmented reality, artificial intelligence, autonomous driving, electric vehicles, products featuring voice control, and the Internet of Things market. Traditional major categories of electronics, including Computers, Communications, Consumer Electronics, and Automotive Electronics, are advancing towards trends of higher processing capabilities, lightweight designs, multifunctionality, energy-saving, and high integration.

Radiant Opto-Electronics'core product is the "Backlight Module". As liquid crystals do not emit light on their own, the importance of backlight modules is accentuated. Through optical design, they provide a uniform and sufficient light source for the LCD panels, allowing light to pass through the liquid crystal and convey displayed content to the user's eyes. In addition to assembling backlight modules, Radiant has established complete mold and molding factories focused on light guide plates, LCM modules, LED lights, and related technology research and development, while holding multiple key patented technologies. This provides comprehensive technical support and on-site service, enhancing corporate competitiveness.

Radiant Opto-Electronics is an upstream manufacturer in the panel industry, mainly producing backlight modules that provide uniform and sufficient brightness for various information, communication, and consumer products, making them a crucial component of TFT-LCDs. The industry structure can be broken down to material, panel, module and upstream materials for LCDs. Besides the backlight module, the upstream materials include glass substrate, color filter, polarizer and driver IC. The upstream raw material industries include LGP, light source, optic films and plastic frame, while the downstream includes the manufacture and assembly of LCD panel and a range of applications for all kinds of electronics.

Supply Chain Network Diagram



In 2023, the production and shipment of Mini LED backlight modules continued steadily. Additionally, our endeavors in the in-car application market begun to yield results after years of hard work. With certifications from module plates and the customers of the car manufacturers, the Corporation has successfully entered into the supply chain of well-known car manufacturers in Europe and the United States. As a result, in-car products have become another niche product for the Corporation, in addition to tablets and laptops.

Furthermore, Radiant Opto-Electronics Corporation provides full technical supports and on-site services. Upon receipt of order and within the warranty period, customers may contact our customer service personnel to arrange for return, exchange, repair and transportation, if they have any problems or concerns related to product quality. The customer service department is responsible for collecting customer feedback and periodically reviewing the Verified Line Reject Ratio (VLRR) periodically, to improve in product quality at the factory through defect analysis. Their goal is to meet the satisfaction level of customers to the best of their ability.

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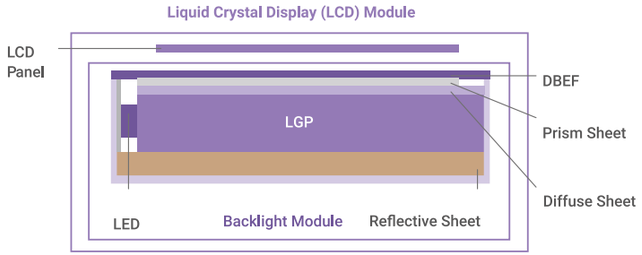
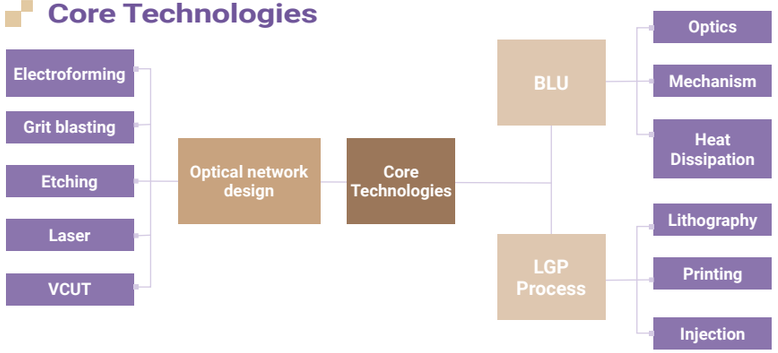
Diagram of Backlight Module



Research and Development of Key Products and Core Technology

In recent years, the end consumer product market for panels has experienced fluctuations. It is expected that the key to end application product market will shift from quantity to specifications in the future. In response to increasing consumer demands for higher product specifications, all panel factories have successively adjusted the production line configuration, continued to develop new technologies, as well as introducing new materials. The main application products have continued to focus on other small and medium panels, such as vehicle panels or medical panels. LCD displays have continued to develop in the direction of energy efficiency, enhanced performance, high brightness, low power consumption, high resolution, and high color saturation, aligning with energy-efficient and green design principles. Technologies such as quantum dots (QD), wide color gamut, transparent display, and other light sources have also begun to be introduced. They have become the key to improving panel technology and product quality.

Core Technologies



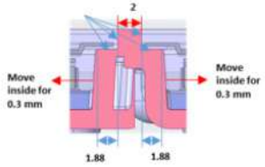
LGF

Radiant Opto-Electronics Corporation is committed to adapting to the ever-changing market by improving key technologies, and strengthening the patent layout to expand the core technology foundation. Current trends in the development of backlight modules are mainly towards the directions of privacy, brightness, thinning, high efficiency, wide colour gamut, narrow frame, HDR, Mini LED, and VR/AR.

In terms of the privacy feature, Radiant Opto-Electronics Corporation applied the technology of Switch Cell technology combined with privacy protection film to achieve the privacy protection function of the left and right screen. We have also designed an exclusive technology to meet the high brightness requirements of our products.

Moreover, we continue to strengthen the technologies related to automotive products. By integrating optical, mechanical, and electrical design experience, and collaborating with clients to develop customized products, we enhance customer trust and loyalty towards Radiant's technical capabilities. Leveraging the optical design expertise and product development foundation of Radiant's BLUs, new product development aims to meet future demands for high contrast and high-definition in automotive models.

- Narrow border
- Decoration
- Thermal dissipation by Fans
- Light cut to window
- MTD
- Power saving
- Viewing angle
- Narrow boundary



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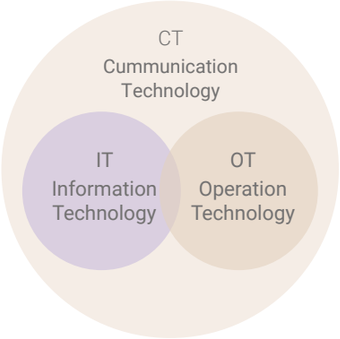
In addition, in order to compete with OLED displays, Radiant Opto-Electronics Corporation and our end customer have jointly developed a straight-down Mini LED model with Full Array Local Dimming. The local dimming feature enables the display to meet the high dynamic contrast (HDR) standard, with a contrast ratio of up to 1,000,000: 1 in the end product. This provides an advantage in picture quality of LCD displays, making them comparable to OLED displays.

In recent years, Radiant Opto-Electronics Corporation has constructed Smart Production lines for the Corporation and continuously recruited and cultivated talent. The Corporation has utilized existing IoT technology and systems to apply IOT solutions was applied across to the production line. This integration of data includes personnel scheduling control, early warning maintenance for machinery equipments, purchasing quality control, automatic line switching, and industrial safety monitoring. These solutions provide an optimal production solution, enabling the Corporation to foresee problems and to take early action.

Three Main Infrastructure of Smart Production Line



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Shipment volume by product category

Radiant Opto-Electronics Corporation prepares production capacity according to customer needs. The consolidated revenue in 2023 was NT$44.09 billion, and the production volume by product category was as follows:

Mobile devices (tablets, cell phones)	51,410
IT (laptops, monitors)	37,211
Other Backlight Modules	2,390
Total Backlight Modules (Unit: Thousands)	91,011
Consolidated Revenue (Billion)	NT$44.09 billion

Customer Satisfaction

Radiant Opto-Electronics is committed to “achieving customer satisfaction,” which it prioritizes in the delivery of its products and services. The Company conducts an annual “Customer Satisfaction Survey” to gauge whether it has met its five service objectives: “delivery,” “quality,” “service,” “development,” and “ harmful substances free/green products.” Based on the feedback, the Company continuously improves in areas of customer concern, striving for excellence in the products and services it provides. In the professional backlight modules industry, our goal is to earn recognition from customers, and becoming the preferred partner critical to their success.

Since 2019, the Corporation has maintained a high level of customer satisfaction, consistently above 90% for five consecutive years. Furthermore, customer satisfaction has steadily increased over time. This not only represents a positive interaction between the Corporation and its customers, but also demonstrates our customers’ positive feedback on our products and services. In 2023, the Corporation achieved an outstanding customer satisfaction score of 95.23%.

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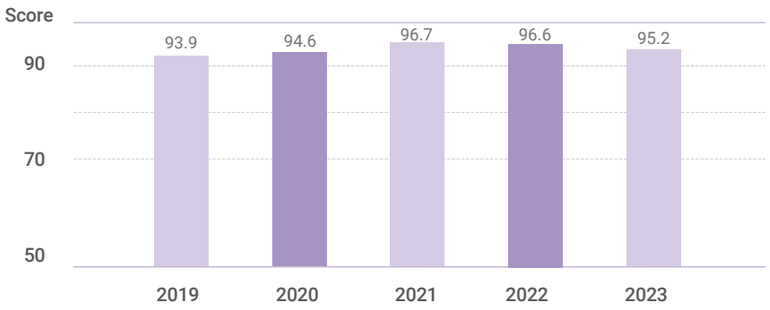
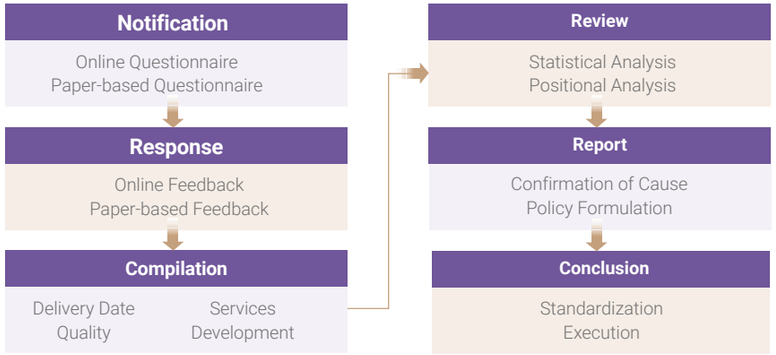
Customer satisfaction survey



Customer Satisfaction Survey Process

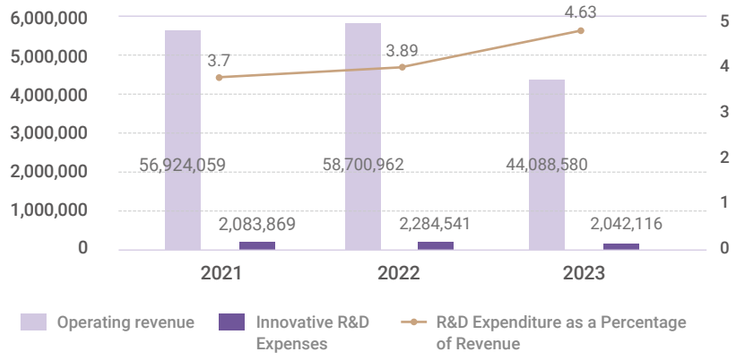


Investment in Research and Development Resources

Radiant Opto-Electronics continues to dedicate itself to the research and development of panel technology and related products. In the fiscal year 2023, the Company invested approximately NT$2,042,116 thousand in R&D expenses, which accounted for 4.63% of its total revenue. In anticipation of future innovations in manufacturing processes and new product development, the Company plans to continue investing 3-4% of its operating income in R&D expenses for 2024. These funds are primarily allocated to the advancement of optical design, mold design and manufacturing technology, injection LGP technology, non-injection LGF, and research and development in Mini LED processes, maintaining its leadership position in the industry.

In 2023, Radiant Opto-Electronics' Taiwan facility employed 238 R&D-related staff members, accounting for 27.2% of the total workforce. Leveraging the diverse expertise of talent across various domains, these professionals significantly contribute to the overall R&D synergy of Radiant Opto-Electronics. The Company continues to focus on research and development, with the proportion of R&D personnel and R&D expenditures increasing annually in response to the Company's long-term growth and strategic planning. By continuously investing in research and development resources, Radiant Opto-Electronics aims to reinforce its global leadership in technology and product innovation, consistently delivering more advanced and environmentally friendly products, contributing to the sustainable development of society and the environment.

Recent Three-Year Investment in Innovative Research and Development



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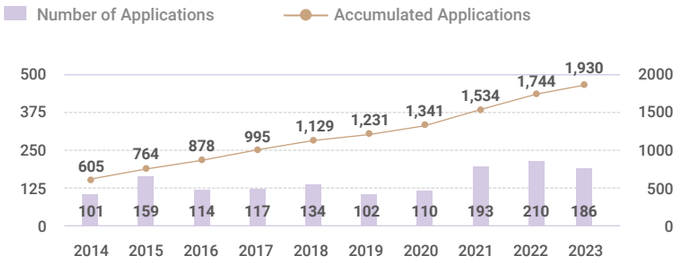
Patent Research and Development Strategy

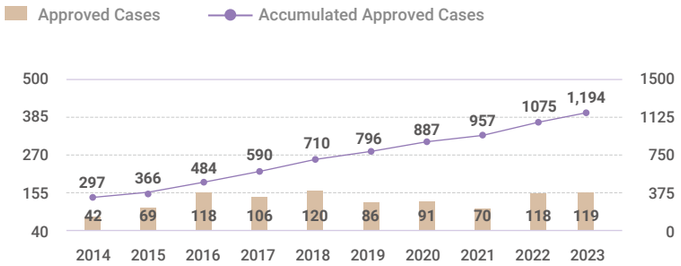
In regards to patent application strategy, the Corporation's primary focus is currently on China, Taiwan, and the United States. Additionally, patent applications have been filed in Japan, South Korea, and Europe based on production and market requirements. These applications serve as a backup plan to handle potential patent wars and also have the potential to generate patent revenue. This year, Radiant Opto-Electronics has expanded its reach by acquiring Nanocomp, a company based in Finland, and obtaining patented technology in a new field. This strategic move not only strengthens Radiant Opto-Electronics' patent portfolio, but also leverages the technological advantages of both Radiant Opto-Electronics and Nanocomp. By integrating their expertise, it creates higher technical barriers for competitors attempting to enter the market, thereby ensuring Radiant Opto-Electronics maintains its technological edge.

Radiant Opto-Electronics Corporation submits nearly 100 patent proposals annually and has amassed over 1,190 local and international patent applications. For three consecutive years since 2020, we have been ranked among the top 100 corporate invention patent applications in Taiwan, with our ranking improving each year. The patent technology of Radiant Opto-Electronics Corporation primarily originates from the Corporation's R&D activities and creative thinking. The introduction of the Taiwan Intellectual Property Management System (TIPS) has strengthened the interaction between the R&D and intellectual property units. In addition to the continual updates to the patent prior art database by the IP units, which aid in providing similar patent data for reference during proposal discussions, this year has seen a collaboration with the IT department to develop the PATS Intellectual Property Management System. This system has enabled the online submission of patent proposals internally at Radiant, allowing R&D colleagues to conduct cross-departmental patent proposal searches during the ideation phase. This not only reduces redundant research manpower and resource consumption but also increases R&D efficiency, ensuring the continuity and maintenance of advanced technological developments. In recent years, the number of proposals passing the internal preliminary examination has met the target set by the intellectual property management. Additionally, the number of patent applications has continued to grow, resulting in an improvement in both the quality and quantity of intellectual property accumulation. We anticipate completing the strategic deployment of intellectual property rights by utilizing TIPS.

Patent Application Statistics in Recent Years



Approved Patent Statistics in Recent Years



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Radiant Opto-Electronics - "Bringing a New Sensory Experience to Shadow Puppetry through Projection Technology" Patent Highlights Column

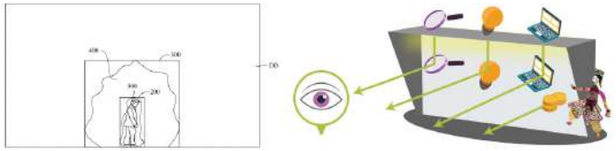
【Chinese Invention Name】特效投影方法與特效投影系統
【English Invention Name】SPECIAL EFFECT PROJECTION METHOD AND SPECIAL EFFECT PROJECTION SYSTEM

Previous Technology Challenges

The current forms of traditional theatrical performances such as shadow puppetry largely adhere to the old methods of using fabric screens, puppets, lighting, and music, without incorporating the rapidly evolving technological effects. This often leads to audiences feeling less engaged and interested in the performances. Due to the lack of innovation in performance styles, it is challenging to attract more people to experience and support traditional forms like shadow puppetry, consequently making the preservation and transmission of these traditional arts increasingly difficult.

Patent Abstract:

Leveraging core optoelectronics technology, this invention introduces a novel special effects projection method and system designed to enhance the diversity of performance styles. The special effects projection system is implemented to execute the special effects projection method. Within these special effects projection method, special effects images are loaded, and dynamic images of 2D target objects within a streaming video are recognized. The object coordinates of the 2D target objects are converted into special effects coordinate regions. Based on the dynamic images, special effects images are activated within these special effects coordinate regions, allowing the special effects images to dynamically track the movements of the 2D target objects, thereby enriching the performance experience.



Intellectual Property Management

Our Guangzhou Factory has followed the global trend of Intellectual Property Management by adopting the "National Standard for Corporate Intellectual Property Management" introduced by the Chinese government in 2018. The factory received its verification certificate in 2019, and successfully passed the verification again in 2021. Similarly, our Kaohsiung plant implemented TIPS in 2019 and developed its own intellectual property management system, which is now applicable to the Corporation's existing procedures. The Kaohsiung plant received its first verification certificate in 2020, and successfully passed the verification again in 2022, renewing its certificate for two years.

Moreover, Radiant Opto-Electronics has established a clear intellectual property management policy:

I. Continuing to accumulate intellectual property power.
II. Enhancing the intellectual and financial knowledge of all employees.
III. Strengthening business secrets protection measures.

Through the aforementioned management policy, Radiant Opto-Electronics aims to cultivate an awareness of intellectual property among employees and prevent the leakage of trade secrets. The policy also involves assessing the intellectual property risks during the daily operations of various departments and taking measures to mitigate these risks.

Intellectual Property Management Goals for Radiant Opto-Electronics Corporation

Every year, policy objectives for Intellectual Property Management are set for the Corporation, which are discussed and announced at the TIPS Management Review Meeting and reported to the Board of Directors.

Intellectual Property Management Goals for 2023:

1. Planning of at least 20 patent proposals in relevant technical fields.
2. Completion of a combat manual for handling corporate patent litigation crises.
3. All employees are required to complete a "Confidential Information Management Course."
4. Publish two write-ups on confidentiality awareness or concepts on intellectual property.

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3.3 Development of Green Products

Radiant Opto-Electronics Corporation has made green products as the focus of their research and development efforts, integrating Life Cycle Thinking (LCT) and Design for Environment principles right from the development stage. This integration results in a reduction in the use of hazardous substances during product manufacturing. From a supply chain management perspective, the Company strengthens the quality management of raw materials and enforces the restriction of hazardous substances, incorporating various ISO certifications. Product design emphasizes reducing energy resource use, enhancing efficiency, minimizing material use, and reducing waste generation. Finally, after the product is shipped, a comprehensive packaging material recycling mechanism is established. Overall, Radiant Opto-Electronics aims to leverage the power of green products, green design, and green manufacturing to create sustainable possibilities.

Green Product Design	Green Manufacturing	Green Transportation
Reduce the use of energy resources and enhance their efficiency, minimize material usage and waste generation.	Decrease the use of hazardous substances, strengthen upstream management in product raw material quality control, and enhance restrictions on prohibited substances.	After product shipment, establish a comprehensive packaging recovery system and optimize the shipping and transportation models to achieve energy conservation and carbon reduction objectives.

Quality Management

The Company focuses on "Product Management, Education and Training, Conflict Minerals" as the three main pillars of green product management. From product development and design to final inspection and delivery, green product control requirements are incorporated into standard control and execution at each stage. We have also established a green material control platform, where the Green Product Team strictly requires suppliers to comply with Radiant's "Environmental Management Substance Management Specification."

In order to uphold the provision of the highest quality products, the Company manufactures products through rigorous standard requirements. In addition to adhering to the "Restriction of Hazardous Substances Directive (RoHS) in electrical and electronic equipment" announced by the European Union, we also strictly comply with the spirit of REACH regulations to control the use of chemical substances. Furthermore, we regularly gather information on major international environmental laws and regulations to stay abreast of the latest environmental trends. Our goal is to establish a robust green supply chain and minimize the impacts of our products on the environment and human health.

Hazardous Substance Management

Radiant Opto-Electronics is committed to providing core products that meet customer needs and possess competitive market value. As a member of the global village, Radiant Opto-Electronics takes environmental protection as its responsibility, controlling resource acquisition and consumption at the source to minimize the environmental impact of its products. Overall, the scope of prohibited and restricted substances has expanded annually in response to international regulations and customer requirements. The compliance rate for our products has consistently reached 100% over the years.

Response to International Management of Hazardous Substances

Controlled Items	Compliance Status at Radiant Opto-Electronics
EU Restriction of Hazardous Substances Directive (EU RoHS)	Compliant with requirements
EU Registration, Evaluation, Authorization and Restriction of Chemicals Regulation (EU REACH)	Compliant with requirements

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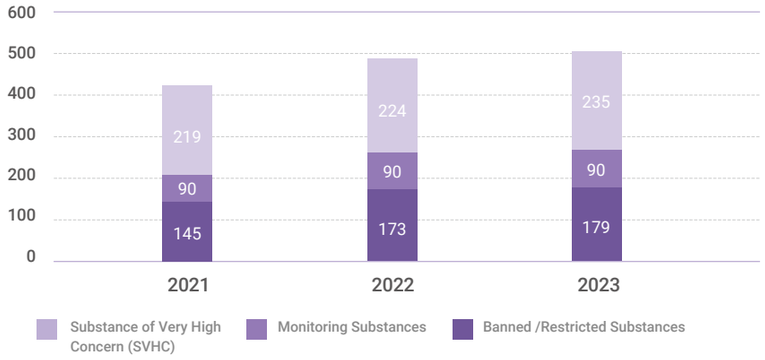
Radiant Opto-Electronics has implemented the Hazardous Substance Management System QC 080000 to ensure that our products comply with EU regulations on restricted substances in electronic products (such as the EU RoHS and REACH chemical regulations) and global chemical control standards. We have established the "Radiant Opto-Electronics Environmental Substance Management Specification" as the standard for managing banned/restricted chemicals in the supply chain, strictly controlling all products, components, and materials to meet international and customer requirements for Hazardous Substance Free (HSF) products. Moreover, Radiant Opto-Electronics has introduced a digital platform, GPARS, to establish a comprehensive management system for materials free of hazardous substances, enhancing our control over source materials. To promptly respond to the latest international standards and regulations, the Quality Assurance unit at Radiant Opto-Electronics conducts monthly reviews of international conventions such as the EU RoHS and customer environmental requirements. Any changes in banned or restricted substances are recorded in the "Environmental Management System Regulations and Customer Requirements Regular Review Table."

In 2023, the types of controlled substances at Radiant Opto-Electronics reached 179, with 90 substances under observation and 235 substances being monitored. In addition, the latest additions to the REACH regulation include the 28th batch of SVHC controlled substances list, encompassing Tetrabromobisphenol A, Bisphenol S, Melamine, 4-Hydroxybenzoic acid 2-methylpropyl ester, and 1,2-Bis(2,4,6-tribromophenoxy)ethane, etc.

In the future, Radiant Opto-Electronics will continue to adhere to international regulations, customer requirements, and environmental trends, regularly reviewing the current state of hazardous substance management and prohibiting relevant hazardous substances. We will timely update our hazardous substance management standards, striving to minimize the impact on ecosystems, and commit to protecting the natural environment and maintaining biodiversity.

Historical Data on Managed Quantities of Banned/Restricted Substances (Unit: Types)



Radiant Opto-Electronics Corporation ensures excellent product quality by strictly controlling the quality of our products, and following our internal inspection procedures for incoming and outgoing semi-finished and finished products. Once the finished product passes the independent inspection of the production line, it undergoes inspection by the quality control unit. The label of the outer box is then axed with a qualification seal, after which the warehouse sta can allocate the finished product into the final product warehouse.

Based on the shipment list, the warehouse personnel must follow the Lot No. to first check in and check out products. They must confirm that the outer box's material number, batch, name, and quantity match, and check for the qualification seal on the outer box. Once the inspection is complete, the conformity seal will be marked according to the customer's requirements, and make the shipment inspection report will be marked on the outer box.

Radiant Opto-Electronics is committed to providing our customers with high-quality "green products," which are considered crucial to our internal lean management practices. To enhance all employees' awareness of green products, Radiant Opto-Electronics includes green product education and training as part of the orientation program for all new hires. The training curriculum covers topics such as understanding international environmental regulations, green design standards, types of hazardous substances in products, and best practices for green supply chain management. In 2023, the proportion of new employees who received green product education training reached 100%.

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Quality Management System

As a global leader in the backlight module industry, Radiant Opto-Electronics has established a rigorous quality management system in accordance with international standards such as ISO 9001, IATF 16949, and QC 080000 to ensure quality control for our customers. In response to market changes and advancements in technology, Radiant Opto-Electronics continuously reviews and improves our processes using the PDCA (Plan-Do-Check-Act) approach, providing high-quality backlight module manufacturing services and developing a customer-oriented quality management system. All Radiant Opto-Electronics facilities have passed third-party verification under ISO 9001:2015. Moving forward, we will maintain our commitment to continuous improvement and ongoing enhancement of product quality.

Three Key Policies of Radiant Opto-Electronics Green Product Management

- Improvement at the Source: Uphold the source management operational model by synchronizing new product development with supplier management to achieve stable production processes within the factory.
- Focus on the Process: Enhance the performance of systems and data collection analysis, using key performance indicators to improve the stability and quality of production.
- Pursue Excellence: Develop diverse products to become the preferred choice for customers and accelerate digital transformation to create intelligent manufacturing capabilities.

Management System Authentication/Verification Scope

Category	Standard System	Range of Factory Zone			
		Kaohsiung plant	Wujiang plant	Nanjing plant	Guangzhou plant
Quality Management	ISO 9001 Quality Management System	●	●	●	●
	IATF 16949 Automotive Quality Management System	●	●		
	UL Product Safety	●	●	●	●
	QC 080000 Hazardous Materials Process Management System		●	●	●
	ESD S20.20 Electrostatic discharge protection certification		●		
Information Security	ISO 27001 Information Security Management System	●	● Note 1		
Environmental Management	ISO 14001 Environmental Management System	●	●	●	●
	ISO 14064-1 Greenhouse Gas Validation and Verification	●	●	●	●
Occupational Safety and Health	ISO 45001 Occupational Health and Safety Management System	●	●	●	●
Energy Management	ISO 50001 Energy Management System	Note 2	Note3	Note3	Note3

Notes1: Fence Audit.
Notes2: Scheduled for evidence collection in Q1 2024.
Notes3: Scheduled for evidence collection in Q3 2024.

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Declaration of Conflict Minerals

The "Environmental & Substances Management Standards" established by Radiant Opto-Electronics Corporation strictly prohibits the use of conflict minerals in our products. Additionally, we regularly investigates the sources of metals used by our suppliers to ensure that the high-risk metals, such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn), tungsten (W), cobalt (Co), palladium (Pd), or other minerals sourced from illegal mining areas in the Democratic Republic of the Congo or its neighboring countries, as well as timber, paper, and other plant-based products derived from tropical rainforest materials, are not used. Should it be discovered that a supplier's components contain conflict minerals, necessary actions will be taken, and their use will be immediately discontinued. As of the end of 2023, there have been no incidents of non-compliance with the above statement regarding conflict minerals. Moving forward, Radiant Opto-Electronics will continue to monitor this issue, aiming to mitigate the impacts of mineral-related issues and continuously meet regulatory and customer requirements.

Green Innovation

Radiant Opto-Electronics Corporation incorporates environmental friendliness, the use of low-pollution materials, and the reuse of recycled materials into our product development and design process from the very beginning. This includes the use of raw materials, improving energy efficiency, the thinning of products, and packaging and shipping final products. We collaborate with our customers and suppliers to pursue a more sustainable production process.

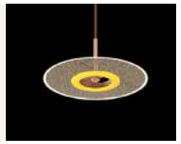
Energy Savings through Product Design

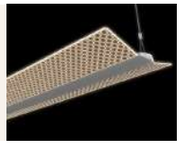
The backlight module's light source of the backlight module is generated by a combination of LEDs, which is presently a superior and more reliable light source. By incorporating good optics and energy-saving design, significant improvements can be made to energy efficiency can be improved significantly. Radiant Opto-Electronics Corporation optimizes light through micro-structured design of light guide film (LGF), LED reflector cavities, and local dimming technology. This results in significantly reduced power consumption and improved display quality.

Radiant Opto-Electronics possesses substantial capabilities in green innovation and research and development. Leveraging the core competencies of our Lighting Products Division, we create a diverse range of energy-saving lighting fixtures. In addition to undergoing international safety certifications such as UL (Underwriter Laboratories Inc.), ETL (Electrical Testing Laboratories), and the European Conformité Européenne (CE), our products have also received the Design Lights Consortium (DLC) energy-efficiency certification. Notably, our flat panel lights have been awarded the DLC Premium certification, representing the highest standard of quality and efficiency in lighting products. For more details, please visit the official website of our lighting business, "ROE Lighting".

Panel

Floating

Yue


Wing


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Cases of Energy Saving Products

To address the decreasing demand in the market for consumer electronics market, Radiant Opto-Electronics Corporation has developed light guide film technologies for light guide plates. These technologies are designed to meet customer needs by improving module luminance, reducing power consumption, and increasing product lifetime.

Cases of Energy Saving in Automotive Display Product

The use of reflector cavity design and local dimming technology used in automotive display products enhance reflection area and uniformity through advanced optical design. This technology reduces the brightness of LEDs in local dark screen areas, which results in improved dynamic contrast and grayscale levels of the display screen. Ultimately, this reduces the numbers of LEDs required and lowers power consumption.

Material Saving Design in Products

Radiant Opto-Electronics Corporation is committed to improving the thinness of displays while also utilizing its expertise in backlight modules to work with customers in developing a variety of thin products. Additionally, we plan to implement a certification program for recycled materials in 2023 and prioritize the use of recycled plastic parts in mass production. Overall, Radiant Opto-Electronics Corporation will continue to enhance material-saving design and incorporate recycled materials into the design process to effectively reduce raw materials at the source. We will also strengthen the use of recycled materials, and continue to optimize the thinning technology to eectively reduce the energy consumption generated by the transportation during manufacturing process through various means.

Material saving design and contribution to the use of recycled materials

Production models in 2023	Frame Weight (g)	2023 Total usage (pcs)	2023 Total weight (Kg)	2023 Recycling percentage (Kg)	2023 Recycling Rate (%) (Recycled Weight / Total Weight)
Back light module No. 1	11	19,109,246	210,201.710	168,161.360	79.9%
Back light module No. 2	12	7,280,313	87,363.760	69,891.000	79.9%
Back light module No. 3	8.018	320,459	2,569.440	770.830	29.9%
Plastic Frame Finished Product No.1	6.200	1,250	7.750	2.330	30.1%
Plastic Frame Finished Product No.2	7.380	5,205	38.410	11.520	29.9%
Total Use of Recycled Plastic Materials 2023 (Kg)			300,181.070	238,837.050	79.56%

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Test print optimization during the printing process

The Digital Produce Business Team at Radiant Opto-Electronics Corporation has optimized the design of the printing process design in the factory. They have replaced the original material of the test printing sheet material with PET plastic test printing film. This change has resulted in order to achieve multiple benefits, including labor savings, waste reduction, and improved personnel safety. Additionally, this new process can be widely used in various types of printing processes. It is expected that a single product can reduce the annual cost reduction by NT$120,000 and establish a virtuous cycle of green manufacturing.

Before Improvement

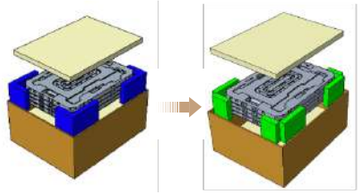
After Improvement

Material Saving Design in Packaging

Radiant Opto-Electronics Corporation is committed in continuing our efforts to recycling and reusing packaging materials, while also conducting research and development on product packaging. We live in a world of convenience, where packaging materials are among the most disposable plastics. Historically, shipments of backlight modules are packed in vacuum-formed boxes made with plastics. To address this fundamental issue, Radiant Opto-Electronics initiated a project led by our research and development team has developed a new packaging sample: a magnetic board that can fully replace the use of vacuum formed boxes. The board has been coated using a special wrapping technique and unique material. This allows the magnetic suction plate to enter a clean room, and the backlight module is able to be fixed onto the board through a thin film using magnetic suction. The board is downward compatible, and can be used with backlight modules of different sizes. It can be shared and widely used, and is available for recycling. Currently, the design has obtained a patent in China, and patents have been applied for patent in the US and Taiwan.

In general, the magnetic board packaging can reduce the amount of plastic used in each piece of backlight module by over 90%, making it a significant contributor to plastic reduction efforts. Additionally, the magnetic board's simple structure eliminates the need for water cleaning, which is necessary for recycling plastic vacuum forming boxes to ensure they are dust-free. Instead, the magnetic board can be cleaned using a cleaning roller in a dust-free room, resulting in a reduction of energy consumption and reduce cleaning time by more than 95%.

In order to reduce cushioning materials in packaging, the Radiant Opto-Electronics Corporation's R&D team has proposed internal improvements to improve the process design based on the concept of low-carbon product design. Specifically, they suggest replacing the original "adhesive process" for cushioning material with a "adhesive process" and combining the "L-shape" and "flat type" of cushioning materials into a "foldable flat type." These changes offer carbon reduction benefits, including decreased use of plastic cushioning material and increased package sharing rates. According to estimates, reducing plastic use by 5.6% to 7.6% for each size of the cushioning material could result saving 6.02 tons of plastic and 11.45 tons of CO_2e annually.



Product Carbon Footprint Technologies and the Implementation of Digital Management Platforms

In response to the threat of extreme climate change, the trend towards carbon reduction is directly related to the core operations of Radiant Opto-Electronics. With the advancement of the EU's Carbon Border Adjustment Mechanism (CBAM) policy, the Taiwanese government has drafted plans to levy a carbon tax on major carbon emitters starting in 2024. Facing the pressure of government-imposed carbon fees, corporate carbon reduction has become an imperative goal, and calculating the carbon footprint of products using relevant tools has become an urgently needed new skill.

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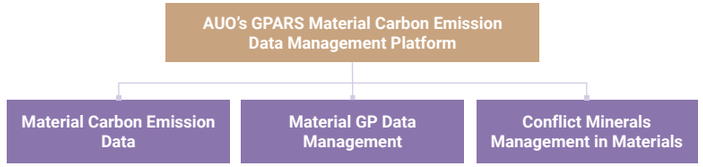
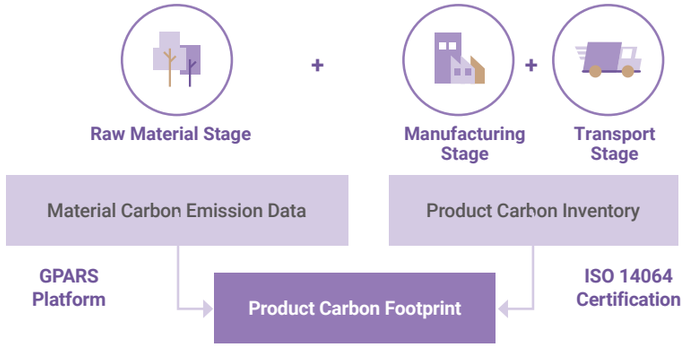
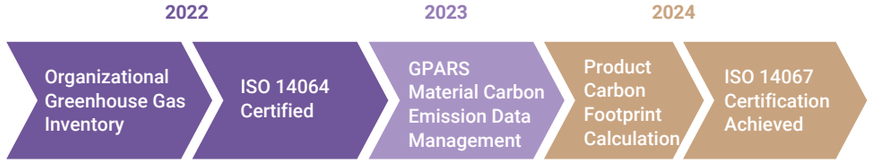
In 2023, Radiant Opto-Electronics' R&D team implemented the "GPARS Material Carbon Emission Data Management Cloud Platform" developed by AUO Envirotech. This platform functions by using the chemical composition data provided by suppliers, matching it against the GPARS chemical database to calculate the carbon emissions of BLU materials. It clearly identifies the proportion of each material's carbon footprint and recognizes high-carbon impact materials, facilitating actions for material carbon reduction. After the system was implemented, a systematic improvement process of "first analyzing, then diagnosing, and finally treating" was established. Once the material carbon footprints are understood, Radiant Opto-Electronics' R&D department moves to carbon reduction analysis of materials, offering low-carbon material design for products. This allows for further estimation and comparison to find lower carbon alternative materials. Additionally, the GPARS system provides robust management of GP material data and conflict minerals. Relevant data can be compiled into reports and exported from the backend, also enhancing document production efficiency.



Radiant Opto-Electronics actively establishes a low-carbon initiative for the industry and participates in the Industrial Development Bureau, MOEA "Leading and Collaborative" policy. Under the guidance of AUO, Radiant Opto-Electronics has developed "Organizational Greenhouse Gas Inventory" and "Product Carbon Footprint Calculation" as two major carbon management methodologies. The "Organizational Greenhouse Gas Inventory" was already set up in 2022 and certified under ISO 14064. In 2023, the "GPARS Material Carbon Emission Data Management Cloud Platform" was introduced. By 2024, Radiant Opto-Electronics plans to implement "Product Carbon Footprint Calculation" and achieve ISO 14067 certification. This demonstrates the Company's resolute commitment and determination to effectively execute its carbon reduction plans for its products.



AUO Envirotech Upchain ACA Software Platform (ISO 14067 Guidance/Certification)



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Green Initiative

Recycling Packaging Materials

"Packaging recycling" has always been a management priority in the Corporation's green initiative. We were able to achieve our goal of a high recycling rate for packaging through effective communication with both suppliers and customers. The operations department will conduct a monthly review of the recycling status at each factory. If the target recycling rate is not achieved, the sales department and customer service departments are required to contact customers and to follow up on the immediate return of packaging materials. This will increase the turnover rate of the recycled packaging materials. As of 2023, the recycling rate has exceeded 98%.

Recycle Rate of Packaging Materials by Factory Area

		2021	2022	2023
Kaohsiung plant	Vacuum-formed Box	99.46%	99.91%	99.04%
	Paper Box	99.93%	99.99%	98.15%
China Factories	Vacuum-formed Box	99.71%	99.29%	99.79%
	Paper Box	99.27%	99.70%	99.40%

Note: Package recovery rate = the number of recovered packages/[(the number of shipped packages - the number of returned packages) + (the number of unrecovered packages at the beginning of the year - the number of unrecovered packages at the end of the period)].

Transport Optimization

In recent years, Radiant Opto-Electronics Corporation has been optimizing its shipping methods. The Corporation's operating unit follows three principles when it comes to shipping: combined shipment, full shipment, and recycling materials to be collected by collecting them through returning vehicles. The aim is to minimize greenhouse gas emissions during the shipment process, and reduce the impacts on the environment. Beginning in 2021, we will conduct a comprehensive review of the full occupancy rates of our transportation vehicles. This will involve double-checking that our vehicles are not being underutilized, and we will monitor and manage this situation through regular meetings. Our goal is to manage the greenhouse gas emissions resulting more effectively from the transportation of products in Scope 3 emissions. By 2023, we aim to achieve a full occupancy rate of the transportation vehicles that exceeds 98%.

	2021	2022	2023
Full Loading of Transportation	97.9%	98.3%	98.05%

Recycling Resources

Radiant Opto-Electronics Corporation is transitioning from a linear economy model to a circular economy model to achieve the reuse of waste resources. This transition involves using technology to give new value to waste materials, and by increasing the utilization rate of recycled materials. By reusing recycling, the earth's limited resources can be sustained, thereby reducing the impact on the environment.

Use of Recycled Raw Materials

The backlight module produced by our company is composed of optical-grade plastic pellets. In order to preserve its optical qualities, the use of recycled raw materials is not feasible. However, it is possible to utilize recycled raw materials that can be used in other stages of the production process. The Wujiang factory produces its own vacuum-formed boxes for product packaging and utilizes damaged vacuum forming boxes are used as recycled raw materials in the manufacturing process. Based on statistics, a total of 1,960.2 metric tons were increased from 2020 to 2023, which was recycled in the factory from 2020 to 2023, reducing the use of virgin materials and contributing to our resource reduction efforts.

Usage of Regrind Materials	2021	2022	2023
Addition of regrind materials (Unit: metric tons)	573	561.3	346.9
Addition Ratio (Unit: Percentage)	32.86%	37.96%	41.31%

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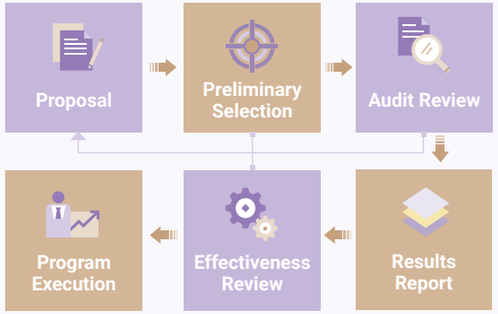
Green Proposals

Since 2019, with the support of the Board of Directors, a green proposal reward system has launched by the Sustainable Development Commission has launched a green proposal reward system. This system encourages green initiatives such as energy-saving and material-saving in product design and packaging, changes in production processes and raw materials to improve output with lower energy consumption, replacement of toxic substances with non-regulated chemicals, recycling and reusing of wastewater and solid waste, changes in transportation methods to reduce staff traveling and commuting, and other activities related to product deliveries. The green proposal required brainstorming discussions among all the colleagues, and is backed by attractive rewards. It also requires a rigorous review process to encourage colleagues to improve and enhance existing practices, to think outside the box, and to drive the Corporation to come up with more green initiatives to create more sustainable value.

The Head General Affairs and Environmental Safety Unit at the Kaohsiung plant serves as the general executive team responsible for implementing the system. They collect and select proposal cases to ensure that they meet the scope of application for green proposals. Additionally, they announce the number of proposal cases each month. Review group meetings are held every quarter, while the Green Review Committee convenes every six months. To date, a total of 20 review meetings have been held, resulting in a distribution of nearly NT$120,000 in bonuses. The total number of green proposals in 2023 was 96, with cost savings exceeding NT$4 million, of which energy resources reduction accounted for about 45%, followed by production changes at 20%.

Improvement Process of Green Proposals



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3.4 Supplier Sustainability Management

Radiant Opto-Electronics is a leading global integrator of backlight module systems and core technologies, specializing in the assembly of backlight modules, establishment of comprehensive mold and forming plants, and the development of light guide plates, LCM modules, LED lights, and related technologies. Through its global network, the company provides clients with highly flexible and timely services. Radiant's main manufacturing facilities are located in Taiwan and mainland China. To effectively manage a wide array of procurement items, the Company's procurement is primarily categorized into raw materials, molds, and miscellaneous items. To ensure that all suppliers meet Radiant's sustainability requirements, suppliers in all procurement categories must adhere to Radiant Opto-Electronics' Supplier Code of Conduct and associated risk assessment mechanisms.

Compliance with Standards

Radiant Opto-Electronics Corporation's Code of Conduct for Suppliers

Radiant Opto-Electronics Corporation has developed a "Code of Conduct for suppliers" that draws upon the Responsible Business Alliance's Code of Conduct, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. Vendors must adhere to the standards outlined in the Code of Conduct, as well as all relevant laws and regulations. The Code of Conduct for Suppliers covers five major aspects, including labor, health and safety, environment, business ethics and management systems, with a total of 43 corresponding provisions, all publicly disclosed on the Corporation's website under Corporate Sustainability. For more details, please refer to the Corporate Sustainability Section on our company website.

Radiant Opto-Electronics Corporation's Code of Conduct for Suppliers

Radiant Opto-Electronics Corporation's Code of Conduct for Suppliers

Labor
- Freedom to choose an occupation
- Youth workers
- Hours of work
- Wages and benefits
- Humane treatment
- Non-discrimination
- Freedom of association

Health and safety
- Occupational safety
- Emergency response
- Industrial injuries and occupational diseases
- Industrial hygiene
- Manual labor
- Machinery maintenance
- Public hygiene and accommodation
- Health and safety communication

Environmental
- Environmental permits and reports
- Pollution prevention and resource saving
- Hazardous substances
- Solid waste
- Exhaust emissions
- Material control
- Water resource management
- Energy exchange and greenhouse gas emissions

Business ethics
- Integrity management
- No improper benefits
- Information Disclosure
- Intellectual property rights
- Fair trade, advertising, and competition
- Identity protection and preventing retaliation
- Responsible procurement of minerals
- Privacy

Management system
- Business commitment
- Management duties and responsibilities
- Legal and customer requirements
- Risk assessment and risk management
- Improvement objectives
- Training
- Communication
- Employee feedback, participation, and appeals
- Review and assessment
- Corrective measures
- Files and records
- Vendor responsibilities

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Responsible Mineral Procurement Management and Supplier Screening

Radiant Opto-Electronics is committed to conflict-free mineral management and responsible procurement strategies to meet market expectations and legal and regulatory requirements. To comply with the requirements for responsible metal sourcing and adhere to the Responsible Business Alliance (RBA) Code of Conduct and achieve the objectives of the Responsible Minerals Assurance Process (RMAP), Radiant Opto-Electronics prioritizes suppliers who have obtained international certification during supplier selection. Suppliers are required to sign a declaration of compliance with RoHS banned substances and the EU REACH regulation concerning substances of very high concern, and to provide relevant inspection reports to ensure the safety of the raw material sources. All subcontractors and raw material suppliers using gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) must comply with Radiant Opto-Electronics' policies.

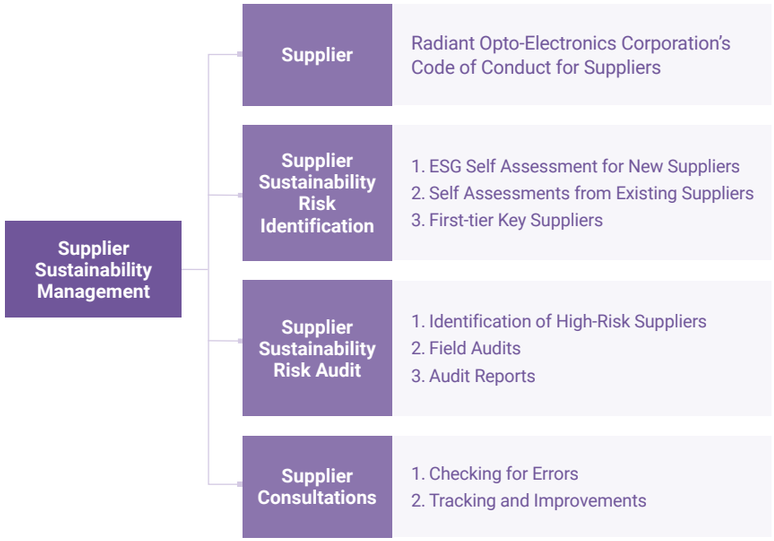
Radiant Opto-Electronics also declares that it does not accept any type of conflict minerals sourced from illegal mining areas in the Democratic Republic of the Congo or its neighboring countries, including gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), tin (Sn), tropical rainforest timber, and tin from the Bangka Island in Indonesia. By eliminating the use of controlled substances, the Company upholds its responsibility for product safety and environmental protection. For more details, please refer to the "Quality Management - Conflict Minerals Statement" section.

Supply Chain Management Process

Radiant Opto-Electronics' commitment to corporate sustainability extends beyond the Company itself to include its suppliers, striving collaboratively with supplier partners to focus on ESG sustainability requirements.

To effectively manage its supply chain, Radiant Opto-Electronics has implemented a "Supplier Management Mechanism," dividing the sustainable management of suppliers into four primary components: supplier policy, identification of supplier sustainability risks, verification of supplier sustainability risks, and supplier counseling. The Company expects suppliers to shoulder the responsibility of corporate sustainability together with Radiant Opto-Electronics, incorporating supplier compliance as a criterion in procurement decisions, with a 5% of the Quarterly Business Review (QBR) performance assessments.

Radiant Opto-Electronics evaluates environmental and social risks through the "New Supplier ESG Self-assessment Form," declining transactions or providing guidance for improvement to those who do not meet the standards. In 2023, a total of 218 new suppliers were assessed using the "New Supplier ESG Self-assessment Form," with a pass rate of 98.62%. In the implementation of sustainable supply chain management, ESG scoring is included in the Group's procurement QBR, leveraging sustainable influence and value through collaboration across the supply chain. Looking forward, Radiant will further engage in vertical integration collaborations within the value chain, including ongoing projects with clients to develop recycled materials, and conducting investigations into suppliers with high carbon risks to meet Radiant Opto-Electronics' ESG requirements for a sustainable supply chain and to align with international trends and customer demands.



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Supplier Risk Assessment and Improvement

Supplier Sustainability Risk Review Process

1. **First-tier key Supplier selection:** Review the supplier list and shortlist the first-tier key suppliers
2. **Supplier self evaluations:** Conduct evaluation of key vendors through the Supplier ESG Self-assessment Form
3. **Risk assessment:** Review the content of the self-assessment form, and based on the results of the review, screen out suppliers that may be high risk
4. **Audit and Review:** Perform on-site audits of suppliers and manufacturers that pose potential social and environmental risks. These audits are specifically targeted towards high-risk entities.
5. **Tracking improvements:** Follow up on improvement plans provided by suppliers, provide relevant experience and consultations for improvements when necessary
6. **Assessments:** The results of supplier sustainability risk audits are included in the Quarterly Business Review (QBR). Those with assessment results below grade D are included in the counseling list

Managing Sustainability Risks in the Supply Chain

To ensure that the development, evaluation, and approval of raw material suppliers follow a specific procedure, it is crucial to monitor the quality and timeliness of supplier acknowledgements, and to achieve the benefits of supplier development. In tiered management, Radiant Opto-Electronics conducts sustainable risk assessments for suppliers based on criteria such as raw materials, transaction volumes, critical components, and exclusivity of supply. The Company identifies "Tier 1 Critical Suppliers" and distributes self-assessment questionnaires to these critical suppliers to investigate potential environmental and social risks.

Supplier Tiering	Basis for Supplier Classification
First-tier Key Suppliers	▪ Suppliers that accounted for the top 70% of the Group's transaction volume in the previous fiscal year. ▪ Suppliers possessing patents in key technologies, processes, and materials. ▪ Suppliers identified as having substantial significant impacts based on Environmental, Social, and Governance (ESG) criteria.
Non-Critical Suppliers:	▪ Suppliers providing general materials, such as packaging materials. ▪ Suppliers providing non-critical materials, such as adhesive materials.

Moreover, based on the assessment score results, suppliers are classified into different "risk levels." Suppliers assessed as high-risk undergo onsite audits, and an audit evaluation report is completed. In 2023, Radiant Opto-Electronics selected 28 suppliers from Taiwan and mainland China from an existing pool of 247 suppliers, defined as Tier 1 critical suppliers (accounting for 78.2% of the total procurement volume). These suppliers underwent a sustainable risk self-assessment. After document review, seven suppliers identified as potentially high-risk underwent onsite audits. The audit criteria were based on the RBA foundation, encompassing five main aspects: labor, health and safety, environment, business ethics, and management systems. Deficiencies were classified into four levels: priority, major, minor, and observation. Suppliers were required to submit improvement plans to ensure risks were effectively managed and reduced.

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The onsite audits were conducted by the Environmental Safety and Human Resources departments. In 2023, the supplier risk audit revealed no immediate or significant risks, with all suppliers scoring a grade B or above in the audit evaluation, indicating a 100% pass rate without any suppliers needing additional guidance. To strengthen the effectiveness of supplier audits, future plans include drafting related third-party inspection procedures and developing audit plans for suppliers outside Taiwan and mainland China, aiming to more comprehensively and efficiently manage sustainable risks in the supply chain.

Supplier Sustainability Risk Ratings
Supplier Sustainability Review ratings are based on several factors, including the degree of cooperation during on-site audits, proactivity in delivering improvements, and the results of the audit. Dierent grades will be assigned based on the level of performance in these areas.
Grade A: above 90%.
Grade B: 80-89%.
Grade C: 70-79%.
Grade D: below 60%.
Those who receive a Grade D on their evaluation will be included in the consultation list. They will be required to undergo self-assessment and an on-site audit again the following year.

Risk Management Policies for Key Materials

Radiant Opto-Electronics Corporation has identified critical materials, such as PMMA plastic pellets, diamond lenses, LEDs, LED sets, LED light panels, metal parts, and plastic parts, in order to identify the risks associated with these materials. The Corporation intends to consider operational risks and plan ahead for countermeasures to deal with any potential disruptions to the supply of these key materials. Details listed in the table:

Possible Risks	Response Measures
Supplier raw material shortage	1. Prepare inventory of raw materials 2. Plan for two or more than two raw material suppliers
Supplier informs Corporation that the material is about to be discontinued and cannot continue to be supplied continuously	1. Request suppliers to prepare materials in advance 2. Discuss alternative materials with R&D units 3. Validation for new materials
The supplier is unable to supply the goods due to force majeure factors such as natural or manmade disasters	1. Inventory check and emergency response plan 2. Collaborate with suppliers to move production lines 3. Evaluate new suppliers for validation

Building a Green, Low-Carbon Supply Chain

Local Procurement

Radiant Opto-Electronics regards suppliers as key partners essential for sustainable operations. To accelerate the creation of a green, low-carbon supply chain, improve production efficiency, and reduce Scope 3 greenhouse gas emissions, Radiant Opto-Electronics considers cost, supply quality, delivery timelines, and risk factors, prioritizing “local sourcing” as a key factor in supplier selection. The Company systematically plans to increase the annual target ratio of local sourcing.

In recent years, Radiant Opto-Electronics has actively implemented localized sourcing strategies, encouraging suppliers to establish local manufacturing facilities to reduce the energy consumption associated with air and sea transport

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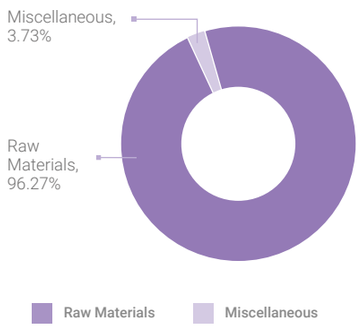
and to shorten delivery times. During procurement transactions, Radiant Opto-Electronics adheres to principles of fairness in selecting suppliers, evaluating them based on the quality and price of raw materials, delivery times, supplier stability, production and supply capabilities, and compliance with environmental and safety standards. Analyzing the supplier transaction volumes for 2023, the Kaohsiung plant accounted for the highest percentage at 56.05%, while the Guangzhou factory was relatively lower at 6.29%. Overall transactions were predominantly in raw material purchases, accounting for 96.27%. In 2023, the overall local sourcing ratio for the entire group reached 49.48%, with the mainland China factories achieving a local sourcing ratio of 59.22%. The discrepancy in these figures is attributed to adjustments in trading models and price fluctuations.

Sustainable Low-Carbon Collaboration - Sustainability Literacy Empowerment Course

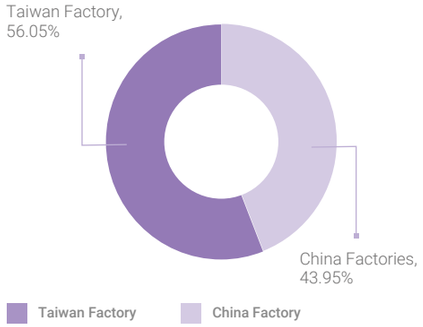
Radiant Opto-Electronics collaborates with customers and suppliers to develop more sustainable, low-carbon raw materials, and jointly construct business models focused on sustainable development. Details of the collaborative projects promoted in 2023 are provided in the table below:

Promotion Measures	Description	Execution Results in 2023
Establishing Supplier Awareness of Net Zero Carbon Emissions	1. Planned within Radiant Opto-Electronics' supplier carbon management section to include a new "Supplier Management System Platform – Carbon Awareness General Education Materials." 2. Initiated an educational training program on net-zero carbon emissions for suppliers.	1. Added "Supplier Management System Platform - Carbon Awareness General Education Materials" to the management platform. 2. Launched the "Net-Zero Carbon Emissions Education and Training Course for Suppliers" in September 2023. The course highlights include "Understanding domestic and international net-zero trends, sharing industry case studies, explaining greenhouse gas inventories, training on carbon inventories and internal auditing, and hands-on practice with carbon inventory tools."

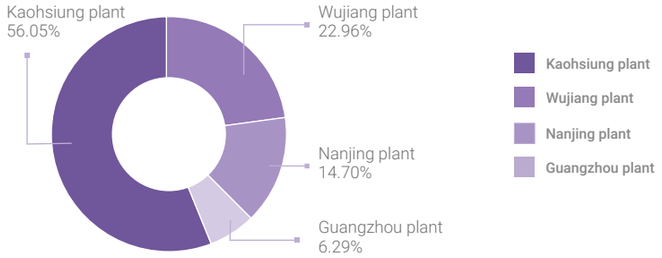
2023 Proportions of Transactions by Supplier



2023 Proportions of Factory Supplier Transaction



2023 Proportions of Transactions by Supplier at Each Factory



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4.1 Climate Change

Material Topics	Climate Change
GRI Comparison	GRI 201 : 2016 GRI 305 : 2016
Policy	1. Sustainable Development Committee Organizational Charter 2. Corporate Sustainable Development Best Practice Principles
Commitment to Management Strategy	1. In response to climate change, establishing a management mechanism and carbon reduction measures. 2. Consistently promote ISO 14064-1:2018 and pass third-party verification. 3. Establish a carbon management working team to draw up the Group's 2030 carbon reduction path.
Communication Mechanism	Establish a "Sustainable Development Committee" as the highest governance body for climate issues, convening at least one meeting annually and regularly reporting on ESG strategies and execution outcomes to the Board of Directors.
Concrete Actions	1. Convene the Sustainable Development Committee and the Shareholders' Meeting 2. Periodically review and adjust the Company's carbon reduction policy goals

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
TCFD	Following TCFD, disclosure of a standalone chapter on climate change adaptation.	●	The Group has adopted the TCFD framework and completed the TCFD report	In accordance with the Net Zero Carbon Emission Blueprint of Radiant, gradually improve carbon management system	
Carbon management team	1. Carbon reduction targets to be reported to the Chairman at least twice annually. 2. Each person receives 22 hours of carbon-related training per year	●	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year. 2. Each person receives 22 hours	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year. 2. Each person receives 24 hours of carbon-related training per year	
GHG	1. Completed 2022 annual greenhouse gas inventory and passed ISO 14064- 1:2018 third-party verification. 2. The Group's greenhouse gas emission intensity per unit of product in 2022 decreased by 11% compared to 2015.	●	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant completed the greenhouse gas inventory for 2023 and passed the ISO 14064-1:2018 verification. 2. The Group's greenhouse gas emissions (Category 1 + Category 2) in 2023 decreased by 7.5% compared to 2020 (base year adjustment).	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant have completed the annual greenhouse gas inventory and passed the ISO 14064-1:2018 verification, which meets the FSC's requirement of completing consolidated subsidiary companies'inventory and verification by 2029. 2. The Group's greenhouse gas emissions (Scope 1 + Scope 2) in 2030 decreased by 25% compared to 2020 (base year).	

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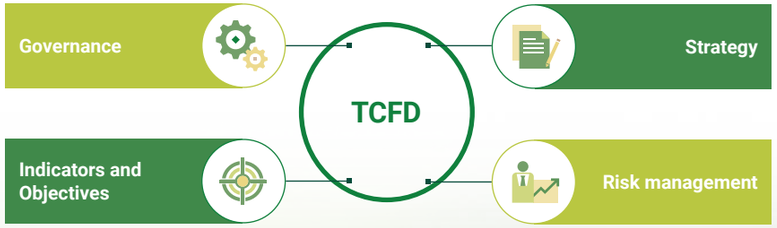
I.Governance

Radiant Opto-Electronics Corporation Sustainability Governance Framework

In 2015, Radiant Opto-Electronics established the “Corporate Social Responsibility Committee,” which was renamed the “Sustainable Development Committee” in 2022. The committee includes an executive secretary and a working group responsible for compiling sustainability reports.Additionally, the Sustainable Development Committee oversees 7 functional groups: the Risk Management Group, the Environmental Sustainability Group, the Corporate Governance Group, the Low Carbon Products Group, the Energy Efficiency Group, the Green Procurement and Transportation Group, and the Employee Care and Social Participation Group. Each group is led by the heads of relevant departments who are responsible for addressing issues across various dimensions, aiming to implement corporate governance, promote a sustainable environment, maintain social welfare, and enhance information disclosure. These objectives are integrated into the Company’s operations through the activities of each working group, thereby embedding the concept of sustainable development throughout the organization’s mechanisms.



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Radiant Opto-Electronics Sustainable Development Committee Organizational Structure an Responsibilities

Committee/ ESG Guiding Member

- Supporting from the Board of Directors
- Ensuring the blueprint for a sustainable society
- Supervising sustainability performance and carbon performance

- Executive Secretary
- Sustainability Report Editorial Team

Risk Management Team	Employee Care and Social Engagement Team	Environmental Sustainability Team	Corporate Governance Team	Low Carbon Product Team	Energy Efficiency Group	Green Procurement and Logistics Team
Members	**Members**	**Members**	**Members**	**Members**	**Members**	**Members**
General Auditing Office of the Group	Administr ation Center of the Group Radiant Education Foundation	Administr ation Center of the Group Radiant Education Foundation	Administr ation Center of the Group	R&D Center of the Group Planning and Manufacturing Center of the Group Digital Product & Intelligent Manufacturing Center	R&D Center of the Group Planning and Manufacturing Center of the Group Administr ation Center of the Group	R&D Center of the Group Administr ation Center of the Group Planning and Manufacturing Center of the Group
In Charge of	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**	**In Charge of**
▪ Sustainability Standards and Compliance ▪ Tracking Risk Management Issues ▪ Sustainab ility Report Compliance ▪ ESG Informati on and Internal Control of the Procedures	▪ Management of Human Rights and Employee Relationships ▪ Talent Development and Diversity ▪ Occupational Health and Safety ▪ ESG Educational Training ▪ Corporate Social Responsibility	▪ Environmental Operations (ISO 14001) ▪ Compliance with Environmental Regulations ▪ Pollutant Management ▪ Waste Management ▪ Supplier ESG Audits	▪ Integration of ESG Information with the Annual Report ▪ Presenting the Corporate Governance Assessment ▪ ESG Disclosures (TWSE MOPS) ▪ Assisting with the Operations of the Board of Directors	▪ Designing products based on the concept of product life and resource cycles ▪ Applying core technologies to promote lowcarbon design and manufacturing ▪ Building the most efficient green logistics system ▪ Establishing and promoting short- and mediumterm carbon reduction targets ▪ Team Progress Report	▪ Establishing benchmarks for energy efficiency ▪ Improvin g energy use competiti veness ▪ Establishi ng a foundatio n of smart manufact uring ▪ Obtaining stable renewable energy ▪ Establishing agreen procurement system ▪ Building the most efficient green logistics system ▪ Team Progress Report	▪ Establishing agreen procurement system ▪ Building the most efficient green logistics system ▪ Improving the utilization rate of packaging materials ▪ Establishing and promoting short- and mediumterm carbon reduction targets ▪ Team Progress Report

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Radiant Opto-Electronics Climate Governance and Management Responsibilities Radiant Opto-Electronics has established the "Sustainability Development Committee" as the highest governance body for climate issues. It consists of 7 members, including 4 independent directors, chaired by the President and the highest executives from the Group Operations and Manufacturing Center and the Group Administrative Center serve as the Vice Chairpersons. The committeeconvenes at least once a year and regularly reports ESG strategies and implementation results to the Board of Directors. Report topics include climate change risks, performance results, and work priorities. The Board of Directors is responsible for supervising the impact management procedures and results of the Sustainability Development Committee to ensure the implementation of sustainable development strategies in the Company operations.In order to strengthen and implement Radiant Opto-Electronics' determination and practice in climate governance, a total of 2 meetings were held in 2023.

Regarding climate-related risk assessment, the Risk Management Team of the Sustainability Development Committee serves as the dedicated unit. Through internal meetings, various questionnaires/surveys, and document signing, tasks are allocated based on different issues of stakeholder concern. Strategies, goals, and action plans are then developed for Radiant Opto- Electronics in the areas of environment, corporate governance, and society to assist senior management and governance units in executing relevant risk decisions and fulfilling their risk management responsibilities.

Explanation of the organizational structure related to climate governance at Radiant Opto-Electronics

Organization	Content on governance and supervision	Regulatory frequency
Board of Directors	Oversee the management of climate-related issues at Radiant Opto-Electronics and ensure the achievement of the Group's annual climate-related goals	Annually
Sustainable Development Committee	The committee is under the Board of Directors, with President Yu-Chao, Wang serves as the committee Chairperson. In charge of overseeing the Group's sustainable development related systems and regulations, monitoring Radiant Opto-Electronics'sustainable development policies and plans, regularly tracking and evaluating the effectiveness and progress of sustainable development implementation, and reporting relevant progress to the Board of Directors annually.	Annually
TCFD Working Group	The working group comprises the Sustainable Development Committee and the functional units of Radiant Opto-Electronics Group. In charge of identifying measures to address climate change, formulating strategies for implementing climate initiatives, and categorizing and assessing the materiality of climate-related risk issues.	Annually

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II.Risk management

Climate Risk Management Framework

In order to effectively implement risk management and reduce the impact of various risks on the operation of Radiant Opto-Electronics, Radiant Opto-Electronics has constructed a hierarchical risk management process based on the level and functional units of various types of risk issues. The overall climate-related risk management process has been improved based on the impact of different management levels and risk issues.

Risk identification and assessment	Each functional unit of Radiant Opto-Electronics is responsible for identifying and assessing relevant risks, and establishing internal controls and operational procedures. For example, the Finance and Accounting Division is responsible for annually reviewing and updating the financial impact assessment related to climate.
	The identification of climate-related risks and opportunities at Radiant Opto-Electronics Group is carried out by the Sustainable Development Committee and the TCFD Working Group, which are under the Board of Directors. They are responsible for convening and coordinating the assessment of various units.
Risk control and response	Based on the identified levels of risk and opportunity and their priority order, develop corresponding management plans and ensure the effective implementation of execution strategies.
Risk monitoring	Based on the risk issues and management levels identified by each functional unit, regularly report the risk control to supervisors and organizations of the relevant unit.

III. Strategy

Facing the potential impacts of extreme climate conditions on the business, Radiant Opto-Electronics adopts a proactive and pragmatic approach to meet these challenges. In response, Radiant Opto- Electronics has established a TCFD Working Group to coordinate and synthesize the identification of climate risks and opportunities. This effort is aimed at understanding various risks and opportunities and their potential impacts on operations and business activities. The Company has put in place effective measures to mitigate the financial effects of climate risks on the Group, while also enhancing its grasp and developmental prospects concerning climate opportunities.

Radiant Opto-Electronics utilizes the scenario analysis by TCFD, using the latest Sixth Assessment Report (AR6) from the IPCC. AR6 refers to the Shared Socio-economic Pathways (SSPs) and combines them with the Representative Concentration Pathways (RCPs). In addition to retaining the radiative forcing results caused by greenhouse gas emission changes, broader qualitative socioeconomic conditions are incorporated into the assessment model, such as population, human development, economy, land use, lifestyle, technology, logistics, education, and transportation, as well as the real situation of basic elements and driving factors. As a result, five scenarios ranging from negative carbon to extremely high carbon emissions are generated: SSP1-1.9, SSP1.-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5. Therefore, Radiant Opto-Electronics analyzed and evaluated the climate strategy resilience based on the application transformation, the two types of physical risks and the worst-case scenario (The Worst-Case Scenario) "SSP5-8.5" recommended by TCFD.

Definition of Climate Risk

To accurately grasp the potential and actual risks that Radiant Opto-Electronics might face, a detailed and manageable list of climate risk events has been compiled to facilitate subsequent evaluation, analysis, and tracking. Radiant Opto-Electronics conducts thorough discussions and analyses of various risk events, initially focusing on the climate risks pertinent to the Company. Radiant Opto-Electronics refers to climate risk event lists advocated by organizations such as the TCFD, the CDP (Carbon Disclosure Project), and other climate-related initiatives. The Company extensively collects events that could potentially impact the operations, business, and finances of Radiant Opto-Electronics and evaluates each event's relevance to the Company to determine their inclusion in further identification and assessment processes. Ultimately, Radiant Opto-Electronics also consults reports and information provided by international organizations such as The World Bank, the United Nations Intergovernmental Panel on Climate Change (IPCC), and Climate Central. This objective data aids in the identification of specific climate events and scenarios, culminating in the completion of the following climate risk event list.

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Radiant Opto-Electronics's List of Climate Risk Events

	Risk Category	Risk Source	Climate Scenario	Issue	Risk content	Strength of association (Direct/ Indirect)	Risk existence (Yes/No)	Description of Existing Measures or Current Situation
1	Transition risk	Mandatory-Regulation	1.5°C	The European Union's Green Deal - Fit for 55 proposal plans to gradually implement a border carbon adjustment mechanism starting in 2023, and officially implement the Carbon Border Adjustment Mechanism (CBAM) from 2026 onwards, along with the proposed US Clean Competition Act (CCA), resulting in increased production costs.	Due to various regulations and environmental management factors, the cost of the Raw Materials Supply Management Center has increased, or changes in revenue due to changes in energy resource utilization (such as carbon fee and tax on recycled materials and renewable energy costs/costs of carbon reduction path).	Indirect	Yes	1. Analysis of Potential Impacts caused by the Supply Chain 2. Evaluation of Cost transferred to Selling Price
2	Transition risk	Market	1.5°C	The R.O.C Climate Change Response Act regulates total emissions and imposes carbon fees on businesses.	The upstream supply chain is the first and second batch of controlled objects, and may pass on the carbon fee to the selling price	Indirect	Yes	
3	Transition risk	Mandatory-Regulation	1.5°C	Renewable energy regulatory requirements	The potential increase in electricity costs by the use of 10% renewable energy (contract capacity of 10%) by large electricity consumers in Taiwan under the Renewable Energy Development Act, or the increase in raw material or processing costs caused by increase in upstream supplier costs.	Indirect	None	
4	Transition risk	Technique	1.5°C	Product eco-design, technology and cost required for lowcarbon product transformation	Each region may continue to issue stricter environmental control plans, requiring changes in production design or materials to comply with customer or regulatory requirements (such as compliance with Energy Label, energy efficiency labeling, etc.). Failure to comply may result in market loss.	Direct	Yes	Investment in research and development funding with set product design goals to meet the design requirements of national laws in various countries.

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	Risk Category	Risk Source	Climate Scenario	Issue	Risk content	Strength of association (Direct/ Indirect)	Risk existence (Yes/No)	Description of Existing Measures or Current Situation
5	Transition risk	Voluntary Commitment	1.5oC	In response to the customer's carbon reduction goals	To achieve the Company's carbon reduction goals, the costs incurred from purchasing green energy or investing in renewable energy.	Direct	Yes	Investment in research and development funding with set product design goals to meet the design requirements of national laws in various countries.
6	Transition risk	Reputation	1.5oC	1. Stakeholder expectations and satisfaction - sustainable competitiveness 2. Customer requirements for supply chain guidelines (2050 net zero emissions); Customer requirements for energy-saving and carbon reduction goals and submission of related performance data.	Criteria for customer changes in supplier selection Stakeholders (such as international rating agencies like MSCI, CDP, DJSI; customer audits/ questionnaires, etc.) require the disclosure of climate risk-related information and management performance information, which is relatively less satisfactory compared to industry rankings or scores.	Direct	Yes	In response to customer demands, we have participated in evaluations and questionnaires from the CDP and DJSI.
7	Physical risk	Long-term	1.5oC	Transportation disruption caused by blizzard and flooding	Delivery delays due to blizzard and flooding, supply chain disruption	Indirect	Yes	No actual occurrence has been reported currently.
8					Delivery delays due to blizzard and flooding, customer penalties	Direct		
9	Transition risk	Mandatory-Regulation	1.5oC	Regulations related to water resource efficiency requirements	The Water Resources Agency plans to start charging water consumption fees from July 1, 2022, which may result in an increase in operating expenses.	Indirect	None	During the dry season, the average monthly water usage is less than 9,000 cubic meters.
10	Physical risk	Long-term	1.5°C	Climate change has caused hydrological changes:There is a trend of increasing the number of consecutive days without rainfall in various regions each year. In the worstcase scenario (SSP5-8.5), the average increase in the middle and end of the 21st century is approximately 5.5% and 12.4%, respectively. In the ideal mitigation scenario (SSP1-2.6), the decrease in the middle and end of the 21st century is approximately 1.8% and 0.4%, respectively.	The phenomenon of desertification caused by hydrological changes has resulted in drought and increased costs for additional water purchases	Direct	Yes	Water Shortage - No Process Water Available

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11	Physical risk	Immediacy	1.5°C	Tropical cyclone: According to the IPCC AR6 TS report, when the global temperature rises by 1.5°C, the intensity of tropical cyclones increases by approximately 10%. Therefore, in the short, medium, and long term, the amount will be increased by 10% in 2019. Under the worstcase scenario (RCP8.5), by the middle and end of the 21st century, the number of typhoons affecting Taiwan will decrease by about 15% and 55%, respectively, and the proportion of severe typhoons will increase by about 100% and 50%, respectively, and the typhoon rainfall change rate will increase by about 20% and 35%, respectively. Therefore, an additional 20% will be increased from 2031 to 2050.	May result in asset losses.			
12					The disruption event causing upstream suppliers to cease operations or production	Direct	Yes	No actual occurrence has been reported currently.
13	Physical risk	Long-term	1.5°C	Extreme high-temperature events	Compensation payments for shipment delays caused by the imbalance and extreme weather changes resulting from global climate change (such as abnormal occurrences of blizzards leading to road closures, flight and train cancellations or delays; occurrences of heatwaves)	Direct	None	No actual occurrence has been reported currently. The Company is fully insured and has implemented relevant hardware protection measures, such as flood barriers, elevated storage solutions in warehouses, etc. In recent years, there have been no incidents related to these risks.
14					Compensation payments for shipment delays by suppliers caused by the imbalance and extreme weather changes resulting from global climate change (such as abnormal occurrences of blizzards leading to road closures, flight and train cancellations or delays; occurrences of heatwaves)	Indirect		

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	Risk Category	Risk Source	Climate Scenario	Issue	Risk content	Strength of association (Direct/ Indirect)	Risk existence (Yes/No)	Description of Existing Measures or Current Situation
15	Physical risk	Long-term	1.5°C	Transportation disruption caused by blizzard and flooding	Supply disruption caused by blizzard and flooding	Direct	Yes	No actual occurrence has been reported currently. The Company is fully insured and has implemented relevant hardware protection measures, such as flood barriers, elevated storage solutions in warehouses, etc. In recent years, there have been no incidents related to these risks.
16	Physical risk	Long-term	1.5°C	Extreme high-temperature events: Short, medium, and long-term percentages are calculated based on the scientific	Increase in air-conditioning costs due to rise in average temperature and increase in the number of days with high temperature.	Direct	Yes	Adjust indoor temperatures to enhance air conditioning efficiency.
17	Physical risk	Long-term	1.5°C	Extreme high-temperature events: Short, medium, and long-term percentages are calculated based on the scientific highlights excerpted from the IPCC Sixth Assessment Report on Climate Change and the updated report on Taiwan's climate change analysis, determining the adjustment ratio. In future extreme hightemperature events, the number of days with temperatures exceeding 36°C will increase in various locations. In the worstcase scenario (SSP5-8.5), by the middle and end of the 21st century, the increase is approximately 8.5 days and 48.1 days, with urban areas experiencing a more significant increase compared to other regions. In the ideal mitigation scenario (SSP1-2.6), the increase is about 6.8 days and 6.6 days.	Increase in cost of improvements invested in energy efficiency to reduce energy consumption.	Direct	Yes	Improve energy efficiency

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	Risk Category	Risk Source	Climate Scenario	Issue	Risk content	Strength of association (Direct/ Indirect)	Risk existence (Yes/No)	Description of Existing Measures or Current Situation
18	Physical risk	Long-term	1.5°C	Rising sea levels	The risk of flooding caused by rising sea levels due to global warming and the melting of icebergs.	Direct	Yes	No actual occurrence has been reported currently.
19	Transition risk	Reputation	1.5°C	Stakeholder communication costs	Due to stakeholder demands for disclosure of climate change strategies and management effectiveness, among other corporate social responsibility issues, the Company has incurred increased communication costs with stakeholders.	Direct	Yes	Plan and implement relevant mentoring programs.
20	Transition risk	Mandatory-Regulation	1.5°C	Corporate governance 3.0 requires companies with paid-in capital of 2 billion or more to strengthen the content of sustainability reports, incorporating disclosure of climate-related financial information (TCFD) and Sustainability Accounting Standards Board (SASB) standards. Starting from 2025, listed companies with capital of 5~10 billion will have their individual companies undergo assessment; starting from 2026, listed consolidated subsidiaries with capital of 5~10 billion dollars will have their subsidiaries complete the assessment	In response to the required disclosure items and the potential cost increase arising from the countermeasures	Indirect	Yes	Incorporate TCFD and SASB framework into sustainability reporting.

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Identify Climate Opportunities

Radiant Opto-Electronics also references the TCFD guidelines for identifying climate-related opportunities and benchmarks against domestic and international industry peers through case studies. The Company explores climate opportunities across three main dimensions: resilience, energy resource efficiency, and market opportunities. It gathers events related to these climate opportunities and further analyzes the potential opportunities and financial impacts these events could have on Radiant Opto-Electronics' existing business operations. The identified list of climate opportunity events for Radiant Opto-Electronics is as follows in the table below.

Radiant Opto-Electronics's List of Climate Opportunity Events

	Opportunity Source	Climate Scenario	Issue	Opportunity details	Strength of association (Direct/ Indirect))	Opportunity availability (Yes/No)
1	Resilience	1.5°C	The European Union's Green Deal - Fit for 55 proposal plans to gradually implement a border carbon adjustment mechanism starting in 2023, and officially implement the Carbon Border Adjustment Mechanism (CBAM) from 2026 onwards, resulting in increased production costs.	Strengthening and supporting green supply chain management to reduce the potential cost of carbon fees or carbon taxes being passed on	Direct	Yes
2	Resilience	1.5°C	Corporate governance 3.0 requires companies with paid-in capital of 2 billion or more to strengthen the content of sustainability reports, incorporating disclosure of climate-related financial information (TCFD) and Sustainability Accounting Standards Board (SASB) standards. Starting from 2025, listed companies with capital of 5~10 billion will have their individual companies undergo assessment; starting from 2026, listed consolidated subsidiaries with capital of 5~10 billion dollars will have their subsidiaries complete the assessment.	Enhancing the Company's external communication capabilities, sustainable image, and goodwill Install relevant monitoring equipment, conduct energy usage data analysis, implement efficient energy improvements, and reduce energy costs	Direct	Yes
3	Resilience	1.5°C	Product eco-design, technology and cost required for low-carbon product transformation	Strengthening green supply chain management to reduce the potential cost of carbon fees or carbon taxes being passed on	Direct	Yes
4	Resilience	1.5°C	Extreme high-temperature events: Short, medium, and long-term percentages are calculated based on the scientific highlights excerpted from the IPCC Sixth Assessment Report on Climate Change and the updated report on Taiwan's climate change analysis, determining the adjustment ratio. In future extreme high-temperature events, the number of days with temperatures exceeding 36°C will increase in various locations. In the worst-case scenario (SSP5-8.5), by the middle and end of the 21st century, the increase is approximately 8.5 days and 48.1 days, with urban areas experiencing a more significant increase compared to other regions. In the ideal mitigation scenario (SSP1-2.6), the increase is about 6.8 days and 6.6 days.	Strengthening supply chain management and managing climaterelated risks in the supply chain can reduce the risk of supply chain disruptions, establishing a Business Continuity Planning (BCP).	Direct	Yes

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	Opportunity Source	Climate Scenario	Issue	Opportunity details	Strength of association (Direct/ Indirect))	Opportunity availability (Yes/No)
5	Resilience	1.5°C	Transportation disruption caused by blizzard and flooding	Constructing a value chain business continuity plan can help mitigate compensation issues arising from supply disruptions caused by disasters (Business Continuity Planning)	Direct	Yes
6	Resilience	1.5°C	The R.O.C Climate Change Response Act regulates total emissions and imposes carbon fees on businesses.	Strengthening green supply chain management to reduce the potential cost of carbon fees or carbon taxes being passed on	Direct	Yes
7	Energy resource efficiency	1.5°C	In response to the customer's carbon reduction goals	Solar power generation incentive tariff program in Mainland China.	Direct	Yes
8	Market	1.5°C	Energy declaration information for customers with electricity consumption of 800 kW or above, including the addition of a list of chiller groups and the energy efficiency of chiller group systems.	Effective external communication, create high visibility in the market, or opportunities to increase market share (power monitoring system).	Direct	Yes
9	Market	1.5°C	The Company's sustainable competitiveness	Developing low-carbon products, improving product energy efficiency, or differentiating products to meet customer demand for low-carbon,environmentally-friendly design products, and increasing market share opportunities	Direct	Yes
10	Market	1.5°C	Stakeholder expectations and satisfaction, including customer requirements for supply chain guidelines (2050 net zero emissions), or requirements for energy-saving and carbon reduction goals and submission of related performance data.	The opportunity to receive high international ratings or increase market share.	Direct	Yes
11	Market	1.5°C	Stakeholder communication costs	Effective external communication, fostering high visibility in the market, may lead to increased market share.	Direct	Yes

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Analysis Results of Climate-Related Risks and Opportunities

Evaluation of Operational Impact Issues due to Climate Change

The assessment of climate change impact is based on the multiplication of the degree of operational impact on profit and loss, capital expenditure, and cash flow, and the probability of occurrence. If risks and opportunities cannot be quantified as financial data, then the impact of this issue should be considered from a non-financial perspective. Radiant Opto-Electronics considers the following aspects when evaluating the operational impact of risks and opportunities:

	Impact Level				Probability of Occurrence
	Financial Aspects		Non-Financial Aspects		
Risk	Investment amount for potential risk mitigation measures	Proportion of net profit affected by increased costs or expenses due to climate risks	Extent/scope of impact on business operations	X	Evaluation of potential occurrence frequency or probability
Opportunity	Potential increase in operating revenue or reduction in transition costs	Impact of increased profits from investment opportunities or reduction in expense outlays	Extent/scope of impact on business operations	X	Evaluation of potential occurrence frequency or probability

Short, Medium, and Long-Term Climate-Related Risk and Opportunity Matrix

A “Climate-Related Risk and Opportunity Matrix” has been created for Radiant Opto-Electronics. This matrix ranks the significance of different risk and opportunity events based on their probability of occurrence (X-axis) and impact level (Y-axis). In the chart, the green area represents a low degree of risk and opportunity; the yellow indicates a moderate level of risk and opportunity; and the pink-orange area signifies a high degree of risk and opportunity. Based on the scoring placement of each issue and the timing of occurrence, strategies are formulated to address these risks and opportunities. In the long term, the biggest risks are “Transition Risk - Goodwill - Market Sustainable Competitiveness,” “Transition Risk - Sustainable Communication Costs,” “Transition Risk - Green Power Purchases” and “Physical Risk - Physical Risks (Floods, Droughts, Natural Disasters Disrupting Transportation).”

- X-axis - Probability of Occurrence: This represents the likelihood of the risk eventhaving a substantial impact on Radiant Opto-Electronics’ business and operations,based on current regulatory policies or climate science estimates.
- Y-axis - Degree of Impact: This indicates the extent to which the risk event, whenit occurs, will impact or affect Radiant Opto-Electronics’ business and operations.

In addressing the climate-related risks and opportunities that Radiant Opto-Electronics may face, the “Occurrence Timing,” “Probability of Occurrence,” and “Degree of Impact” are comprehensively considered. The identification scores for each dimension are multiplied together to serve as the basis for ranking the significance of risks and opportunities. When scoring the degree of operational impact, priority is given to presenting the data in a financially quantifiable manner. If financial quantification is not feasible, the impact is then assessed based on non-financial aspects. After completing the assessments of impact degree and probability of occurrence, risks and opportunities are further classified based on their scoring ranges, and corresponding strategies are formulated.

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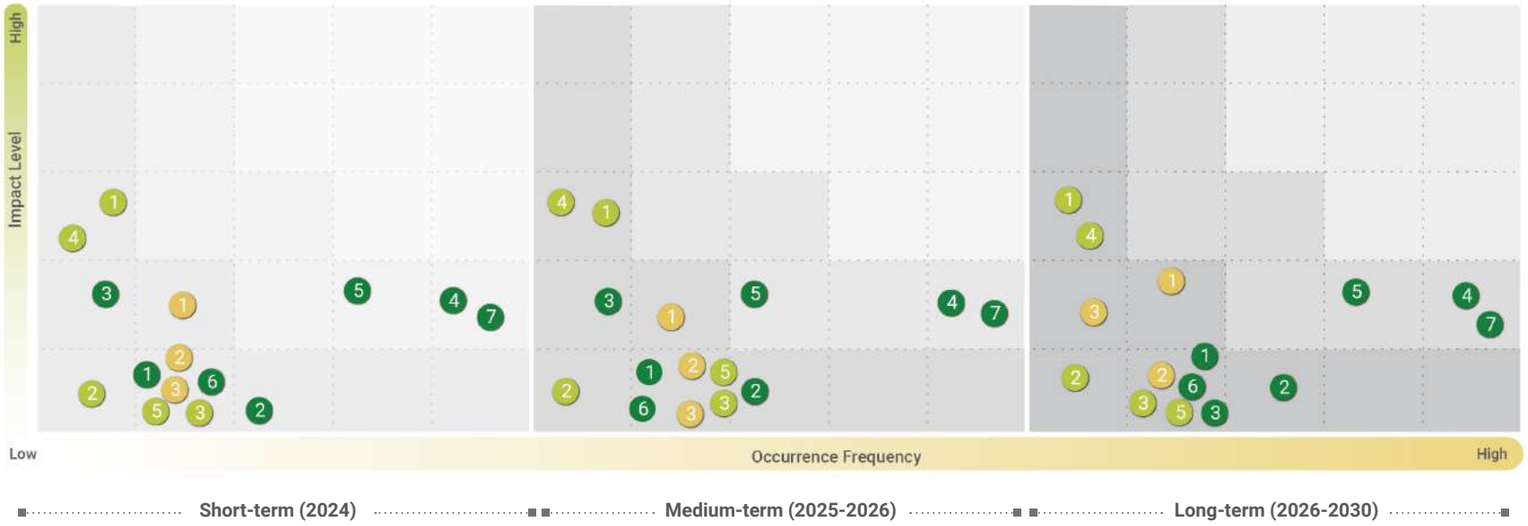

Transition risk

1. Increased upstream procurement costs (carbon tax/carbon fees)
2. Green product design and development costs
3. Mandatory power outages and production halts
4. Reputation - Sustainable Market Competitiveness
5. Green Energy Procurement
6. Increased generator maintenance costs
7. Sustainable Communication Costs

Physical risk

1. Physical risks (flooding, drought, natural disasters disrupting transportation)
2. Supplier physical risks (natural disasters causing supply chain disruptions)
3. Increased air conditioning costs due to high temperatures
4. Property losses due to natural disasters
5. Increased costs of purchasing water

Opportunity

1. Enhancing resilience
2. Reducing energy costs
3. Enhancing market competitiveness

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Mitigation Actions

Radiant Opto-Electronics identifies the impact period and potential financial effects on the overall value chain regarding climate-related risks and opportunities issues, as a basis for relevant countermeasures and risk management. The significant climate risks, potential financial impacts and countermeasures for 2023 are summarized in the following table.

Climate-related risks and financial impacts

Type	Climate-related risks	Risk content description	Potential financial impact	Adjustment and responsive acts
Transition	Sustainable Market Competitiveness	In response to the disclosure requirements and potential cost increases arising from customer demands for supply chain guidelines (2050 Net Zero Emissions). Customer demands for energy efficiency and carbon reduction goals, along with the submission of relevant performance data.	Increase in operating costs	Accelerating the integration of net zero carbon thinking into operational processes and product design stages, and planning for the implementation of coaching operations, with systematic management of performance data.
Transition	Green Energy Procurement	Under the Taiwan Renewable Energy Act, electricity consumers with a demand of 5000 kW or more are required to use 10% renewable energy (contract capacity 10%), which may lead to increased electricity costs or upstream supplier cost increases, resulting in increased raw material or processing costs.	Increase in operating costs	A global market assessment is conducted to obtain renewable energy through diversified approaches to achieve the vision of energy transformation and green manufacturing.
Transition	Sustainable Communication Costs	Due to stakeholder demands for disclosure of climate change strategies and management effectiveness in corporate social responsibility issues has increased the Company's communication costs with stakeholders.	Increase in operating costs	Enhancing sustainability awareness among internal employees to reduce sustainable communication costs.

In response to climate change issues and global decarbonization trends, the Carbon Management Working Group under the Sustainable Development Committee focuses on three main aspects: carbon products, energy efficiency, and green procurement and transportation. The Group has set carbon reduction targets to promote carbon neutrality for the Group by 2050. Each team is led by a department head or higher, with managers and above participating. Monthly tracking of electricity and water usage, carbon reduction performance, and related reduction activities is conducted. The teams are also actively involved in the development of green, energy-efficient products and the installation of power monitoring systems to enhance energy efficiency. Reports are made quarterly to the Group's President and the head of the Administrative Center. The Sustainable Development Committee regularly reviews carbon reduction performance and charts a sustainable development blueprint. According to the financial assessment of this climate risk issue, the results show that the short, medium, and long-term impacts on operating income are all less than 0.1%.The impact of various issues on revenue is described as follows :

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Financial Impact Assessment of Climate Change Issues

Climate Risk/Opportunity Issues	Revenue	Costs/ Expenses	Capital Expenditures	Profit and Loss	Cash Flow	Impact on Operating Revenue		
						Short-term	Mid-term	Long-term
Increased upstream procurement costs (carbon tax/carbon fees)	No Impact	Increase	No Impact	Reduce	Increased Outflows	<0.01%	<0.01%	<0.01%
Power shortages leading to production halts	No Impact	Increase	No Impact	Reduce	Increased Outflows	0.06%	0.06%	0.06%
Increased air conditioning costs due to high temperatures	No Impact	Increase	No Impact	Reduce	Increased Outflows	<0.01%	0.00%	0.00%
Increased maintenance costs for energyconsuming equipment	No Impact	Increase	No Impact	Reduce	Increased Outflows	<0.01%	<0.01%	<0.01%
Losses due to material delays or delayed deliveries caused by extreme weather conditions	No Impact	Increase	No Impact	Reduce	Increased Outflows	<0.01%	<0.01%	<0.01%
Sustainability management and communication costs	No Impact	Increase	No Impact	Reduce	Increased Outflows	0.01%	<0.01%	<0.01%
Green product design and development costs (R&D Expenses)	No Impact	Increase	No Impact	Reduce	Reduced Outflows	<0.01%	0.01%	0.02%
Revenue from solar photovoltaic power and carbon credits	No Impact	Reduce	No Impact	Increase	Reduced Outflows	<0.01%	<0.01%	<0.01%

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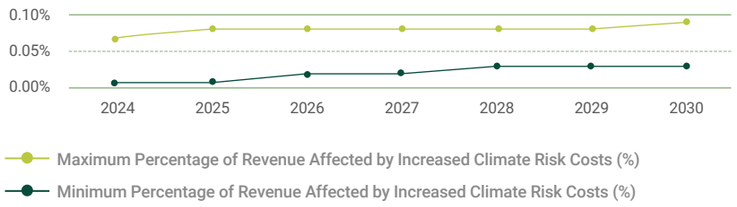
Issues with Significant Financial Impact

- Short-term : No high-risk issues; moderate risk issues include sustainable market competitiveness, green electricity transformation, and sustainability communication costs.
- Mid-term : No high-risk issues; moderate risk issues include sustainable market competitiveness, green electricity transformation, and sustainability communication costs.
- Long-term : No high-risk issues; moderate risk issues include sustainable market competitiveness, green electricity transformation, and sustainability communication costs.

Financial Impact of Radiant Opto-Electronics' Carbon Reduction Pathway

Percentage of Operating Revenue of Radiant Opto-Electronics' Transformation and Physical Risk Costs (%)



IV. Indicators and Objectives

The Carbon Management Team under the Sustainable Development Committee of Radiant Opto-Electronics is composed of various group entities, including the Equipment Department, Environmental Affairs Department, Procurement Department, Logistics Department, and Research & Development units, etc. Through the crossdepartmental discussions, sets climate change performance indicators including greenhouse gas emissions, electricity savings, renewable energy utilization rate, energy-saving projects, supplier carbon reduction actions, waste, and water consumption to achieve the Group's sustainable development goals. Since 2020, the Company has conducted greenhouse gas inventory for categories 1 to 6 in accordance with ISO 14064-1:2018. Based on the inventory results, we have implemented carbon reduction measures and energy-saving equipment replacement projects to reduce greenhouse gas emissions. The Sustainable Development Committee reviews the achievements of the sustainable goals.

Item	Short-term 2024	Mid-term 2025-2026	Long-term 2027-2030
Greenhouse gas inventory ISO14064-1:2018 Group greenhouse gas reduction goals	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant completed the greenhouse gas inventory for 2023 and passed the ISO 14064-1:2018 verification. 2. The Group's greenhouse gas emissions (Category 1 + Category 2) in 2023 decreased by 7.5% compared to 2020 (base year adjustment).	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant have completed the annual greenhouse gas inventory and passed the ISO 14064-1:2018 verification, which meets the FSC's requirement of completing consolidated subsidiary companies'inventory and verification by 2029. 2. The Group's greenhouse gas emissions (Scope 1 + Scope 2) in 2030 decreased by 25% compared to 2020 (base year).	
Energy Management System Certification ISO 50001	ISO 50001:2018 verification passed and certification obtained	Continue to report energy saving improvement measures to ensure the validity of ISO 50001:2018 Certification	
TCFD	The Group has adopted the TCFD framework and completed the TCFD report	In accordance with the Net Zero Carbon Emission Blueprint of Radiant, gradually improve carbon management system	
Carbon management team	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year. 2. Each person receives 22 hours of carbon-related training per year	1. The carbon reduction goals are reported to the chairperson of the Sustainable Development Committee at least twice a year. 2. Each person receives 24 hours of carbon-related training per year	

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4.2 Greenhouse Gas Management

Material Topics	Greenhouse Gas Management
GRI Comparison	GRI 305 : 2016
Policy	1. Greenhouse Gas Inventory Management Procedure 2. Energy Goals and Program Management Method 3. Energy Operation Management Method
Commitment to Management Strategy	1. As per the "Sustainable Development Guide map for TWSE- and TPEx-Listed Companies" released by the Financial Supervisory Commission in 2022, the Company, with a paid-in capital of NT$4.65 billion, is obligated to complete the inventory and verification for individual companies by 2028, and for consolidated subsidiary companies by 2029, continuously controlling the completion of greenhouse gas inventory and verification of the disclosure schedule. 2. In line with the Group's carbon reduction path for 2030, a carbon management working team was established to set annual carbon reduction targets, monitor the progress of carbon reduction projects regularly, and report on carbon reduction performance to the Sustainability Committee. 3. Implement an energy management system to audit energy usage, monitor major energy-consuming equipment, reduce energy consumption, and ensure the rational use of energy.
Communication Mechanism	Continue to collaborate with all departments within the Group to promote carbon reduction policies and achieve greenhouse gas reduction targets to mitigate the impact of climate change.
Concrete Actions	1. Conduct annual inventories and verification of greenhouse gas emissions for Scope 1, Scope 2, and Scope 3. 2. Establish greenhouse gas reduction targets. 3. Participate in the international CDP Climate Change assessment.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Medium-term Objectives in 2025-2026	▶ Long-term Objectives in 2027-2030
Greenhouse gas inventory ISO14064-1:2018 Group greenhouse gas reduction goals	1. Completed 2022 annual greenhouse gas inventory and passed ISO 14064-1:2018 third-party verification. 2. The Group's greenhouse gas emission intensity per unit of product in 2022 decreased by 11% compared to 2015.	●	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant completed the greenhouse gas inventory for 2023 and passed the ISO 14064-1:2018 verification. 2. The Group's greenhouse gas emissions (Scope 1 + Scope 2) in 2023 decreased by 7.5% compared to 2020 (base year adjustment).	1. Kaohsiung plant, Wujiang plant, Nanjing plant and Guangzhou plant have completed the annual greenhouse gas inventory and passed the ISO 14064-1:2018 verification, which meets the FSC's requirement of completing consolidated subsidiary companies' inventory and verification by 2029. 2. The Group's greenhouse gas emissions (Scope 1 + Scope 2) in 2030 decreased by 25% compared to 2020 (base year).	
Energy Management System Certification ISO 50001:2018	Addition topic of the year	Note	ISO 50001:2018 verification passed and certification obtained	Continue to report energy saving improvement measures to ensure the validity of ISO 50001:2018 Certification	

Note: The sustainability indicator "Energy Management System Certification ISO 50001:2018" was not included in the material topics for 2022; therefore, there is no performance data for 2023.

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Mitigation of Climate Change

In response to the threat of global climate change, reducing greenhouse gas emissions has become the most important consensus worldwide. The Company conducts an annual greenhouse gas inventory in accordance with ISO 14064-1:2018 and completes third-party verification. From the annual achievements in carbon reduction, we plan to develop proactive and pragmatic carbon reduction actions at Radiant. Through continuous management optimization, we strive to make the greatest efforts to reduce greenhouse gas emissions.

Greenhouse Gas Inventory

Radiant Opto-Electronics refers toISO 14064-1:2018, the Climate ChangeResponse Act, the Greenhouse Gas Emission Inventory and Registration Management Measures, the Greenhouse Gas Inspection Guidelines, the Greenhouse Gas Registration Guidelines, and the WBCSD/WRI Greenhouse Gas Inventory Protocol, setting organizational boundaries based on 100% operational control. At present, third-party certification organizations are responsible for verifying all greenhouse gas emissions in Scope1, Scope2, and Scope3, in compliance with international standards.

Since 2020, Radiant Opto-Electronics has established a cross-departmental Carbon Management Team, referencing the latest ISO 14064-1:2018 and inventory guidelines from domestic and international organizations, to establish a standardized mechanism for the Group's greenhouse gas inventories. Radiant Opto-Electronics has conducted greenhouse gas inventories for many years in its manufacturing facilities in Taiwan and Mainland China, continually expanding the scope of its greenhouse gas inventory management. The Company promotes carbon inventory both internally and externally. In addition to inventory of Scope 1 and Scope 2 direct greenhouse gas emissions, as well as indirect greenhouse gas emissions from energy inputs, we also conduct an inventory of Scope 3 emissions, which include indirect greenhouse gas emissions during transportation, indirect greenhouse gas emissions from products used, indirect greenhouse gas emissions related to the use of products, and indirect greenhouse gas emissions from other sources.

In 2022, the total greenhouse gas emissions of Radiant Opto-Electronics were approximately 107,600 TCO2e (Scope 1 and Scope 2). The greenhouse gas emissions intensity of Scope 1 and 2 in 2022 decreased slightly by 2% compared to 2021 and decreased by 35% compared to 2015 (2025 is the base year of the Sustainable Development Goals). The greenhouse gas emissions within the organization mainly come from Scope 2 indirect greenhouse gas emissions, accounting for about 98%. The types of greenhouse gases inventoried include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF3), and sulfur hexafluoride (SF6). The Global Warming Potential (GWP) values used are derived from the 2021 IPCC Sixth Assessment Report. Emission factors for electricity are referenced from the most recently published data for the location of each facility. The Group's greenhouse gas emissions for 2023 are currently being verified by an external party as part of the annual plan. Any adjustments to the data will be disclosed in the next sustainability report.

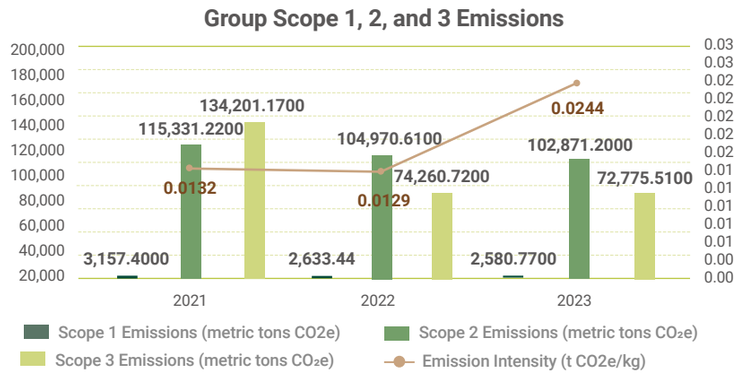
Self-inventory of Greenhouse Gas Emissions in 2023

Category	Self-inventory of Emissions in 2023
Scope 1	2,580.7700
Scope 2	102,871.2000
Scope 3	72,775.5100
Scope 1+2+3	178,227.4800

Note : The figures for 2023 are estimates. Unit: metric tons CO_2e

Scope 1, 2, and 3 Emission Details

Scope 1, 2, and 3 Greenhouse Gas Emissions (metric tons CO_2e)



Notes1: 2023 Self-Estimated Inventory Values
Notes2: Greenhouse gas emission intensity per unit product: Group Scope 1 and Scope 2 Greenhouse Gas Emissions (metric tons) / Raw Material Plastic Pellet Input (kilograms)

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Group Scope 1 Emissions for 2022

Plant	Scope 1 Emissions(metric tons CO_2e/year)	
Kaohsiung plant	253.3700	10%
Wujiang plant	1,635.9200	62%
Nanjing plant	549.2900	21%
Guangzhou plant	194.8600	7%
Total	2,633.4400	100%

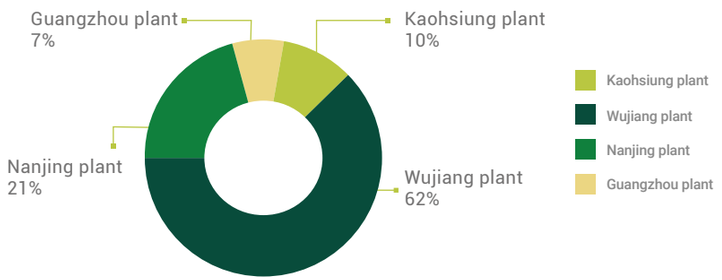
Group Scope 2 Emissions for 2022

Plant	Scope 2 Emissions(metric tons CO_2e/year)	
Kaohsiung plant	11,658.0300	11%
Wujiang plant	57,419.1200	55%
Nanjing plant	26,687.0700	25%
Guangzhou plant	9,206.3900	9%
Total	104,970.6100	100%

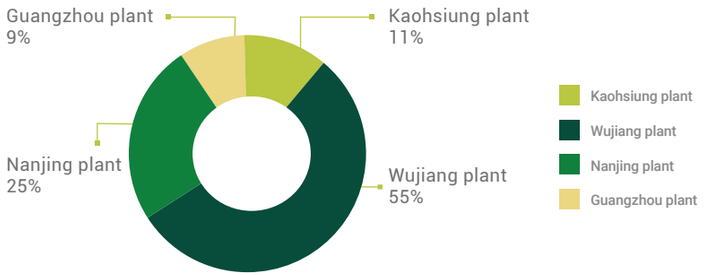
Group Scope 1, 2, and 3 Greenhouse Gas Emissions (metric tons CO_2e)

	2021	2022	Comparison between 2022 and 2021
Scope 1	3,157.4000	2,633.4400	-17%
Scope 2	115,331.2200	104,970.6100	-9%

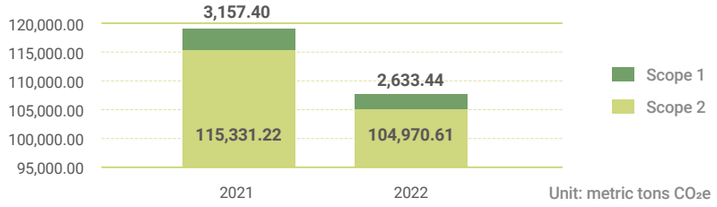
2022 Scope 1 Emissions Share by Plants



2022 Scope 2 Emissions Share by Plants



Scope 1 and 2 Greenhouse Gas Emissions (metric tons CO_2e)



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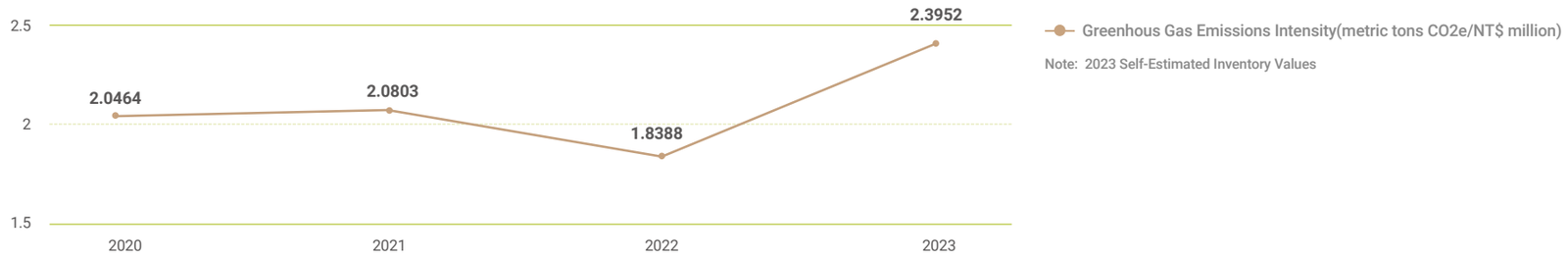
Greenhous Gas Emissions Intensity



Scope 3 Inventory Overview

Radiant Opto-Electronics conducts its Scope 3 emissions disclosure in accordance with the indirect emission sources outlined in ISO 14064-1:2018, known as Scope 3. The primary categories of emissions identified include “indirect emissions from transportation” and “indirect emissions from the use of sold products.” Other categories not inventoried include those not directly related to Radiant Opto-Electronics or where data and information are difficult to obtain.

Group Scope 3 Emission Sources and Quantities

Plants	Emission Source	2020	2021	2022
Kaohsiung plant	Indirect emissions from transportation	1,625.7505	598.1996	620.8470
	Indirect emissions from the use of sold products	2,597.3000	2,236.3617	2,138.0800
Wujiang plant	Indirect emissions from transportation	1,901.0200	3,889.2400	440.5034
	Indirect emissions from the use of sold products	45,764.0700	92,445.6200	31,826.9700
Nanjing plant	Indirect emissions from transportation	282.5600	446.6100	172.1300
	Indirect emissions from the use of sold products	16,514.6400	18,422.3400	20,750.4700
Guangzhou plant	Indirect emissions from transportation	4,858.7500	4,922.8600	4,840.2200
	Indirect emissions from the use of sold products	20,342.8500	11,239.9700	13,471.5200

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Carbon Management Mechanism

Radiant Opto-Electronics has integrated carbon management into its operational strategy, which includes merging the "Low Carbon Products Group," "Energy Efficiency Group," and "Green Procurement and Transportation Group" from the Sustainable Development Committee into a Carbon Management Team. This team holds monthly cross-departmental meetings to actively track the carbon reduction achievements of Radiant Opto-Electronics. Concurrently, the Company has launched a "Green Proposal" incentive program to encourage all employees to conceive carbon reduction projects. Themes include improving energy resource efficiency, reducing greenhouse gas emissions, and recycling waste. Through a substantial reward system and a rigorous review process, the initiative drives more innovative green actions across the Group.

Moreover, the Company is committed to actively reducing carbon emissions impact and enhancing operational competitiveness. We have incorporated important carbon reduction goals proposed by various units within the Group into the Group's sustainable development performance indicators, including reducing greenhouse gas emissions at the source, replacing equipment with high carbon emissions, and implementing solar power generation systems. Through corporate internal mechanisms, we aim to deepen the Group's sustainability culture, rallying employees to work together towards realizing Radiant Opto-Electronics' proactive and pragmatic carbon reduction path and goals.

Radiant Opto-Electronics' Carbon Reduction Goals

Radiant Opto-Electronics conducts a comprehensive assessment of its overall operations through the lens of the United Nations Sustainable Development Goals (SDGs) to establish the "Radiant Opto-Electronics Sustainable Development Goals 2025." The Company aims to deepen internal sustainability practices and enhance external stakeholder engagement, horizontally integrating customers, suppliers, and other stakeholders to pave the way for greater possibilities in sustainable development.

Regarding the "Greenhouse Gas Reduction Target," outlined in the "Radiant Opto-Electronics Sustainable Development Goals 2025" established in 2019, the objective is to "achieve a 20% reduction in greenhouse gas emissions per unit of output across the Group compared to 2015 levels." To further strengthen the follow-up on the Group's greenhouse gas reduction targets, starting from 2024, the annual material topics "Greenhouse Gas Management" will have its base year set to 2020.

However, in recent years, Radiant has taken even more diligent steps to implement carbon reduction initiatives across the Group, setting proactive and pragmatic carbon reduction targets. Through efforts such as energy conservation and enhancing process efficiency, Radiant Opto-Electronics has significantly exceeded its targeted carbon reduction levels by 2023. This demonstrates Radiant Opto-Electronics' firm commitment to carbon reduction.

As the deadline for the "Radiant Opto-Electronics Sustainable Development Goals 2025" approaches, Radiant Opto-Electronics plans to actively develop the "2030 Radiant Opto-Electronics Sustainable Development Carbon Reduction Targets" by referencing the linear decarbonization pathway outlined by SBTi. These targets are expected to be disclosed in the "2024 Radiant Opto-Electronics Sustainability Report."

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4.3 Energy Resource Management

Energy Usage					
Category	Item	2021	2022	2023	2023 Energy Usage Annual Proportion (%)
Direct Energy	Natural Gas	21,387GJ	10,925.07GJ	2,427.96GJ	0.52%
	Gasoline	2,464GJ	2,095GJ	2,515.29GJ	0.54%
	Diesel	48GJ	15GJ	12.30GJ	0.00%
Indirect Energy	Outsourced Electricity Power	616,899GJ	532,518GJ	462,667.51GJ	98.94%
Total		640,798GJ	535,707.7GJ	467,623.07GJ	100%
Plastic Pellet Input (kilograms)		9,001,575	8,338,225	4,329,354	--
Intensity (Total Energy in GJ/Plastic Pellet Input kg)		0.071	0.064	0.108	--

Note: 1GJ (Gigajoule) = 10^9J (Joule)
Note: The conversion factors for natural gas, liquefied petroleum gas, diesel, and gasoline are all based on the calorific value data announced by the Bureau of Energy, Ministry of Economic Affairs.

Energy Structure

In 2023, the primary source of energy used by Radiant Opto-Electronics was purchased electricity, accounting for 98.9% of the Company's total energy consumption. Additionally, natural gas, gasoline and diesel were used, but their consumption was very low, each constituting less than 0.05% of the total energy consumption. Specifically, the electricity usage was 124,918.8 MWh, and natural gas usage was 72.5 MWh. Moreover, starting in 2024, the Company plans to begin purchasing renewable energy, although no renewable energy was purchased in 2023.

According to the analysis, besides the main production processes, the greenhouse gas emissions caused by Radiant Opto-Electronics also include other indirect emissions. These emissions stem from the transportation of materials used within the factory, the production of raw materials by suppliers, the transportation and processing of waste, as well as employee business travel and commuting, etc.

Improve energy efficiency

Radiant Opto-Electronics continues to enhance energy efficiency within its facilities through various energy-saving measures. In 2023, compared to 2022, electricity consumption was reduced by approximately 36,500 MWh, which corresponds to a reduction in CO2 emissions of about 28,811 metric tons. The reduction in electricity usage was not only due to decreased production capacity but also included the following main energy-saving measures implemented in 2023:

Major Energy-Saving Measures continuously promoted by Radiant Opto-Electronics in 2023

Electric Power	2023 Energy Conservation Achievements
Energy savings in production machinery, chilled water, and air conditioning systems. Heat recovery and reuse in refrigeration machines, energy-efficient lighting. Energy conservation in process cooling water and clean air conditioning units.	Total electricity savings amounted to approximately 23,617 MWh. CO2 reduction of approximately 15,463 tons.

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To effectively reduce the environmental impact of the greenhouse effect, Radiant Opto-Electronics prioritizes “energy saving” as the primary objective in its energy use. Initiatives such as adopting dual chilled water systems and heat recovery and reuse in refrigeration equipment have been continuously implemented. Over the years, the Company has introduced various energy-saving technologies, such as automatic control of equipment, enhancement of equipment efficiency, energy recovery and reuse, and production management improvements, to reduce energy consumption. Additionally, during the equipment setup design and procurement stages, energy-efficient devices are prioritized. Furthermore, energy management schemes for offices and public areas, including constant temperature control of air conditioning, are promoted to strengthen the concept of energy saving among employees. Efforts also continue in reducing raw material usage and increasing waste recycling to mitigate greenhouse gas emissions.

In 2023, Radiant Opto-Electronics implemented and completed the verification of the ISO 50001 Energy Management System. In 2022, approximately NT$4.06 million was invested to establish an energy management system platform. This platform enables real-time monitoring of energy consumption, facilitating statistical analysis and intelligent energy-saving management of various system equipment. It assists organizations and fleet groups in managing and improving energy consumption, promoting best practices in energy management and strengthening good management behaviors. Additionally, the Company continues to implement ISO 14064-1 greenhouse gas emissions verification through third-party certified inspection agencies, ensuring data verification results are transparent and credible.

2023 Cross-Plant Major Energy Saving Project

Plants	Energy-saving projects	Electricity conservation	Carbon reduction	Amount invested in equipment
Wujiang plant	Centrifuge and post-processing relocated to the main factory project.	201.6 million kWh (7,257,600 MJ)	1,418.3t CO_2e	3,910,000
Nanjing plant	Replacement of chiller units in the plants	116.8 million kWh (4,204,800 MJ)	821t CO_2e	7,500,000
Guangzhou plant	Renovation of air conditioning humidifiers in Phase 2 of the firstfloor molding workshop	0.49 kWh (17,640 MJ)	2.8t CO_2e	237,500
Kaohsiung plant	Ice water chiller replacement project at 3rd factory	1.97 million kWh (7,092,000 MJ)	975t CO_2e	9,988,000
Total		515.89 million kWh (18,572,040 MJ)	3,217.1t CO_2e	21,635,500

Note : Electricity Carbon Emission Factor for the Kaohsiung plant: 0.495kgCO2e/kWh in 2023, announced by the Taiwan Energy Bureau
Electricity Carbon Emission Factor for the Wujiang plant: 0.7035kgCO2e/kWh in 2012, announced by the China East Region Power Grid
Electricity Carbon Emission Factor for the Nanjing plant: 0.7035kgCO2e/kWh in 2012, announced by the China East Region Power Grid
Electricity Carbon Emission Factor for the Guangzhou plant: 0.5703kgCO2e/kWh in 2012, announced by the China Southern Power Grid
Unit for the amount invested in equipment: NT$

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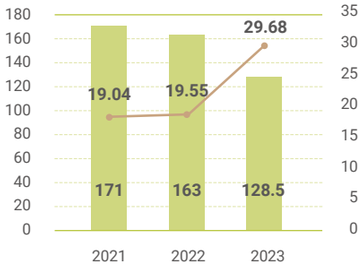
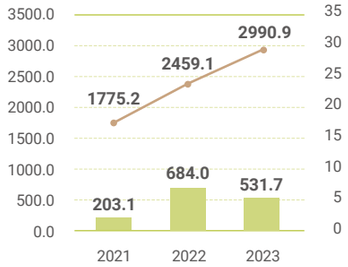
Electricity Usage

Electricity serves as the primary source of power for process production equipment and plant systems. In 2023, the Group's total electricity consumption was approximately 128.5 million kWh, marking a 22.1% decrease compared to 2022. The injection molding machines in the manufacturing process consumes the most electricity. In addition to changes in product shipment quantities, the energy-saving initiatives implemented over the years have continued to be effective, as evidenced by the overall electricity usage. According to statistics, in 2023, the Group collectively saved 5.317 million kWh (191,436 GJ) of electricity consumption. Compared to 2018 (the base year for the 2025 sustainable development goals), the cost of electricity usage for the Group's energy resources decreased by 40.7%.

Electricity Intensity





Electricity consumption (kWh)
Power consumption per unit product (kWh/kg)
Annual energy saving (10,000 kWh)
Cumulative energy saving (10,000 kWh)

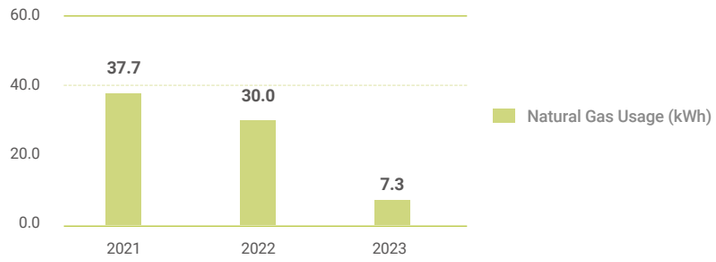
Power Monitoring System of the Group

The Facilities Department team at Radiant Opto-Electronics Corporation Facilities Department coordinated the planning and implementation of the Group's carbon management strategy in 2023. This involved designing a power consumption system and building an energy management system. The team conducted plant surveys, engaged in planning and drawing, held discussions and reviews, and utilized software and hardware computing to cover all major energy-consuming equipment across the Group's four factories. By implementing the energy management system, our aim is to attain tangible benefits that will aid the company in enhancing energy efficiency, curbing energy expenses, and mitigating greenhouse gas emissions.

Usage of Natural Gas

utilizes natural gas for employees'dormitories to heat the hot water boiler in employees'dormitories. Since 2017, a heat recovery system has been implemented to recycle the waste heat produced by the air compressor and in 2023, a total of 16,196 degrees of natural gas (14,079 joules) was saved through this system. The carbon reduction benefit of this project is approximately 421 tonnes of CO_2e. (Natural gas carbon conversion factor: 2.165 $kgCO_2e/M3$)

Total natural gas consumption at the Wujiang plant from 2021 to 2023



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Renewable Energy Initiatives

emissions, Radiant Opto-Electronics also plans diverse energy usage and actively installs renewable energy systems within its facilities. Since 2018, Radiant Opto-Electronics has fully installed solar photovoltaic systems at its production bases in Mainland China, with a total installed capacity reaching 3,562 kW. Among these, the Wujiang plant has the highest generation capacity of 1,762 kW, with an annual total electricity generation of approximately 3.295 million kWh (11,861 GJ). In 2023, renewable energy (solar power) accounted for about 2.6% of the total electricity consumption across the entire group. Radiant Opto-Electronics also coordinates and plans various energy-saving schemes through its Equipment Department, tailoring strategies to the specific manufacturing processes of each plant.

Water Resources Management

In recent years, due to intensified climate change, the frequency and severity of extreme weather disasters have increased more than ever before, making water resource management a critical issue for corporate operations. However, Radiant Opto-Electronics does not have processes that consume large amounts of water. The primary uses of water are for domestic purposes and air conditioning equipment, and the Group is located in processing export zones or development areas where the water source is third-party water (tap water). There is no use of surface water, groundwater, seawater, or produced water, and since these locations are not under water stress, the environmental impact is relatively low. Nevertheless, Radiant Opto-Electronics continues to enhance awareness and promote water conservation among its employees, emphasizing the importance of valuing and saving water resources.

The effluent water quality from Radiant Opto-Electronics' various factory sites meets local regulatory standards and is discharged into the regional wastewater sewer systems for treatment, thereby not identifying any significant impact on water sources, or substantial impacts on the surrounding communities, environment, or biodiversity. If any production site fails to meet discharge requirements, a corrective improvement plan is initiated. Radiant Opto-Electronics regularly tracks the water usage at each factory monthly and continues to improve the operational efficiency of existing equipment, construct additional standby units, and enhance operational flexibility to mitigate risks to company operations from water resource issues caused by extreme weather, such as heavy rain or drought.

Statistics showed that the Group's third-party water usage (tap water) in 2023 was approximately 1,256.5 million liters, saving 27.3 million liters of water. Compared to 2018 (the base year for the 2025 sustainable development goals), the cost of water resource usage for the Group's energy resources decreased by 40.6%.

In 2023, the Kaohsiung plant had a water usage of 44.5 million liters for industrial and domestic purposes. Since 2020, Radiant Opto-Electronics has collaborated with several brand clients to manage water resources at production bases. This involves regular monitoring of water usage at each factory, including assessments of water purification projects and the establishment of water resource management systems. These efforts can be further categorized into water management, water conservation measures and outcomes, wastewater management and reuse, multi-stakeholder engagement, climate resilience, and information disclosure, all of which meet client requirements and are continuously refined and optimized to enhance Radiant Opto-Electronics' water resource management capabilities. Moreover, the Company continues to plan and install secondary water meters in key production and residential areas to further refine and accurately analyze water usage information in these critical areas.

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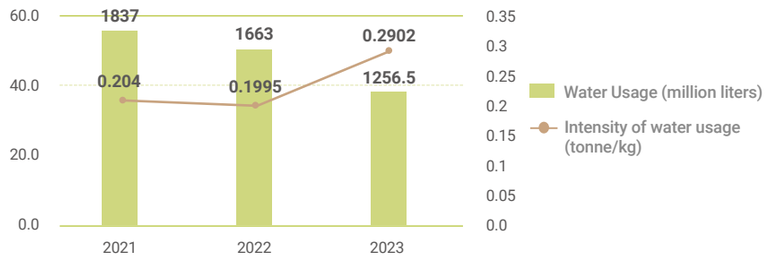
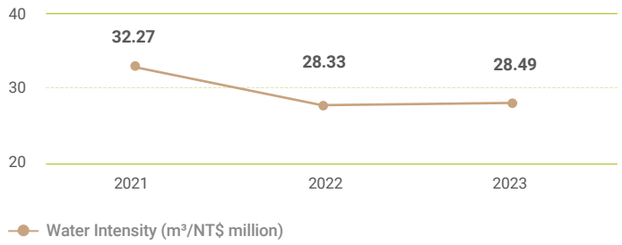
Water Consumption Chart from 2021 to 2023



Note : Water consumption intensity = total group consumption (tonne)/product plastic pellet feeding quantity (kg)

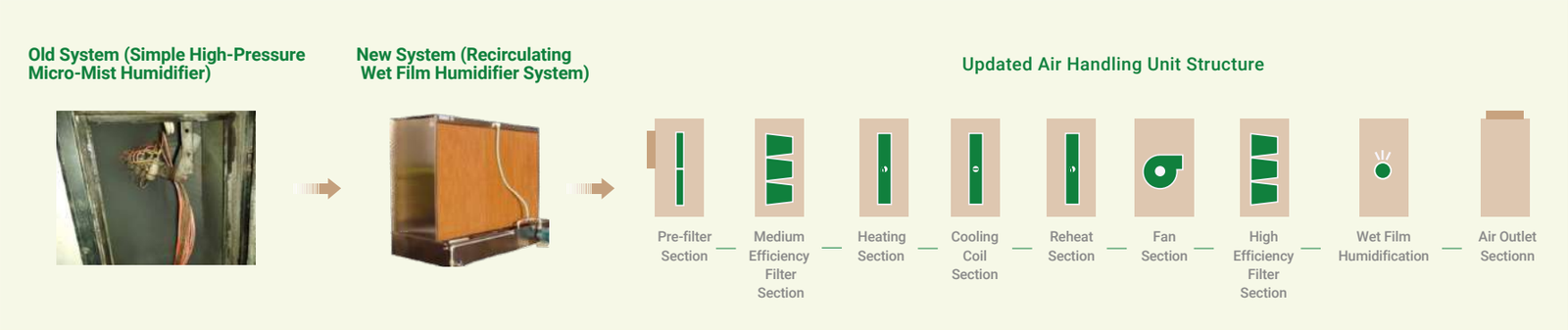
Water Intensity (m³/NT$ million)



Water Conservation Programs and Measures

Due to Taiwan's topography, it is difficult to effectively store rainfall, and with climate change, the frequency of extreme weather events is increasing, leading to a volatile climate characterized by droughts and heavy rains. Similarly, mainland China frequently experiences significant floods and droughts. Despite the fact that Radiant Opto-Electronics does not have water-intensive processes, the Company places a high priority on water resource management. At its Kaohsiung plant, the Company has implemented various water conservation measures. These include the use of watersaving regulators in toilets, low-flow faucets in washbasins, the recycling of wastewater produced by reverse osmosis (RO) systems, the design of water recirculation models to reduce discharge in processes, and the reuse of condensate water from air conditioning units.

Radiant Opto-Electronics requires humidity control within 60% ±10% in the cleanroom processes of its plants. Originally, the Make-Up Air Unit (MAU) utilized high-pressure micro-mist humidifiers, which were first put into operation in 2015. After eight years of usage, the nozzles and water pipe components have aged, resulting in both water wastage and suboptimal humidification performance. In 2023, Radiant Opto-Electronics upgraded the old system from a "simple high-pressure micro-mist humidifier" to a "recirculating wet film humidifier." This modification involved integrating the wet film humidification into both the high-efficiency section and the air outlet section of the air handling unit. This not only reduces water usage aligning with the goals of energy conservation and emission reduction, but also enhances the efficiency of the humidification process in the equipment.



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4.4 Environmental Pollution Prevention and Control

In line with its commitment to environmental protection, Radiant Opto-Electronics regularly monitors environmental impact factors such as air quality, noise, and wastewater within its development areas. Furthermore, Radiant Opto-Electronics'development sites are neither located in environmentally sensitive areas nor in regions designated for specific purposes. Within its policies on environment, safety, and occupational health, the Company promotes waste reduction and resource recycling across the entire group. It also commits to complying with local regulatory requirements, annually evaluates the objectives of its pollution prevention plans, and continuously optimizes and reviews actual performance.

Radiant Opto-Electronics adheres to the ISO 14001 Environmental Management System framework for assessing environmental considerations. The Company continuously manages and controls wastewater, waste, air pollution, noise, and other potential negative impacts. Upholding the spirit of PDCA for continuous improvement, Radiant Opto-Electronics strives to reduce environmental impact and minimize effects on ecosystems, aiming to enhance resource use efficiency and reduce operational risks. All of Radiant Opto-Electronics' plants are certified under ISO 14001:2015. In 2023, Radiant Opto-Electronics did not face any significant penalties due to violations of environmental laws and regulations. Radiant Opto-Electronics' processes do not emit perfluorocarbons (PFCs).

Air Pollution Prevention and Control

Radiant Opto-Electronics places a high priority on pollution prevention. Its daily operations involve an environmental management plan that reduces raw material usage and lowers the concentration of emissions. The Company employs air pollution control equipment that meets regulatory standards and implements autonomous monitoring of emission data. Primarily involved in assembly processes, Radiant Opto-Electronics operates with a low air pollution load. Pollutants produced are initially collected and treated with exhaust gas treatment equipment before discharge, ensuring compliance with legal requirements through regular exhaust sampling and testing. Tests have consistently shown that emissions meet the pollutant discharge standards set by government environmental regulations over the years. Moreover, Radiant Opto- Electronics' plants do not produce emissions of nitrogen oxides or sulfur oxides, nor do they emit ozone-depleting substances (ODS). In 2023, all air pollutants met local regulatory requirements. Regular inspections and maintenance are conducted for each facility to ensure optimal operational capability of the equipment. Operators receive comprehensive training to ensure the equipment systems are operated normally and without the risk of emitting hazardous gases.

Unit: metric tons

Air Pollutants	2019	2020	2021	2020	2021
Sulfur Oxides (SO_x)	0	0	0	0	0
Nitrogen Oxides (NO_x)	0	0	0	0	0
Volatile Organic Compounds(VOC_s)	2.2	2.4	2.6	2.8	2.54

Note : VOC_s emissions are disclosed only for the Kaohsiung plant. The calculation method is based on statistics from air pollution declaration documents.

Prevention and Control of Water Pollution

All factories under Radiant Opto-Electronics Corporation comply with local regulatory standards for effluent. Waste water is discharged into the sewerage system of the respective area for waste water treatment. As a result, no independent sewerage treatment system is established within the factories. In addition, effluent water is regularly tested by the Corporation to ensure that there is no impact on territorial waters.All factories under Radiant Opto-Electronics Corporation comply with local regulatory standards for effluent. Waste water is discharged into the sewerage system of the respective area for waste water treatment. As a result, no independent sewerage treatment system is established within the factories. In addition, effluent water is regularly tested by the Corporation to ensure that there is no impact on territorial waters. All test results in 2023 met water quality standards under the law.All test results in 2023 met water quality standards under the law.

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Water Quality Test Results of the Kaohsiung Plant

Item	pH	COD(mg/L)	BOD(mg/L)	SS(mg/L)
Test Results	8.47	31.6	3.1	2.4
Waste Water Management Standard Note 1	5-9	600	450	450
Conformance	Conforms	Conforms	Conforms	Conforms

Notes1: Effluent standard limit for public sewage in Kaohsiung

Mainland Factory Water Quality Test Results

Item		pH	COD(mg/L)	SS(mg/L)
Test Results	Wujiang plant	7.3	408	22
	Nanjing plant	7.8	245	15
	Guangz hou plant	7	212	54
Waste Water Management Standard Note 2	Wujiang plant	6.5~9.5	500	400
	Nanjing plant	6~9	500	400
	Guangz hou plant	6~9	500	400
Conformance		Conforms	Conforms	Conforms

Notes2 : Effluent standard for waste water discharged to urban sewage (Wujiang Factory, Guangzhou Factory) and acceptance effluent standard for waste water discharged to sewage network in Nanjing Economic Development Zone (Nanjing Factory)

Waste Management

The waste management of Radiant Opto-Electronics Corporation's waste management strategy prioritizes source reduction, waste sorting, and recycling. We meticulously record and manage the different types of business waste generated throughout our production and operation processes and ensure that waste storage, cleaning, and disposal are all in compliance with legal requirements by conducting proper recycling or disposal in accordance with the law. In 2023, Radiant Opto-Electronics has implemented the "Zero Waste to Landfill System (UL 2799)" and integrated waste classification lists from various plants with local regulatory waste code names. After taking inventory of recyclable waste materials at each workstation, we conducted field visits to recycling facilities, confirmed the recycling and disposal processes, and ultimately obtained the "Zero Waste to Landfill Declaration" to track the flow of waste recycling and disposal and improve actual conversion rates.

All four manufacturing plants within the Group achieved impressive "growth rates exceeding 20%" in 2023. The zero landfill conversion rates for the three production bases in mainland China have all reached 90%, with the Guangzhou plant exceeding 95% (with 4.9% conversion to energy through incineration).

UL2799 Certification Levels	Conversion Rate	WtE	Landfill Rate
Platinum Level	100%	0-10%	0%
Gold Level	95-99%	0-10%	0-5%
Silver Level	90-94%	0-5%	5-10%
Certified Waste Conversion Rate	<90%		

"Circular economy" has become a core concept in Radiant Opto-Electronics' ESG initiatives in recent years, with achieving "zero landfill" waste disposal serving as a significant indicator. In response to the threat of climate change to global sustainability and in line with Taiwan's 2050 net-zero emissions goal and the requirements of key customers, Radiant Opto-Electronics has identified 11 Sustainable Development Goals (SDGs) from the United Nations' Sustainable Development Goals (SDGs) as its sustainability targets. The Company utilizes UL2799 Zero Waste to Landfill Verification as a means to fulfill the "SDGs12 Responsible Consumption and Production" commitment, further embodying the goal and vision of " Radiant Opto-Electronics' Sustainable Operation = EPS + ESG."

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Waste Management Process

Radiant Opto-Electronics appoints commissioners to manage and conduct daily inspections of waste storage areas. Quarterly proactive audits are conducted on all waste within the factory premises and the compliance of waste disposal vendors' permits is verified. All waste is entrusted to qualified disposal vendors. Annually, an audit plan is scheduled to manage high-risk waste transportation and disposal and waste disposal vendors whom we cooperate with for the first time. We verify whether vendors legally transport Radiant Opto-Electronics' waste to disposal facilities by following the vehicle, monitor the flow and treatment methods of waste, and ensure the proper supervision of waste disposal responsibilities.

Industrial Waste Disposal

The Company's waste output can be divided into two categories: hazardous industrial waste and non-hazardous industrial waste. Statistical data shows that in 2023, the total waste generated was amounted to 4,105.69 tons, a reduction of approximately 29.2% compared to the 5,802.31 tons of waste generated in 2022. In 2023, non-hazardous industrial waste accounted for about 4,060.82 tons, representing 98.9% of the total waste, while hazardous industrial waste totaled approximately 44.87 tons, constituting 1.1% of the waste and being relatively non-complex in nature.

Type of Waste	Recyclable	Non-Recyclable	Total Weight (Tonnes)
Non-hazardous waste	Process wastes (waste metals, plastics), paper, motor oil, domestic wastes	Domestic waste, process waste (plastic, rubber, waste glass), nonhazardous waste liquids	4,060.8200
Hazardous waste	--	Electronic parts waste, lamps, waste liquids, waste containers	44.87

In terms of waste management categorization, the primary treatment method for nonhazardous industrial waste is "recycling and reuse,"accounting for approximately 2,578 tons, 63.5% of the total. The next most common method is "incineration (excluding energy recovery)," amounting to about 1,208.1390 tons, or 34% of the total. For hazardous industrial waste, "incineration (excluding energy recovery)" is the dominant treatment method, representing approximately 41.4800 tons, or 96.2%. The Company actively promotes waste recycling and converts waste into useful resources. It not only attained recycling resources but also reduced energy consumption and costs associated with waste disposal.

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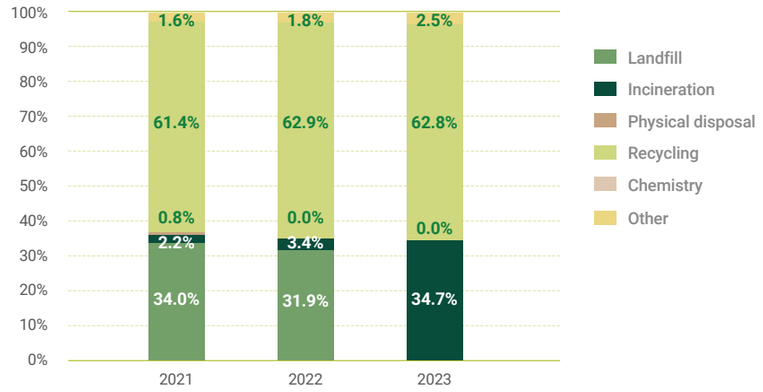
Hazardous and non-hazardous waste treatment

Composition of wast		Hazardous waste		Non-hazardous waste	
Waste treatment		On-site	Off-site	On-site	Off-site
Direct Disposal	Incineration (with energy recovery)	-	1.7000	-	172.5600
	Incineration (without energy recovery)	-	41.4800	-	1208.1390
	Landfill	-	0.00	-	0.00
	Other disposals	-	0.00	-	102.1200
	Chemistry	-	1.3500	-	0.00
	Physical disposal	-	0.3500	-	0.00
	Recycle and Reuse	-	0.00	-	2,578.0000
	Subtotal		44.8700		4,060.8200
	Total		44.8700		4,060.8200
	Total Sum		4,105.6900		
Temporary storage in the factory	-				
Total Waste	4,105.69				

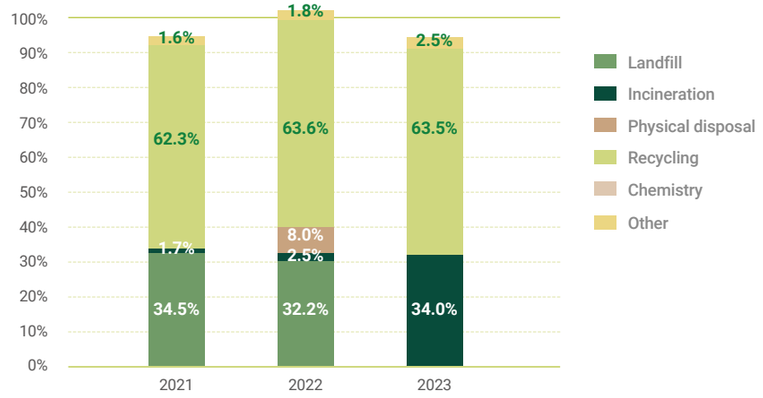
Unit: metric tons

Notes1: Incineration: The controlled combustion of waste at high temperatures.
Notes2: Recycling and Reuse: Properly managed by recycling and reuse service providers.
Notes3: Types of Recycling Operations: Such as preparation for reuse, recycling, and other recycling operations.
Notes4: Types of Recycling: Including downcycling, upcycling, composting, or anaerobic digestion. Notes5: On-site: Radiant Opto-Electronics Corporation has no in-factory processing facilities, and all processing is outsourced.
Notes6: Off-site: Outsourced waste disposal.
Notes7: Other disposal operations involve the production of liquid fertilizer, a process only implemented at the Kaohsiung plant.

Percentage of historical waste treatment



Percentage of historical non-hazardous waste treatment



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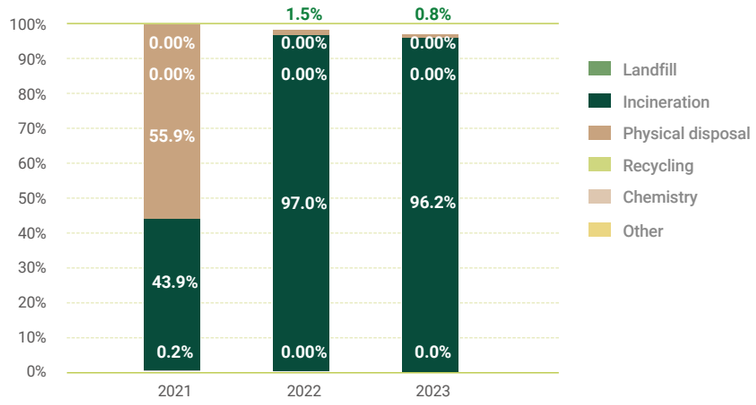
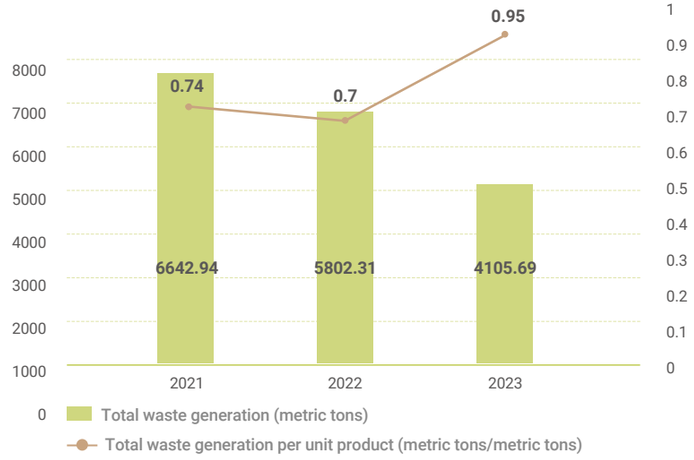
Percentage of historical hazardous industrial waste treatment



Historical Proportions of Total Waste Weight per Unit of Product

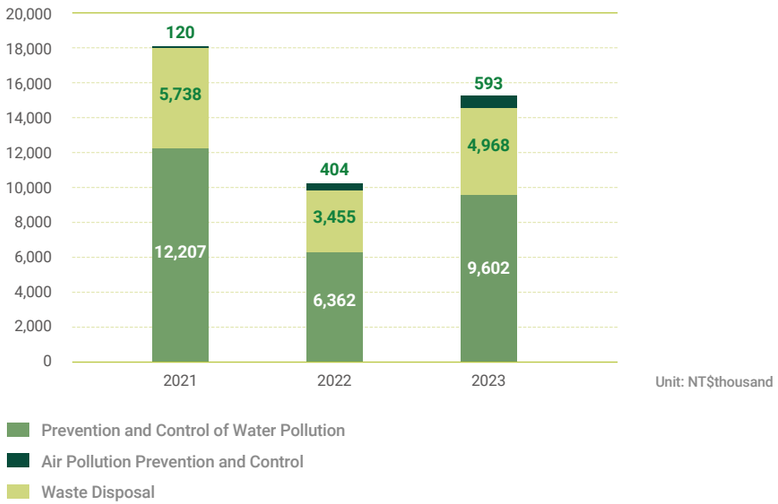


Notes1: Total Waste Weight per Unit of Product: Total Waste Weight (metric tons) / Raw Material Plastic Pellet Input (metric tons)

Expenses related to environmental protection

The Corporation has established several pollution prevention and control facilities to effectively manage and control industrial waste and wastewater. At the front end of the production process, we maintain, replace, and add new equipment with the best possible solutions to reduce pollutant emissions during the manufacturing process; at the end of the process, we treat all waste properly to continuously increase the recycling rate. In 2023, approximately NT $ 15,163 was invested in environmental protection, primarily for the purpose of preventing water pollution through sewage treatment fees. The increase in water pollution control costs in 2023 is due to the inclusion of sewage treatment fees for wastewater from the Nanjing plant.

Environmental protection expenses of the Group



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4.5 Nature and Biodiversity

Moving towards harmonious coexistence with nature is the primary task for future corporate operations. Biodiversity and forest conservation are fundamental to maintaining natural ecosystems, protecting the Earth's environment, and sustaining economic prosperity. Radiant Opto-Electronics' global production sites and offices are not located within protected areas or habitats, and there are no rare species of flora and fauna, natural forests, or species on the national endangered list present at any of these sites. Furthermore, environmental impact assessments are conducted in accordance with local environmental laws and regulations to ensure that Radiant Opto-Electronics' operations do not harm biodiversity conservation. Compliance with the ISO 14001 Environmental Management System standards is ensured by annual audits that examine wastewater, emissions, and waste disposal to confirm adherence to legal requirements.

Radiant Opto-Electronics is committed to continuously promoting the protection of nature and biodiversity through its products, services, and various activities. The Company begins internally by regulating all operational sites to prevent any acts of deforestation and plans continuously with steps involving avoidance, minimization, restoration, and biodiversity offsets. By implementing Nature-Based Solutions (NBS), Radiant Opto-Electronics is working towards the global goals of No Net Loss and a Net Positive Impact.

Radiant Opto-Electronics, in partnership with the Radiant Education Foundation, is promoting the "Sea You Again Infinite Ocean Action Plan," an initiative to enhance marine environmental education. Central to this program is "Education Rooted," which involves organizing marine-themed picture book workshops. These include training sessions for educators on marine biodiversity and the development of corresponding physical movement courses. Furthermore, the program encourages teachers to integrate ocean-loving actions into their curricula through the evaluation of marine lesson plans, thereby embedding environmental education DNA into the lives of school-aged children. Furthermore, Radiant Opto-Electronics is set to launch its first marine-themed picture book, focusing on the unique marine features of the southern seas. This book will be part of a series that narrates stories about lagoons, fishing ports, and ocean currents, using picture books as a medium to continually highlight the importance of marine sustainability.

ROEC pledges :

1. In the establishment and operation of plants, we will strive to avoid operating in or near environmental preserves or areas of significant biodiversity in order to fulfill the Company's commitment to biodiversity and zero deforestation.
2. We will avoid or minimize the release of pollutants into the environment to protect the environment from damage.
3. We will ensure that all of the Company's operations comply with international, domestic, and local biodiversity-related laws and regulations.
4. We aim to gradually promote the concept of biological and environmental protection to the general public in order to facilitate ecological conservation action.

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4.6 Green and Circular Sustainable Living

Computer Recycling Donation Program

Since 2018, Radiant Opto-Electronics'Kaohsiung plant has collaborated with the Asus Foundation on the "Computer Recycling" initiative to promote resource recycling. This program focuses on IT equipment that has exceeded its useful life, such as computers and monitors. After the IT department has confirmed the deletion of sensitive data, the hardware is recycled and donated. In addition, starting from the second half of 2022, Radiant Opto-Electronics invited the Radiant Education Foundation to join the "Computer Recycling" initiative, encouraging colleagues to participate collectively. Through weekly humorous and engaging factory-wide announcements, employees are encouraged to donate various types of electronic products from their homes, thereby giving old and classic items a sustainable value of "rebirth and reuse" through practical actions.

The recycled electronic products are reassembled into refurbished computers and donated to schools, digital learning centers, and counseling centers both domestically and internationally. This initiative aids disadvantaged groups, young students, the elderly, and individuals with disabilities by providing them access to computer courses. The goal is to promote digital equity while achieving the multiple benefits of resource recycling and reuse, as well as contributing to social welfare and reducing the digital divide.

In 2023, a total of 164 desktop computers, 142 monitors, 366 laptops, and 779 other items (such as mobile phones, TVs, projectors, tablets, network switches, etc.) were recycled, amounting to 1,451 pieces in total. Since the start of the program in 2018, a cumulative total of 4,257 items has been recycled, which is estimated to have reduced CO_2e emissions by 22.846 metric tons, equivalent to approximately 1,903.797 trees.(Data source : Asus Foundation Computer Recycling Program)

Low-Carbon Lifestyle Family Picnic Day

Radiant Opto-Electronics annually hosts a Group Family Day, inviting employees and their families to set aside their work and enjoy a leisurely holiday afternoon. In 2023, Radiant Opto-Electronics' Kaohsiung plant organized a "Low-Carbon Lifestyle Family Day" picnic and concert, planning the entire event with sustainability in mind from the outset. Sustainable practices included using simple wooden structures and eco-friendly fabrics for large display board designs at the event. Under the theme "Low-Carbon We Share," employees were encouraged to bring reusable items such as reusable cups, eco-friendly lunch boxes, and shopping bags. Additionally, the promotion of green transportation options encouraged the use of public transport or shuttle services arranged by the Group, aiming to reduce the carbon emissions associated with the use of private vehicles.

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Radiant "Turning Waste into Treasure" Campaign

At Radiant Opto-Electronics, both in manufacturing processes and daily life, employees are encouraged to implement the three main principles of "source reduction, resource sorting, and recycling." In 2023, Radiant Opto-Electronics launched several "Turning Waste into Treasure" initiatives to repurpose used waste materials. For instance, at the Nanjing plant, Radiant Opto-Electronics encouraged employees to use their creativity and sense of humor to transform items labeled as waste, such as cardboard, empty bottles, and old clothes, into new handicrafts. The Company organized a contest to vote for the best creations. At the Wujiang plant, the activity involved reassembling used water column banners for reuse. Departments were invited to submit their creative ideas for reusing these materials, kicking off a resource recycling activity. The campaign culminated in awards for "Most Creative," "Most Practical," and "Best Transformation," demonstrating the multiple uses of the same materials through innovative repurposing.

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5.1 Human Rights Policies and Commitments

Material Topics	Human Rights Policies and Commitments			
GRI Comparison	GRI 406 : 2016 GRI 407 : 2016	GRI 408 : 2016 GRI 409 : 2016	GRI 410 : 2016 GRI 411 : 2016	GRI 415 : 2016
Policy	1. Responsible Business Alliance Code of Conduct 2. Code of Conduct Management Procedures	3. Employee Handbook 4. Guidelines on Humanitarian Treatment and Ethical Conduct	5. Employee Health Examination Management Procedures 6. Sexual Harassment Prevention Measures Management Procedures	7. Prevention of Discrimination and Harassment Management Procedures
Commitment to Management Strategy	By signing the Human Rights Code of Conduct and adhering to relevant governmental regulations, we comply with local labor and gender equality laws applicable to our operations.			
Communication Mechanism	Established multiple channels for complaints and measures for the prevention of sexual harassment.			
Concrete Actions	1. Do not accept job applications from individuals under the age of sixteen. 2. Conduct online training sessions annually for all group employees on "RBA Code of Conduct" and "Ethics and Integrity Promotion," including anticorruption training. 3. Adhere strictly to the "Responsible Business Alliance Code of Conduct."			

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Mediumterm Objectives in 2025-2026	Long-term Objectives in 2027-2030
RBA Course Training	Full participation from factories in training courses on RBA Code of Conduct, Ethics, and Integrity	●	New and existing employees are required to complete 100% of the RBA and Ethics & Integrity training courses as per the plan each year.		
Labor Rights	0 major violations of labor rights	● No major violations of labor rights occurred throughout the year.	Regular inspections were conducted to proactively prevent any violations of labor rights, resulting in zero instances of major violations of labor rights.		
Supplier ESG Audit Management Process	100% pass rate for first tier key suppliers	●	100% pass rate for first tier key suppliers		
Employee Health Examinations Implement health care	Achievement rate of 95%, implementing a grading system	●	1. Employee participation rate in health check-ups: 99% 2. Abnormality tracking rate for health check-ups: 100% 3. Occupational disease incidence rate: 0%		
Number of Occupational Injuries	Fewer than 15	Note	Fewer than 15		
Rate of Occupational Injury	Fewer than 1	●	Fewer than 1		
Environmental Health Education	20 sessions	●	20 sessions	25 sessions	

Note: A total of 15 occupational injuries occurred in 2023. The main reasons are that workers have low safety awareness and new workers have insufficient experience.

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Human Rights Policies and Commitments

Radiant Opto-Electronics places significant emphasis on labor rights and adheres to international human rights norms, including the Responsible Business Alliance (RBA) Code of Conduct, SA 8000 Social Accountability Standard, International Labour Organization (ILO) guidelines, the Universal Declaration of Human Rights, and local government regulations. We have established the "Radiant Opto-Electronics Human Rights Policy" and the "Supplier Code of Conduct" in accordance with these standards. To eliminate any acts that infringe upon or violate human rights, Radiant Opto-Electronics clearly declares its commitment to treating and respecting workers with fairness and equity, while complying with local labor laws in its operational areas. We have developed specific human rights protections, labor policies, and related measures to ensure gender equality at work. We continually promote human rights policies and practical principles. By signing the Human Rights Code of Conduct, we ensure that all employees are aware of their rights, safeguard freedom of association and the right to collective bargaining, and enhance competencies in various aspects to appropriately address diverse challenges. For more details on the Radiant Opto-Electronics Human Rights Policy, please refer to the official website section"Radiant Opto-Electronics Human Rights Policy."

Compliance with Responsible Business Alliance Code of Conduct

Radiant Opto-Electronics Corporation adheres to the "Responsible Business Alliance Code of Conduct," which serves as a reference point for strengthening our own management system. Each year, we conduct self-reviews are conducted and cooperate with customer audits. We strive to ensure that we provide suitable and compliant working conditions and environments that enable every one of our employees to achieve self-development and self-realization. Our goal is to create a workplace that fosters growth and fulfillment for all members of our team. In terms of "Labor and Professional Ethics", the following are our commitments:

- Compliance with relevant local regulations, supporting relevant international labor rights standards with action.
- No forced labor, respecting the freedom of employment of each individual.
- No child labor, protecting children with the strictest standards.
- No discrimination or abuse, offering equal respect and humane treatment.
- No bribery, doing business with integrity.
- No procurement or use of conflict minerals, paying attention to suppliers' legal compliance.

Diversity, Inclusion, and Equal Opportunities

Radiant Opto-Electronics Corporation places a high value on workers' rights, and offers equal employment opportunities based on ones' professional and work-related abilities. We hire talent based solely on merit, without regard to race, nationality, gender, sexual orientation, age, physical or mental disabilities, religion, or any other characteristic protected by applicable law. Furthermore, Radiant Opto-Electronics Corporation has maintained a politically neutral stance and refrained from endorsing any political activities or making political contributions in 2023.

No discrimination complaints were received at any factories in 2023. There were no incidents in related to the violation of aboriginal rights, gender, or racial discrimination at the Kaohsiung Factory. Additionally, there were also no instances of external human rights scrutiny or impact assessment. The factories located in Mainland China operate in ac-compliance with local laws and regulations. No incidents of discrimination were reported, and labor relations are harmonious. Furthermore, no additional collective labor agreements have been signed.

Our recruitment process is based on the principle of "equal treatment" with regards to career development for women. We ensure that gender, race, nationality, religion, age, physical disability, political affiliation, marital status, or union affiliation does not affect their employment, pay, or promotion opportunities. We respect gender career development and take concrete steps to foster a welcoming work environment. This includes implementing diverse and accessible channels for reporting complaints and implementing measures to prevent sexual harassment. These efforts enable female employees to achieve a healthy work-life balance, and align with the fifth United Nations Sustainable Development Goal, "Achieve gender equality and empower all women and girls."

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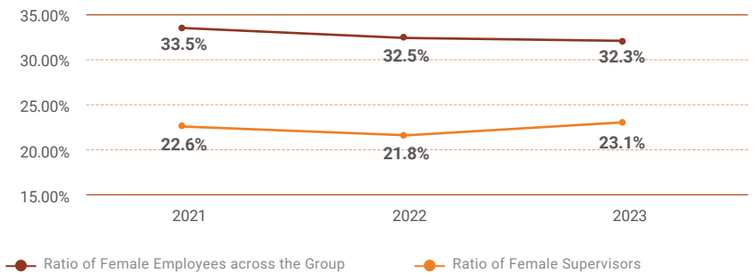
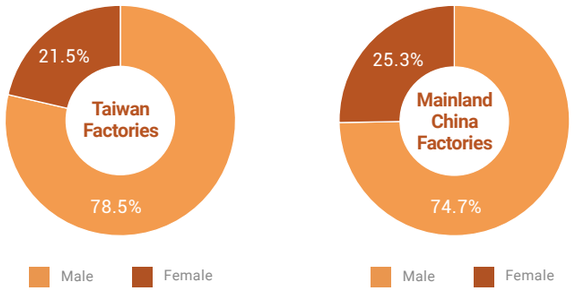
Ratio of Female Employees across Radiant Opto-Electronics



*The statistics cover all female employees in our Taiwan and Mainland China factories.
*Definition: All employees refer to all female employees; Supervisors refer to all female supervisors at the section level and above.

Statistical breakdown of Gender Ratios in Management Levels by Region



Labor Human Rights (LHR) Commitments

The Corporation upholds the Company respect freedom of employment for all employees and strictly prohibits any form of forced or compulsory labor throughout our entire operation. Our labor standards in the Company are set in compliance with Taiwan's "Labor Standards Act" and China's "Labor Law," "Special Protection Provisions for Juvenile Workers," "Labor Contract Law," and other relevant laws and statutory regulations pertaining to human resources planning. We have established management mechanisms are in place to ensure the implementation of labor human rights (LHR) commitments, including advocating for humane treatment and ethical behavior standards, as well as implementing prevention and control measures for workplace violence. Furthermore, the Corporation strictly prohibits the use of child labor, as outlined in our "Management Procedures for Recruitment and Selection." As part of our hiring process, all applicants will undergo age and identity verification to ensure that no instances of child labor occur within our operations.

Radiant Opto-Electronics is committed to never employing child labor under the age of sixteen and has never engaged child labor in its operations. Our "Management Procedures for Recruitment and Selection" explicitly prohibits the employment of child labor, and we conduct age and identity verification for all applicants to ensure no misuse of child labor. In 2023, none of our factory sites employed individuals under the age of sixteen. All units of outsourced labor across our facilities adhered to the standards prohibiting the employment of child labor, including partnerships with academic institutions and summer internships, with no instances of employing underage workers. To safeguard the employment rights of both employers and employees, all workers receive an offer letter before the official start date. On the day they commence employment, new hires are also required to sign a written employment commitment. The signing rate for these commitments reached 100%, ensuring that all employment agreements are made under mutual consent and free will, with no incidents of forced labor or coerced employment occurring.

Educational Training on Human Rights

Every year, all employees of Radiant Opto-Electronics Corporation arranges for all employees to attend an online training course on "RBA Provisions" and ethics & integrity (including anti-corruption). The training is considered complete only when the post-course test is passed with a standard score of 100. The course

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is included in the training program for newly hired employees. Detailed courses ensure that all factory workers have a thorough understanding of the spirits and contents of RBA policy, their own interests, and the policies and practices implemented by the Corporation. In 2023, a total of 19,700 employees across the Group received the training, resulting in a 100% training ratio.

Security Practice Assessment

To maintain safety and order of the factories area, Radiant Opto-Electronics Corporation has established security personnel, including both self-organized members within the Group and outsourced personnel, to maintain safety and order in the factories area. To ensure that security personnels have a clear understanding of the Corporation's system, rules, and details, the relevant department arranges a one-hour staff education and training session on a monthly basis. The training program covers a range of topics, including an overview of security personnel duties, antidiscrimination policies, workplace violence incident response procedures, and reporting protocols. As of 2023, all security personnels have completed the required education and training, totaling 832 hours.

Zero Tolerance for Harassment and Discrimination

To prevent workplace violence, Radiant Opto-Electronics has explicitly defined regulations under the "Workplace Violence Prevention Measures Management Policy," "Sexual Harassment Prevention Measures Management Policy," and "Anti-Discrimination and Harassment Management Policy." These have been signed by the highest management level, demonstrating a "zero tolerance" commitment to protect all employees from physical or mental harassment and illegal discrimination during the performance of their duties. Additionally, Radiant Opto-Electronics does not tolerate any acts of workplace bullying by any managerial staff, nor any incidents of violence or harassment against Radiant Opto-Electronics employees by colleagues, visitors, or strangers. Radiant Opto-Electronics has established a complaint reporting mailbox (cl@radiant.com.tw) that offers an anonymous reporting option to ensure confidentiality of the whistleblower's identity and the reported incident. Information is not shared with unrelated third parties unless necessary for the investigation, to prevent unfair or detrimental treatment. The "Integrity Management Procedures and Conduct Guidelines" clearly define related protection systems, case acceptance processes, and standards for handling violations. If an investigation confirms wrongdoing, disciplinary action will be taken in accordance with corporate management regulations. If the incident involves criminal liability, the case will be referred to judicial authorities. Radiant Opto-Electronics rigorously enforces sanctions as approved and follows up with assessments and monitoring to ensure that unlawful acts do not recur in the workplace.

Radiant Opto-Electronics Harassment and Discrimination Zero Tolerance Implementation Approach

Policy Statement	Complaint Channels
Radiant Opto-Electronics ensures that all employees are protected from any physical or psychological harm while performing their job duties by clearly defining rules in the "Workplace Violence Prevention Measures Management Policy," "Sexual Harassment Prevention Measures Management Policy," and "Anti-Discrimination and Harassment Management Policy."	All employees at Radiant Opto-Electronics are responsible for maintaining and ensuring a safe workplace environment. Should any employee witness any illegal activities, they are obligated to immediately report these incidents through the designated complaint mailbox. Employee Care Hotline: 07-8216151 #1720 Dedicated Complaint Email: cl@radiant.com.tw
Disciplinary Process	**Protective Measures**
Complaint cases will be promptly investigated by the Audit Office, Environmental Management Department, Human Resources Department, and the supervisor reported. If necessary, assistance will be provided by the Legal Affairs Department or other relevant departments. If the investigation confirms the allegations, disciplinary actions will be taken in accordance with the corporate management regulations, and the case may also be referred to judicial authorities if necessary.	Radiant Opto-Electronics will strictly maintain confidentiality regarding the identity of the complainant. Based on needs, the Company will provide supportive measures for the complainant, including health counseling and work adjustments.

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Open Communication Channels

To establish harmonious labor relations, promote labor-management cooperation, and improve worker benefits, Radiant Opto-Electronics actively fosters positive employee relations by establishing diverse and open channels of communication. We offer various means such as "New Employees Seminar," "Employees Hotline," "Employee Suggestion Box," and "Employee On-Site Consultation" to address issues related to health and safety, transparent communication channels, and basic labor issues. We are dedicated to responding promptly and effectively to all feedback received through these channels, ensuring that our colleagues' concerns are addressed in a timely and efficient manner. Each factory is equipped with a dedicated employee relations officer who conducts periodic random telephone interviews from time to ensure the physical and mental well-being of employees. In 2023, the number of consultations at the Taiwan Factory was 936 cases, while the Mainland China factories had 1,183 cases, resulting in a total number of cases were 2,119 cases. Communication channels remain unimpeded, and all employee feedback and inquiries are being promptly resolved on the spot. The settlement rate for each factory was 100% in 2023, and there were no significant labor disputes.

Communication Channel	Number of Consultations	
	Kaohsiung Factory	Mainland China Factories
Employees Hotline	82	480
Employee On-Site Consultation	60	225
Employees Seminar	794	275
Employees Suggestion Box	0 (Primary channel: mail)	203 (Primary Channel : communication software)

Employee Complaints Categorized by Issues in 2023

Factory	Kaohsiung Factory				Mainland China Factories			
Item	Discrimination	Leadership Management	Sexual Harassment	Labor Dispute	Discrimination	Leadership Management	Sexual Harassment	Labor Dispute
Numbers of Communications & Feedback on Problems	0	0	0	0	0	33	0	9
Solving Ratio	-	-	-	-	-	100%	-	100%

Labor Relations Management

In terms of labor relations management, Radiant Opto-Electronics Corporation adheres to the regulations set forth by the Responsible Business Alliance, which stipulate that employees have the right toward freedom of association. The Kaohsiung Factory has established the "Regulations for the Implementation of Labor-Management Meetings" in compliance with Article 83 of the Labor Standards Act and the regulations issued by the Ministry of the Interior. These meetings are held every three months to facilitate discussions on labor-management negotiations and related issues.

Since December 1995, Radiant Opto-Electronics' employees have established a union organization. Although the Company has not signed a collective bargaining agreement with the union, it actively maintains communication channels and harmony. Through various communication channels, the union is fully engaged and able to express opinions, enhancing labor-management relations and welfare. As of the end of 2023, a total of 7,490 employees globally are union members, accounting for 67.4% of the total permanent workforce (excluding temporary and intern employees). The factories with established unions include the Kaohsiung, Nanjing, Wujiang, and Guangzhou plants. Radiant Opto-Electronics regularly holds

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meetings with employee representatives to collaboratively address labor issues, workplace health and safety, and employee welfare.

Currently, the Kaohsiung Factory has five management and labor representatives each, while the Mainland China Factories elect nine to ten labor representatives each in accordance with the relevant provisions of the All-China Federation of Trade Unions' "Regulations on the Election of Grassroots Trade Union Organizations" of the All-China Federation of Trade Unions.

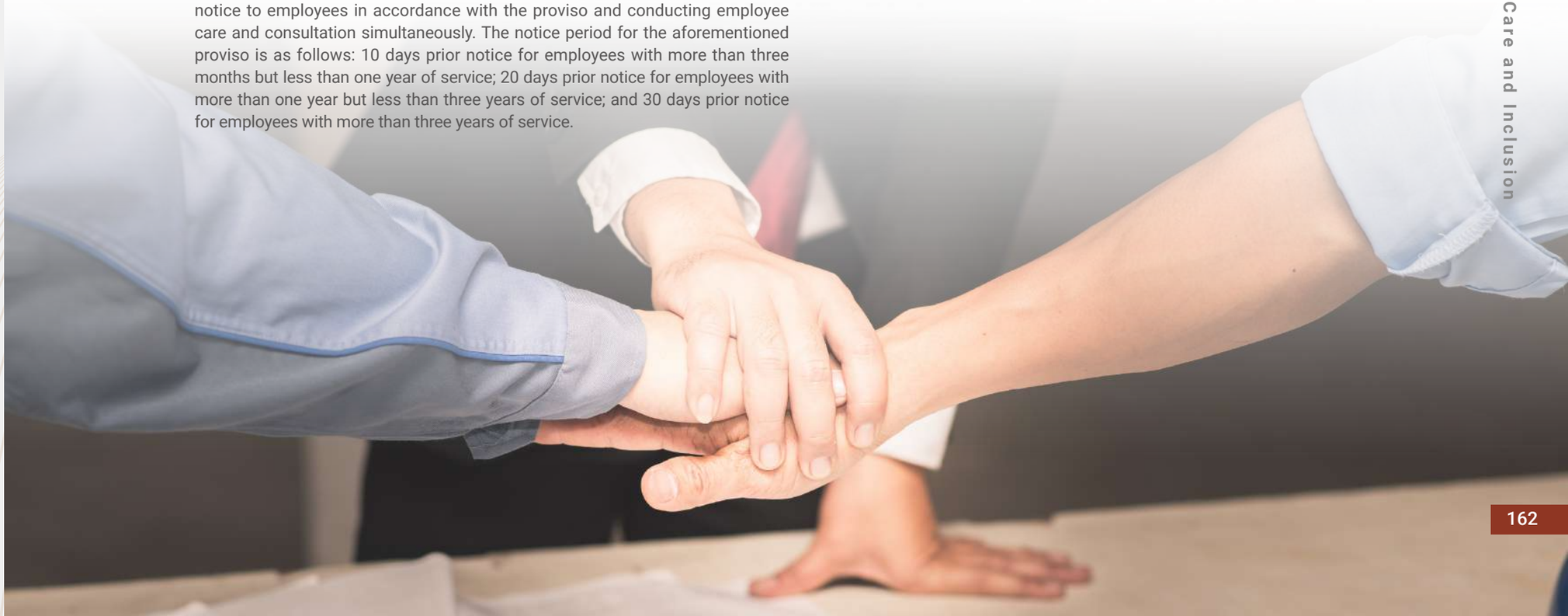
During the quarterly labor management meetings, labor representatives are provided with clear updates on the Corporation's recent important operational information, manpower situation, and labor-related communication issues. This is advantageous for fostering harmonious labor-management relations and promoting cooperation between labor and management cooperation.

To safeguard the rights and interests of our employees, the Corporation will adhere to Article 11 or Article 13 of the Labor Standards Act. This entails providing notice to employees in accordance with the proviso and conducting employee care and consultation simultaneously. The notice period for the aforementioned proviso is as follows: 10 days prior notice for employees with more than three months but less than one year of service; 20 days prior notice for employees with more than one year but less than three years of service; and 30 days prior notice for employees with more than three years of service.

Union Participation by Factory in 2023

Factory	Number of Participants	Participation Ratio
Kaohsiung Factory	734	83.69%
Wujiang Factory	Negotiated with the local federation of trade unions to change the working law in favor of employees, so all employees become members of the trade union	
Nanjing Factory	1,727	41.81%
Guangzhou Factory	804	76.50%

The above number of participants is as of December 31, 2023
*All employees below the managerial level in the Kaohsiung Factory joined the labor union.
*Participation Rate = Number of Participants / Total Number of Employees at the Factory.



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5.2 Occupational Safety and Health

Occupational Health and Safety Management System

All factories of Radiant Opto-Electronics Corporation's factories have successfully obtained certification for the ISO 45001:2018 Occupational Health and Safety Management Standard. We are dedicated to enhancing our occupational health and safety management performance, continuously implementing the operation of the ISO 45001:2018 management system, and adhering to regulatory requirements to establish a secure and healthy workplace. The occupational safety and health management system encompasses all workers, including contract and dispatched employees, within the factory.

Occupational Health and Safety Policy

Compliance with the Law, Keeping the Promise	Ensure compliance with occupational safety and health regulations and other requirements.
Safety Environment and Healthy Workplaces	To establish a workplace that is intrinsically safe, fosters a friendly atmosphere, and promotes a healthy and safe corporate culture.
Eliminating Hazards, Lowing Risks	The implementation of hazard identification and risk assessment is crucial in ensuring workplace safety. To achieve this, it is important to strengthen source management and eliminate hazards. Additionally, risks can be reduced through the implementation of engineering control or management measures.
Full Participation, Continuous Improvements	By consulting and involving workers or their representatives, we can identify the occupational safety and health requirements of the factory and enhance the occupational safety and health performance through consistent monitoring and review of performance, as well as the refinement of the management models.

Radiant Opto-Electronics' ISO 45001:2018 Certificate

Health and Safety Management

The Occupational Safety & Health Office at Radiant Opto-Electronics is accountable for overseeing the safety and health management of the entire organization. The Company has established an Occupational Safety and Health Committee in compliance with the Occupational Safety and Health Management Regulations. The committee comprises 17 members, including 6 representatives from the labor force. In addition, to ensure adherence to operational procedures, the "Occupational Safety and Health Committee Charter" has been established. The committee convenes every three months, and after each meeting, decisions and follow-up items are disseminated to all colleagues for awareness and tracking, aiming at promoting and enhancing colleagues' awareness of occupational safety and health.

While local regulations in Mainland China do not mandate the formation of an Occupational Safety and Health Committee, the China factory adheres to the practice followed by Kaohsiung factory and conducts safety committee meetings every quarter. Worker consultation is conducted through the "Safety and Health Consultation Meeting Group," which holds the "Safety and Health Consultation Meeting" in the second quarter of each year. Through this, we collect and consult occupational safety and health opinions from internal and external workers of the Company. The consultation results are then reviewed and discussed during the third quarter "Occupational Safety and Health Committee Meeting."

Equipment Safety Management

From the source of new machinery and equipment, Radiant Opto-Electronics Corporation has implemented management measures for new machinery and equipment by standardizing management procedures. These measures include conducting safety risk assessments prior to procurement, performing safety inspections and acceptance checks by the Environmental Safety Department upon arrival at the factory, confirming equipment safety labeling with the user unit, and conducting regular safety inspections, repairs, and maintenance. Additionally, the Corporation provides regular education and training to systematically implement safety management in a systematic manner.

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In 2023, a total of 1,501 units were inspected across the Group's four factories. The equipment in these factories, including the EMO emergency stop switch, safety interlock protection device grille, and Interlock, were inspected by both users and environmental safety personnel. It was confirmed that all equipment was functioning properly and any equipment posing a hazard was earmarked for improvement.

Factory	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Machine	269	542	508	182

Twice a year, the Environmental Safety Department conducts infrared (IR) detection on electrical power equipment to assess the condition of electricity load in each factory area, based on the power distribution map. The department uses the detection results to determine the level of electricity risk. Early maintenance is performed to reduce the probability of electric fires and avoid interrupting operations is avoided.

Chemical Substance Safety Management

Safety management procedures for chemicals substances are being established in Radiant Opto-Electronics to strictly controlled chemical substances from purchase to disposal. The purchase of chemicals substances that could significantly impact employee health or the environment is strictly prohibited, and the safety of chemical use is fully under control to ensure safety.

Since 2015, the Kaohsiung factory has implemented Chemical Control Banding (CCB) to evaluate risk levels associated with health hazards, dispersion, and volume of use of the chemical substance usage. Corresponding control measures are then implemented accordingly. Since 2019, the safety risk assessment on the source of newly procured chemicals substances has been enhanced through changes in management procedures. Vendors who are unable to provide a Safety Data Sheet (SDS) are strictly prohibited from proceeding with the procurement. This is to ensure compliance with laws and regulations related to occupational health and safety, and to prevent occupational accidents and diseases.

In addition, to prevent chemical hazards in the workplace, the Corporation has engaged a qualified environmental monitoring company to conduct biannual assessments of the working environment. The purpose of these assessments is to identify, evaluate, and mitigate any potential hazards present in the workplace, and to develop appropriate protective measures. Any workplace found to be non-compliant with regulatory requirements, it will be subject to ongoing monitoring and improvement plans until compliance is achieved. Education and training sessions were conducted annually to enhance employees' awareness of the hazards associated with chemical use and to ensure their safety during emergency response drills. These sessions focused on providing general knowledge about potential dangers and best practices for responding to emergencies.

Work Protection

Radiant Opto-Electronics Corporation offers a range of personal protective equipment (PPE) to mitigate the risks associated with noise, organic solvents, and specific chemical hazards in the workplace. This includes earplugs/ear mus, respiratory protection, goggles, chemical protective gloves, and chemical protective aprons. By providing these items, we aim to minimize the potential for immediate and long-term exposure to potential hazards that could negatively impact the health and safety of our employees. We conduct personal protective equipment (PPE) training every year to enhance employees' understanding of the importance of protection against specific hazards. This is done to prevent the occurrence of occupational disasters and diseases.

Emergency Response Mechanism

Radiant Opto-Electronics Corporation has implemented a comprehensive set of emergency response procedures to address a range of potential crises, including fires, explosions, hurricanes, earthquakes, chemical leaks, accidents during the removal of hazardous industrial waste, air pollutants leaks, biotic contamination, illegal activities, unusual individuals and accidents, and industrial safety accidents and etc. In the event of an emergency, the safety of our personnel is our top priority. In compliance with the Occupational Safety and Health Act, the individual responsible for the workplace must promptly issue an order to cease operations and direct workers retreat to a secure location when an immediate danger is

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present. When a worker is performing their duties and identifies an immediate danger, they must stop the operation and move to a safe location without putting other workers at risk. The worker must then promptly report the incident to their immediate supervisor. We will not cease operations or incur any penalties if workers retreat to a safe location on their own.

Meanwhile, Radiant Opto-Electronics Corporation conducts annual emergency response drills, as well as education and training on personal protective equipment, hazard awareness, mechanical equipment inspection, contractor hazards notification, safety and health consultation meetings, risk assessment personnel, fire training, and emergency evacuation drills. These measures aim to help all employees to be familiar with various contingency processes and increase their awareness of crises. Additionally, each department is encouraged to organize their own evacuation drills to enhance the sensitivity of emergency response of relevant personnel.

Occupational Hazards

Radiant Opto-Electronics Corporation has implemented the "Occupational Accident Investigation and Handling Procedures." This comprehensive investigation procedure enables us to efficiently investigate accidents, verify the facts and circumstances, determine the causes, and implement improvement actions in order to minimize the likelihood of recurrence. In 2023, the Group experienced a total of 15 cases of occupational injuries, affecting 15 individuals. These cases were categorized as follows:cuts/slashes/or scrapes (4 cases), caught/ crushed (4 cases), slips/ falls (4 cases), getting hit (1 case), contact with high/ low temperature (1 case), and collision (1 case). There were no fatal occupational accidents reported during this period. Furthermore, there have been no reported cases of occupational incidents involving contractors from 2020 to 2023.

Upon further analysis of work-related accidents, it was found that there were 7 workrelated injuries among employees with less than one year of experience, accounted for 47% of the Group's work-related injuries. Of these incidents, 8 injuries were caused by machinery and equipment due to a lack of safety awareness and experience, representing 53% of the Group's work-related injuries. It is important to note the potential risks associated with operating machinery and equipment, particularly for those with limited experience in the workplace. ROEC has implemented measures to improve various aspects, including strengthening the education and training of new employees, providing professional education and training in the workplace, and disclosing information about work-related accidents.

Beginning in 2024, a systematic risk assessment will be conducted to identify and confirm potential risks associated with machinery. This assessment will be used to develop an action plan for risk reduction, which will include measures such as intrinsic safety, engineering controls, and management controls. The goal of this plan is to ensure the safety of users during operation, troubleshooting, and maintenance. This is aimed at enhancing the safety and efficiency of the machine, while minimizing the incidence of workplace injuries.

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Occupational Accident Investigation Process

Occurrence or discovery of an accident
↓
Emergency response to the accident
↓
Notifications and related matter
↓
Conduct accident investigation and personnel return to duty assessment
↓
Review and promotion of the accident investigation report
↓
Implementation and tracking of improvement measures
↓
Accident investigation report closed and filed

In the event of one of the following occupational accidents, notify the competent authorities within eight hours:

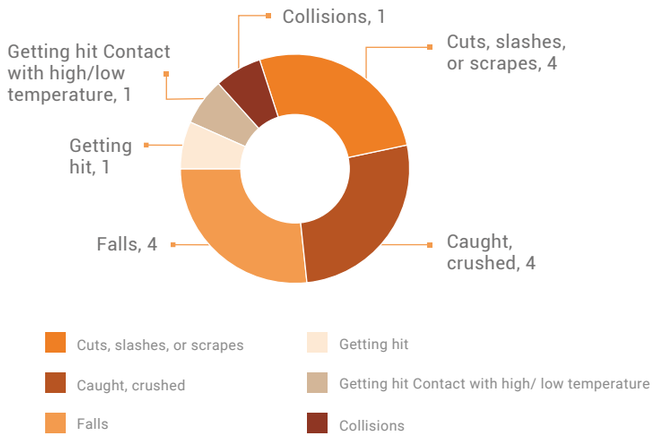
1.A person who has been killed by a fatal accident.

2.An accident causing three of more casualties.

3.An accident causing one or more casualties needing hospitalization for treatment.

4.Other accidents designated and announced by the central competent authority.

Types and Numbers of Occupational Injury Incidents



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Radiant Opto-Electronics Employee Occupational Injury Statistics Table

Year	Category	Working Hours	Fatalities Number of People	Severity Number of Cases	General Number of Cases	Minor Injuries Number of Cases	The Mortality Rate	Rate of Serious Occupational Injuries	Recordable Injury Frequency (TRIFR)	Frequency Severity Indicator (FSI)
2021	Employees	33,454,024	0	1	12	1	0	0.03	0.42	0.06
	Subcontractors	897,840	0	0	0	0	0	0	0	0
2022	Employees	30,163,168	0	1	14	5	0	0.03	0.66	0.07
	Subcontractors	961,960	0	0	0	0	0	0	0	0
2023	Employees	23,183,312	0	1	11	3	0	0.04	0.65	0.08
	Subcontractors	128,312	0	0	0	0	0	0	0	0

- Severe cases: The number of days of recuperation for the injured worker is greater than 60 days.
- General cases: The number of days of recuperation for the injured worker is between 7 and 60 days.
- Minor cases: The number of days of recuperation for the injured worker is greater within 7 days or less.
- The mortality rate, which is the number of fatalities per million hours worked, is given by the formula: number of fatalities from occupational injuries × 1,000,000 ÷ working hours. The severe occupational injury rate is the number of severe injuries per million working hours, and the formula is: number of serious cases x 1,000,000 ÷ working hours.
- Total Recordable Injury Frequency Rate (TRIFR): It is the number of recordable occupational injuries that occurred in every one million working hours, including the number of fatalities, severe cases, general cases and minor injuries, and the formula is: number of recordable occupational injuries × 1,000,000 ÷ working hours.
- Subcontractor working hours are calculated based on the contractor's work application x 8 working hours per day.

Disabling Frequency Rate (F.R.)

Disabling Frequency Rate = Total Disability Injuries x Million Working Hours / Total Working Hours

Year	2021			2022			2023		
Gender/ Factory	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	1.22	0	0.09	1.23	0.45	0.52	2.58	0.29	0.52
Male	0.93	0.54	0.56	0	0.77	0.73	0	0.76	0.71
Total	1.06	0.38	0.41	0.54	0.67	0.66	1.13	0.61	0.65

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Disabling Severity Rate (S.R.)

Disabling Severity Rate = Total Days Lost due to Disability Severity x Million Working Hours/ Total Working Hours

Year	2021			2022			2023		
Gender/ Factory	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	3	0	0	7	4	4	9	2	3
Male	0	15	14	0	10	10	0	14	13
Total	2	10	10	3	8	8	3	10	10

Frequency Severity Indicator (FSI)

Frequency Severity Indicator= $\sqrt{(F.R. \times S.R./1000)}$

Year	2021			2022			2023		
Gender/ Factory	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	0.06	0	0	0.09	0.04	0.05	0.15	0.02	0.04
Male	0.02	0.09	0.09	0	0.09	0.09	0	0.10	0.10
Total	0.04	0.06	0.06	0.04	0.07	0.07	0.06	0.08	0.08

Absence Rate (A.R.)

Absence Rate = Total Absence Days in the Reporting Period/Total Working Days in the Reporting Period x 100%

Year	2021		2022		2023	
Gender/ Factory	Kaohsiung Factory	Mainland China Factories	Kaohsiung Factory	Mainland China Factories	Kaohsiung Factory	Mainland China Factories
Female	0.013	0.007	0.018	0.015	0.037	0.043
Male	0.003	0.003	0.005	0.007	0.026	0.039
Total	0.008	0.004	0.011	0.009	0.031	0.040

Note: Absence is defined as personnel taking leave for an entire day. However, official business trips or travel do not count towards absence statistics.

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Contractor Safety Management

Contractor safety has always been a key component of Radiant Opto-Electronics' health and safety management. We treat outsourced contractors as our own employees, deeply valuing and appreciating the expertise, equipment, and technology that contractors bring to help complete various projects at Radiant Opto-Electronics. To ensure the smooth progression of projects, beyond focusing on quality and schedule control, we prioritize creating and maintaining an outstanding and safe working environment and management. We guide contractor personnel to adhere to regulations and establish safe behaviors, aiming to achieve zero accidents and incidents.

Radiant Opto-Electronics has established a contractor management system across all its facilities to ensure that contractors implement safety management mechanisms effectively while working on-site, with the goal of achieving zero work-related injuries. For high-risk operations (such as electrical work, hot work, welding, lifting, working a height, joint ladder use, roofing, and confined/limited space operations), our units proactively establish and control basic information for Category A contractors as per the Contractor Management Procedures. We define specific operational guidelines for controlled execution of these tasks. Furthermore, we continuously require contractors involved in high-risk operations to comply with the ISO 45001:2018 management system requirements.

Contractor On-Site Construction Workflow:

1. Safety and health hazard notification for personnel
2. On-site construction safety inspection, with regular random patrols

Building a Healthy Workforce and Workplace

Radiant Opto-Electronics firmly believes that maintaining the physical and mental health of employees is crucial for stable business operations. The Company has established a multifaceted mechanism encompassing health management, special protection, and health promotion to ensure the implementation of health checks, risk management tracking, and mitigation actions. Our medical office provides comprehensive health care services to employees, organizing health examinations annually at a frequency surpassing regulatory requirements. Employees stationed overseas are also arranged to undergo health checks at local hospitals. Beyond general health consultations provided by the factory doctor, we also offer advanced services such as body fat analysis and blood pressure measurement. We periodically collaborate with local health centers to organize screenings for four major cancers, vaccination campaigns, weight loss programs, and smoking cessation classes. The medical office proactively monitors employees' health conditions. For those identified with abnormalities in blood pressure, blood sugar, or cholesterol following health examinations, we regularly send care letters and arrange consultations with physicians for personalized health guidance. We employ professional trainers to provide fitness and aerobic exercise coaching, implementing workplace health promotion measures. In 2021, we installed Automated External Defibrillators (AED) and retrained employees in CPR+AED, creating a healthy work environment that earned the Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare.

The Corporation's development strategy for Workplace Health Promotion is founded on the principle of "Employee Care, Social Care". This approach encourages employees to really take concrete steps towards achieving a healthy lifestyle and creating a safe work environment. Additionally, the management actively supports and participates in health promotion activities through practical measures. In order to achieve work-life balance for our employees, we have set up sports and fitness centers in each factory in recent years, providing a variety of sports equipment for our employees to exercise and relieve stress. In 2023, a total of 2,189 individuals participated in 17 various types of health promotion activities across the organization, with over 8,300 individuals having participated in related activities over recent years.

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2023 Radiant Opto-Electronics Employee Health Examination Participation Numbers

Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
502	372	127	59

Kaohsiung Factory: Regularly schedules health examinations for eligible employees in accordance with legal requirements.
Wujiang Factory, Nanjing Factory, Guangzhou Factory: Arranges health examinations for employees in hazardous positions.

2023 Radiant Opto-Electronics Employee Health Promotion Events

Factory	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Number of Events	9	3	6	3
Number of Participants	900	439	450	400

Health promotion events such as health seminars, on-site doctor services, fitness classes, and screenings for four major types of cancer.

Kaohsiung Factory Employee Health Tracking

Grades	Grade A	Grade B	Grade C	Grade D
Number of Employees	8	20	42	149
Healthcare Approach	Arrange health consultations	Send care instruction sheets or arrange health consultations	Send care instruction sheets	Self-managed health care

A total of 70 individuals required consultations and the distribution of care instruction sheets. All tasks have been completed, achieving a completion rate of 100%.

Special Protection

Radiant Opto-Electronics Corporation has established a health protection plan to address potential physical, chemical, human-induced, ionizing radiation, and other hazards that may affect our employees, as well as special care for employees in maternity. The Corporation establishes a health protection plan, conducts hazard assessments, classifies management, and implements measures to improve the work environment improvement and prevent hazards. The factory doctor monthly visits the factory to assess potential risks at the work-site. During these visits, the doctor also conducts seminars on preventing occupational diseases, provides consultation on occupational injuries and diseases, and manages health checks for employees engaged in special health hazard operations. No employees suffered from occupational injuries or illnesses from 2022 to 2023.

The Kaohsiung Factory offers specialized physical medical examinations to new employees and those who have experienced a change in job nature. Additionally, regular check-ups are arranged every year, in accordance with regulations stated for operations that are highly hazardous for health under the “Labor Health Protection Regulations” for operations that pose a high risk to employee health. These examinations cover a range of hazards, including noise, ionizing radiation, n-hexane, dust, sodium dichromate and salts, nickel and nickel compounds, etc. In 2023, the completion rate for medical examinations was 100%. For Mainland China Factories, employees who handle dangerous operations are also provided with medical examinations to prevent occupational diseases. For employees who work in shifts, night shifts, or long working hours, as well as those who have abnormal workloads, we have developed a program called “Prevention of Abnormal Workload-Related Diseases.” This program includes one-to-one tracking and management measures, such as risk assessment and hierarchical management, to prevent the occurrence of cerebrovascular diseases.

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5.3 Talent Attraction and Retention

Material Topics	Talent Attraction and Retention	
GRI Comparison	GRI 401 : 2016	
Policy	1. Performance management measures 2. Promotion and job change management measures	3. Recruitment and appointment management measures 4. Employee care management measures
Commitment to Management Strategy	1. Listening to supervisors and employees to adjust institutional regulations. 2. Establishing a personnel evaluation committee mechanism according to the assessment system regulations. 3. Conducting external third-party remuneration and benefits surveys to examine existing internal disparities.	4. Regularly host seminars where employees can openly and directly provide personal suggestions. 5. Quarterly meetings are held regularly, where employee representatives can express their views on issues to ensure consensus between labor and management.
Communication Mechanism	The Corporation has established the "Employee Welfare Committee," "Remuneration Committee," and "Employees Trade Union." Regular meetings are held to ensure smooth communication.	
Concrete Actions	1. Regular meetings of the Employee Welfare Committee and the Remuneration Committee are held. 2. Clearly defined performance management systems and appraisal procedures are established. 3. Group insurance plans are arranged and a comprehensive retirement system is developed.	

Sustainability Indicators	Goals for 2023	Execution Results in 2023	▶ Short-term Objectives in 2024	▶ Mediumterm Objectives in 2025- 2026	▶ Long-term Objectives in 2027- 2030
Diversity and Equality Performance Evaluation	Note	Addition topic of the year	1. Listening to supervisors and employees to adjust institutional regulations. 2. Establishing a personnel evaluation committee mechanism according to the assessment system regulations.	1. Implementing uniform performance evaluations across the entire group to avoid discrepancies. 2. Establishing retention mechanisms for successors and key talents. 3. In addition to maintaining existing communication channels, strengthening digital communication channels (such as 580 and ER mailbox).	
Enhancing market competitiveness in salary and remuneration	Note	Addition topic of the year	Conducting external thirdparty remuneration and benefits surveys to examine existing internal disparities.		
Open communication channels	Note	Addition topic of the year	1. Organizing a total of 25 employee forums, where employees can openly provide personal feedback and suggestions. 2. Holding regular quarterly labor-management meetings, where employee representatives can express their views on issues to ensure consensus between labor and management.		
Employee care events	12 employee care events, reaching a satisfaction level of 4.5	●	Employee care events are planned and arranged based on employee feedback, increasing the diversity of activities to enhance employee participation and satisfaction. 12 employee care events, reaching a satisfaction level of 4.5	Planning and arranging activities based on employee feedback, increasing the number and diversity of events to enhance employee participation.	

Note: Due to the omission of "Diversity and equality performance evaluations," "Enhancing market competitiveness in salary and compensation," and "Open communication channels" as sustainability indicators in the material topics for 2022, there is no performance report for the year 2023.

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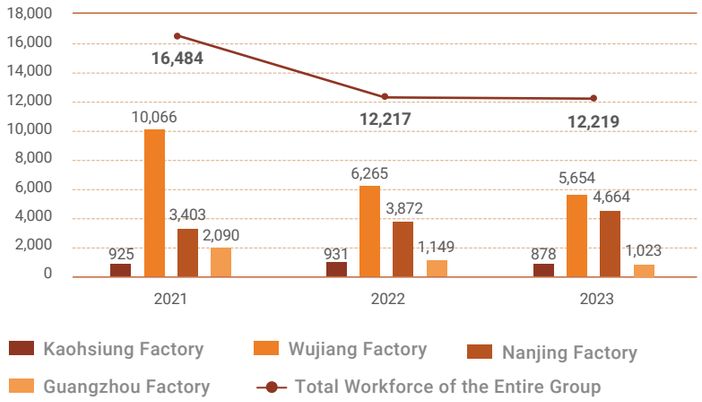
Human Resource Development

Employee Structure

As of the base date of December 31, 2023, Radiant Opto-Electronics had a total of 12,216 employees across the entire Group for the year 2023, including both full-time and contract workers. The Kaohsiung factory employed 875 workers, while the mainland China factories had a workforce of 11,341. Compared to 2022, there was no significant change in the total number of employees in 2023. Due to adjustments in production line staffing, the Kaohsiung factory saw a decrease of 6%, whereas the mainland China factories experienced an increase of 0.5%. Adhering to a customer-first principle, the main production base is located in mainland China, accounting for approximately 92.8% of the overall workforce. The Kaohsiung factory serves as a research and development base, therefore, a relatively higher proportion of engineering staff, accounting for 47.8% of the Kaohsiung factory's workforce. Additionally, in terms of gender distribution, due to industry characteristics and the gender demographics of graduates from relevant fields, males comprised 67.7% of the total workforce. The age distribution is predominantly under 30 years old, making up 53.2% of the total workforce.

Radiant Opto-Electronics Workforce Trend Chart



Group Manpower Distribution 2023

Category	Groups	Numbers	Percentage of Total Workforce (%)
Employment Types	Permanent	11,112	91%
	Contract	15	0.1%
	Internship	1,092	8.9%
Gender	Male	8,275	67.7%
	Female	3,944	32.3%
Work Location	Taiwan	878	7.2%
	Mainland China	11,341	92.8%
Employees with Disabilities	Male	11	9%
	Female	10	8.2%
Job Type	Supervisors	365	3.0%
	Administrative Staff	554	4.5%
	Engineering Staff	1,052	8.6%
	Technical Staff	10,248	83.9%
Age	<30	6,498	53.2%
	30-50	5,583	45.7%
	>50	138	1.1%
Education	Doctoral Degree	7	0.1%
	Master's Degree	255	2.1%
	Bachelor's Degree	1,148	9.4%
	High School or Vocational School (High School or Lower)	10,809	88.5%
Total		12,219	100%

Note : The above statistics are as of December 31, 2023.

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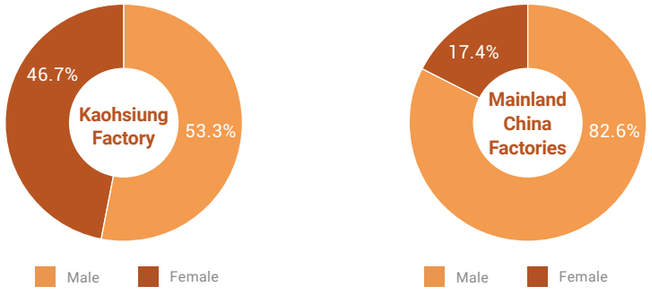
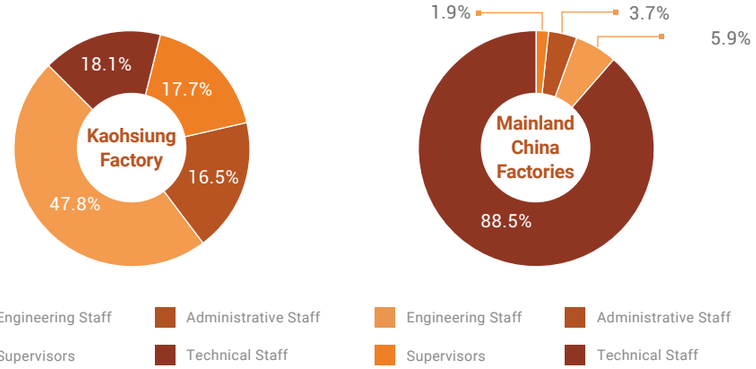
Overview of New Employees

In 2023, Radiant Opto-Electronics Corporation hired a total of 44,994 new employees, with 82.52.1% being male and 17.48% being female. The majority of new hires were under the age of 30 years old, accounting for approximately 68.65% of the total. In 2023, the number of employees with disabilities was 21.

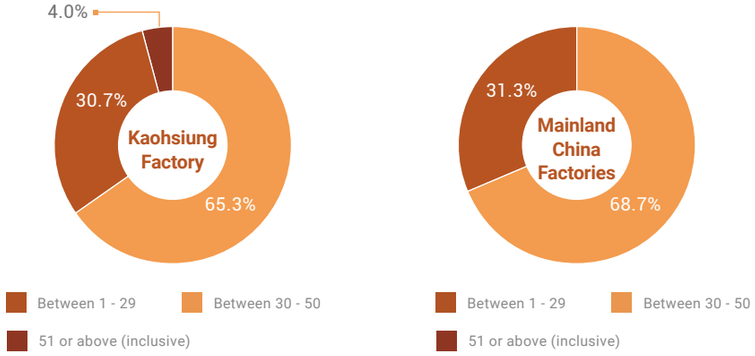
New Employees differentiated by gender (Mainland China factories include Wujiang, Nanjing, and Guangzhou Factories)



Employee structure by job category within the Group (Mainland China factories include Wujiang, Nanjing, and Guangzhou Factories)

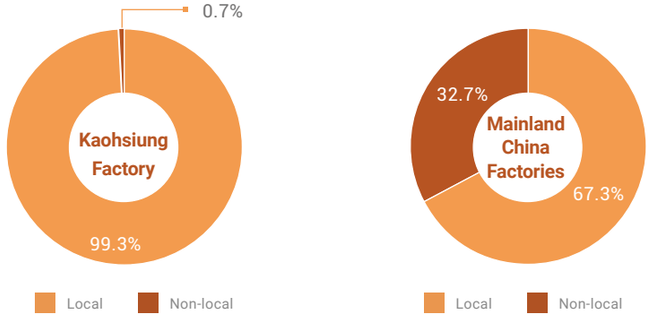


New Employees by Age (Mainland China factories include Wujiang, Nanjing, and Guangzhou Factories)



Note:
1.Gender ratio of new employees = number of new (male/female) employees/total number of new employees
2.Age ratio of new employees= number of employees at each level of age/total number of new employees

Percentage of Local Recruitment at Management Level (Mainland China factories include Wujiang, Nanjing, and Guangzhou Factories)



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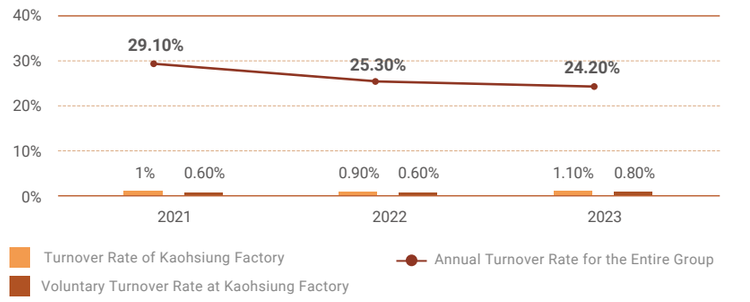
Turnover Rate

There were a total of 48,063 employees who resigned, among which 47,655 were direct staff (99.2%) and 408 were indirect staff (0.8%). In terms of turnover rate, if looking at different factories, gender, age group, etc., the Kaohsiung Factory was 1.1%, and the Mainland China Factories were 26.8%.

When employees submit their resignation, interviews are conducted by their supervisors and the Human Resources department to fully understand the reasons for leaving. Based on the individual circumstances of the employees, discussions are held to adjust their job responsibilities, or, depending on their personal expertise and experience, internal transfer opportunities are offered to retain the employees. The higher turnover rate at the mainland factories is attributed to the inclusion of interns and the diversity of labor contract types, which overall contribute to a higher turnover rate.

Radiant Opto-Electronics Annual Turnover Rate



Note: Voluntary Turnover Rate = Annual Average Number of Turnover / Annual Average Number of Employees

Turnover Rate (Age)

Factory	Gender	Age	2021	2022	2023
Kaohsiung	Male	Aged 30 and below	0.2%	0.1%	0.1%
		30~50	0.4%	0.4%	0.5%
		51 or above (inclusive)	0.1%	0.1%	0.3%
		No age differentiation	0.7%	0.7%	0.5%
	Female	Aged 30 and below	0.2%	0.1%	0.1%
		30~50	0.3%	0.4%	0.5%
		51 or above (inclusive)	0.1%	0.1%	0.7%
		No age differentiation	0.6%	0.7%	0.6%
	Total	Aged 30 and below	0.3%	0.3%	0.1%
		30~50	0.6%	0.8%	0.8%
		51 or above (inclusive)	0.1%	0.1%	0.2%
		No age differentiation	1.0%	1.2%	1.1%

Factory	Gender	Age	2021	2022	2023
Mainland China	Male	Aged 30 and below	0.6%	0.7%	0.6%
		30~50	0.3%	0.3%	0.1%
		51 or above (inclusive)	0.1%	0.1%	0.2%
		No age differentiation	1.0%	1.2%	1.1%
	Female	Aged 30 and below	20.4%	19.3%	17.5%
		30~50	7.1%	8.0%	7.5%
		51 or above (inclusive)	0.0%	0.0%	0.1%
		No age differentiation	7.9%	8.3%	6.7%
	Total	Aged 30 and below	24.2%	23.3%	20.8%
		30~50	9.0%	10.1%	9.3%
		51 or above (inclusive)	0.0%	0.0%	0.0%
		No age differentiation	29.5%	29.4%	26.8%

*The count of employees who have resigned does not encompass short-term project interns, who return to school upon the expiration of their contracts.
*The turnover rate is calculated as the average number of monthly resignations of the local age and gender / (the average number of local employees in the current year + the average number of monthly resignations)

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Salaries & Benefits

Employee Remuneration

To attract talents to join the Company, Radiant Opto-Electronics Corporation has developed a competitive remuneration system that aligns with market standards, external talent competitiveness, and labor market supply and demand. This system is designed to attract top talent to the Corporation while also meeting the basic wage requirements set forth by local government laws and regulations. Candidates are offered with salaries that exceed market standards based on their educational background, technical expertise, and work experience. Salaries are determined by the type of duties performed, academic background, and professional years of experience, without regard to gender, religion, race, nationality, or differences in political affiliation.

A robust and competitive compensation and benefits system can greatly enhance employee motivation of employees and is an essential component in fostering a positive work environment. Salary and promotion adjustments after employment are determined solely by personal ability and qualifications, without regard to age, gender, or region. Additionally, employees are eligible for bonus payments based on individual performance and the profitability of the Corporation. Furthermore, employees are entitled to have a share in the Corporation's operational profits. Currently, year-end bonuses, performance bonuses, proposal bonuses, and festival gifts are being provided. In 2023, the average salary increment of the Kaohsiung Factory was 3%. The ratio between the standard salary of newly hired entry-level employees in each factory and the local minimum wage remains 1.

Due to changes in economic development recent years, the industry is facing challenges related to structural transformation. As a result, it has become significantly important for both employers and employees to be aware of the Corporation. The Corporation has established the "Employee Welfare Committee," "Remuneration Committee," and "Employees Trade Union." Newly recruited employees are able to maintain an open communication channel through the orientation program. ROEC has not experienced any major labor disputes since incorporation.

Percentage of Employees'Annual Income in 2023

(The calculation formula is based on the average of female employees, with total number of employees as of December 31st and average annual income of employees of the year.)

Kaohsiung Factory	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and above)	1	1.08	1	1.06	1	1.15
Mid-level Supervisor (Deputy Manager and above)	1	1.10	1	1.11	1	1.06
Supervisor (Section Chief and below)	1	1.02	1	1.04	1	1.21
Indirect personnel	1	1.11	1	1.15	1	1.14
Direct personnel	1	0.97	1	0.95	1	1.01

Wujiang Factory	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	1.10	1	1.12	1	1.16
Supervisor (Section Chief and below)	1	1.20	1	1.04	1	1.05
Indirect personnel	1	1.26	1	1.04	1	1.27
Direct personnel	1	0.96	1	1.06	1	1.09

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Nanjing Factory	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	0.86	1	0.99	1	0.99
Supervisor (Section Chief and below)	1	1.18	1	1.07	1	1.09
Indirect personnel	1	1.27	1	1.32	1	1.28
Direct personnel	1	0.97	1	0.96	1	1.02

Guangzhou Factory	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	0.83	1	0.83	1	0.81
Supervisor (Section Chief and below)	1	1.31	1	1.09	1	1.08
Indirect personnel	1	1.28	1	1.26	1	1.36
Direct personnel	1	0.99	1	0.83	1	1.06

Comparison of Newly Hired Entry-Level Employees Salaries and Local Minimum Wages at Each Factory

Factory	Local Minimum Wage	2021		2022		2023	
		Female	Male	Female	Male	Female	Male
Kaohsiung Factory	1	1.00	1.00	1.00	1.00	1.00	1.00
Wujiang Factory	1	1.00	1.00	1.00	1.00	1.00	1.00
Nanjing Factory	1	1.00	1.00	1.00	1.00	1.00	1.00
Guangzhou Factory	1	1.00	1.00	1.00	1.00	1.00	1.00

Note: The standard salary calculation does not include allowances and bonuses for production and performance.

Salary information for full-time non-supervisory employees at the Kaohsiung Factory

Item	2021	2022	2023	Compared to 2022
Number of Full-Time Employees (Non-Supervisory)	937	898	849	-5.5%
Average salary of full-time, non-executive employees (NT$/thousand)	1,195	1,445	1,214	-16.0%
Median salary of full-time, non-executive employees (NT$/thousand)	919	1,043	960	-8.0%

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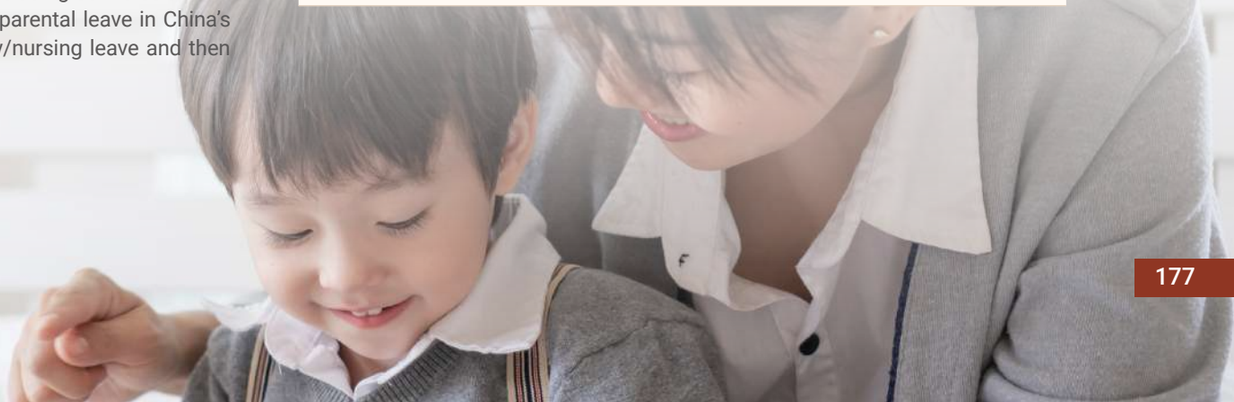
Performance Review

Radiant Opto-Electronics Corporation values and respects the diversity and individual differences among our employees in each factory. The Corporation has established clear performance management systems and evaluation procedures that are free from discrimination based on gender, race, nationality, religion, age, physical disability,political affiliation, marital status, or union status. The Corporation conducts performance reviews twice a year, which includes setting targets at the beginning of the period and reviewing performance review at the end of the period. This approach is implemented alongside daily management strategies in order to achieve a win-win situation of enhancing organizational performance and employees capabilities. In 2023, all regular employees were assessed at all factories and achieved a 100% assessment rate. In the future, we plan to design training programs that are based on functional behaviors. These programs will aim to strengthen behaviors through training, in order to achieve the Individual Development Plan (IDP) cycle. This will enable us to continuously promote the diversified development of talents, ensuring an equal workplace and implementing gender equality. Our efforts will be in line with the fifth United Nations Sustainable Development Goal, which is to “Achieve gender equality and empower all women”.

Parental Leave Without Pay

ROEC provides our employees with paid leaves in accordance with local laws and regulations of their respective factories. These paid leaves include annual leave, marriage leave, compassionate leave, maternity/parental leave, pregnancy check-up leave, paternity leave, breastfeeding leave, menstruation leave, and other types of leave. These benefits are designed to help employees achieve a better work-life balance. The Taiwan factory had a total of 59 employees eligible for parental leave in 2023, including 41 males and 18 females. The Mainland China Factories had a total of 135 employees eligible for parental leave, including 68 males and 67 females. As there are no specific regulations regarding parental leave in China’s local labor laws, employees typically apply for maternity/nursing leave and then renew it for an extended period of time.

Item	Kaohsiung Factory			Mainland China Factories		
	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Parental Leave	41	18	59	68	67	135
A: Actual number of employees who applied for parental leave in 2023	0	5	5	0	2	2
B: Number of employees expected to apply for reinstatement from parental leave in 2023	1	3	4	0	1	1
C: Actual number of employees returning to work after parental leave in 2023	0	3	3	0	1	1
D: Number of employees who have worked for more than 12 months after returning from parental leave in 2023	0	2	2	0	1	1
E: Actual number of employees returning to work after parental leave in 2023	0	3	3	0	1	1
Reinstatement rate: C/B	0%	100%	75%	100%	100%	100%
Retention rate: D/E	67%	0%	67%	100%	100%	100%



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Insurance Planning

Radiant Opto-Electronics Corporation provides social insurance for our employees in accordance with the law, including Labor Insurance and National Health Insurance for the Kaohsiung Factory, and Pension, Medical, Unemployment, Work Injury, Maternity, and Provident Fund for each employee in accordance with the Mainland China Factory. Additionally, the Corporation offers group insurance to ensure better protection for employees and their dependents, creating a worry-free workplace environment. Each employee will be enrolled in the Corporation's group insurance plan from their first day of work, and the premium will be fully covered by the Corporation. The coverage includes life insurance, accident insurance, medical insurance, cancer insurance, and pandemic prevention insurance, among others. In addition, Radiant Opto-Electronics Corporation also provides high-paying casualty insurance for expatriates living abroad. Furthermore, employees have the option to enroll their dependents, including parents, spouses, and children, in the Corporation's group insurance plan through a preferential self-funded option, so that offers preferential rates. This allows employees to extend coverage to their family members and provide them with added protection.

Retirement System

The retirement system at Radiant Opto-Electronics Corporation is comprehensive and compliant with law and regulations of the local government laws and regulations. Monthly retirement pensions are deposited into individual retirement pension accounts based on the monthly salary grading table and the contribution rate mandated by government regulations. Currently, all colleagues are participating in the retirement plan, representing a 100% participation rate. The Kaohsiung Factory adheres to the Labor Standards Act and the latest labor pension system regulations, ensuring timely allocation of employee pensions each month. Additionally, for colleagues enrolled in the previous pension plan, the Corporation allocates the full amount as required by law, and deposits it into the Corporation's pension account as a retirement reserve. This reserve is sufficient to cover the retirement pensions of the retired personnel in the current retirees, safeguarding the rights and interests of our retired colleagues. To assist employees approaching retirement, we offer pension calculation services to aid in planning for their retirement life. In addition to the Corporation's fixed allocation, employees have the option to withdraw up to 6% of their pension and deposit it into a special account of their choosing, thereby enjoying tax-free benefits in accordance with their personal preferences.

We will continue to offer employee pension trial calculation services to assist employees in planning and evaluating their retirement; in 2023, we organized two lectures on retirement lectures, with a total of 72 participants. The topics of the lectures were on financial management, titled "Creating Happy Cash Flow," and health, titled "Decoding the Brain, Creating Happiness Yourself." These initiatives allow employees to plan for their retirement life in advance, thus promoting continued employability and career planning. The Mainland China Factories comply with the "Social Insurance Law of the People's Republic of China" and the "Enterprise Employees Basic Old-Age Insurance" regulations of the respective local provinces by providing monthly pension insurance payments for our employees on a monthly basis.

Factory		Retirement Planning Mechanism	Pension Contribution Ratio	Extent of Employee Participation in Retirement Plan
Kaohsiung Factory		Old Pension System : Company Pension Account	Employer:2% Employees:0%	100%
		New pension system : Individual Pension Account	Employer:6% Employees: 0~6%	
Mainland China Factories	Wujiang	Endowment Insurance	Employer:16% Employees:8%	100%
	Nanjing	Endowment Insurance	Employer:16% Employees: 8%	100%
	Guangzhou	Endowment Insurance	Employer:14% Employees:8%	100%

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Employee Care

In 2023, under proper pandemic precautions, we resumed hosting internal events, hopeful to maintain necessary stress-relief outlets and enhance team cohesion in the post-pandemic era. Employees are the core driving force for sustainable corporate growth. In order to achieve a healthy work-life balance, Radiant Opto-Electronics Corporation has implemented a range of exciting leisure and recreational activities, diversified stress-relieving handicraft courses, and provides a working environment that prioritizes humanistic care and physical and mental health. These initiatives are designed to enhance the overall well-being of our employees and promote a positive, happy workplace culture that is recognized and valued by our staff.

To promote artistic and cultural literacy within the Corporation, the Kaohsiung factory has extended invitations to artists and cultural groups to the factory to organize an “Arts and Culture Salon” on our premises. We are committed to enhancing the working lives of our employees by organizing a variety of diverse cultural activities. This not only helps to promote our corporate culture but also contributes to the growth of the local artistic community. Our Mainland China factories are dedicated to enabling employees to maintain a healthy work-life balance amidst their job responsibilities and duties. We have implemented a variety of welfare measures and organized various activities to meet the diverse needs of our employees. These activities include athletic events, parent-child and family activities, arts and cultural events, and departmental activities. Our goal is to promote a healthy balance between work and personal life, and to provide opportunities for stress relief, and pursuing hobbies. We hope that our employees can strike a balance between work and family and enjoy their work without having any concerns. A total of 61 events were held in 2023 with 9,968 participants.

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Monthly Event and Participation Statistics :

Item	Factory	January	February	March	April	May	June	July	August	September	October	November	December	Total
Locations	Kaohsiung	-	-	2	1	2	1	3	2	4	1	-	3	19
	Wujiang	3	1	1	0	1	1	1	2	2	1	1	2	16
	Nanjing	1	1	1	1	1	1	1	2	1	1	1	1	13
	Guangzhou	-	1	2	1	1	1	1	2	1	1	1	1	13
	Total	4	3	6	3	5	4	6	8	8	4	3	7	61

Item	Factory	January	February	March	April	May	June	July	August	September	October	November	December	Total
Number of Participants	Kaohsiung	-	-	85	25	52	25	74	20	116	6	-	75	479
	Wujiang	692	861	374	-	250	370	308	170	450	490	305	635	4,905
	Nanjing	82	100	111	101	40	55	110	228	300	101	83	51	1,362
	Guangzhou	-	105	134	100	585	900	196	216	725	201	233	257	3,222
	Total	774	1,066	704	226	927	1,350	688	634	1,591	798	621	1,080	9,968

Kaohsiung Factory : Arts and Culture Salon

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Kaohsiung Factory : Stress Relief Handicraft Course

Kaohsiung factory : Family-Focused Activities

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Mainland China factory Event Highlights

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Company Benefits

Radiant Opto-Electronics Corporation aims to promote work-life balance among our employees by organizing a variety of engaging activities. Additionally, we encourage family members to participate in some of these activities to foster a stronger connection with the Corporation. Our ultimate goal is to provide solid support for our employees and become a happy enterprise with diversified welfare offerings.

The health and well-being of employees are crucial for ensuring job satisfaction, productivity, and retention rates. To facilitate a balance between the personal and professional lives of our employees, this year we have introduced flexible working hours. This allows employees to adjust their work schedules based on individual needs and commitments, which in turn enhances morale, boosts productivity, reduces absenteeism, and helps in attracting and retaining top talent, thereby decreasing turnover. Regarding the arrangement of flexible working hours, Radiant Opto-Electronics' Kaohsiung factory has implemented a system of flexible work schedules.

In 2023, Radiant Opto-Electronics' Kaohsiung factory promoted flexible working hours (three-shift system).
Flexible work schedules have been established based on job nature or individual employee needs, including family care or ongoing education requirements, to accommodate different working hours and time zone needs. Employees may submit requests to adjust their work hours, which, upon approval by their supervisor, can be changed accordingly.

- For individuals unable to commit to fixed work hours due to health or other personal reasons, flexible working arrangements can be applied for.
- A core working period is set during which employees are required to be at work; all other hours are flexible.
- Starting and ending times can be adjusted based on individual circumstances, with the end of the workday determined once the requisite daily hours have been completed.

Benefits/ Districts	Taiwan Factories	Mainland China Factories
Profit Sharing	▪ Employee Bonuses and Year-End Bonuses (Based on Company Operations and Individual Performance) ▪ R&D Patent Bonus ▪ Senior Employee and Outstanding Employee Recognition Awards	▪ Operating Bonus (Depending on Current Year's Operational and Personal Performance) ▪ Elite Awards ▪ Long Service Allowances
Diversified Benefit System	▪ Holiday Bonus / Gifts, Labor Day Bonus / Gifts ▪ Marriage Bonus, Maternity Allowance, Birthday Bonus, Club Subsidy, Travel Subsidy, Hospital Consolation Subsidy, Arts and Cultural Activity subsidy, Emergency Subsidy, Departmental Dinner Subsidy, Meal Subsidy, Employee Proposal Bonus ▪ Provide 4 days of annual leave in advance for new recruits in the first year ▪ Employee Family Day, Diversified Club Activities ▪ Staff cafeteria, steaming room, microwave oven, pantry, fitness center, aerobics classroom, table for table tennis, billiard table, coffee machine ▪ Special store discounts for food, drinks, or games	▪ Library, basketball court, soccer field, ping pong room, billiards room, dance room, etc. ▪ Accommodation is provided with air-conditioning, 24-hour hot water supply and automatic washing machines ▪ Employee cafeterias with a wide variety of food ▪ Homebound travel ticket reimbursements at discretion
Total Employee Care	▪ Free group insurance for employees, free accident insurance for expatriates, group insurance for dependents, safety insurance for overseas business trips ▪ Pandemic insurance for employees ▪ Health checkups, employee health management, multipurpose employee lounges, on-site doctor visitation ▪ Ongoing group insurance benefits for employeeswho take a leave due to illnesses ▪ Comprehensive Retirement System	▪ There are clinics inside the factories ▪ 5 Insurances and 1 Pension ▪ Provide 24-hour accident insurance ▪ Free company medical system

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Benefits/ Districts	Taiwan Factories	Mainland China Factories
Maternal Employee Maternity Care	▪ Breastfeeding rooms ▪ Designated car parking for pregnant women ▪ Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, prenatal checkups ▪ Special Nursery and Kindergarten	▪ Maternity leave, paternity leave, paternity leave, prenatal checkups ▪ Breastfeeding rooms ▪ 1 hour of flexible breastfeeding leave per day

Dormitory Management Enhancement and Safety Optimization

Radiant Opto-Electronics Co., Ltd routinely renovates and updates the public areas of the dormitories located at our three factories in Mainland China. These updates include painting and brightening the walls, and renovating and replacing lamps, and renovating and maintaining shower and toilet facilities. These efforts significantly enhance the quality of accommodations available to our employees. Regular leisure activities are organized in the dormitory, encompassing entertainment, leisure, art, and humanities. Through these diverse activities, the employees can enjoy an enhanced residential life. Monthly accommodation satisfaction surveys are conducted to assess employee satisfaction with their accommodations. The purpose of these surveys is to identify areas of dissatisfaction and improve on the most unsatisfactory items for our employees to improve on the overall dormitory service efficiency and quality of our dormitory services.

Group Catering Management Enhancement and Food Safety Strengthening

In terms of meals, the year 2023 has seen not only the stabilization of standard menu offerings but also a continuous innovation in culinary options. Enhanced and diversified dishes have been introduced to raise the dining expectations and variety for our colleagues. In our efforts to reduce energy consumption and carbon emissions in the dining facilities, the Kaohsiung factory has completely banned the use of disposable utensils. Additionally, our production bases in mainland China conduct quarterly clean plate campaigns and adjust the operating hours of restaurant air conditioning systems to advocate for the reduction of food waste. Furthermore, to ensure the safety of food consumption, various measures are implemented in our factory cafeterias. These include drills for suspected food poisoning incidents, tests for pesticide residues in vegetable supplies, pest control operations, and fire safety training for restaurant staff. These initiatives are designed to mitigate risks associated with cafeteria management and enhance the emergency response capabilities of our restaurant personnel.

Radiant Opto-Electronics Thriving Workplace DEI Initiative: “Eight Major Cuisine Series - A Taste of Your Hometown”

In the evolving world of work, Radiant Opto-Electronics continuously strategizes on how to value talent capital from a long-term perspective, aiming to establish a diverse, equitable, and inclusive workplace. Taking our three core production bases in mainland China as an example, where employees from various provinces converge, Radiant Opto-Electronics embraces and promotes the DEI philosophy (Diversity, Equity, Inclusion). To support this, we feature a rotating weekly menu showcasing the “Eight Major Cuisine Series”. This series includes dishes from Shandong, Sichuan, Guangdong, Jiangsu, Fujian, Zhejiang, Hunan, and Anhui cuisines, with specialties like how to value talent capital from a long-term perspective, aiming to establish a diverse, equitable, and inclusive workplace. Taking our three core production bases in mainland China as an example, where employees from various provinces converge, Radiant Opto-Electronics embraces and promotes the DEI philosophy (Diversity, Equity, Inclusion). To support this, we feature a rotating weekly menu showcasing the “Eight Major Cuisine Series”. This series includes dishes from Shandong, Sichuan, Guangdong, Jiangsu, Fujian, Zhejiang, Hunan, and Anhui cuisines, with specialties like Sour Soup Fish Fillet Rice Noodle, Chongqing Laifeng Fish, Steamed Stone Chicken, and Hunan Bandit Duck, allowing employees to savor the tastes of their hometowns through daily meals. Radiant Opto-Electronics aspires to create a friendly, open, and accommodating workplace atmosphere, where employees can feel a strong sense of belonging and respect.Sour Soup Fish Fillet Rice Noodle, Chongqing Laifeng Fish, Steamed Stone Chicken, and Hunan Bandit Duck, allowing employees to savor the tastes of their hometowns through daily meals. Radiant Opto-Electronics aspires to create a friendly, open, and accommodating workplace atmosphere, where employees can feel a strong sense of belonging and respect.

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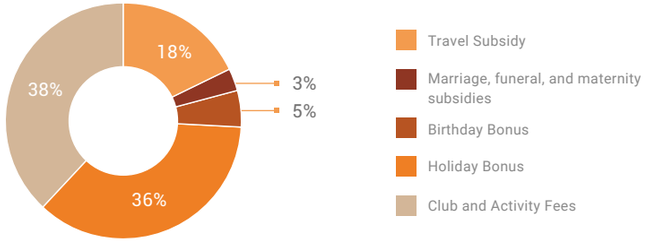
Employee Welfare Committee

The Kaohsiung Factory has established the Radiant Opto-Electronics Co., Ltd.' s Employee Welfare Committee (hereinafter referred to as the "Employee Welfare Committee"). The main sources of income for the Committee are derived from 0.05% of the Corporation's monthly operating income and 0.5% of the employees' salaries at the Kaohsiung Factory. The Employee Welfare Committee will prepare a budget based on available income and execute activities related to employee benefits according to the resolutions made during meetings. Recently, some of our factories have added employee facilities such as fitness centers, sports facilities, multi-function recreation rooms, and massage chairs. Additionally, we offer a variety of courses from various organizations to encourage employee participation.

Sports clubs	Recreational clubs	Technical clubs
▪ Badminton Club ▪ Jogging Club ▪ Baseball Club ▪ Basketball Club ▪ Beauty Club ▪ Hiking Club ▪ Table Tennis Club	▪ Karaoke Club ▪ Dancing club	▪ Arts & Crafts Club ▪ Photography Club

Employee Welfare Committee Expenses Analysis



In 2023, advocating for energy conservation and carbon reduction, the Employee Welfare Committee specially produced a mascot-themed travel card to encourage colleagues to utilize public transportation more frequently and switch to electronic ticketing, thus transitioning from the traditional paper-based system to a paperless one. The theme for the 2023 Family Day was "Low Carbon Living," aiming to reduce the use of disposable tableware and carry bags. Through engaging in fun energy-saving and carbon reduction quizzes, we integrated the topic of sustainability into daily life. In addition to the Kaohsiung Factory, our factories in Mainland China are also a primary focus for us. Given that many of our employees work far away from their homes, Radiant Opto-Electronics Corporation places a high priority on ensuring their wellbeing and quality of life. We plan dormitory activities with the aim of fostering closer relationships among employees, in the hope that this will translate into increased productivity in their respective roles. In 2023, the Mainland China Factories organized 30 various labor and economic activities, attracting 36,000 attendees and establishing 2 new clubs. The Corporation places emphasis on providing employees with opportunities to relax and relieve stress while working. This approach not only fosters communication opportunities among employees but also promotes unity and teamwork, ultimately leading to departmental success and recognition. Promoting Work-Life Balance, Radiant Opto-Electronics earns the "Sports Enterprise Certification" from the Sports Administration, Ministry of Education Radiant Opto-Electronics places significant emphasis on the balance between leisure and work in its employee welfare initiatives. To encourage employees to develop regular exercise habits, the Employee Welfare Committee organizes a variety of sports competitions and courses through diverse clubs. These activities not only help maintain good physical health and well-being but also enhance interdepartmental interactions and increase team solidarity and corporate image. Clubs offer weekly sports classes that employees can freely register for. Radiant Opto-Electronics subsidizes most of the club course fees to boost registration interest and foster a habit of regular exercise among staff. Radiant Opto-Electronics was honored with the Sports Enterprise Certification by the Sports Administration of the Ministry of Education in 2021 and plans to reapply for this certification in 2024.

Note : The "Health Enterprise Certification" badge awarded by the Sports Administration of the Ministry of Education is valid for a period of three years.

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5.4 Talent Cultivation and Development

Material Topics	Talent Cultivation and Development
GRI Comparison	GRI 404 : 2016
Policy	1. Employee education and training regulations 2. Detailed operational procedures for education and training
Commitment to Management Strategy	1. Establish a systematic education system to meet the development of abilities at each stage and shape a corporate academy that is suitable for Radiant. 2. Assist in training employees and enhancing their existing skills to ensure effective human resource development planning. 3. Through the implementation of diverse and effective training programs, we enhance our employees' ability to adapt quickly to changing work situations. This will enable Radiant to consistently innovate and strive for improvement, ultimately creating a competitive advantage. 4. Key talents and talent pipelines are essential for organizational development in minimizing the impact on company performance caused by talent gaps, anticipated retirements or transfers, and talent shortages resulting from organizational expansion.
Communication Mechanism	Senior executive interviews, departmental head visits, course needs assessment survey, post-course satisfaction survey
Concrete Actions	1. Based on the integration of corporate development and employee growth objectives, establish a competency-based training framework and design learning maps for managerial roles and various departments across different levels. 2. Analyze job descriptions to plan competency gap filling initiatives and formulate annual training and education plans. 3. Establish a credit system linked to promotion criteria. 4. Collect employee feedback and insights. 5. Integrate training resources and implement blended learning approaches. 6. For key talents and talent pipelines, customize blended learning programs and regularly review their effectiveness.

Sustainability Indicators	Goals for 2023	Execution Results in 2023	Short-term Objectives in 2024	Medium-term Objectives in 2025-2026	Long-term Objectives in 2027-2030
Establishing the Radiant Academy	Addition topic of the year	Note	1. Establishing the Company's core competencies and common competencies for various levels of management. 2. Providing explanations and making revisions to the talent specifications for each department. 3. Developing professional competency items for each unit and level. 4. Producing two sets of digital educational materials annually in response to current events.	1. Establishing industryacademic partnerships with schools based on future strategic development and professional competencies (in Taiwan, Finland, Vietnam). 2. Adding new language options (English, Vietnamese) to the academy in response to globalization. 3. Continuing succession planning programs for leaders (department and section-level supervisors).	
Radiant Talent Pool	Addition topic of the year	Note	1.Conducting competency assessments for department-level supervisors and key talents. 2.Initiating the first TRC based on the assessment results. 3.Completing 30 succession plans.		
Patent litigation crisis management	Addition topic of the year	Note	Establishing a crisis management manual for handling corporate patent litigation.	Strengthening organizational intellectual property awareness and patent portfolio layout.	

Note: Due to the omission of "Talent Cultivation and Education Development" in the material topics for 2022, there is no performance report for the year 2023.

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Talent Development System and Employees Training

Based on the principle that "talent is a company's most valuable asset," we have implemented various channels and platforms to strengthen employees' professional skills. As part of Radiant Opto-Electronics Co., Ltd's digital transformation strategy, all of our factories now utilize the "R+eHRD Talent Development System Platform" to offer a range of innovative digital learning resources. We have amassed 1,523 digital courses, along with 123 shared learning resource articles and multimedia files.

Training Development Program	Content	Results
Corporate Human Resource Improvement Program (Kaohsiung Factory)	The Kaohsiung Factory has submitted an application for the "Corporate Human Resource Improvement Program" to the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of the Ministry of Labor's Workforce Development Agency. The objective of this application is to enhance the training benefits and consistently improve the quality of human resources. The program encompasses a range of courses, including engineering technology, professional skills, management, and other relevant topics.	A total of 32 courses were applied for in 2023, and the total number of training hours amounting to approximately 472 hours, with a total of 250 participants.
Highly skilled personnel training (Wujiang Factory)	Since 2013, we have successfully been approved as a pilot unit for internal evaluation of vocational skills in Suzhou City. This has helped us to build up the image of a large-scale and enterprise with backbone, to promote a culture of skill appraisal within the factory, and to enhance the technical ability of our employees. In 2019, due to a change in the supervisory unit, we reapplied and were granted internal evaluation qualifications, making us one of the first seven units in Wujiang to receive this distinction.	In 2023, we internally evaluated 38 senior technicians, and 33 technicians.
Internal Instructors Training Program (Each Factory)	To ensure that our employees are at the forefront of knowledge and can effectively demonstrate their existing abilities, Radiant Opto-Electronics Corporation has implemented the Internal Instructors	As of the end of 2023, Radiant Academy has trained a total of 339 internal instructors, with 202 instructors located in the Kaohsiung Factory and 137 in the Mainland China Factories.
Youth Employment Flagship Program (Kaohsiung Factory)	The Corporation has submitted an application for the "Youth Employment Flagship Program" to the Kaohsiung- Pingtung-Penghu-Taitung Regional Branch of the Workforce Development Agency, which operates under the Ministry of Labor. Our aim is to offer valuable workplace training to young individuals by leveraging industry resources.	▪ There were 35 applications received in 2023, 19 attended for training, and 15 of them completed the training, and the retention rate for those who had completed training was 100%. ▪ Since 2019, we have received 196 applications, out of which 105 individuals attended the training program. Of those who attended, 92 successfully completed the training. It is noteworthy that the retention rate for those who had completed the training was 100%.

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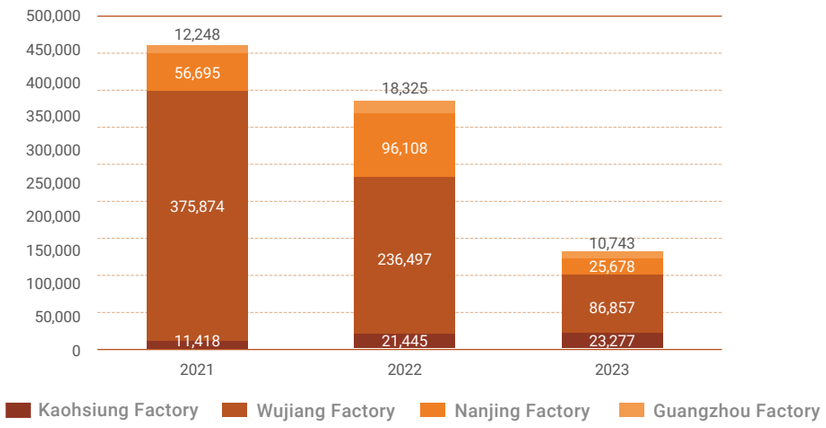
Training Results

In 2023, the total number of training hours for education and training was 146,000 hours, with approximately 39,000 employees participating in the training program. This translates to an average of 3.8 hours of training per employee. The Kaohsiung Factory had a total of 23,277 training hours per capita, which accounts for approximately 15.9% of the total. In contrast, Mainland China had 123,278 training hours per capita, accounting for 84.1% of the total.

In 2023, following the lifting of pandemic restrictions, the Kaohsiung factory shifted its focus primarily to physical courses, resulting in a slight increase in overall training hours. However, as restrictions were lifted, the factories in mainland China no longer needed to conduct pandemic prevention training, thus significantly reducing the training hours compared to 2022. Moreover, the training hours for managerial positions were higher than for non-managerial roles. This was part of an initiative to enhance the management capabilities of entry-level and mid-level supervisors by introducing additional training programs.

The mobile learning app was offering employees a flexible learning tool that is not bound by time or location. This app provides a convenient way for employees to learn during their spare time, resulting in greater efficiency and convenience and efficiency for learning. In 2023, students accumulated 14,190 logins and 2,594 hours of usage were accumulated by the students on the mobile learning app.

Total Hours of Training by the Entire Group



Training Profile Analysis in 2023

Category	Groups	Kaohsiung Factory			Mainland China Factories (Nanjing Factory, Wujiang Factory, Guangzhou Factory)			Entire Group		
		Numbers	Total Hours	Hours per Capita	Numbers	Total Hours	Hours per Capita	Numbers	Total Hours	Hours per Capita
Gender	Female	446	9,993	22.4	8,400	36,058	4.3	8,846	46,051	5.2
	Male	470	13,284	28.3	29,663	87,220	2.9	30,133	100,504	3.3
Job Cate gory	Non-management	758	17,919	23.6	37,022	114,544	3.1	37,780	132,463	3.5
	Management	158	5,358	33.9	1,041	8,734	8.4	1,199	14,092	11.8
Total		916	23,277	25.4	38,063	123,278	3.2	38,979	146,555	3.8

Note : Management - supervisors who are above unit level, non-management - other non- management employees

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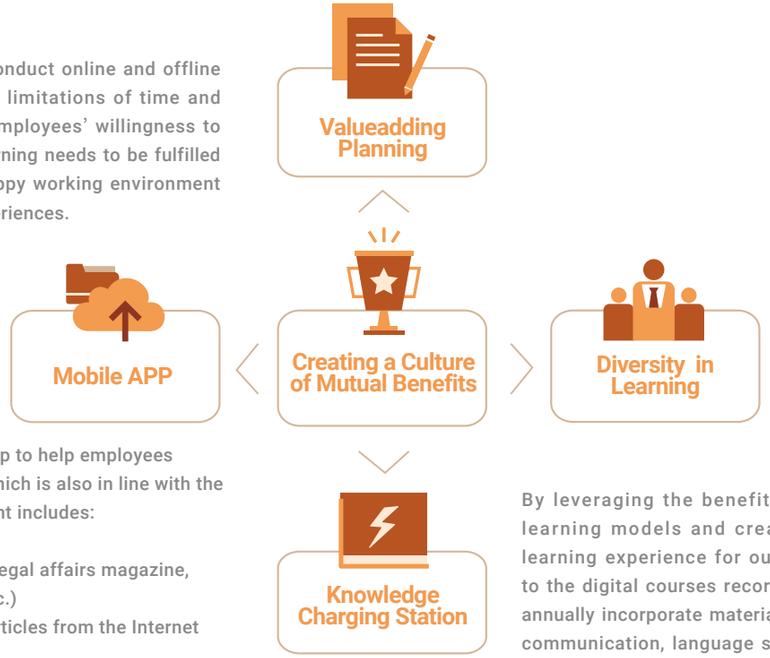
It is possible to simultaneously conduct online and offline learning, thereby overcoming the limitations of time and space. This approach promotes employees' willingness to participate in learning, enables learning needs to be fulfilled on the platform, and creates a happy working environment that fosters enjoyable learning experiences.



Utilizing the R+LMS advantage, the annual training plan is formulated based on the Corporation's operational requirements, job development roadmap, and functional performance gaps. This ensures that employees receive value-added training plans that add value to their skillset.

Knowledge charging station is set up to help employees recharging by utilizing their time, which is also in line with the trend of mobile learning. The content includes:
1. Language learning
2. Internal publications (bimonthly legal affairs magazine, employee relations e-newsletter, etc.)
3. New knowledge or high-quality articles from the Internet

By leveraging the benefits of R+LMS, we can implement various learning models and create thematic courses that enhance the learning experience for our employees. Diverse Topics: In addition to the digital courses recorded by our current internal instructors, we annually incorporate materials on relevant topics such as interpersonal communication, language skills, and legal compliance, among others, based on industry trends and company requirements.

Education Training System

Education and training will be incorporated into the talent development plan with the aim of fostering talent growth. In line with the philosophy and principles of the Talent Quality Management System (TTQS), we utilize a SWOT (TOWS) strength and weakness crisis analysis to identify strengths and weaknesses during times of crisis. Through systematic needs analysis, course design, training implementation, and training evaluation, we strengthen personnel knowledge, skills, and attitudes while also committing to post-training effectiveness tracking and creating an environment that facilitates learning transfer. With the implementation of TTQS, Radiant Opto-Electronics Co., Ltd has successfully streamlined the management of training documents and consolidated procedures and training processes that were previously scattered throughout the organization. This has resulted in improved training quality and continuous enhancement of training effectiveness. Furthermore, senior supervisors have expressed their recognition, support, and evaluation of the Corporation's training and development performance, leading to the attainment of a silver certification. In 2022, the Corporation received the Silver Certification in the Talent Quality Management System (the assessment is valid for two years).

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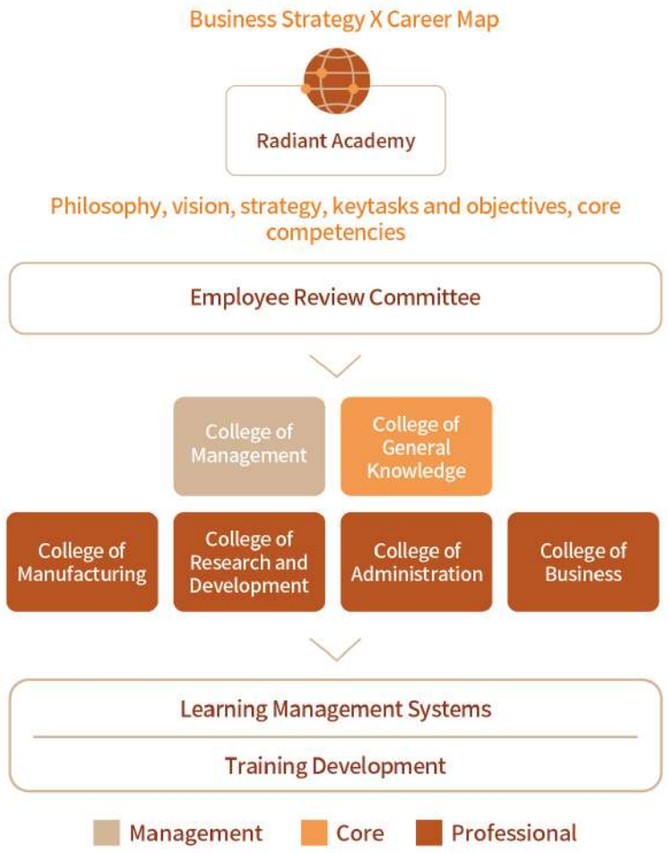
Training Policies

- Constructing a professional blueprint for employee development
- Enhancing competitiveness and international market convergence
- Establishing a high-quality training system

Radiant Academy is the main learning center for employees for internal education and training programs. According to the Corporation's management directives, we have planned the necessary functions required for the duties, systematically designed the learning and development program, and launched a comprehensive talent cultivation program to encourage employees to continue learning. Additionally, we have introduced a mobile app that enables employees to learn continuously without any gaps. Radiant Academy has three primary skills functions: the core, professional, and management. The professional skills function is further divided into four colleges based on the different professionals of each center. Additionally, the College of Management and the College of General Knowledge have been established. We utilize job descriptions to align employees with their strengths, establish professional frameworks for the department, and create internal professional development courses with the assistance of e-learning. Additionally, we offer external training resources to encourage ongoing learning and exposure to new ideas from the broader industry, empowering employees to advance their careers and tackle professional challenges.



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College of Professional Skills

Each department plans their training courses required for each level of position based on different professional fields and develops a "Departmental Professional Blueprint." This would not only encourages employees to pursue advanced learning and continue to grow, but also helps them to achieve their personal career goals through the internal training system.

College of Management

The College of Management's training program was implemented by conducting surveys among senior managers to gather large-scale quantitative data. The program aimed to enhance management skills based on the analysis results of survey responses. Management abilities refer to a set of comprehensive knowledge, skills, attitudes, and behaviors that are required by the management level of Radiant Opto-Electronics to effectively perform their job duties. Common training courses include the Competitive Leadership Course and the Supervisor Management Course from the MTP Series, etc.

College of General Knowledge

General knowledge courses are centered around humanity, emphasizing on lifelong learning and a well-rounded education, as well as on the breadth and integrity of knowledge. These courses also encourage cross-industry integration. The course design encompasses knowledge, emotions, and skills, including expression, communication, comprehension, understanding, and criticism. Additionally, it incorporates soft skills courses, such as experiential learning and emotional intelligence.

Radiant Opto-Electronics Corporation has implemented a one-step decision analysis approach to improve the quality of our products and services.This involves processing factual and statistical data analysis, as well as providing problem-thinking training to employees to foster consensus.These efforts have resulted in overall benefits for the Corporation.

In addition to planning training for existing employees, Radiant Opto-Electronics places significant emphasis on the training of new hires. In 2023, we provided blended learning, combining different developmental tools to diversify and enhance the flexibility of our training programs.We have specifically designed a series of courses for new employees that include core competencies, conveying Radiant Opto-Electronics'corporate culture of sustainability, vision, mission, ethical conduct, compliance with company regulations, and adherence to disciplinary policies. We also focus on the development of professional knowledge, designing various themes based on production and management processes.Furthermore, in response to departmental cultivation needs, online courses that facilitate inter-departmental learning are available for new hires to select. This accelerates their acclimatization to the work environment and business integration, shortens the adjustment period, and enhances their sense of identification with the Company.

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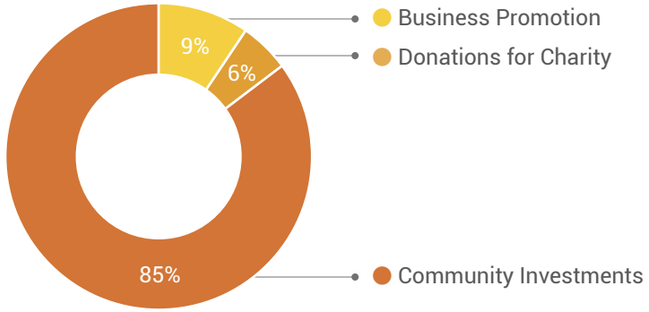
6.1 Sustainable Impact (B4SI/LBG)

Radiant Opto-Electronics Corporation firmly believes that a company should prioritize sustainability and collaboration with society for mutual benefit and prosperity. In 2016, the Taiwan Factory established the Radiant Education Foundation with the aim of implementing social welfare initiatives in a systematic manner and demonstrating care and commitment to the motherland through the foundation. The Radiant Education Foundation upholds the principle of "Taken from the community and giving back to society." and remains committed to making significant contributions in four key areas: talent cultivation, community care, environmental education, and culture and arts. Through our partnership with the Program the World Association (PTWA), we have been able to bridge the resource gap between rural and urban areas by providing program education under the umbrella of "talent cultivation." Additionally, our "Community Care" initiative continues to operate the "Radiant Spotlights Scholarship" and has collaborated with the Taiwan Association for the Care of Children and Youth with ADHD (Attention Deficit Hyperactivity Disorder) to build a resource platform in the Kaohsiung, Pingtung, Penghu, and Taitung regions. Our goal is to become an important and supportive resource for families that require special education. Our "Environmental Education" initiative focuses on the "ocean" agenda and promotes the "Sea You Again—Infinite Love for the Sea Action Plan." This plan aims to plant the seeds of marine literacy through education! The "Culture and Arts" program is a comprehensive initiative that supports local arts and cultural groups. It provides opportunities for the public and employees' families to engage with arts and culture, promoting the idea that life and art are intertwined. We also actively promote the operation of corporate volunteerism and offer a range of service channels to enrich employees' life experiences and broaden their perspectives.

Since its establishment, the Foundation has aspired to implement social welfare in a systematic and organized manner. To achieve this, a Board of Directors oversees its operations, formulates internal management systems, and reviews business plans. Additionally, a Chief Executive Officer is responsible for overseeing affairs and operations, so as to promote community projects in a corporate management manner and establish a control method for the quality of business plan promotion. The Foundation conducts weekly and monthly review meetings for its campaigns, completes qualitative evaluations, and listens to feedback from partners and audiences. This information is then integrated and refined for future projects.

We will maintain its engagement with all segments of the community, harnessing the collective strength of businesses, employees, and public welfare organizations to exert a positive corporate impact. In 2023, we took reference from the Business for Social Impact Framework (B4SI), formerly known as the London Benchmark Group (LBG) community investment evaluation model, to quantify our social impact investment. The total amount invested was NT$26 million.

Community Investment Assessment



By Method of Input

Unit: NT$ dollar

2023 Contribution to Social Welfare NT$ 26,004,303		
	By Method of Input	Percentage
Cash Contributions	4,635,931	18%
Time Contributions	15,729,392	61%
Material Contributions	1,094,980	4%
Management Fee	4,544,000	17%
Total	26,004,303	100%

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Sparkling Light in the Darkness, Education Ignites the Dawn of Society

Radiant Opto-Electronics Corporation, based in the port area of Kaohsiung, collaborates with the Radiant Education Foundation, leverages its inherent capability of emitting faint light in its field to enlighten various aspects of society on the path of social welfare, focusing on education. Through the four major pillars of talent cultivation, community care, environmental education, and cultural & arts, it aims to exert its philanthropic influence.

Radiant Education Foundation

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Radiant Opto-Electronics' Educational Endeavors, Enlightening the Dawn of Society!

Radiant remains committed to fostering talent in rural areas, providing support to specific communities, implementing environmental sustainability initiatives, and promoting cultural literacy, all sustained by its subtle radiance.

For more recent updates, please refer to the Radiant Education Foundation's Facebook and Instagram.

Illuminate the Right to Education

aims to create diverse opportunities for rural students to develop programmatic intelligence, thereby bridging the resource gap between rural and urban areas. Additionally, in 2023, Radiant collaborated with PTWA (Program The World Association) to launch the "Special Education Fun School" in the Kaohsiung area, offering technology courses for children with special needs, providing them with a stepping stone towards the future.

Nurturing Cultural Rights

endeavors to promote cultural and artistic participation through diverse channels, aiming to cultivate a rich cultural ecosystem in southern Taiwan. This initiative indirectly enhances the operational capacity of cultural venues in the region. Additionally, it continues to preserve the unique cultural heritage of southern Taiwan, particularly the art of shadow puppet and accompanies local artistic teams in creating a positive cycle of cultural ecology through active engagement.

Protecting Environmental Rights

entails rooting education in the"marine"domain, emphasizing the connection between humans and the environment. Through the "Sea You Again Infinite Love for the Ocean Action Plan," the initiative guides the public to focus on issues such as marine environment and biodiversity, thereby establishing a network to safeguard the oceans.

Upholding Human Rights

through the"Radiant Spotlights ADHD Scholarship"continues to provide exclusive scholarships to ADHD (Attention Deficient and Hyperactivity Disorder) students in the regions of Kaohsiung, Pingtung, Penghu, and Taitung.

These scholarships aim to encourage and guide students with ADHD to explore their interests and develop their strengths and abilities. Additionally, themed parent-child education seminars and activities are organized to create a platform for communication among ADHD families. The initiative aims to integrate professional resources in the southern region and create a friendly environment through activities to support special education families, offering them a warm embrace.

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Talent Cultivation

Illuminate the Right to Education

- Binmao Junior High School TTT Project
- Vision of Hometown Project
- Kaohsiung Special Education Classroom
- Illuminating with Light in Namibia

Community Care

Upholding Human Rights

- Radiant Spotlights ADHD Scholarship
- Radiant Hope Lecture Hall - Noise-Tolerant Cinema
- Radiant Family Day *ADHD Parent-child Wind Band Day
- Radiant Hope Lecture Hall - Making Friends with ADHD Children
- Public Blood Donation Event
- 2023 RUN FOR FUTURE

Environmental Education

Protecting Environmental Rights

- Sea You Again Infinite Love for the Ocean Action Plan - Marine Picture Book Workshop
- Sea You Again Infinite Love for the Ocean Action Plan - Ocean Love Action Lesson Plan
- Taiwan Science Festival

Culture and Arts

Protecting Environmental Rights

- Light and Shadow Companions - Shadow Puppet Education Promotion Project
- Artistic Companionship - Supporting Local Artistic Talents in Kaohsiung
- CSR*USR Art Engagement in Yancheng Old Community
- Cultural & Arts Backing - Wei Wu Ying Public Piano Maintenance Project, Organ Promotion Project

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16th Arts and Business Awards

Permanent Award
Bronze Award

Special Award
Corporate Culture Award

Culture and Arts

Equality
Supporting the concept of cultural equality through the public piano project

Distinctiveness
Promoting unique instrumental music and connecting with the public through the organ project connecting with the public through the organ project

32 Events
Promoting unique instrumental music and connecting with the public through the organ project

948,612 Audience
Attended performances, witnessing Radiant

Talent Cultivation

3 Collaborative Projects
Taitung Binmao Junior High School and Vision of Hometown Project

53 Lessons
Local Programming, Special Education Programming, and Technological Humanities Literacy Courses

932 Participants
Beneficiary Students of the Program

Community Care

15 Recipients
Radiant Spotlights ADHD Scholarship

9 Lectures/Events
Parenting Seminars and Parent-Child Activities for ADHD, Blood Donation Drives, Road Running Events

4,933 Participants
Enhancing Radiant's visibility through event organization and sponsorship

Environmental Education

27 Love Ocean Campaigns
Utilizing picture books as an educational medium, collaborating with preschools to promote 27 ocean love actions

1,979 Teachers and Students
Developing a robust foundation of marine literacy among preschool-aged children has a significant impact on both teachers and students.

1,234,388 Participants
Sponsored the 4th Taiwan Science Festival to enhance Radiant's visibility.

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Talent Cultivation

Illuminate the Right to Education

Accompanied by Light
Enlightening children's humanities and technological literacy through programming and technology

Through "Programming Education," we implement talent development, with special emphasis on the educational rights of rural and special needs children. Through the TTT (Train The Trainers) program, we cultivate local talents in rural areas, fostering the long-term growth of diverse technology courses in these regions. Additionally, through the "Vision of Hometown" program, we weave children's humanities literacy, helping them discover the nourishment for self-growth within their hometowns and land. For the first time in Kaohsiung, we launched the "Special Education Classroom," where special needs children are empowered through the support of special education teachers and the use of computers and technological aids, enabling them to find stability in learning.

Highlight Projects

- First Launch of the Kaohsiung Special Education Classroom
- Illuminating with Light in Namibia

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Kaohsiung Special Education Classroom

Radiant Education Foundation collaborates with the Program The World Association (PTWA), a non-profit organization, to establish the Special Education Classroom in Kaohsiung. The venue is generously provided by the Amitofo Care Center (ACC) at no cost.

Radiant mobilizes volunteers to assist PTWA's professional special education teachers. Tailored courses are offered to address each child's unique conditions and needs. Utilizing computers and technological aids, children are taught various skills such as 2D/3D drawing, fostering their interests and expertise!

192 Participants
Beneficiary Children

27 Lectures
Local Programming Courses

120 Hours
Volunteer Service

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Illuminating with Light in Namibia

Since 2018, the foundation has established connections with the international non-governmental organization, Amitofo Care Center (ACC), leading to visits from children from Peru and Lesotho. In 2023, the foundation welcomed children from Namibia, Africa.

During their visit, the children presented Radiant with natural and graceful dance performances as gifts, immersing us in the red desert of Namibia. Radiant also designed simple activities to introduce the children to "Backlight Module," with research and development engineers explaining the basic principles of optics. Additionally, the children experienced wearing cleanroom garments in an Air Shower and learned about the miraculous possibilities of 3D printers.

It is hoped that this visit will accompany these children from Namibia with a faint light, illuminating their career journey ahead.

30 Hours

Volunteer Service

28 Namibian students

Interpersonal Exchange and Companionship

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Community Care

Upholding Human Rights

Standing in light
Providing heartwarming families with a non-discriminatory and friendly environment

Continuously advocating for the ADHD community, we aim to establish a supportive resource platform in southern Taiwan. We organize seminars providing medical updates, parenting advice, clinical insights, and real-life companion cases. Moreover, we prioritize fostering interpersonal networks within the community by designing diverse themed parent-child activities, creating a space for children and parents to interact and connect. Through the "Radiant Opto-ADHD Scholarship," we recognize the strengths and talents of ADHD children from a positive perspective, encouraging them to explore their interests and strengths. By guiding and nurturing them, we aim to focus their unique abilities into a shining light, allowing them to be seen and valued. Radiant stands with heartwarming families with a faint light, aspiring to create a society that is non-discriminatory and welcoming to all.

Highlight Projects

- Radiant Opto-ADHD Scholarship
- Noiseless Cinema Day
- Radiant Hope Lecture Hall - Radiant Family Day Parent-Child Wind Band Day

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Glimpsing Bright Futures.Seeing Hope Radiant Spotlights ADHD Scholarship

Since its inception in 2021, the Radiant Spotlights ADHD Scholarship has entered its third term. Its mission is to identify the strengths and highlights of ADHD children from a positive perspective. Simultaneously, it aims to highlight how parents encourage, support, participate in, and accompany their children in discovering their highlights. The scholarship not only invites experts from relevant fields to participate but also employs a rigorous selection mechanism. It undergoes three stages of evaluation: preliminary review, secondary review, and final review. Five outstanding students are selected from each of the three groups: lower, middle, and upper grades, uncovering these special and subtly radiant children !

15 Persons

Recognition of ADHD students' strengths

NT$102,000

Scholarship providing suppor

Kaohsiung, Pingtung, and Penghu

Scholarships reaching a wide range

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Noiseless Cinema Day

This is a movie day designed especially for children!

In order to allow ADHD families to enjoy a movie without any worries, we organized "Noiseless Cinema Day" in both 2021 and 2023. We selected the highly discussed and educational film "Super Mario Bros. Movie," allowing children to watch and learn about the spirit of mutual support and adventurousness among siblings through the film.

The foundation will uphold its belief in supporting ADHD families by organizing various activities and seminars, aiming to provide heartwarming children and their families with a non-discriminatory and friendly environment.

Participant Feedback

As parents, our child hasn't been to the movie theater for many years. Being able to participate in this event was a great experience for both adults and children. Everyone was very relaxed, and all the children behaved exceptionally well throughout the movie. Thank you for always caring about ADHD families. It makes us feel accepted and understood

238 Persons
Participation of ADHD Families in Movie Day

4.9 out of 5
Event Satisfaction

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Radiant Family Day X Parent-Child Wind Band Day

ADHD families have always been an integral part of the Radiant corporate family. Since 2019, we have been inviting them to join in the fun with Radiant employees, marking the 5th year of our collaboration. This time, we partnered with our cultural and arts partner, the Kaohsiung City Wind Orchestra, to create a special event with four wind band stations.

These stations not only incorporate games to help children understand musical instrument characteristics, scales, and rhythms, but also provide a platform for ADHD families and Radiant employees to bond and enjoy together. The activities catalyze interactions between children and parents while enhancing opportunities for social engagement.

The foundation aims to foster closer connections and interactions among ADHD families, cultural partners, and Radiant employees through a diverse range of activities. We strive to provide them with warm and equitable treatment in society.

Participant Feedback

Thank you to the Radiant Education Foundation for giving us the opportunity to have a great time with the Radiant's employees. We had a wonderful Family Day and made some unforgettable memories!

116 Persons

Participation of ADHD Families in Radiant Family Day

4.6 out of 5

Event Satisfaction

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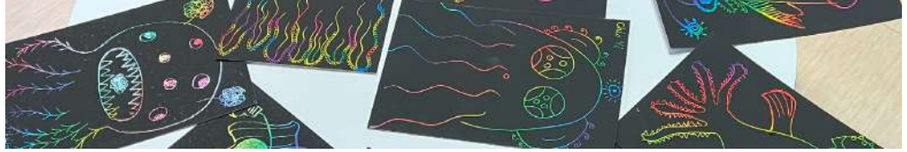

Environmental Education

Protecting Environmental Rights

Guarding with light
Promoting conservation actions for the marine environment through education

The Sea you Again Infinite Love for the Ocean Action Plan discusses ocean-related issues in diverse ways, focusing on the relationship between people and the ocean. Situated in a coastal city, Radiant aims to echo the belief of "coexistence with the environment" in its corporate social responsibility policy. Continuously utilizing picture books as a medium for communication with children and collaborating with preschool teachers in southern Taiwan, Radiant promotes ocean education and environmental awareness. Through action-oriented practices, concepts of ocean literacy and environmental protection are implemented in daily life.

Highlight Projects

- Sea You Again: Marine Picture Book Workshop
- Sea You Again: Infinite Love for the Ocean Action Plan

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Sea You Again: Marine Picture Book Workshop

Radiant Education foundation is committed to marine environmental education. Since 2022, we have been organizing the "Sea You Again: Marine Picture Book Workshop" using picture books as a medium. The target audience is preschool teachers in southern Taiwan, with the aim of rooting the culture of ocean love in preschool education.

The Marine Picture Book Workshop continues this year, incorporating the international trend of "biodiversity" into the curriculum. We designed a more diverse curriculum to allow teachers to transform from instructors to experiential learners. In addition to inviting marine experts to provide teachers with foundational knowledge and concepts, we also use "kinetic learning" to experience the marine secrets conveyed in picture books. We hope that the teachers will return to their teaching positions and plant the seeds of love for the ocean in the hearts of preschoolers.

As of now, a total of 90 preschool teachers have participated. The foundation hopes to enrich marine environmental education with the expertise of preschool teachers and aims to instill the concept of marine sustainability deeply into early childhood education.

4 Lectures
Marine empowerment courses for teachers

45 Teachers
Southern preschool teachers engage in ocean education

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Sea You Again: Infinite Love for the Ocean Action Plan

Leveraging the effectiveness of the Marine Picture Book Workshop, 27 preschools and 45 teachers from the Kaohsiung-Pingtung region actively participated in the training. Responding to the recent international focus on "marine biodiversity," the curriculum was designed accordingly. Subsequently, 27 diverse ocean conservation initiatives were implemented in schools, integrated into various activities within early childhood education. Through community engagement, intergenerational learning, and family reading sessions, the initiatives reached over 2000 individuals.

The foundation will continue promoting environmental education through projects, utilizing picture books as a medium for communication with children and collaborating with local preschool teachers in southern Taiwan. Through diverse approaches, the foundation aims to cultivate the seeds of ocean love and foster ocean literacy throughout the region.

27 Actions

Implementing creative ocean initiatives brings marine awareness into everyday life

1,979 Participants

Developing a robust foundation of marine literacy among preschool-aged children has a significant impact on teachers, students, families, and communities

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Culture and Arts

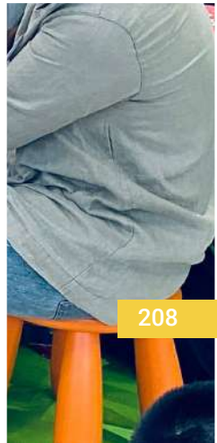
Nurturing Cultural Rights

Sheltering with light
Local art and cultural teams engage the public in experiencing life through art

Systematically promoting cultural and artistic activities, selecting culturally-rooted teams in southern Taiwan, particularly emphasizing the team's management philosophy and the vision and purpose behind promoting cultural and artistic activities. Radiant Education Foundation hopes to nurture the cultural environment in southern Taiwan with its gentle presence, working alongside artistic partners to create a diverse cultural ecosystem. Additionally, through collaborative projects with the National Kaohsiung Center for the Arts-Weiwuying, foundation aims to implement educational initiatives for cultural equality and the promotion of learning about Asia's largest pipe organ.

Highlight Projects

- Light and Shadow Journey - Seattle
- Organ Promotion
- Factory-wide Art Activation



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Light and Shadow Journey - Sustained influence : advancing Chinese Language Education in Seattle

Radiant Education Foundation has been promoting the Shadow Puppet Education Program in collaboration with the Kaohsiung Museum of History for the fifth year, aiming to illuminate the culture of shadow puppet through a comprehensive approach involving hardware, software, and diverse participation.

In 2021, Radiant Education Foundation incorporated improvements to the shadow puppet lighting equipment, which garnered attention even across the seas to the Overseas Chinese School in Seattle. The school has historically promoted Chinese language education through various Taiwanese cultural activities and sought to integrate "shadow puppet" into its Mandarin Chinese teaching curriculum. However, the existing lighting equipment used in the school, typically conventional table lamps, proved insufficient for the task. Recognizing the school's dedicated efforts in cultural preservation, the foundation proactively donated suitable lighting equipment as a charitable contribution. This gesture enabled the effective promotion of shadow puppet and facilitated its cultural heritage preservation efforts.

Feedback from the recipient

Teachers greatly appreciate the spotlight effect of the lighting fixtures, finding them convenient and appreciating the adjustable brightness. They also express strong interest in borrowing the lighting equipment for future use! They hope that such initiatives can continue to be promoted in the future.

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Promoting "Asia's Largest Organ" To connect with enthusiasts of its grand melodies

For the first time, supporting the National Kaohsiung Center for the Arts-Weiwuying for the Arts Organ Education Outreach Project, jointly promoting the largest organ education outreach program in Asia. This initiative aims to bridge the gap between this immense and historically significant keyboard instrument and the public through learning and promotion, fostering a connection between art and the community.

5 Events
Exploring Organ Concerts

2,288 Persons
Engaging in Organ Exploration

14,425 Participants
Project Outreach

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Photo / Apex Orchestra

Factory-wide Art Activation

"The Radiant Featured Selection: Your Choice; Artistic Action Supporting the Arts", this year marks the first launch of the "All-Employee Artistic Action" initiative. The foundation carefully selected outstanding local arts and culture groups in Kaohsiung that have deep expertise in their respective fields. These selections were then put to a vote by employees to determine their preferred programs, aiming to identify potential audience groups for these teams.

For this initiative, we specifically chose four programs from local groups: the "Bean Theatre," the "Double & Cross Theater Group," the "Olive Leaf Theatre," and the "Apex Orchestra." Each program caters to different audience segments. Through this project, we hope to encourage employees to actively support these teams by purchasing tickets. Additionally, we collaborate with the Employee Welfare Committee to include selected teams in the arts and culture subsidy list, providing them with increased exposure opportunities and offering employees more choices.

773 Audience
Attending Arts and Culture Events

271 Participants
Participation in Voting Activities

4 Teams
Recommendation of Local Arts and Culture Teams

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Volunteer Service

Portraying Service Moments on Volunteers Facebook

Corporate volunteers have always played a crucial role in the diverse activities organized by the foundation, not only responding to the foundation's events but also actively participating in community service initiatives.

Volunteers from various departments and centers bring their unique skills and expertise to the table, contributing to the execution and implementation of different projects with their passionate hearts. To encourage more employees to join the ranks of volunteers, the foundation regularly publishes "Volunteers Facebook," conducting close interviews with corporate volunteers from Radiant Opto-Electronics Corporation. Through their sharing and experiences, the Company's internal colleagues, external partners, and stakeholders gain a deeper understanding of volunteering. The foundation also hopes to gradually expand the spirit of volunteerism and the impact of giving back to society.

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Appendix 1 Statement of Independent Assurance Opinion

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By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Radiant Opto-Electronics Corporation 2023 Sustainability Report

The British Standards Institution is independent to Radiant Opto-Electronics Corporation (hereafter referred to as Radiant in this statement) and has no financial interest in the operation of Radiant other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Radiant only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Radiant. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Radiant only.

Scope

The scope of engagement agreed upon with Radiant includes the followings:

1. The assurance scope is consistent with the description of Radiant Opto-Electronics Corporation 2023 Sustainability Report.
2. The evaluation of the nature and extent of the Radiant's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Radiant Opto-Electronics Corporation 2023 Sustainability Report provides a fair view of the Radiant sustainability programmes and performances during 2023. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the Radiant and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate Radiant's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Radiant's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Radiant's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on Radiant's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 20 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

Inclusivity

In this report, it reflects that Radiant has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Radiant's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The Radiant publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Radiant and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Radiant's management and performance. In our professional opinion the report covers the Radiant's materiality assessment process and material issues.

Responsiveness

Radiant has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Radiant is developed and continually provides the opportunity to further enhance Radiant's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Radiant's responsiveness issues.

Impact

Radiant has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Radiant has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the Radiant's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Radiant and BSI have agreed upon to include in the scope. In our view, the data and information contained within Radiant Opto-Electronics Corporation 2023 Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

Radiant provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Radiant's sustainability topics.

SASB Standards

Radiant provided us with their self-declaration of in accordance with SASB Standard(s) (Hardware Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Sustainability Accounting Standard, version 2018) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

This sustainability report is the responsibility of the Radiant's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

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Statement No: SRA-TW-768327
2024-04-18

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies

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Appendix 2 GRI Sustainability Reporting Guidelines (GRI Guidelines) - Disclosure Comparison Table

Usage Declaration	Radiant Opto-Electronics has released its 2023 Sustainability Report in compliance with the GRI 2021 Guidelines. The reporting period for data and information covers January 1, 2023, to December 31, 2023.
GRI 1 Version Used	GRI 1: Foundation 2021
GRI Industry Sector Guideline	No, GRI has not yet published industry-specific guidelines applicable to Radiant Opto-Electronics

GRI Sustainability Reporting Guidelines (GRI Guidelines) - Disclosure Comparison Table

Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
GRI 2: General Disclosures 2021				
1. Practices of Organizing and Reporting				
2-1	Organizational Details	About Radiant Opto-Electronics		11
2-2	Entities Included in the Organization's Sustainability Reporting	Reporting Scope		1
2-3	Reporting Period, Frequency and Contact Point	Reporting Period and Frequency		1
2-4	Restatements of information	--	There was no restatement of information in 2023	--
2-5	External Assurance	External Inspection Attachment 1: Statement of Independent Assurance Opinion		1 214
2. Activities and Labor				
2-6	Activities, Value Chain and Other Business Relationships	About Radiant Opto-Electronics Product Responsibility and Innovation Supplier Sustainability Management		11 98 115
2-7	Employees	About Radiant Opto-Electronics Talent Attraction and Retention Appendix 7: Sustainability Performance		11 171 233
2-8	Workers Who Are Not Employees	Talent Attraction and Retention		171

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Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
3. Governance				
2-9	Governance Structure and Composition	Corporate Governance		60
2-10	Nomination and Selection of the Highest Governance Body	Corporate Governance		60
2-11	Chair of the Highest Governance Body	Corporate Governance		60
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	Sustainable Management Framework		23
2-13	Delegation of Responsibility for Managing Impacts	Sustainable Management Framework		23
2-14	Role of the Highest Governance Body in Sustainability Reporting	Sustainable Management Framework		23
2-15	Conflict of Interest	Corporate Governance		60
2-16	Communication of Critical Concerns	Corporate Governance		60
2-17	Collective Knowledge of the Highest Governance Body	Corporate Governance		60
2-18	Evaluation of the Performance of the Highest Governance Body	Corporate Governance		60
2-19	Remuneration Policies	Corporate Governance		60
2-20	Process to Determine Remunerat	Corporate Governance		60
2-21	Annual Total Compensation Ratio	Corporate Governance		60
Strategies, Policies, and Practices				
2-22	Statement on Sustainable Development Strategy	Letter from the Chairman A Sustainable Vision		5 20
2-23	Policy Commitments	A Sustainable Vision Ethical Management Human Rights Policy and Commitment		20 72 157

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Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
2-24	Embedding Policy Commitment	A Sustainable Vision Ethical Management Human Rights Policy and Commitment		20 72 157
2-25	Processes to Remediate Negative Impacts	Ethical Management Human Rights Policy and Commitment		72 157
2-26	Mechanisms for Seeking Advice and Raising Concerns	Ethical Management Human Rights Policy and Commitment		72 157
2-27	Compliance with Laws and Regulations	Legal Compliance		77
2-28	Membership Associations	About Radiant Opto-Electronics		11
5. Stakeholder Engagement				
2-29	Approach to Stakeholder Engagement	Stakeholder Communication and Material Topics Analysis		25
2-30	Collective Bargaining Agreements	Human Rights Policy and Commitment		157
GRI 3: Material Topics 2021				
3-1	Process to Determine Material Topics	Stakeholder Communication and Material Topics Analysis		25
3-2	List of Material Topics	Stakeholder Communication and Material Topics Analysis		25
3-3	Management of Material Topics	Stakeholder Communication and Material Topics Analysis		25

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Material Topics

Ethical Management

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Ethical Management		72
GRI 205 Anti-Corruption 2016				
205-1 Operations Assessed for Risks Related to Corruption		Ethical Management		72
205-2 Communication and Training About Anti-Corruption Policies and Procedures		Ethical Management Human Rights Policy and Commitment		72 157
205-3 Confirmed Incidents of Corruption and Actions Taken		Ethical Management Human Rights Policy and Commitment	No relevant issues	72 157
GRI 206 Anti-Competition 2016				
206-1 Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices		Ethical Management	No relevant issues	72

Corporate Governance

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Corporate Governance		60
GRI 2-9: Corporate Governance 2021				
2-9 Governance Structure and Composition		Corporate Governance		60

Compliance with Laws and Regulations

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Legal Compliance		77
GRI 2-27 Regulatory Compliance 2021				
The total number of significant violations of regulations that occurred during the reporting period, as well as the total number and amount of fines paid for such violations		Legal Compliance	No relevant issues	77

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Economic Performance

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Economic Performance		93
GGRI 201: Economic Performance 2016				
201-1 Direct Economic Value Generated and Distributed		Economic Performance		93
201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change		Climate Change		121
201-3 Definition of Welfare Plan Obligations and Other Retirement Plans		Talent Attraction and Retention		171
201-4 Financial Assistance Received from Government		Economic Performance		93
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for Product and Service Information and Labeling		Development of Green Products		106
417-2 Incidents of Non-Compliance Concerning Product and Service Information and Labeling		Development of Green Products	No relevant issues	106

Sustainable Strategy

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Radiant Opto- Electronics Sustainability Strategy		52
Radiant Opto-Electronics Internal Topic: Sustainability Strategy				
Based on the organization's core capabilities and business vision, and taking into account the expectations and suggestions of stakeholders, a sustainable strategy is formulated.		Radiant Opto- Electronics Sustainability Strategy		52

Information Security Management System

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Information Security Management System		87
GRI 418: Customer Privacy 2016				
Maintaining Information Security and Protecting Confidential Information		Information Security Management System		87

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Risk Management

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Risk Management		80
Radiant Opto-Electronics Internal Topic: Risk Management				
Establish transparent and comprehensive risk communication mechanisms with all stakeholders in order to consistently manage, mitigate, or eliminate risks, and improve risk tolerance and resilience		Risk Management		80

Product Responsibility and Innovation

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Product Responsibility and Innovation		98
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for Product and Service Information and Labeling		Product Responsibility and Innovation		98

Greenhouse Gas Management

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Greenhouse Gas Management		138
GRI 305: Emissions 2016				
305-1 Direct (Scope 1) GHG Emissions		Greenhouse Gas Management		138
305-2 Energy Indirect (Scope 2) GHG Emissions		Greenhouse Gas Management		138
305-3 Other Indirect (Scope 3) GHG Emissions		Greenhouse Gas Management		138
305-4 Greenhous Gas Emissions Intensity		Greenhouse Gas Management		138
305-5 Reduction of GHG emissions		Greenhouse Gas Management		138

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Climate Change

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Climate Change		121
GRI 201: Economic Performance 2016				
201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change		Climate Change		121
GRI 305: Emissions 2016				
305-6 Emissions of Ozone-Depleting Substances		Environmental Pollution Prevention and Control	Radiant Opto-Electronics does not emit any fluorocarbons (perfluorocarbons, PFCs) that could deplete the ozone layer during the manufacturing process	148
305-7 Emissions of nitrogen oxides, sulfur oxides, and other significant gases		Environmental Pollution Prevention and Control		148

Talent Attraction and Retention

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Talent Attraction and Retention		171
GRI 202: Market Presence 2016				
202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	Talent Attraction and Retention		171
202-2	Proportion of Senior Management Hired from the Local Community	Talent Attraction and Retention		171
GRI 401 Employment 2016				
401-1 New Employee Hires and Employee Turnover		Talent Attraction and Retention		171
401-2 Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees		Talent Attraction and Retention		171
401-3 Parental Leave		Talent Attraction and Retention		171
GRI 402 Labor/Management Relations 2016				
402-1 Minimum Notice Periods Regarding Operational Changes		Human Rights Policy and Commitment		157

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Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 405: Diversity and Equal Opportunity 2016				
405-1 Diversity of Governance Bodies and Employees		Corporate Governance Talent Attraction and Retention		60 171
405-2 Ratio of Basic Salary and Remuneration of Women to Men		Talent Attraction and Retention		171

Talent Cultivation and Education Development

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Talent Cultivation and Education Development		186
GRI 404: Training and Education 2016				
404-1 Average Hours of Training per Year per Employee		Talent Cultivation and Education Development		186
404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs		Talent Attraction and Retention		171
404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews		Talent Attraction and Retention		171

Human Rights

Topic	GRI Indicator Comparison	Corresponding Chapter	Omissions and Notes	Page No.
GRI 3: Material Topics 2021				
Management Policy	GRI 3-3 Management of Material Topics	Human Rights Policy and Commitment		157
GRI 406: Non-discrimination 2016				
406-1 Incidents of Discrimination and Corrective Actions Taken		Human Rights Policy and Commitment	No relevant issues	157
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1 Operations and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May Be at Risk		Human Rights Policy and Commitment	No relevant issues	157
GRI 408: Child Labor 2016				
408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor		Human Rights Policy and Commitment	No relevant issues	157
GRI 409: Forced or Compulsory Labor 2016				
409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor		Human Rights Policy and Commitment	No relevant issues	157
GRI 410: Security Practices 2016				
410-1 Security Personnel Trained in Human Rights Policies or Procedures		Human Rights Policy and Commitment		157

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GRI 411: Rights of Indigenous Peoples 2016				
	411-1 Incidents of Violations Involving Rights of Indigenous Peoples	Human Rights Policy and Commitment	No relevant issues	157
GRI 415: Public Policy 2016				
	415-1 Political Contributions	Human Rights Policy and Commitment	No relevant issues	157

Voluntary Disclosure Project

Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
GRI 302: Energy 2016				
302-1	Energy Consumption Within the Organization	Energy Resource Management		143
302-3	Energy Intensity	Energy Resource Management		143
302-4	Reduction of Energy Consumption	Energy Resource Management		143
302-5	Reductions in Energy Requirements of Products and Services	Energy Resource Management	Radiant Opto-Electronics products are non-terminal products, and currently there are no energy statistics available for these products and services	143
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure Investments and Services Supported	Corporate Citizenship		193
GRI 204: Procurement Practices 2016				
204-1	Proportion of Spending on Local Suppliers	Supplier Sustainability Management		115

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GRI 207: Taxation 2019				
207-1	Tax Policy	Economic Performanc		93
207-2	Tax Governance, Control, and Risk Management	Economic Performanc		93
207-3	Stakeholder Engagement and Management of Concerns Related to Tax	Economic Performanc		93
GRI 301: Materials 2016				
301-3	Recycled Products and Packaging Materials	Development of Green Products		106
GRI 303: Water and Effluents 2018				
303-1	Interactions With Water as a Shared Resource	Energy Resource Management		143
303-2	Management of Water Discharge-Related Impacts	Environmental Pollution Prevention and Control		148
303-3	Water Withdrawal	Energy Resource Management		143

Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
GRI 306: Waste 2020				
306-1	Waste Generation and Significant Waste-Related Impacts	Environmental Pollution Prevention and Control		148
306-2	Management of Significant Waste-Related Impacts	Environmental Pollution Prevention and Control		148
306-3	Waste Generated	Environmental Pollution Prevention and Control		148
306-4	Waste Diverted From Disposal	Environmental Pollution Prevention and Control		148
306-5	Waste Directed to Disposal	Environmental Pollution Prevention and Control		148
GRI 308: Supplier Environmental Assessment 2016				
308-1	New Suppliers That Were Screened Using Environmental Criteria	Supplier Sustainability Management		115
308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	Supplier Sustainability Management		115

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Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational Health and Safety Management System	Occupational Health and Safety		163
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Occupational Health and Safety		163
403-3	Occupational Health Services	Occupational Health and Safety		163
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	Occupational Health and Safety		163
403-5	Worker Training on Occupational Health and Safety	Occupational Health and Safety		163
403-6	Promotion of Worker Health	Occupational Health and Safety		163
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	Occupational Health and Safety		163

Disclosure Item Number	Disclosure Item Title	Corresponding Chapter	Omissions and Notes	Page No.
403-8	Workers Covered by an Occupational Health and Safety Management System	Occupational Health and Safety		163
403-9	Occupational Injury	Occupational Health and Safety		163
403-10	Work-Related Ill Health	Occupational Health and Safety		163
GRI 414: Supplier Social Assessment 2016				
414-1	New Suppliers That Were Screened Using Social Criteria	Supplier Sustainability Management		115
414-2	Negative Social Impacts in the Supply Chain and Actions Taken	Supplier Sustainability Management		115

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Appendix 3 TCFD Comparison Table

Aspect	TCFD Recommended Disclosure Items	Corresponding Chapter in this Report	Page No.
Governance	Description of the Board's oversight of climate-related risks and opportunities	Climate Change	121
	Description of the Role of Management in Assessing and Managing Climate- Related Risks and Opportunities	Climate Change	121
Strategy	Description of the climate-related risks and opportunities identified by the organization in the short, medium, and long term	Climate Change	121
	Description of the organization's impact on climate-related risks and opportunities in business, strategy, and financial planning	Climate Change	121
	Describe the organization's strategy for resilience, considering various climaterelated scenarios, including a 2°C or more stringent scenario	Climate Change	121
Risk Management	Description of the organization's process for identifying and assessing climate-related risks	Climate Change	121
	Description of the organization's process for managing climate-related risks	Climate Change	121
	Description of how the process of identifying, assessing, and managing climate risks is integrated into the organization's overall risk management system	Climate Change	121

Aspect	TCFD Recommended Disclosure Items	Corresponding Chapter in this Report	Page No.
Indicators and Objectives	The organization discloses the indicators used to assess climate-related risks and opportunities in accordance with its strategies and risk management processes	Climate Change	121
	Disclosure of greenhouse gas emissions and associated risks, including Scope 1, Scope 2, and Scope 3 (if applicable)	Climate Change	121
	Description of the organization's objectives for managing climate-related risks and opportunities, as well as the implementation of those objectives	Climate Change	121

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Appendix 4 SASB Comparison Table

Disclosure Topic/Indicator Code	Explanation of Indicator Disclosure	Type	Summary	Corresponding Chapter	Page No.
Product Safety TC-HW- 230a.1	Methods for Identifying and Managing Risks in Product Information Security	Discussion and Analysis	Radiant Opto-Electronics regularly engages a third-party information security unit to perform external system penetration testing. We also conduct routine vulnerability scans to identify any weaknesses in our internal systems. Additionally, we have implemented backup and recovery protocols and regularly practice restoration drills. Moreover, we have implemented multi-factor authentication (MFA) measures to strengthen our supply chain security management. **Information Security Aspect** / Control Strategy/Approach **Risk Prevention** ▪ The information security policy is reviewed in November each year and the results are revised and adjusted ▪ Regularly distribute information security policies to all employees and conduct email social engineering drills ▪ Important folders are backed up each day so information can be recovered in case of emergency ▪ The verification of the main host disaster recovery mechanism is carried out each year to ensure the recovery of important systems **Protective Facilities** ▪ Smart hardware and software device protection, network endpoint control applications, information system vulnerability scanning to introduce east-west network isolation, software to strengthen production line computer virus protection and limit execution of unauthorized software **Emergency Response** ▪ Draft an Information Technology Disaster Recovery Plan and create process flowchart documents for emergency operations ▪ The factories in Kaohsiung have their own generator. When the power is cut without warning, the generator will be immediately activated for all information systems to stay online in all factories in China, providing for continuous usage of all information systems in these factories.	Information Security Management System	87

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<table>
<tr><th>Disclosure Topic/Indi cator Code</th><th>Explanation of Indicator Disclosure</th><th>Type</th><th>Summary</th><th>Corresponding Chapter</th><th>Page No.</th></tr>
<tr><td>Employee Diversity and Inclusion TC-HW- 330a.1</td><td>Breakdown of gender andethnicity among
1. managemen t level
2. technical personnel
3. all other employees</td><td>Quantification</td><td>1. The gender composition information of all employees at Radiant Opto-Electronics is as follows :
<table>
<tr><th>Employee Type</th><th>Male</th><th>Female</th></tr>
<tr><td>Managem ent Staff</td><td>75.7%</td><td>24.3%</td></tr>
<tr><td>Engineeri ng Staff</td><td>78.9%</td><td>21.1%</td></tr>
<tr><td>Technical Staff</td><td>68.7%</td><td>31.3%</td></tr>
<tr><td>Administr ative Staff</td><td>22.0%</td><td>78.0%</td></tr>
<tr><td>All Staff</td><td>67.71%</td><td>32.29%</td></tr>
</table>
2. Radiant Opto-Electronics respects the personal privacy rights of every employee in accordance with the principle of equal treatment. As a result, the Company does not collect any data or conduct surveys regarding the ethnicities of its employees</td><td>Talent Attraction and Retention</td><td>171</td></tr>
<tr><td>Product Design and Lifecycle Managem ent TC-HW-410a.1</td><td>The product complies with the annual revenue percentage declaration for controlled substances according to IEC 62474</td><td>Quantification</td><td>Radiant Opto-Electronics, a manufacturer of non-terminal products, is unable to provide the percentage of compliance with IEC 62474 and annual revenue. However, Radiant Opto-Electronics remains committed to adhering to the strict regulations of RoHS and REACH for Banned/Restricted Substances. They have implemented the QC 080000 hazardous substance process management system and have been gradually expanding the scope of prohibited and limited substance management each year. The following is the relevant information on Banned/Restricted Substances for the year 2023:
<table>
<tr><th>Category</th><th>Item</th></tr>
<tr><td>Substances of Very High Concern</td><td>235</td></tr>
<tr><td>Monitoring Substances</td><td>90</td></tr>
<tr><td>Banned/Restric ted Substances</td><td>179</td></tr>
</table></td><td>Development of Green Products</td><td>106</td></tr>
<tr><td>Product Design and Lifecycle Managem ent TC-HW-410a.2</td><td>Percentage of annual revenue derived from products that meet EPEAT certification or equivalent requirements</td><td>Quantification</td><td>Radiant Opto-Electronics, a manufacturer of non-terminal products, is unable to obtain EPEAT certification directly. However, we remain committed to designing green products that meet customer requirements. The Company is also focused on enhancing display thinning technology and establishing a green material control platform for managing the lifecycle of its green products</td><td>Product Responsibility and Innovation</td><td>98</td></tr>
</table>

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Disclosure Topic/Indi cator Code	Explanation of Indicator Disclosure	Type	Summary	Corresponding Chapter	Page No.
Product Design and Lifecycle Managem ent TC-HW-410a.3	Percentage of annual revenue derived from products that meet Energy Star® certification or equivalent requirements	Quantification	Radiant Opto-Electronics, a manufacturer of non-terminal products, is not eligible for Energy Star certification. Radiant Opto-Electronics actively designs LGF technology and products to meet customer needs, enhancing product brightness and reducing power consumption. The lighting products have obtained DLC energy-saving certification.	Product Responsibility and Innovation	98
Product Design and Lifecycle Management TC-HW-410a.4	Total weight of recycled products and the percentage of recycled and reused weight in relation to the total weight of recycling	Quantification	Radiant Opto-Electronics categorizes its waste into hazardous and non-hazardous waste. In 2023, the weight of non-hazardous waste treated through recycling and reuse method was 2,578 tons. The introduction of UL2799 zero waste landfill in the Guangzhou plant resulted in landfill conversion rates of 90% for all three mainland production bases, with the Guangzhou plant exceeding 95% (incineration to energy conversion rate of 4.9%).	Environmental Pollution Prevention and Control	148
Supplier Management TC-HWz430a.1	Percentage of first-tier suppliers that have implemente d the RBA Validated Audit Process (VAP) or an equivalent audit, categorized as (a) all suppliers and (b) high-risk suppliers	Quantification	Radiant Opto-Electronics has referred to the RBA guidelines to establish the ROE Supplier Code of Conduct. An annual audit is conducted, and in 2023, a sustainability risk audit will be conducted for first-tier critical suppliers. After screening, (a) audited suppliers accounted for 11.3% of the total, and (b) 25% of these were identified as high-risk supplier	Supplier Sustainability Management	115
Supplier Management TC-HW-430a.2	The percentage of audit processes conducted on first-tier suppliers that are not verified by RBA (Responsible Business Alliance) or equivalent audits, as well as the rate of improveme nt for major deficiencies and other deficiencies in the audit results.	Quantification	In the first-level key supplier audit conducted in 2023, all suppliers were found to be qualified with no immediate or significant risks identified. As a result, no supplier requires any further guidance	Supplier Sustainability Management	115
Material Procurement TC-HW- 440a.1	Description of Risk Management Strategies for Critical Materials	Discussion and Analysis	The critical materials used by Radiant Opto-Electronics include PMMA particles, diamond lenses, LEDs, LED modules, LED light boards, metal components, and plastic components. We have implemented risk management policies and response measures for these materials, along with establishing an Environmental Management Substance Management Specification that strictly prohibits the use of conflict minerals in its products. Regular checks are conducted to verify the source of metal used by suppliers.	Development of Green Products	106

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Disclosure Topic/Indicator Code	Explanation of Indicator Disclosure	Type	Summary	Corresponding Chapter	Page No.
Activity Indicators					
TC-HW000.A	Quantity of Catalog Product Manufactured	Quantification	Mobile Devices (Tablets, Phones): 51,410 IT (Laptops, Monitors): 37,211 Other Backlight Modules: 2,390 Unit : thousand pieces	Product Responsibility and Innovation	98
TC-HW000.B	Manufacturing Facility Area	Quantification	Kaohsiung Plant: Building covers an area of 416,897 square feet Wujiang Plant: Building covers an area of 1,054,863 square feet Nanjing Plant: Building covers an area of 635,070 square feet Guangzhou Plant: Building covers an area of 810,027.3 square feet	-	-
TC-HW000.C	Percentage of products produced in owned facilities	Quantification	Percentage of products produced in owned facilities: 100%	-	-

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Appendix 5 ISO 26000 Comparison Table

揭露項目編號	Issue	Related Chapter(s)	Page(s)
Organizational Governance	System for Decision-making and Implementation of Execution Goals	About Radiant Opto-Electronics	11
Human Rights	Compliance Audit	Human Rights Policy and Commitment	157
	Human Rights Risk Situation	Human Rights Policy and Commitment	157
	Avoiding Complicity - Direct, Indirect, and Silent Complicity	Ethical Management	72
	Addressing Complaints and Grievances	Ethical Management	72
	Discrimination and Vulnerable Groups	Human Rights Policy and Commitment	157
	Civil and Political Rights	Human Rights Policy and Commitment	157
	Economic, Social, and Cultural Rights	Human Rights Policy and Commitment	157
	Basic Work Rights	Human Rights Policy and Commitment	157
Labor Practices	Employment and the Employment Relationship	Talent Attraction and Retention	171
	Working Conditions and Social Protection	Human Rights Policy and Commitment	157
	Social Dialogue	Stakeholder Communication and Material Topics Analysis	25
	Work Health and Safety	Occupational Health and Safety	163
	Human Resource Development and Training	Talent Cultivation and Development	186
Environment	Pollution Prevention	Environmental Pollution Prevention and Control	148
	Sustainable Resource Utilization	Green and Circular Sustainable Living	154
	Mitigation of and Adaptation to Climate Change	Climate Change	121
	Protection and Restoration of the Natural Environment	A Sustainable Vision	20

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Fair Business Practices	Anti-corruption	Ethical Management	72
	Responsible Political Participation	Human Rights Policy and Commitment	157
	Fair Competition	Ethical Management	72
	Promoting Social Responsibility in the Value Chain	Supplier Sustainability Management	115
	Respecting Intellectual Property Rights	Product Responsibility and Innovation	98
Consumer Issues	Practices of Fair Marketing, Information, and Contracts	Ethical Management	72
	Protecting Consumer Health and Safety	Development of Green Products	106
	Sustainable Consumption	Development of Green Products	106
	Consumer Service, Support, Complaints, and Dispute Resolution	Economic Performance	93
	Consumer Data Protection and Privacy	Legal Compliance	77
	Providing Necessary Services	Product Responsibility and Innovation	98
	Education and Awareness	Product Responsibility and Innovation	98

揭露項目編號	Issue	Related Chapter(s)	Page(s)
Community Engagement and Development	Social Engagement	Sustainable Impact (B4SI/LBG)	193
	Education and Culture	Talent Cultivation and Development	186
	Promoting Employment and Technological Development	Talent Attraction and Retention	171
	Technological Development	Product Responsibility and Innovation Development of Green Products	98 106
	Creating Wealth and Income	Economic Performance	93
	Wellness	Occupational Health and Safety	163
	Social Investment	Sustainable Impact (B4SI/LBG)	193

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Appendix 6 UN Global Compact Comparison Table

Category	10 Principles	Related Chapter(s)	Page(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights Policy and Commitment	157
	Businesses should make sure that they are not complicit in human rights abuses	Human Rights Policy and Commitment	157
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights Policy and Commitment	157
	Businesses should uphold the elimination of all forms of forced and compulsory labor	Human Rights Policy and Commitment	157
	Businesses should uphold the effective abolition of child labor	Human Rights Policy and Commitment	157
	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Human Rights Policy and Commitment	157
Environment	Businesses should support a precautionary approach to environmental challenges	Climate Change	121
	Businesses should undertake initiatives to promote greater environmental responsibility	Development of Green Products Climate Change	106 121
	Businesses should encourage the development and diffusion of environmentally friendly technologies	Product Responsibility and Innovation	98
Anticorruption	Businesses should work against corruption in all its forms, including extortion and bribery	Ethical Management	72

Appendix 7 Sustainability Data

Summary of ESG Performance 2023

Key Indicators		2023	2022	2021
Financial Performance	Operating Revenue (NT$)	44,088,580	58,700,962	56,924,059
	Operating Expenses (NT$)	35,210,978	47,021,980	46,364,505
	Gross Profit (NT$ thousand)	8,877,602	11,678,982	10,559,554
	Net Profit (NT$ thousand)	7,542,317	12,667,411	7,532,296
	Earnings Per Share (NT$)	11.35	14.47	11.16
	Income Tax Expenses (NT$ thousand)	2,266,354	5,940,437	2,342,321
	Attendance at Shareholders' Meeting (%)	64.72	57.98	70.91
Innovation in Research and Development	Research and Development Expenses (NT$ thousand)	2,042,116	2,284,541	2,083,869
	Number of Patents Approved	119	118 Note1	70 Note1
	Shipment Volume (thousands of units)	91,011	123,511	134,456
Client	Customer Satisfaction Rate (%)	95.2	96.6	96.7
Supplier Management	Local Procurement (%)	49.48	50.36	50.80

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Key Indicators		2023	2022	2021
Projected Greenhouse Gas Emissions for the Year 2023	Total emissions (tons CO_2e)	178,227.47	181,864.77	118,488
	Scope 1 (tons CO_2e)	2,580.77	2,580.77	3157
	Scope 2 (tons CO_2e)	102,871.2	102,871.2	115,331
Energy Resource Usage	Electricity (GWh)	128.5	163	171
	Natural Gas (10,000 kWh)	7.3	30	37.7
	Water (ML)	1,256.5	1,663	1,837
Pollution Management	Waste Generated (t)	4.105.69	5,802	6,642
	Amount of Volatile Organic Compounds Generated (t)	2.54	2.8	2.6
	Expenditure on Environmental Protection (NT$ thousand)	15,163	10,221	18,065
Green Products	Banned/Restricted Substances (t)	504	487	424
	Packaging Materials Recycling Rate (%)	98	96	>99.3

Key Indicators		2023	2022	2021
Employee Composition	Total Number of Employees	12,219	12,217	16,484
	Employees at the Kaohsiung Plant	878	931	925
	Employees at Mainland Plants	11,341	11,286	15,559
	Percentage of Female Employees Across the Entire Group	32.3	32.5	33.5
	Percentage of Women in the Entire Group's Management Level Note2	23.1	21.8	22.6
Educational Training	Hours of Employee Training	146,000	370,000	456,235
Occupational Health and Safety	Disabling Frequency Rate	0.65	0.66	0.41
	Disabling Severity Rate (S.R.)	10	8	10
	Frequency Severity Indicator (FSI)	0.08	0.07	0.06
Social Engagement Team	Volunteer Service Hours	433	298	208
	Participation in Foundation Activities (Number of Individuals)	2,190,844 Note3	1,084,572	190,000

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Key Indicators		2023	2022	2021
Significant Fines and Penalties	Number of Violations of Statutory Obligations/ Regulations	0	0	0
	Amount of Fines/ Penalties for the Aforementioned	0	0	0

Key Indicators		2023	2022	2021
Code of Ethics Violation Incidents	Corruption/Bribery	0	0	0
	Fraud/Infringement	0	0	0
	Privacy/Data Confidentiality	0	0	0
	Conflict of Interest/ Money Laundering	0	0	0

Notes:1 Updated Number of Approved Patents Over the Years
Notes:2 The management level is at the departmental level or above
Notes:3 Incorporating both physical and online aspects

Workforce Structure in 2023

Category		Male		Female		Subtotal by Group	
		Number of Shareholders	As a Percentage	Number of Shareholders	As a Percentage	Number of Shareholders	As a Percentage
Job Type	Engineering Staff	831	10.04%	221	5.60%	1,052	8.61%
	Technical Staff	7,044	85.12%	3,204	81.24%	10,248	83.87%
	Administrative Staff	122	1.47%	432	10.95%	554	4.53%
	Management Staff	278	3.37%	87	2.21%	365	2.99%
Work Location	Taiwan	496	5.95%	382	9.69%	878	7.19%
	China	7,779	94.05%	3,562	90.31%	11,341	92.81%
Age Bracket	Under 30	4,691	56.69%	1,807	45.82%	6,498	53.18%
	30-50 years old	3,515	42.48%	2,068	52.43%	5,583	45.69%
	51 or older	69	0.83%	69	1.75%	138	1.13%
Subtotal by Gender		8,275	67.72%	3,944	32.28%	12,219	100%
All Staff		12,219					

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New Hires, Departures, and Management Structure 2023

Category	Team	Newly Hired Personnel		Departed Personnel		Management Level	
		Number of Shareholders	As a Percentage	Number of Shareholders	As a Percentage	Number of Shareholders	As a Percentage
Gender	Female	7,866	17.48%	9,493	19.75%	Shareholders	24.24%
	Male	37,128	82.52%	38,570	80.25%	275	75.76%
Work Location	Taiwan	75	0.17%	120	0.25%	213	58.68%
	China	44,919	99.83%	47,943	99.75%	150	41.32%
Age Bracket	Under 30	30,887	68.65%	34,452	71.68%	8	2.20%
	30-50 years old	14,104	31.35%	13,581	28.26%	311	85.67%
	51 or older	3	0.01%	30	0.06%	44	12.12%
All Staff		44,994		48,063		363	

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Appendix 8 Sustainability Disclosure Indicators - Optoelectronics Industry

No.	Indicator	Indicator Type	Unit	Disclosure Status for Fiscal Year 2023	Remarks
1	Total Energy Consumption	Quantification	Billion Gigajoules (GJ)	467,623.07	
	Percentage of Electricity Outsourced	Quantification	Percentage	98.94	
	Utilization Rate of Renewable Energy	Quantification	Percentage	2.6	
2	Total Water Withdrawal	Quantification	Cubic Meters (m³)	1,256,500	
	Total Water Consumption	Quantification	Cubic Meters (m³)	1,256,500	
3	Weight of Hazardous Waste Produced	Quantification	Tons (t)	44.8700	
	Percentage of Produced Hazardous Waste Recycled	Quantification	Percentage	1.1	
4	Occupational Hazard Categories	Quantification	Item	6	In 2023, cases occurred in a total of 6 categories: lacerations/cuts/abrasions (4 cases), caught/crushed (4 cases), slips/falls (4 cases), struck by (1 case), contact with high/low temperature (1 case), and collision (1 case).
	Number of Occupational Accidents	Quantification	Item	15	
	Occupational Hazard Percentage	Quantification	Percentage	0.12	

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No.	Indicator	Indicator Type	Unit	Disclosure Status for Fiscal Year 2023	Remarks
5	Disclosure of Product Lifecycle Management: Including Weight of Discarded Products and Electronic Waste Note1	Quantification	Tons (t)	2,578	Only discloses the total amount of non-hazardous that has been recycled and reused. The backlight modules produced by Radiant Opto-Electronics utilize opticalgrade plastic granules ; using recycled materials while maintaining optical quality can be challenging
	Disclosure of Product of Recycled Scrap Products and Electronic Waste	Quantification	Percentage	0	The backlight modules produced by Radiant Opto Electronics utilize opticalgrade plastic granules ; using recycled materials while maintaining optical quality can be challenging
6	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	N/A	-	Risk Management Policy for Key Materials
7	Total Monetary Losses Incurred Due to Litigation Related to Anti-Competitive Behavior	Quantification	Reporting Currency	0	No relevant issues
8	Production Volume of Main Products by Product Category	Quantification	Thousands	91,011	By Volume of Products Shipped by Category

Notes:1 The report should include explanations pertaining to the sale or other recycling processes of scrap materials

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