



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

TEL +886-7-821-6151 | FAX +886-7-823-0231 | WEBSITE [www.radiant.com.tw](http://www.radiant.com.tw)

MAIL [csr@radiant.com.tw](mailto:csr@radiant.com.tw) | ADD No. 1, Zhongliu Road, Qianzhen District, Kaohsiung City

Design by 手心設計



RADIANT OPTO-ELECTRONICS SUSTAINABILITY REPORT 2021

# RADIANT OPTO-ELECTRONICS SUSTAINABILITY REPORT 2021

RADIANT  
OPTO-ELECTRONICS  
CORPORATION



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# INTRODUCTION

# 0





# 0 Introduction

Radiant Opto-Electronics Corporation started the preparation of environmental report since 2012. Its corporate social responsibility report is publicly circulated annually since 2015. The report which has been renamed as Sustainability Report in 2021, has gradually laid a strong foundation for a systematic presentation of all ROEC's goals and results in the aspect of environment, society and corporate governance, with the expectation to give a clearer picture to all stakeholders on ROEC's belief and direction on sustainable development.

## Report Framework GRI 102-54

The report is prepared in accordance with "GRI Standards: Core Option" under the Global Sustainability Standards Board (GSSB). For details, please refer to the Appendix for Global Sustainability Reporting Standards Disclosure Comparison Sheet; reference is also made to the Sustainability Accounting Standards Board's (SASB) Sustainability Indicators for disclosure.



• 2018



• 2019



• 2020



• 2014



• 2015



• 2016



• 2017

## Principles of Preparation

ROEC studies and do researches on local and international major sustainable topics, through material analysis, we understand several major topics that stakeholders are concerned of, to serve as the basis of information disclosure in this report, and is accordance with the principles of stakeholder inclusiveness, sustainability context, materiality and comprehensiveness as required by GRI Standards.

## Scope GRI 102-45 GRI 102-50

Disclosure period of the Report is between January 1, 2021 to December 31, 2021, premises covered including ROEC's Head Office in Kaohsiung, Taiwan and three production plants located in mainland China, namely Wujiang Factory, Nanjing Factory and Guangzhou Factory.

## Management System GRI 102-56

### Internal management

All informations provided in the report are verified and compiled by ROEC's team members, reviewed by each Supervisor of the Department on the authenticity and completeness of the content, and then to the editorial team for compilation before submitting to the Sustainable Development Committee, which subsequently to a third-party for verification before circulation.

### Report assurance

The sustainability performance content of the report is verified under British Standards Institution (hereinafter referred to as "BSI"), in accordance with first type moderate and assurance level of verification of GRI Standards and AA1000AS Assurance Standards (AA1000 v3.), the certification is appended here for reference.

The financial statements published herein is issued by Certified Public Accountants KPMG; the data of the Greenhouse Gas Emissions Inventory (ISO 14064-1) is verified by BSI; and the management systems, i.e. ISO 14001 and ISO 45001, are verified by third-party unit at respective factory site.



## Report Publication GRI 102-51 GRI 102-52

ROCE's sustainability report has been started to circulate to the public annually since 2015, the electronic version of the report is also available to be downloaded from the Company's website

Current Release: July 2022

Last Release: July 2021

Next release: Expected in June 2023

## Contact Info GRI 102-53

If you have any suggestions or queries regarding the sustainability of your business, please feel free to contact us. Here's our contact information:

Unit: Sustainable Development Committee

Contact: Mr. Wei

Email: [csr@radiant.com.tw](mailto:csr@radiant.com.tw)

Address: No. 1, Zhongliu Road, Qianzhen District,  
Kaohsiung City

Phone: +886-7-8216151 # 3187

Fax: +886-7-8230231

Website: [www.radiant.com.tw](http://www.radiant.com.tw)





# 1

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TO FACE THE BUSINESS CHALLENGES RESULTED FROM SUSTAINABLE DEVELOPMENT AS WELL AS TO UNDERTAKE SOCIAL RESPONSIBILITIES OF A CORPORATE CITIZENS, THE COMPANY HAS TAKEN INTO CONSIDERATION OF ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE FOR ITS DECISION-MAKINGS, AND BUILD EFFECTIVE COMMUNICATION CHANNEL WITH VARIOUS STAKEHOLDERS.



# SUSTAINABLE GOVERNANCE



# Chairman's Letter

GRI 102-14 GRI 102-15

01

SUSTAINABLE GOVERNANCE

To face the business challenges resulted from sustainable development as well as to undertake social responsibilities of a corporate citizens, the Company has taken into consideration of environmental, social and corporate governance for its decision-makings, and build effective communication channel with various stakeholders.

To all stakeholders:

In 2021, as the world continues to shadow in the depression of pandemic, in face of uncertain times, we have changed our work patterns and lifestyle, this is not only being challenging to businesses, but each of everyone surrounding us. However, when there is crisis, there is opportunity. Driven by the macro environment, new market opportunities have emerged. Work from home and home learning has led to a growth in shipments for laptop and tablet, which help the Group to record a total revenue of NT\$56.924 billion, a year-on-year growth of 1.5%, which is the highest among 8 years, and recorded growth of NT\$10 for earning per share for 4 years consecutively.

Meanwhile, we are now at critical era in the route to sustainable development, sustainable agenda of ESG enterprises is gaining more attentions. Governments around the world are focusing more on urgent challenges faced in low-carbon transformation and renewable energy due to climate change; many of the well-known international brands customers have also continuously committed to carbon-neutralization. It is critical for enterprises to take the challenges on low-carbon transformation in order to enhance their future competitiveness with the the gradual enhancement of low carbon emission control in domestic and foreign regulations. As a key player in the supply chain, the Company never stopped in its efforts for pursuing sustainable development, in fact we have continuously enhancing our resilience and adaptive capacity to transformation. In 2021, we have signed agreements with power plants for renewable energy power supply for our production factory at Wujiang and Nanjing, in addition to the existing rooftop solar power system and various energy conservation projects, we worked all together to achieve our mission of net zero carbon emissions.

Sustainable development is the necessary path for survival of an enterprise, it is also an embodiment of common value. Other than management of sustainability policy of the Company, management of sustainable risk of the supply chain is also an important part. In recent years, we have completed the revision of supplier management approach and code of conducts, with the incorporation of risk assessment results into our routine evaluation and the existence of sustainability awareness, we have established a common language to continuously improve the sustainability of our suppliers, so to enable them to understand the significance and value of sustainability that the Company is currently pursuing.

Over the years, we pay attention to the development of our organization and talents, we hope to work together towards the sense of "accomplishment" and "happiness", and to share the value of our operations. To excel in workplace and achieve accomplishment; to find happiness from family and volunteer service after work, in order to create a work life balance. Therefore, ROEC has consolidated resources of the Company, the

welfare committee and the foundation to take care of the mental and physical health of employees, which including planning of variety activities and diversified communities, and to build fitness centre and facilities, to ensure all employees are being benefited.

In 2021, the Company continuously recognized widely by the industry, we won the iconic "Taiwan Corporate Sustainability Awards (TCSA)" for 2 consecutive years, received Gold Medal for "TCSA's Electronic Information Manufacturing Industry" for 5 consecutive years, and Gold Medal for "Taiwan Sustainability Action Award (TSAA)" for the first time. In terms of employee care and talent cultivation, we won the "Sports Administration Certification" awarded by the Ministry of Education and "National Talent Development Award - Outstanding Case Award" by the Ministry of Labour. In addition, the preservation and innovation program for traditional play which under corporation between our Foundation and Kaohsiung Museum of History, has also received Silver Medal and "Special Award - Creative Award of the Year" for Arts and Business Awards presented by the Ministry of Culture.

Moving forward, products under the new norm, the market demand for monitors has changed significantly, the Company is equipped and prepared with the development of new technology and facilities. As of 2021, our total filed applications for patents has exceeded 1,400, and has entered into the top 100 ranking for corporate applications and research and development of patents. Intelligent production is not only a technical issue, but also an integration of competitiveness. AIoT was introduced to connect artificial intelligence and internet to embark on intelligent production management through 5G communication transmission, this will provide solution for technological challenges in the next decade. We will continue to strive to show our customers the value and mission of the Company.

"Coexistence with the environment; co-prosperity in the society; common good in you and me" seems to be simple sentences, but it is a goal that we continue to pursue. The Company will continue to pay attention at every aspect of ESG, to illuminate the lights that belongs to everyone behind the screen of ROEC.

Radiant Opto-Electronics  
Corporation (hereinafter refer to  
as "ROEC" or "the Company")

Chairman

王本烈





## 1.2 ■ Our Sustainability Commitment

### Sustainability Policy

We implement our original intention of operating with integrity, establish a sound enterprise system, pay attention to risks and opportunities, strive to create optimal interests for all stakeholders, to exert positive influence of the Company in the supply chain, to work towards a common good in you and me.

Committed to create a sustainable environment, continuing to develop green products, while improving energy/resource efficiency, reducing waste and strengthening prevention and control in pollution, mitigating impact to climate change, to co-exist with the environment.

Creating a healthy and safe working environment for employees, emphasizing in respect for human rights, establishing a complete talent development system, meanwhile actively engaged in charitable activities, to share prosperity with the society.



The Company adopted the principle of "care for employees, care for the society", to promote development strategy for workplace health, creating a health and safety workplace culture, actively encourage our employees to participate in sports activities among the community, in order to fulfill our mission for sports corporation and achieve healthy life.



The purpose of the Company's Education Foundation is to engage in educational welfare through the diversified promotion of various projects, combined with specialties of relevant organizations, we go into schools that are located in remote villages and neighboring communities, help for a change in their existing learning environment, so that students are able to understand the original purpose of learning.



In order to attract outstanding talents and enhance competitiveness of the Company, we have formed a competitive remuneration system. The Company through its robust supplier management system, which has contributed positive influence and value to the supply chain, is driving the supply chain for positive cycle.



ROEC cooperated with Kaohsiung Museum of History, Kaohsiung Museum of Shadow Puppet, and traditional shadow puppet troupe through the coordination of Radiant Education Foundation, and combined public and private resources to jointly promote the goal of localization into shadow puppet culture. Encourage and promote effective public, public-private and civil society partnerships.

### Sustainable Development Goals of the United Nations

In 2015, the United Nations has introduced Sustainable Development Goals (SDGs), which including the aspect of economics, environmental and society, with a total of 17 Goals and 169 Targets. To work towards a series of directions in achieving sustainable development globally by 2030, we look forward to working with governments, international organizations and corporates, to open up more new ideas and directions for sustainable development. From the perspective of corporate operations, the Company integrates its existing sustainability policies and development goals, to link with SDGs and to do adjustment and planning to the corresponding sustainable management accordingly.



Under the light and shadow program, the company is planning to use "backlighting" technology to illuminate traditional art, to preserve the only cultural asset. The Company's Educational Foundation has taken initiative to gather resources of both the R&D department and the Museum of Shadow Puppet, to promote the launch of improvement project for shadow window. With the value added core technology, we hope to create unlimited possibilities for the traditional performing arts.



Started with the concept of green design, the Company has incorporated environmental, safety, energy savings and other relevant factors during the development stage, simultaneous works are on multiple fronts, which including selection of raw material, energy efficiency improvement, packaging and shipping for final product, all are towards the target of creating a sustainable production model.



In order to cope with the impact of climate change, the Company continues to strengthen its energy management. Every year, various energy conservation improvement projects are being proposed. Meanwhile, we have also set up a standard mechanism for greenhouse gas inventory. The Company's greenhouse gas emissions are regularly checked and controlled, carbon management is materially being practiced.



## 2025 Sustainable Development Goals of Radiant Opto-Electronics Corporation

When we look back to the development trajectory of the Company, 1995 to 2013 is the foundation and growth stage of the Company. ROEC is gradually getting on track with the setting up of standard operating procedures of each management system, which has eventually shaped the management structure of the Company; 2014 to 2018 is the growth stage of ROEC, we learned from local and international evaluation institutions and ideal corporate, to determine policies and strategies suitable for ROEC, gradually find out the sustainability path belongs to ROEC.

2019 to present, ROEC has entered into the expansion stage. We actively participate and respond to various evaluation questionnaires, a Sustainable Development Committee has been established to fully handle sustainability affairs. The Company has further set up and will continue to track for its "Sustainable Development Goals 2025", to complement sustainability management of the supply chain, in hope to expand its influence to the entire value chain, to continue to contribute value creation and implementation for corporates sustainability.

Year	Events	Period
1995	Incorporation of Radiant Opto-Electronics Corporation	Foundation stage
1998	ISO 9001 certification	
2005	ISO 14001 certification	
2007	listed on Taipei Exchange OHSAS 18001 certification	
2010	ISO 14064 certification	

Year	Events	Period
2014	Incorporation of Computer Audit	Growth Stage
2015	20th Anniversary Establishment of the Corporate Social Responsibility Committee First issuance of CSR Report Introduction of Vendor CSR Management	
2016	Setting of CSR Policy Establishment of the Radiant Education Foundation	
2017	Establishment of Integrity Management Group	
2018	Establishment of the Audit Committee Full solar power setup for factories in Mainland	
2019	Goal Setting for Sustainability Development 2025 Introduction of Green Proposal Reward System ISO 45001 certification	Expansion stage
2020	25th Anniversary Establishment of CSR unit Optimization of vendor's Sustainability Management	
2021	Official launch of CSR's website Inclusion of CSR Sustainability Rating in Quarterly Business Review (QBR)	
2025	Target Year for Sustainable Development	

"Sustainable Development Goals 2025" is a milestone that marked the Company enter into sustainable development, a transformation from performance based into presenting future goals and vision, with a clear layout of future business strategy. "Sustainable Development Goals 2025" is initiated by the Sustainable Development Committee (formerly known as Corporate Social Responsibility Commission), by conducting sustainability risk assessment on the Company, numerous analysis and discussions on data derived from local and foreign evaluation institutions and role model corporates, with collective assessment and opinions given by supervisors above division level. The goals are expanded into secondary goals set by the Company annually, and the overall targets and contents are in line with SDGs at UN level.







## Environmental Symbiosis

Environment / 2025

### GHG Management

Continue to adopt optimized technology to mitigate the impact of the climate change

- 20% reduction in the Group's GHG emissions per unit of product compared to 2015
- Cumulative number of over 150 green project cases filed by the Group

### Energy Resource Management

Planning various projects to improve overall energy utilization efficiency

- 20% reduction in the Group's energy resource utilization costs compared to 2018(including water, electricity, natural gas)

### Waste Disposal Management

Reduce the amount of waste generated in the production process and increase the recycling rate

- 30% reduction in the Group's waste disposal volume per unit of product compared to 2015

## Social Sustainability

Social / 2025

### Human Resources Development and Training

Provide diversified resources and encourage employees to learn on their own

- 20 hours of global education training per capita for the year
- A total of 125 in-house trainers
- 50% completion rate of counseling improvement plan for low performers

### Labor Rights and Management

Taking into account welfare of employees and the rights of shareholders, and to protect the rights of workers

- Annual parental leave retention rate reaching 85% for Taiwan plant and 60% for Mainland China plants

### Employee Safety

Enhance safety culture and create a quality working environment

- Annual disability injury composite indicator  $\leq 0.03$
- No major occupational injury and occupational disease cases

### Employee Health Care

Integrating external resources and care for the health and safety of our employees

- Health promotion activities reaching 8,000 participants

### Product Safety and Quality

Considering the impact of the product production process on the environment and society

- 100% compliance or better than regulations regarding non-hazardous substances of products
- Zero complaint cases of abnormal harmful substances in products

### Privacy and Data Security

Continuously strengthening the awareness of information security management

- No complaints from customers about invasion of customer privacy or leakage of confidential information

## Mutual Benefit

Governance / 2025

### Anti-Corruption

Continuously strengthening the awareness of information security management

- No major violations(Fines exceeding NT\$1 million)

### Supply Chain Management

Extending the influence to suppliers and grow together with suppliers

- 100% of CSR assessment completed by raw material suppliers

### Customer Satisfaction

Proactively responding to customers feedback and exceeding customer expectations

- Customer service assessment satisfaction rate for the year reaching 85%

### Innovative Management

Continuous patent deployment to create Company value through innovation

- Accumulative number of patent applications exceeding 1,500 worldwide
- Introduction of Taiwan Intellectual Property Management System (TIPS) to be in line with ISO 50505
- Ranked among the top 100 patent applications by juridical person in Taiwan



# Sustainable Performance 2021

01

SUSTAINABLE GOVERNANCE

## Six major capital

## Process of value creation

## Sustainable Performance 2021

### Financial

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

### Manufacture

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

### Intelligent

- Continue to inject in innovative R&D, actively carry out patent blueprint, enhance capabilities of the intangible assets

### Manpower

- Enhance in talent management and talent cultivation, strengthening the company's soft power

### Nature

- Optimize the efficiency of energy and resources through source management, mid-end monitoring and back-end control

### Society

- Active and systematic social engagement for the mutual benefits of all stakeholders

### Operating Strategy

- Improve technology upgrades, pursue excellence and leading position, achieve new heights.
- Backed by core business, to keep the Company growing and to sustain growth momentum.
- Expand into niche market of fast growing industries to ensure of future growth.
- To maximise values of all resource play a high value, and fully operate with lean management.
- Bringing in promptness feedback system, to seize opportunities with high-efficiency management techniques.
- Break through bottlenecks in operation, management and production, enhancing productivity of the Group
- Build smart manufacturing factory, integrate production information towards transparency and maximise the effects of digital transformation.

### Environmental Symbiosis

- The Group's electricity consumption increased by 0.4% compared with 2020.
- The Group's water consumption remain constant with 2020.
- Recycling rate of the Company's packaging materials is more than 99%
- Develop magnetic board packaging to reduce the usage of plastic material for every piece of backlight module to above 90%
- Development of flat light received DLC Premium certification

### Mutual Benefits

- "Top 100 Companies in Corporate Governance", "Top 100 Taiwan Companies with best pay packages"
- "Top 100 Companies in invention patent application"
- Received TCSA "Best Taiwan Sustainability Corporate" Award, Gold Medal for "Electronic Information Manufacturing Reporting"
- Received Gold Medal for TSAA "Sustainable Development Goals Action Award"
- Received BSI "Sustainability Resilience Award", "Public Welfare Contribution Award" by the Export Processing Zone under Ministry of Finance, Silver Medal for "Arts and Business Awards" and "Special Award - Creative Award of the Year" by the Ministry of Culture, "Sports Administration Certification" by the Ministry of Education, "National Talent Development Award - Outstanding Case Award" by Ministry of Labour, Kaohsiung "Environmental Education Excellent Award for Private Business Group"
- Earning per share increased by NT\$10 for 4 consecutive years, recorded net profit rate of 9.12%, earning per share at NT\$11.16
- Total shipment of approximately 134,456 pieces of back light module for the year
- Performance Evaluation of Borad of Directors: Excellent
- Accumulation of numbers of patent applications globally are 1,400, increased by 16% from 2020.
- Received more than 1,400 feedback forms from stakeholders
- Conducted evaluation on 192 vendors through "New Vendor CSR Self-assessment Form"

### Social Sustainability

- Education training hours for employees recorded 450,000 hours
- Total of 208 hours in social welfare activities and volunteer services
- Total of 25 events participated and organized by Radiant Education Foundation, total number of participants were 190,000 (both physical & virtual event)



## I.3 ■ About ROEC

### Company GRI 102-1 GRI 102-2 GRI 102-3 GRI 102-4 GRI 102-5 GRI 102-7

Founded in July 1995, Radiant Opto-Electronics Corporation is the first manufacturer in Taiwan specializing in the development and manufacture of backlight modules, and has successfully secured a leading position in the backlight module industry gradually. Its scope of services including design, manufacture, assembly and sale of backlight modules, with added value in core technologies, the Company has extended its business range into the digital product industry. Backed by advanced technologies and professional teams, the Company has build an inseparable partnership with its customer base. Our head office is located at Kaohsiung Technology Industrial Park, Taiwan. We also have three production factories at Wujiang, Nanjing and Guangzhou, Mainland China. Total number of employees is about 16,000.

### Company Overview

Full Name	Radiant Opto-Electronics Corporation (hereinafter refer to as "ROEC" or "the Company")
Number of employees	16,484
Paid-up capital	NT\$ 4.65 billion
Date of Incorporation	24 July 1995
Main Product	LCD backlight module, LCD light guide plate
Chairman	Pen-Jan Wang
Head Office	No. 1 Middle Six Road, Qianzhen District, Kaohsiung City
Operation office	Kaohsiung, Wujiang, Nanjing, Guangzhou

### Distribution of factories site








## Business Philosophy and Vision

The Company will conduct series of consensus meetings every year, to engage managerial employees from baseline supervisors to senior managers to have serious discussions against operations, research and development, sales and other relevant matters, to ensure that the Group has consistent business objectives and vision. In recent years, the Company has completed the vertical integration of its upstream segment, which is parts and components and downstream segment which is customers base, and also keep control of the key raw materials, which have helped in the improvement of gross profit margin of products annually. Meanwhile, the Company has been actively hiring professional talents from various fields, enhancing product innovations and marketing capabilities, in order to secure more orders from world-class factories to improve market share, and with the establishment of long-term strategic partnerships with customers, we aim to become a leading backlight module manufacturer in the world.

The future supply and demand growth of the backlight module market can be estimated from the growth of applicable final products: the advanced design structure will continue to grow, market share of large-size LCD panels will be diluted, resulting in the growth of large-size panels to be slowed down; while application technology of small and medium-sized panels will develop towards higher resolution and larger size, hence manufacturers are strengthening their technologies for small and medium-sized LCD panel. At the same time, the growth momentum of small and medium-sized panels which still applied to smartphones will be maintained, however proportion from vehicle displays is expected to increase gradually moving forward.

With the flexibility the Company has in business operation, we will actively accommodate to customers demand to meet their requirements holistically, so that we can grab market shares of products of all sizes, especially those that are innovative and value added. At the same time, the Company will enhance its core competence through technology integration for backlight module development, assembly of key components and manufacturing related activities, as well as working closely with all range of customers, improve customer overall satisfaction to enhance our leading position in the industry.

## Short-term Development Strategy

Item	Strategy
 R&D Department	<ol style="list-style-type: none"> <li>1. Development of ultra-thin, high-efficiency mobile device BLU (Backlight unit) product</li> <li>2. Light guide plate technology from thinning, curved screen</li> <li>3. Development of 2D Mini LED backlight module</li> <li>4. 3-In-1 large combined automotive backlight module.</li> <li>5. Development of AR Combiner lens.</li> <li>6. High Yield Privacy Display Backlight Module.</li> <li>7. Development of FALD backlight module</li> <li>8. Development of intelligent lighting products and its certification</li> </ol>
 Production	<ol style="list-style-type: none"> <li>1. To master and improve capabilities in technology development and manufacturing production, expand production capacity actively to meet customer requirements</li> <li>2. Continuous technical integration on development of light guide plate and backlight module, to effectively reduce production costs and to improve its quality and competitiveness.</li> <li>3. To develop automation equipment for module production and to integrate as a complete automation system.</li> <li>4. With the introduction of smart manufacturing, fully redirecting of datas, and early detection of problems through deep analysis on production lines, to improve OEE index effectively.</li> </ol>
 Marketing	<ol style="list-style-type: none"> <li>1. To expand aggressively and co-operate with international customers closely, accommodate with niche customers requirements to provide all various sizes of backlight modules and backend modules.</li> <li>2. With excellent core technology that including optical design, mold development, light guide plate injection and module manufacturing, we provide full range product and services to our customers including design, development, production, marketing and after-sales services.</li> </ol>

### Operating Strategy 2022

- Improve technology upgrades, pursue excellence and leading position, achieve new heights.
- Backed by core business, to keep the Company growing and to sustain growth momentum.
- Expand into niche market of fast growing industries to ensure of future growth.
- To maximise values of all resource play a high value, and fully operate with lean management.
- Bringing in promptness feedback system, to seize opportunities with high-efficiency management techniques.
- Break through bottlenecks in operation, management and production, enhancing productivity of the Group
- Build smart manufacturing factory, integrate production information towards transparency and maximise the effects of digital transformation.





## Medium and Long-Term Development Strategies

Item	Strategy
 R&D Department	<ol style="list-style-type: none"> <li>1. Continue to invest in research and development of technology and talent cultivation, to develop more competitive backlight modules.</li> <li>2. Continue to invest in key equipment/manufacturing processes to improve R&amp;D capacity</li> <li>3. Riding on the growth trend of display industry and based on our existing technologies in relation to backlight modules, we are expanding into multi-corner business, developing products in the display and its related sectors vertically and horizontally.</li> <li>4. Technical integration of the Company strength in optical, mechanical, and electrical, strengthen our core capabilities in backlight modules, to open up more possibilities for new businesses.</li> <li>5. Mastering the market trends and continue to develop intelligent lighting products.</li> </ol>
 Production	<ol style="list-style-type: none"> <li>1. Establish a long-term partnership with key component manufacturers to have control in the source for materials.</li> <li>2. To grow with the rising development trend of manufacturing technology to develop new manufacturing process and be a leading manufacturer in the backlight module industry.</li> <li>3. To enhance automation systems, reduce labors and production costs to improve competitiveness.</li> <li>4. To extract the concepts of smart manufacturing, upgrade the Company's system to fully intelligent management, and further improve the OEE index.</li> </ol>
 Marketing	<ol style="list-style-type: none"> <li>1. To build a R&amp;D machinery and marketing system that interact with the customers closely to improve customers satisfaction continuously.</li> <li>2. To meet the diversified needs of customers, accommodate with customers global business planning, build new cooperation models, and be long-term strategic partners for the customers.</li> </ol>

## Participating Organizations GRI 102-I3

Taiwan	China
<ul style="list-style-type: none"> <li>• Member of Taiwan Export Processing Zone Electrical and Electronic Manufactures Association</li> <li>• Member of the Institute of Internal Auditors of Taiwan</li> <li>• Member of Kaohsiung Personnel Representative Association</li> </ul>	<ul style="list-style-type: none"> <li>• Member of Jiangsu Foreign-invested Enterprise Association</li> <li>• Supervisor of Suzhou Wujiang Taiwan Investment Association</li> <li>• Supervisor of Suzhou Wujiang Foreign-invested Enterprises Association</li> <li>• Member of Suzhou Wujiang Intelligent Manufacturing Association</li> <li>• Member of Suzhou Wujiang Charity Club</li> </ul>

## Historical Events

1995	Radiant Opto-electronics Corporation obtained approval for registration <ul style="list-style-type: none"> <li>• Outbound shipment for first batch of products</li> <li>• Establishment of a branch office in Japan</li> </ul>
1996	
2000	Recovered from loss, recorded profits <ul style="list-style-type: none"> <li>• Reinvestment in Radiant Opto-electronics (Suzhou) Co., Ltd., Mainland China</li> <li>• Company's shares are listed on the over-the-counter securities trading market</li> </ul>
2002	
2003	Reinvestment in Radiant Opto-electronics (Nanjing) Co., Ltd., Mainland China <ul style="list-style-type: none"> <li>• Company's shares are listed on Taiwan Stock Exchange</li> <li>• Reinvestment in Radiant Opto-electronics (Korea) Co., Ltd., South Korea</li> <li>• Reinvestment in Radiant Opto-electronics (Guangzhou) Co., Ltd., China</li> </ul>
2007	
2011	The Group's consolidated operating income exceeded NT\$ 60 billion, earned NT\$10 for EPS for the first time and EPS is recorded at NT\$ 10
2012	NB's annual shipments exceeded 100 million units for the first time
2015	<ul style="list-style-type: none"> <li>• Mass production for smart phone</li> <li>• First issuance of Corporate Social Responsibility Report</li> </ul>
2016	Allocate donation and establish Radiant Educational Foundation <ul style="list-style-type: none"> <li>• Recorded a increase of NT\$10 for EPS for 4 consecutive years</li> <li>• First release of English version of Sustainability Report in summarise format</li> </ul>
2021	



## 1.4 ■ The Governing Organization

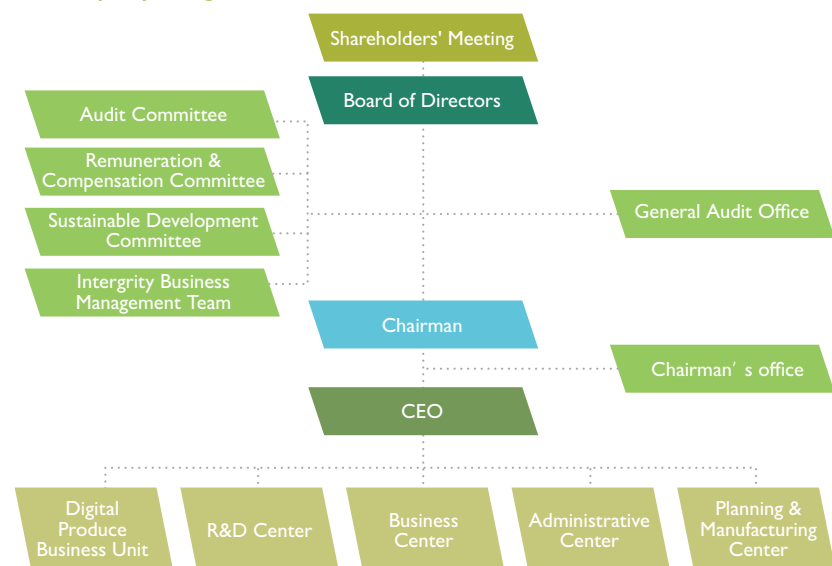
GRI 102-10 GRI 102-18

### Board Meetings

GRI 102-22 GRI 102-23 GRI 102-24 GRI 102-26 GRI 102-27

In accordance with the Companies Act, Securities and Exchange Act and other relevant laws and regulations, Radiant Opto-Electronics Corporation develops its corporate governance structure and standard operation procedures, we also established a comprehensive and effective governing organization to manage daily operation of the Company, to ensure shareholders' interests are protected.

### ✧ Company Organization Chart



The responsibilities of the Board of Directors include supervising, appointing and directing the management team and being responsible for the overall operation, hence serve as the highest governance unit of the Company. In 2016, the Board of Directors of Radiant Opto-electronics Corporation has adopted the "Code of Practice on Corporate Social Responsibility"; in 2021, it was renamed as "Code of Practice on Corporate Sustainability". Based on that principle, the Company is committed to take into account the impact on environment, society and corporate governance development when engaging in business operation and to pursue a more sustainable future.

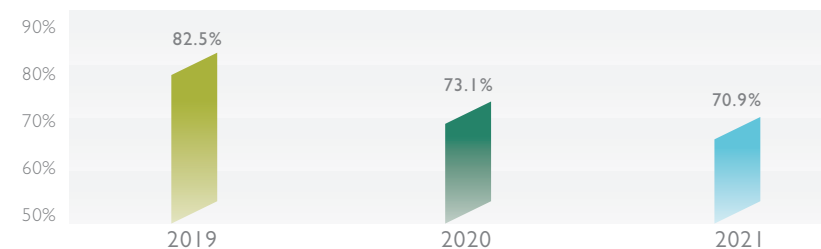
The ninth board of directors has expired in July 2021 after a three-year term and the tenth board of directors was re-elected. In consideration of the representation of stakeholders, ten directors were elected to the Board, with an average age of 67 years, four of whom are independent directors and one female director. The Board of Directors meets at least once a quarter, there were total 11 meetings held in 2021 with an attendance rate of 99.04%. Besides that, the Shareholders' Meeting of Radiant Opto-Electronics Corporation were expected to attract higher attendance of shareholders' through electronic voting, however due to the pandemic, the attendance rate in 2021 was 70.91%, a decrease of 3.04% compared to 2020.

The Company's Corporate Governance Assessment 2021 was ranked in the companies of top 6 ~ 20%, whenever the assessment results is received, relevant improvement measures will be carried out. With the roll planning method for continuous improvement, we hope to strengthen the corporate governance system of the Company, and aim to achieve top performance in the upcoming corporate governance assessment, with more comprehensive supervision mechanism and management capacity.

### ✧ Age Distribution of Directors

Age	Numbers
50 ~ 60 years old	1
61 ~ 70 years old	7
71 ~ 80 years old	2
Average age	67

### ✧ Attendance Rate of Shareholders' Meeting





## Directors Introduction

Job Title	Name	Sex	Academic Background and Work Experience
Chairman and CEO	Pen-Jan Wang	Male	<ul style="list-style-type: none"> <li>Chairman and CEO of Radiant Opto-Electronics Corporation</li> <li>Bachelor of Department of Water Resources Engineering and Conservation, Feng Chia University</li> </ul>
	Ray-Shen Investment Co., Ltd. Representative: Hui-Chu Su	Female	<ul style="list-style-type: none"> <li>Chairman of Luck Sincere Investment Co., Ltd.</li> <li>Bachelor of Department of Computer Science and Information Engineering, Ming Chuan University</li> </ul>
	Dragonjet Investment Co., Ltd. Representative: Been-Fong Wang	Male	<ul style="list-style-type: none"> <li>Director of Dragonjet Investment Co., Ltd.</li> <li>Master of Chemical Engineering, California Miramar University</li> </ul>
Director	Pen-Chin Wang	Male	<ul style="list-style-type: none"> <li>Attending Physicians of Taipei Veterans General Hospital</li> <li>Bachelor of School of Medicine, Kaohsiung Medical University</li> </ul>
	Pen-Tsung Wang	Male	<ul style="list-style-type: none"> <li>Manager Director of Dragonjet Corporation</li> <li>Master of Business Administration, Chang Gung University</li> </ul>
	Hsiang-Kuan Pu	Male	<ul style="list-style-type: none"> <li>Deputy General Manager of WK Technology Fund</li> <li>Master of Computer Engineering, University of Southern California</li> </ul>
Independent director	Yao-Chung Chiang	Male	<ul style="list-style-type: none"> <li>Chairman of Taiwan High Speed Rail Corporation</li> <li>Ph.D. in Mechanical Engineering, University of Wisconsin-Madison</li> </ul>
	Tzi-Chen Huang	Male	<ul style="list-style-type: none"> <li>Chairman of I-Sheng Electric Wire &amp; Cable Co., Ltd.</li> <li>Executive Master of Business Administration, Kun Shan University</li> </ul>
	Lun-Pin Tseng	Male	<ul style="list-style-type: none"> <li>Deputy General Manager and Chief Technology Officer of EDOM Technology Co., Ltd.</li> <li>Master of University of Illinois Urbana-Champaign</li> </ul>
	Jung-Yao Hsieh	Male	<ul style="list-style-type: none"> <li>Deputy General Manager of Kaohsiung Opto-Electronics Inc.</li> <li>Bachelor of Department of Sociology, Fu Jen University</li> </ul>

Tenure for the tenth term of Board of Directors: July 22, 2021 ~ July 21, 2024

## Directors' Attendance Rate

Job Title	Name	Actual numbers of attendance	Numbers of attendance by proxy	Numbers of required attendance	Actual attendance rate (%)
Chairman and CEO	Pen-Jan Wang	11	0	11	100%
	Hui-Chu Su	11	0	11	100%
Director	Been-Fong Wang	10	0	11	90.91%
	Pen-Chin Wang	11	0	11	100%
	Pen-Tsung Wang	11	0	11	100%
	Hsiang-Kuan Pu	11	0	11	100%
Independent director	Yao-Chung Chiang	11	0	11	100%
	Tzi-Chen Huang	11	0	11	100%
	Lun-Pin Tseng	11	0	11	100%
	Jung-Yao Hsieh	5	0	5	100%

### Diversity of the Board of Directors

In accordance with Article 20 of the Code of Practice on Corporate Governance for Radiant Opto-Electronics Corporation, the selection of members of the Board of Directors shall take into account the diversity of professional backgrounds of the candidate (e.g., financial, legal, accounting, property, environmental, marketing or society) and formulate appropriate diversification policies according to own operations, operating patterns and development needs of the Company.

Board of Directors of the Company consists of 10 members who has vast operation and academic experience in the industry, one of whom is a female director. Professional knowledge of the Board of Directors including operational judgment, business management, leadership decision, industry knowledge, financial accounting, etc., where business management covers different of aspects such as environment, society and corporate governance, the concept of diversity is fully implemented to the members of Board of Directors. For details, please refer to the following table.

### ⚙️ Diversification of the Board of Directors

Job Title	Name	Business Judgment	Business Management	Leadership Decisions	Industry knowledge	Financial Accounting	International perspective	Crisis Handling	Environmental management and social participation
Chairman and CEO	Pen-Jan Wang	●	●	●	●	●	●	●	●
	Hui-Chu Su				●	●			●
	Been-Fong Wang	●	●	●	●		●		●
Director	Pen-Chin Wang				●		●		
	Pen-Tsung Wang		●		●	●	●		
	Hsiang-Kuan Pu	●	●	●	●	●	●	●	●
Independent director	Yao-Chung Chiang	●	●	●	●	●	●	●	●
	Tzi-Chen Huang	●	●	●	●	●	●	●	●
	Lun-Pin Tseng	●	●	●	●	●	●	●	●
	Jung-Yao Hsieh	●	●	●	●		●		●

### ⚙️ Diversification of Management Objectives of the Directors

Target	Achievement
At least one third of the directors have experience in manufacturing-related industry	 <b>Achieved</b>
Directors who also hold managerial position in the company should not exceed one-third of the total numbers of board members	 <b>Achieved</b>




#### Performance Review of the Board of Directors

In order to enhance the operational function and efficiency of the Board of Directors, a system is created to evaluate the performance of the Board of Directors on a yearly basis at every first quarter of the following year, the scope of evaluation includes assessment of the whole Board, individual board members and the Functional Committee. The evaluation methods including internal self-assessment among the board of directors, self-assessment by each of the directors, assessment conducted by counterparts and any other applicable methods. The results of the performance appraisal will set as a reference to determine remuneration of respective directors and members of the Functional Committee.





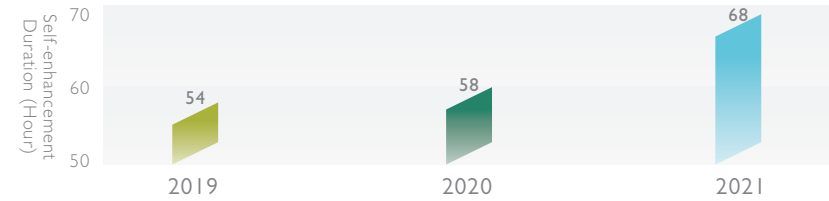
## Board Performance Review 2021

I. Performance Review of the whole board		
Assessment Metrics	Score/full score	Evaluation Results
1. Participation in Company's operation	25.07/26.66	 優
2. Improve quality of policy decision of the Board of Directors	25.60/26.66	
3. Composition and Structure of the Board of Directors	14.49/15.56	
4. Continuing Professional Development of Directors	14.62/15.56	
5. Internal control	14.98/15.56	
II. Performance Review of Individual Board Members		
Assessment Metrics	Score/full score	Evaluation Results
1. Understanding and execution of Company's objectives and responsibilities	12.61/13.05	 優
2. Understanding of director's roles and responsibilities	12.43/13.05	
3. Participation in Company's operation	32.78/34.78	
4. Internal Relationship Management and Communication	12.35/13.04	
5. Continuing Professional Development of Directors	12.43/13.04	
6. Internal control	12.70/13.04	
三、功能性委員會		
Assessment Metrics	Score/full score	Evaluation Results
1. Participation in Company's operation	16.67/16.67	 優
2. Awareness of the duties of the functional committee.	29.17/29.17	
3. Improving the quality of policy decision of the functional committee	28.96/29.16	
4. Composition of the functional committee and election of its members.	12.50/12.50	
5. Internal control	12.50/12.50	

Note: Scoring Guide 90 ~ 100: excellent, 80 ~ 89: very good, less than 79: improvement required

### Self-enhancement of Director and Supervisor

Every year, Radiant Opto-Electronics Corporation arrange its directors and supervisors to participate in self-enhancement program to improve knowledge and capability on issues related to economics, society and environment. Program that being participated recently were corporate governance 3.0 - sustainable development blueprint, sustainable development of corporate, climate governance and etc. For details of self-enhancement program in 2021, please refer to the table below.



### Self-Enhancement Program of Directors

Job Title	Name	Date of Training	Organizer	Name of program	Training hours
Chairman and CEO	Pen-Jan Wang	04/19	Accounting Research and Development Foundation	Corporate Fraud Detection Practices: legal liability, forensics investigation and big data analytics	6
	Hui-Chu Su	04/19	Accounting Research and Development Foundation	Corporate Fraud Detection Practices: legal liability, forensics investigation and big data analytics	6
Director	Been-Fong Wang	06/18	Accounting Research and Development Foundation	Analysis of key policy and measures for the latest "Corporate Governance 3.0 - Sustainable Development Blueprint"	3
		09/17	Accounting Research and Development Foundation	Cooperating with CPA in verifying practice: responsible of verifying financial reporting for frauds detection	3
	Pen-Chin Wang	06/10	Accounting Research and Development Foundation	Analysis of key policy and measures for the latest "Corporate Governance 3.0 - Sustainable Development Blueprint"	3
		08/19	Accounting Research and Development Foundation	Application of "Business Judgement Rule" in Economic Crime and the analysis of Legal Liability	3
	Pen-Tsung Wang	08/20	Securities & Futures Institute	Practical Discussion on Money Laundering Prevention and Countering Terrorism Financing	3
		09/22	Securities & Futures Institute	Sharing on Corporate M&A Practices – Focusing on Hostile Takeover	3

Job Title	Name	Date of Training	Organizer	Name of program	Training hours
Director	Hsiang-Kuan Pu	04/26	Accounting Research and Development Foundation	Trends of E-commerce Business Models under Fintech Era and things to keep in mind for internal audit and control	6
		03/29	Taiwan Corporate Governance Association	Impact of Global Economic Trends on Taiwanese Enterprises	2
	Yao-Chung Chiang	04/14	Securities & Futures Institute	Renewable & innovative business models for corporate governance and the new trends in renewable finance	3
		07/15	Securities & Futures Institute	Functions of the board of directors in prevention and control of business fraud	3
	Tzi-Chen Huang	09/01	Financial Supervisory Commission	13th Taipei Corporate Governance Forum	6
Independent director	Lun-Pin Tseng	06/22	Accounting Research and Development Foundation	Comprehensive analysis for "Corporate Governance 3.0 - Sustainable Development Blueprint"	3
		09/01	Accounting Research and Development Foundation	Comprehensive analysis on New Policies for Sustainable Development and Climate Governance for Corporate	3
	Jung-Yao Hsieh	08/04	Accounting Research and Development Foundation	Corporate Governance 3.0 - Sustainable Development Blueprint and practical analysis on Corporate Governance appraisal	3
		08/05	Accounting Research and Development Foundation	Improve strategic capabilities of a company with ESG	3
		08/12	Accounting Research and Development Foundation	New provisions on "Directors' and Supervisors' Remuneration" and Analysis on Corporate Governance Practice	3
		08/20	Accounting Research and Development Foundation	The Role of Independent Director in Corporate Governance and operational practice	3

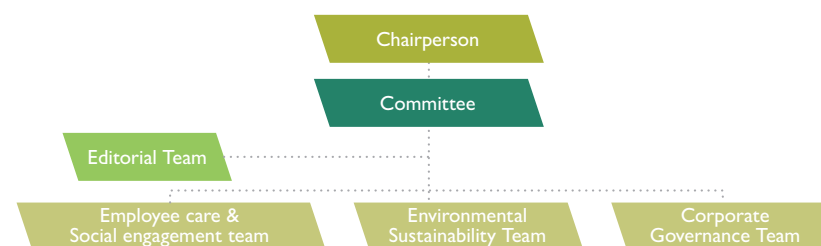
## Sustainable Development Committee

GRI 102-19 GRI 102-29 GRI 102-31 GRI 102-32

In accordance with the provisions of "Organizational Regulations of Sustainable Development Committee" of the Company and "Corporate Sustainability Practice", ROEC has established "Sustainable Development Committee" (formerly known as Corporate Social Responsibility Commission, renamed in 2022), which is under the control of the Board of Directors. The commission is led by the Chairman of the Board of Directors, with supervisors of each business center as its members. Besides that, three working groups are formed under the commission, namely, "Corporate Governance", "Environmental Sustainability", "Employee Care and Social Engagement", which personnels from relevant departments will be the members of the said working committees.

Sustainable Development Committee will meet at least half a year and submit report on implementation results to the Board of Directors regularly (last reporting on 30 July 2021). Scope of reporting includes current status of sustainable investment, risk of climate change, performance results, work priorities, etc. In addition, we have an editorial team dedicated for editorial planning and compilation work for the ESG annual report, which before issuance, other than being reviewed by internal supervisor and verified by external third parties, approval from the Chairman of the Sustainable Development Committee is also required. We hope with the existence of Sustainable Development Committee, the influence of corporate social responsibility and management value of ESG can be maximised within the Company. In this respect, the Company has joined the "CommonWealth ESG Club" at the end of 2021, which is the most influential ESG platform, to learn from role model companies in terms of ESG practice, and to improve ESG within the Company.

### Organizational chart of Sustainable Development Committee





## Members of Each Working Group

Members of each working group	Corporate Governance Working Group	Environmental Sustainability Working Group	Employee Care and Social Engagement Working Group
General Auditing Office of the Group	●		
R&D Center of the Group	●	●	
Business Center of the Group	●		
Administration Center of the Group	●	●	●
Planning and Manufacturing Center of the Group	●	●	
Digital Product Business Unit	●	●	

## Audit Committee

In accordance with the provisions of applicable regulations, the Company has established Audit Committee consists of four independent directors whose main tasks are to formulate or make revision to the internal control system, standards operating procedures for material financial business transactions, and matters involving directors' interests. In 2021, the Audit Committee has held seven meetings with attendance rate 100%.

## Attendance Rate of the Members of Audit Committee

Job Title	Name	Actual numbers of attendance	Numbers of attendance by proxy	Actual attendance rate (%)	Remarks
Convener	Tzi-Chen Huang	7	0	100	re-elected on 2021/07/22
	Yao-Chung Chiang	7	0	100	re-elected on 2021/07/22
Member	Lun-Pin Tseng	7	0	100	re-elected on 2021/07/22
	Jung-Yao Hsieh	4	0	100	new appointed on 2021/07/22

## Remuneration and Compensation Committee

In order to assist the Board of Directors in executing and assessing overall remuneration and benefits of the Company, to improve remuneration and compensation system of the directors and managers, to ensure the remuneration and compensation arrangements are comply with relevant laws and regulations as well as being competitive enough to attract talents, Radiant Opto-Electronics Corporation has established a Remuneration and Compensation Committee under the Board of

Directors. The members of the Remuneration and Compensation Committee are appointed by the Board of Directors and should have comply with the professional qualifications and independence under relevant regulations. Presently, the Committee is headed by Mr. Tzi-Chen Huang, while the members are Mr. Yao-Chung Chiang, Mr. Lun-Pin Tseng and Mr. Jung-Yao Hsieh. In 2021, the Remuneration and Compensation Committee had three meeting, with an achievement of attendance rate of 100%.

## Attendance rate of the Members of Remuneration and Compensation Committee

Job Title	Name	Actual numbers of attendance	Numbers of attendance by proxy	Actual attendance rate (%)	Remarks
Convener	Tzi-Chen Huang	3	0	100	re-elected on 2021/07/30
	Yao-Chung Chiang	3	0	100	re-elected on 2021/07/30
Member	Lun-Pin Tseng	3	0	100	re-elected on 2021/07/30
	Jung-Yao Hsieh	1	0	100	new appointed on 2021/07/30

## Integrity Management Group

In line with Radiant's corporate culture of integrity management, the Company has established the Integrity Management Group, whose members consist of Auditing Office, Human Resource Department and Legal Department. In accordance with the existing operating procedures of integrity management and code of conducts, the Integrity Management Group has specifically stipulate matters for attention for Radiant's personnel at performing job duties, to avoid provision, promise, request or receipt of any illegitimate interests direct or indirectly, or dishonest actions which are a breach of good faith, illegal or breach of fiduciary obligations.

In addition, in order to strengthen the independency of internal auditors and establish a good corporate governance system, the appointment, dismissal, assessment and remuneration of internal auditors of Radiant Opto-Electronics Corporation are reported to the chairman for approval in accordance with relevant regulations. Details of the regulating internal management system or operating procedures for appointment, dismissal, assessment and remuneration of internal auditors are disclosed in details at the Company's official website since 2021.

For details of operating procedures and code of conducts of integrity management, please refer to the Company's Official Website



# 1.5 ■ Risk Management

GRI 102-11 GRI 102-15

01

SUSTAINABLE GOVERNANCE

Radiant Opto-Electronics Corporation conducts series of business strategy meetings every year for supervisors of each department to identify possible risks and to synthesize and analyze the strength and weakness of each department through information exchange across the departments. Furthermore, the Company is regularly monitoring industry trends and market changes, referring to research reports of relevant local and

international institutions and global risk annual report published by the World Economic Forum (WEF), so that to stay aware of risks changes, to develop management strategies when major potential risk arises, and to track effectiveness regularly. The Company's risk management processes includes: identification of scope of risk, risk measurement, risk monitoring, risk reporting and disclosure, and risk responses.

Risk Category	Key Focus	Control policy/practices
Regulatory Risks	Stay aware of changes in regulations made by local government of respective production factories, make adjustment to Company's practices accordingly	<ul style="list-style-type: none"> <li>Gather relevant local and international important regulations regularly and review current practices of the Company</li> <li>To implement internal control system</li> <li>To provide advocacy courses on relevant laws and regulations</li> </ul>
Credit risk	To have control on and regularly update customer's credit ratings and accounts receivable status	<ul style="list-style-type: none"> <li>To set credit transaction limit and method based on customer's financial condition and credit ratings</li> <li>Regularly review recovery status of accounts receivable of customer</li> </ul>
Foreign exchange risk	To adjust exchange rate policy any time in response to changes in the international situation	<ul style="list-style-type: none"> <li>To set up management system</li> <li>Closely observe changes in foreign exchange rates</li> </ul>
Market risk	Development time and cost for new products and technologies	<ul style="list-style-type: none"> <li>Continuous in developing and production of ultra-thin, high-precision and economical efficient light guide plate and backlight modules</li> </ul>
Raw materials supply disruption risk	To avoid increasing in procurement costs due to short of materials	<ul style="list-style-type: none"> <li>Develop second source parts based on customer needs</li> <li>Provide forecast orders to suppliers in advance</li> </ul>
Climate change risks	To understand potential disaster in respective factory area through simulation of a natural disaster	<ul style="list-style-type: none"> <li>To analyse from simulation of natural disaster and to set up relevant countermeasures</li> <li>To continue monitoring greenhouse gas inventory</li> </ul>
Energy Cost Risk	Focus on energy efficiency and reduce reliance on fossil energy	<ul style="list-style-type: none"> <li>Improve energy efficiency</li> <li>To use energy-saving products</li> </ul>
Human Resources/ Human Rights Risks	Focus on production capacity of each production factory, workers recruitment matters and alarming situation if any	<ul style="list-style-type: none"> <li>To recruit manpower needed for production at optimal cost, according to schedule, in right quantity and in compliance with applicable regulations</li> <li>To continue to explore industry-academia cooperation and stabilizes manpower requirement</li> </ul>
Information Security Risks	Strengthen education and training, avoid leaking of important confidential information internally and external attack on Company's systems	<ul style="list-style-type: none"> <li>Information security education and training for the whole factory every year</li> <li>To advocate on latest updates on information security via email to the whole factory</li> <li>System notification on abnormality detection</li> <li>Rehearsal for responding process to server room crisis</li> <li>Data preservation and backup management</li> <li>Prevention and measurement for system virus attack</li> </ul>
Environmental and Health Risks	Execution of system optimization, to raise awareness on environmental safety and health among colleagues	<ul style="list-style-type: none"> <li>Establish an environmental safety and health management system</li> <li>Set up management procedures for chemical safety, machinery and equipment safety, etc.</li> <li>Set up relevant operating practices based on operational risks</li> <li>Conduct regular rehearsal on chemical leakage, waste leakage, fire evacuation drills, environmental protection facility for air pollution failure drills and various types of education and training.</li> </ul>





## Business Continuity Management

To ensure business continuity, Radiant Opto-Electronics Corporation periodically convenes discussions with relevant units to identify and evaluate internal and external risks, develop emergency response plans based on risk levels. At the same time, management measures are in place to ensure all products continue to meet customer requirement during the period of occurrence of major event until the recovery of the production line, to ensure the interests of customers are protected and to minimize impact as much as possible.

Furthermore, the Company always strive to ensure customs clearance efficiency and transportation safety of cargo shipments. Our factories in Kaohsiung and Wujiang have obtained AEO certification in 2012 and 2015 respectively. Kaohsiung factory is the first manufacturer in Kaohsiung Technology Industrial Park who obtained AEO certification. Risk assessment is carried out on various categories of logistics risk on annual basis to improve the company's internal control mechanism, reduce overall risk and ensure supply chain's safety.

Currently, the emergency response planning team consists of 9 units selected from factories within the Company, and is headed by a chief commander who is the top supervisor of the manufacturing center. The team conducts simulation tests at least once a year to ensure the effectiveness of the emergency response plan.

### Members of emergency response team



#### Which are the scenarios that currently simulated for business continuity management?

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

1. Key facilities breakdown
2. Products supplied by external parties
3. Process or services interruption
4. Climate change, natural disaster, fire hazard
5. Utilities interruption
6. Labour shortage
7. Damage to infrastructure



#### What are the measures taken by the Company in response to COVID-19?

In response to the COVID-19 pandemic, Radiant Opto-Electronic Corporation has assembled relevant departments to form a response team, various adjustments on company's practice have been rolled out with management measures in place according risks at different levels. Meanwhile, the Company also comply with local government policies of each factory area, take preventive measures actively to minimize impact on the company. The relevant COVID-19 prevention measures are as follows:

1. The Environmental Safety Department is responsible for the formulation of the overall prevention policy, including the purchase of epidemic prevention resources, travel/contact history tracking and temperature measurements. In addition to that, the Company also plans for rotate workers to work in the office and factories, extends health education, recommends the epidemic reporting mechanism to ensure overall operation of the Company.
2. Other than disinfection of the factories area, the General Affairs Department also control visitors according to regulations and procedures, isolation/observation dormitories and office space are set up to prepare for emergency, meal supply at the canteen has also adjusted to avoid workers to dine together.
3. On the other hand, the information department develops an epidemic investigation app, which can manage daily temperature of employees systematically, preparation for remote office has also activated for colleagues who needed to travel or in necessary.
4. Business and procurement departments engage with the customers and suppliers actively to increase safety stockpile and coordinate for shipping time to meet customer requirement

## Internal Control

In accordance with the “Guidelines for Public Listed Companies to Establish Internal Control Systems” by the Financial Supervisory Commission, Radiant Opto-Electronics Corporation conducts auditing every year to assist the Board of Directors and the management in supervising all internal systems and processes of the Company, in order to ensure continuous monitoring of the auditing works and operational systems, to ensure on a reasonable manner the correctness, reliability, timely, transparency of the operational, financial and management information and are in compliance with relevant laws and regulations, and when necessary, to provide timely recommendations for improvement to ensure the whole implementation of the internal control system can be continually effective. Every year, self-assessment report on internal control system of each unit and subsidiary of the Company shall be reviewed in accordance with applicable provisions, the report shall be presented to the CEO and the Board of Directors on a regular basis, together with the results of the aforementioned internal audit and improvement progress for the management to have a clearer picture so to ensure that the purpose of management is being achieved, and the effectiveness of implementing supervision mechanism.

In order for the self-supervision mechanism to be continued, an anonymous survey on internal control self-assessment was carried out by the Auditing Office to understand the results of implementing internal controls. The results of the survey showed that the overall internal control self-rating scores in 2021 remained at the same level as in 2020, which translates that both management and employees believed that the company's internal control system could be effectively implemented, so that the operational risk control was within the tolerance range; the risk value was also lower than that in 2020, indicating that the current operational control was not inappropriate.

### Big Data Risk Warning Audit

The Company's Auditing Office has been continuously developing monitoring mechanism for early warning of risks at all levels. In 2021, with the introduced of computer audit management platform, an audit database and program has been established to generate an automatic system for audit schedule. A network automated pricing access platform is also in place to increase the contribution from internal operations. An AI learning model is established under the University-Enterprise Cooperation project to conduct cluster analysis, supervision and unsupervised management of abnormalities detection. In 2022, the Company is looking into new audit system via artificial intelligence to strengthen AI model application in risk prediction. To utilise machine in learning for in-depth auditing and Robotic Process Automation to save on routine operations; to build a network

database for regulations through information technology to enhance for compliances and auditing efficiency. All units within the Company are required to conduct self-inspection fully and to enhance quality of internal control system through computer audit management platform.

In all these years, the Auditing Office has been continuously developing risk warning mechanism for the Company, committed in performing the job functions of Auditing Office. Started computer auditing in 2014-2016 for audit risk warning, effectively identified abnormalities through the characteristics of the data of large number transaction; in 2017, identified and analyzed potential risk factors of transactions, based on risk-oriented audit plans to construct monitoring indicators for various risk critical points; in 2018, focused on cost failure agenda and introduced monitoring indicators for dedicated system; in 2019, focused at high risk area within the core operation process of the Company, integrate information sharing systems through digital audit platform to obtain results and to realise Company's objective for continuous audit monitoring; in 2020, pay attention to risk factors in confidential information leakage of the Company, utilise recording function of relevant facilities to monitor source of information leakage, prevent the Company from risk and fraud.



### How to raise awareness of legal compliance among the colleagues?

While the Company provides education course and staffs training on legal compliance, a bimonthly legal journal is also published by the Legal Department of the Company, which covers legal write-ups related to the Company or current events, legal questions answered in Q&A method, to enhance legal knowledge of colleagues in an easier manner, enable colleagues to be familiar with relevant laws and regulations so that they can be complied with laws and regulations in connection to their business operation.



## Integrity Management

GRI 102-16 GRI 103-2 GRI 103-3 GRI 205-2 GRI 205-3

Management Policy of Significant Topics : Integrity Management		
Item	Summary Notes	
Agenda affects boundaries	internal of the organization (the whole group), external of the organization (vendor, customer)	
Management mechanism	<ul style="list-style-type: none"> <li>Establish a code of good faith and integrity in business operation, ensure for the implementation</li> <li>Establish diverse and effective reporting channels, implement reporting mechanisms</li> </ul>	
Goals for 2021	Full participation from factories for training course on RBA Code of Conduct, Ethics and Integrity	
Execution Effectiveness in 2021	RBA Code of Conduct, Ethics and Integrity Training Completion Rate 100%	Target Achieved
Goals for 2022	Continue to mobilize full participation from the entire organization for the training course on RBA Code of Conduct, Ethics and Integrity.	
Medium- and long-term development directions	<ul style="list-style-type: none"> <li>Integrity — reject improper interests, ensure customers privacy are kept confidential</li> <li>Open and transparency — ensure smooth communication channel and be transparent in information disclosure of the Company</li> <li>Friendly Workplace — value employee welfare and create harmonious labor-management relations.</li> <li>Equal Respect — safeguard human rights and treat all employees fairly.</li> </ul>	
Relevant policies	Mechanism for Integrity operation and ethical management	

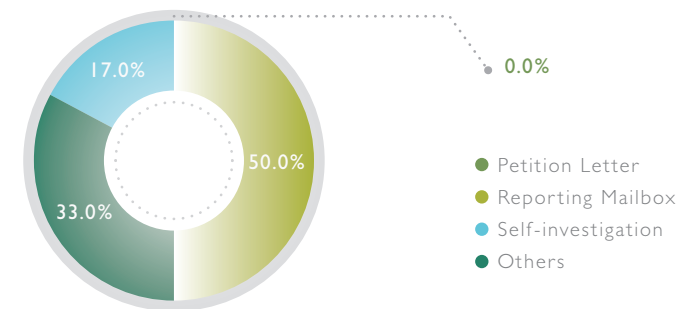
Integrity has always been the most important core value of Radiant Opto-Electronics Corporation, it is also an important value that expected to be in every of our colleagues. For the sake of integrity management and anti-corruption policies, Radiant Opto-Electronics Corporation aggressively preventing untrustworthy behavior, we have set up "Code of Practice on Corporate Governance", "Code of Conducts on Integrity Management", "Management System for Integrity Management", "Code of Ethical for Directors and Managers" and other regulations, major provisions and regulations and information on the performance of corporate responsibilities is published at the Company's official website.

### Code of Integrity Management

- Bribes and acceptance of bribes are prohibited
- Illegal political contributions are prohibited
- Inappropriate charitable donations or sponsorships are prohibited
- Unreasonable gifts, treatments or other unjustifiable interests are prohibited
- Infringement of intellectual property rights are prohibited
- Unfair competition is prohibited
- Prevention of products or services from harming stakeholders

Before establishing a formal business relationship with Radiant Opto-Electronics Corporation, external business partners are required to take integrity management assessment and will be briefed on integrity management policy of the Company, which upon confirmation on business co-operation, both parties are required to execute "Letter of Commitment of Integrity", to agree in the compliance of provisions of integrity management (details can be viewed at the Company's official website). There are also a system for reward and appeal, serious violation of codes of integrity will be dismissed in accordance with the relevant legal acts or the Company's regulations and policy. Ethical and integrity education are included in both orientation programme for newly joined employee and annual internal staffs trainings, the proportion of ethical and integrity education of staff trainings attended in 2021 is 100%.

All operating base of the Group have been included in the scope of corruption risk assessment, no cases were reported for violation of financial and accounting regulations in 2021, the overall numbers of reported cases were less than the previous year. In the future, a series of advocacy activities on the Integrity Operating Policy will continue to be carried out to enhance the ethical awareness of all colleagues and business partners.



## Distribution of reporting channels

**How to ensure the reporting channel is working effectively?**

The Company has adopted a reporting reward system, which aims to uphold fairness, integrity, and encourage employees and suppliers to report all types of misconduct aggressively, rewards criteria are set according to the reporting category.

There are variety of reporting mechanisms established by the Company, anyone who encounter dishonest conduct against the Company by others (including the Company's employees, counterparties, etc.) may report via letter drop to Employee's Suggestion Box or email to the "Reporting/Complaint Box" (cl@radiant.com.tw) or report directly to the Auditing Office with relevant supporting information. Upon receipt of the report, the Auditing Office will carry out investigation, if confirms of misconduct upon investigation, the case will be reported to the chairman to decide for appropriate disciplinary action.

## Information Security

Data theft and cyber-attacks are emerging risks in recent years. In order to ensure operation and the continued operation of important businesses, Radiant Opto-Electronics Corporation has introduced a number of monitoring and control systems, and regularly arranged for staffs training, through effective management of the information department to reduce information security risks to a manageable level.

In order to maintain the confidentiality, integrity and availability of information and data, Radiant Opto-Electronics Corporation has formulated information security policy which its results to be reviewed periodically and make revisions if required in June and December each year. This is to master on the known tactics of new malicious attack, implement defense mechanism, prevent information security attacks and check if there is any major loopholes on existing system, enhance the program aggressively during system update, and formulate information security policy that is suitable for the Company based on available information on security threat. The Company also engage a third-party to conduct external system penetration testing every year to check for loopholes in program through periodic loopholes scanning to ensure that information systems and network environments comply with the information security protection mechanism.

System aspects	Data aspects	Execution aspects
Push forward and implementation of IT security policy	Protect information and data access security	Cope with environmental and physical facility operation
Implementation of internal and external audit system on information security	Security on System Acquisition, Development and Maintenance	Management of Information Security Incident
Execution of Risk Assessment Mechanism on Information Security	Information Asset Configuration Management	Monitor of internal and external communication security
Compliance with information security ordinances		Sustaining the company's operational continuity
Compliant with software and hardware licensing legalization		

After assessing the existing information security risks, preventive measures are immediately set up by the information department to strengthens the protection capacity of information security through the intelligent application of software and hardware system, with expectation to eliminate threats in the shortest possible time in the event of an information security incident, to keep the Company to maintain normal operation. The control strategies and practices are specifically as follows:

asset-security configuration	Control policy/practices
Risk prevention	<ul style="list-style-type: none"> <li>Various level of mechanism for information service abnormal notification, to review in June and December of each year on system performance and make adjustments accordingly</li> <li>Advocacy of information security policy, conduct regular training on information security policy, information systems and facilities information security to all factories workers every year.</li> <li>Proactive notification system to notify abnormal on main system or hardware facilities via email or telephone</li> <li>Protection of confidential information, prevention from information leaking</li> </ul>
Protective Facilities	<ul style="list-style-type: none"> <li>Infrastructure is gradually replacing software and hardware equipment that have potential risks resulted from information security loopholes, a new information security protective facility will be established.</li> <li>Protection system at intelligent software and hardware device, network endpoint management application, information system weakness scanning.</li> <li>Introduce of information security management software to enhance virus protection on production line computer; prevent execution of illegal software program.</li> <li>Improvement of information security technology, enhancement of professional technical training of information security personnel, keep track on latest issue related to information security.</li> </ul>
Emergency Response	<ul style="list-style-type: none"> <li>Draw up response plans for server room disaster and create a flowchart to facilitate emergency operations</li> <li>Recovery mechanism for important host disaster, perform recovery verification annually to ensure the recovery of important systems</li> <li>Daily backup of important folders, prepare for restoration in case of emergency</li> <li>In the event of long-term power outage without notification in advance, the self-powered generator at Kaohsiung factory shall be immediately extended as power back up for information system of all factories in Mainland China to be connected for use.</li> </ul>





**2014**

- IP-Guard USB Monitor
- PGP

**2015**

- Confidential Zone - Network Isolation

**2018**

- APT Protection

**2019**

- Mail Antivirus and Monitor
- System Vulnerability Scan
- Group network isolation
- Unidentified applications monitor

**2020**

- Firewall upgrade
- Production line equipment control
- Third-party information security diagnosis and vulnerability scanning
- Information security policy revise twice a year

**2021**

- Prohibit Horizontal Communication
- Windows 2008 EOL, Upgrade 2016
- Establish CSIRT

**2022**

- Privileged Account Management
- Multi-factor authentication

**2023**

- AI network activity detection

**TIMELINE****How to ensure the effectiveness of information system?**

Most of the information systems used in the business operation of Radiant Opto-Electronics Corporation are mainly based in the server room of Taiwan 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. Furthermore, with backups of important hosts' data, service can be resumed in a short period of time through necessary data restoration, avoid losing of important information due to emergencies or disasters, reducing the risk of operational disruption.

In addition, in the past, the uninterrupted power system (UPS) in the server room could only provide power for about 1-2 hours. In order to avoid unexpected power outages caused by natural disasters or other factors, the Company has prepared independent diesel generator system at Taiwan factory, with power capacity to support up to more than 20 hours, and can be further refilled to reach uninterrupted power generation demand. This will extend usage time for power back up facilities, so that all information systems of the group can be operated uninterruptedly, effectively reducing the risk of the information system being unable to operate due to power abnormalities.



## 2

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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.



## ✿ Responding to Sustainable Development Goals of United Nation

Goals	Targets	Radiant Opto-Electronics Corporation as
 <p>SDG 12 Ensuring sustainable consumption and production patterns</p>	<p>12.2 To achieve sustainable management and effective utilisation of natural resources by 2030.</p>	<ul style="list-style-type: none"> <li>To complement the ESG governing regulations for supply chain, including evaluation of sustainable vendors into the Company's quarterly business evaluation, with the inclusion of sustainable issues such as carbon and water management, to have influence and contribute values to the supply chain.</li> <li>To implement reward system for Green Proposal, encourage colleagues to have improvement during work and enhance existing working practice, to think out of the box, drive the Company with more Green Initiative.</li> </ul>

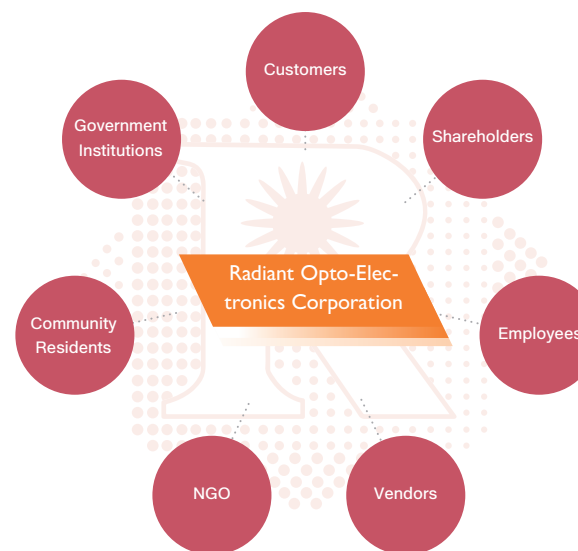
## 2.1 Stakeholders Interaction

### Identification of Stakeholders GRI 102-40 GRI 102-42

Further to communications and discussions with internal and external expert, Radiant Opto-Electronics Corporation identified seven major organizations or institutions that are either affecting or affected, which including customers, shareholders, employees, vendors, non-profit organizations, residents in the community, government agencies, etc., based on the degree of dependency on operations, responsibilities, influence, diverse views and attention. Due to business-to-business model of Radiant Opto-Electronics Corporation, ordinary customers are not classified as our stakeholders.

### Stakeholders Engagement GRI 102-43

In recent years, the Company has continuously enhanced on the disclosure of business related information, set up multiple communication channels to interact with stakeholders, to better understand their concerns and feedback, which would be gathered Sustainable Development Commission and relayed the matters to relevant department for further action. In 2021, Radiant Opto-Electronics Corporation has constructed a new sustainability business website after interviews and testing with stakeholders, targeting to meet stakeholders' expectations in the disclosure and display of sustainable related information.



## Stakeholders' Concerns and Communication

Category	Significance for ROEC	Topics of concerned	communication channel	Key achievement in 2021
 <p>Customers</p>	To understand customers requirement and meet customers' expectations through our core technology and full comprehensive services.	<ul style="list-style-type: none"> <li>Product responsibility and innovation</li> <li>Talent retention and diversity</li> <li>Utilization of resources</li> <li>Human Rights and Labor Relations</li> <li>Occupational health and safety</li> <li>Operational Performance and Management</li> <li>Integrity Management</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer website system</li> <li>Customer survey</li> <li>Customers audit (from time to time)</li> <li>Vendors seminars (from time to time)</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>A total of 16 customers satisfaction surveys have been conducted, with 76 various types of questionnaires</li> </ul>
 <p>Shareholders</p>	To gain recognition of investors is our responsibility, which is also a power to drive Radiant Opto-Electronics Corporation to continue to grow.	<ul style="list-style-type: none"> <li>Operational Performance and Management</li> <li>Integrity Management</li> <li>Human Rights and Labor Relations</li> <li>Social Engagement</li> <li>Sustainable Governance</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Corporate Information Session (from time to time)</li> <li>Company's website</li> <li>Financial statements</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>1 Shareholders' Meeting</li> <li>4 Corporate Information Session, 1 was convened by the Company, 3 were by invitation</li> <li>Public reporting of information on monthly revenue for 12 times</li> </ul>
 <p>Employees</p>	Employees are the cornerstone for sustainable operation of the Company, they are also key factors for the Company to continue in innovation development and growth.	<ul style="list-style-type: none"> <li>Talent retention and diversity</li> <li>Occupational health and safety</li> <li>Human Rights and Labor Relations</li> <li>Education and training</li> <li>Product responsibility and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Internal and external websites of the Company</li> <li>Various e-newspapers</li> <li>Complaint mailbox</li> <li>Labor-management meeting (from time to time)</li> <li>staffs meeting of the Group (from time to time)</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>6,366 cases of employees enquiries and feedbacks, which including 247 cases from Taiwan's factory and 6,119 from factories based in Mainland China.</li> <li>12 Welfare Committee Meetings</li> </ul>
 <p>Vendors</p>	Vendors are long-term business partners of the Company, through commitments and close cooperations, we are able to gain trusts from the market and customers to create a niche with win-win formula.	<ul style="list-style-type: none"> <li>Integrity Management</li> <li>Vendors Management</li> <li>Product responsibility and innovation</li> <li>Occupational health and safety</li> <li>Operational Performance and Management</li> </ul>	<ul style="list-style-type: none"> <li>Vendor Platform</li> <li>Regular auditing</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>192 copies of CSR questionnaires from vendors</li> <li>14 copies of feedback documents related to vendors platform</li> <li>CSR sustainable Self-Assessment Questionnaires conducted on 35 qualified vendors</li> <li>CSR investigations conducted on 10 vendors</li> </ul>
 <p>Non-Profit Organizations</p>	Non-profit organizations are important partners for the Company to engage with the society, we share resources with each other and learn to grow together.	<ul style="list-style-type: none"> <li>Social Engagement</li> <li>Climate Change</li> <li>Pollutant Management</li> <li>Occupational health and safety</li> <li>Integrity Management</li> </ul>	<ul style="list-style-type: none"> <li>External communication mailbox</li> <li>Company's website</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>Continued collaboration with PTW to promote TTT, Special Education School program, with a total attendance of more than 825 participants</li> <li>Support for "Marine Waste Action Plan" initiated by Taiwan Environmental Information Association</li> </ul>
 <p>Residents in the community</p>	Radiant Opto-Electronics Corporation maintained healthy and good relationships with the local residents, be friendly to the local neighborhood.	<ul style="list-style-type: none"> <li>Human Rights and Labor Relations</li> <li>Occupational health and safety</li> <li>Talent retention and diversity</li> <li>Education and training</li> <li>Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>External communication mailbox</li> <li>Company's website</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>3 ADHD seminars/events have been conducted, with a total of 225 participants</li> </ul>
 <p>Government agencies</p>	Strictly comply with requirements of local government authorities of the area of each factory is located in, make adjustment to Company's practices according to local conditions.	<ul style="list-style-type: none"> <li>Pollutant Management</li> <li>Environmental Management System</li> <li>Human Rights and Labor Relations</li> <li>Utilization of resources</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Inspection by supervisors (from time to time)</li> <li>Document management platform (from time to time)</li> <li>Sustainability Report/Website</li> </ul>	<ul style="list-style-type: none"> <li>Participated in the guidance program of "Circular Economy and Low-Carbon Sustainable Park Initiative of Processing Export Zone" organized by High-Tech Industrial Park Management Department under the Ministry of Economic Affairs</li> <li>Participated in the guidance program of "Climate Risk Adaptation and Construction of Adaptation System" organized by Industrial Development Bureau</li> <li>Collaborated with Processing Export Zone under Ministry of Economic Affairs to organize 2 sessions of blood donation campaign, total of 294 donors participated, with 437 bags of blood donated.</li> </ul>

## Surveys and Responses on Concerned Topics

GRI 102-44

Through conducting surveys every year, Radiant Opto-Electronics Corporation have better understanding on sustainability issues that are concerned by the stakeholders, they are being sorted and filtered according to the degree of concern. Surveys were distributed to stakeholders by respective business operation department, a total of 1,419 copies of completed surveys were received in 2021, a significant increase compared to the previous year. This was because the Company has activated internal survey system in 2021 for all employees. However, in order to ensure the fairness of the remaining stakeholders, surveys data were being processed after equalization.

After the completion of survey and ranking, and prior to the editing of Sustainability Report, the Sustainable Development Commission will have discussions on the 14 most concerned topics, and select 5 main issues from the outcome as Major Themes of Radiant Opto-Electronics Corporation in 2021. The major themes are not only the basis for the information disclosure in the Sustainability Report, the Company will be responding to the issues under relevant section of the Report, and the affected department will be formulating relevant management policies, which will also be a important basis for the formulation of sustainable development policies.

### Analysis Steps for Major Theme



**7 Categories Stakeholders**

#### Step 1 : identify stakeholders

Identify stakeholders by taking into consideration of business needs, set for goal object



**14 Issues Sustainability Themes**

#### Step 2 : gather concerned issues

To design questionnaire according to GRI Standards and stakeholders' feedbacks, gather issues of concerned within and beyond the Group.



**1,419 Copies Stakeholders Questionnaire**

#### Step 3 : analysis main issues

- To compile issues of concerned of the stakeholders through analysis on questionnaire.
- To select main issues from issues of concerned, sorting according to the level of impact.

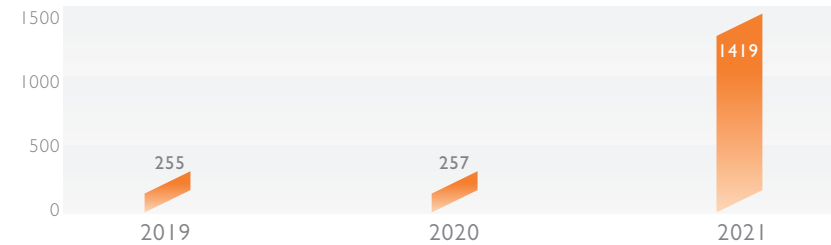


**5 Issues Major Theme**

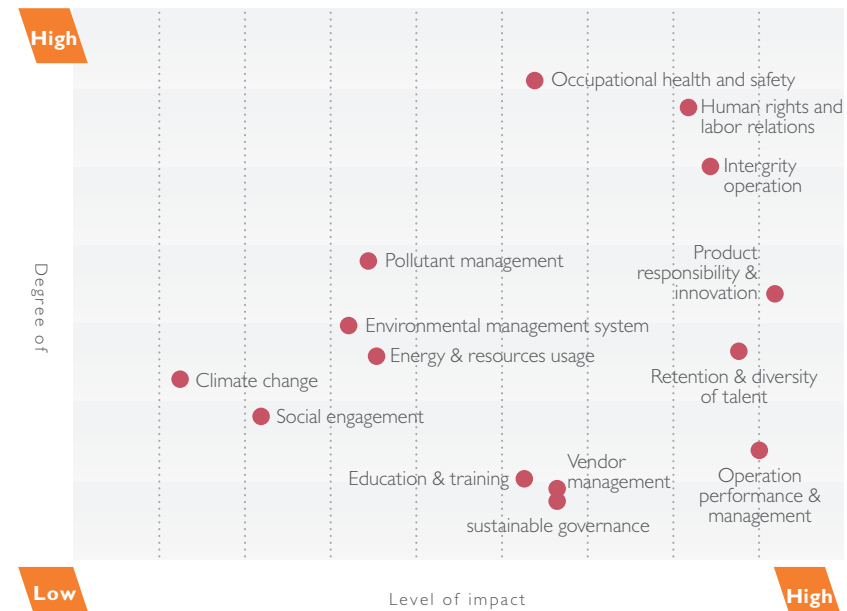
#### Step 4 : handling of main issues

- Disclosure on Company's official website and reports.
- To formulate management measurement, included into reference basis for setting up of sustainable development standards of every department.

### Number of Responses for Questionnaires



### Substantive Analysis of Stakeholders



#### What if stakeholder has suggestions to feedback to the Company?

Radiant Opto-Electronics Corporation has set up a new sustainable development website to gather feedbacks and to understand the actual requirements of related parties through diversified channels.





## Material Topic Scope and Objectives GRI 102-46 GRI 102-47 GRI 103-I

● Direct impact ○ Indirect impact

02

Major issues	Comparison with previous year's issues	GRI Standards Disclosure items	Topic scope and impact range				Implication to the sustainable development of Radiant Opto-Electronics Corporation	Medium to long-term objectives	Corresponding SDGs	Corresponding page number
			Taiwan Factory	Factories in Mainland China	Customers	Vendors				
Integrity Management	Ranking rise	GRI 205 : Anti-Corruption	●	●			Integrity has always been the most important core value of Radiant Opto-Electronics Corporation, it is also an important value that expected to be in every of our colleagues.	To prevent aggressively against bad faith, incorporate integrity business and anti-corruption policies.	SDG 12	22
		GRI 206 : Anti-competitive practice	●	●						22
Human Rights and Labor Relations	Ranking drop	GRI 402: Labor-management relations	●	●			Radiant Opto-Electronics Corporation maintains a good labor-management relations, value talent management and employee care. Abides by RBA regulations and in accordance to professional capabilities, the Company value attached to its core principles in workers' rights, gender equality in remuneration and anti-discrimination, a harmonise labor-management relation is the key to success of business.	Through the operation of employee care mechanism and activities, we hope our employees feel that they are being taken care of and maintain a healthy and long-term employee relations. The Company will also continue to pay attention to workers' rights, committed to safeguard workers' interests and human rights commitments to maintain healthy employee relationships currently existing.	SDG 8 SDG 12	57
		GRI 406 : Non-discrimination	●	●						57
		GRI 407 : Freedom of association and group consultation	●	●						57
		GRI 408 : Child labor	●	●						57
		GRI 409 : Forced or compulsory labor	●	●						57
		GRI 410 : Preservation practices	●	●		●				57
Product responsibility and innovation	Ranking rise	GRI 416 : Customer health and safety	●	●		○	Radiant Opto-Electronics Corporation always have the thought of environmental sustainability, the Company incorporates control requirements of green products into standard documents for control and implementation, including the implementation on shipped products.	Continuously maintain strict quality management to pursue highest customer satisfaction, and to achieve win-win between customers, Radiant Opto-Electronics Corporation and vendors.	SDG 12	31
		GRI 417 : Marketing and labeling	●	●		○				31
		GRI 418 : Customer privacy	●	●		●				31
Occupational health and safety	Ranking maintain	GRI 403 : Occupational Safety and Health	●	●			Radiant Opto-Electronics Corporation value the physical and mental health of colleagues, the Company is committed to establish a safe working environment. Only with both being taken care of, the Company is able to generate profits for all stakeholders.	Continue to provide best resources to improve safety and health facilities at the factories, strengthen employees health service programs to establish a safe and healthy working environment, promote overall safety culture.	SDG 3	71
Talent retention and diversity	Ranking rise	GRI 401 : Labor and employment relations	●	●			Radiant Opto-Electronics Corporation has been providing equal employment opportunities based on ones professional ability, recruitments of talents are regardless of their race, gender, age, disability, religion or any other characteristics that are protected by relevant laws.	Through the operation of the sound employee care mechanism and the implementation of activities, we expect that employees can feel more considerate care for them and to maintain a good long-term employee relationship.	SDG 8	58
		GRI 405 : Employee diversity and equal opportunity	●	●						58



## 2.2 Business Overview

### Financial Performance GRI 201-I GRI 201-4

In 2021, the global economy is gradually recovering from the impacts of COVID-19 pandemic. In the post-pandemic era, demands for tablets and notebooks remain strong, while production capacity and sales performance remains stable, total revenue of 2021 has slightly increased compared to the previous year, operation profits remain the same as in 2020. From 2018 to 2021, EPS of the Company has increased NT\$10 per share for four consecutive years, overall gross profit margins remain stable at two-digit level. The Company's focusing strategy on centralizing resources in high-profits products, backed by internal lean management has proven effective and enable to maintain a stable growth momentum for the Company.

In 2021, sales strategies of our main customers continued to focus on various types of tablets, upgraded laptops, desktop computers and desktop displays. As major supplier and to accommodate to customers' requirement, Radiant Opto-Electronics Corporation has developed new models and new technologies application, with main focus on highly competitive and profitable products. Meanwhile, the marketing strategy for in-car products has gradually show results in the recent years, and due to its long life cycle, automotive panel products have now become a new niche product. In 2021, the revenue of in-car products has doubled compared to 2020.

Backlight module business of Opto-Electronics Corporation contributed 100% to the Company's total revenue. In 2021, the consolidated operating income of the Company recorded NT \$56.9 billion, with earning per share of NT \$11.16; total income tax expenses for the year is NT \$1.7 billion. All business segments are operated in accordance with applicable local tax regulations, relevant financial information is published on the Company'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 2021 Annual Report of the Company.

In accordance with Article 10 of Industrial Innovation Ordinance of Taiwan and Article 30 of Corporate Income Tax Law of Mainland China, the tax payable amount of a Company for the year is deductible from its investment expenses in research and development within a certain limit. In 2021, the Company has applied for tax relief from investment expenses in research and development and a subsidies of approximately NT \$610 million, currently pending for approval by relevant authorities.

### Consolidated Statement of Comprehensive Income

Unit: NT\$ thousand

Item	2019	2020	2021
Operating Revenue	56,120,587	56,093,201	56,924,059
Operating cost	45,959,383	45,420,091	46,364,505
Gross operating profit	10,161,204	10,673,110	10,559,554
Operating Expenses	3,069,344	2,802,771	3,224,083
Other income and expenses	204,820	125,906	227,384
Operating income (loss)	7,296,680	7,996,245	7,562,855
non-operating net income and expense	945,229	1,050,681	30,559
Net Profit before tax	8,241,909	6,945,564	7,532,296
Income tax expense	2,372,066	1,717,899	2,342,321
Net profit for the current period	5,869,843	5,227,665	5,189,975
Earning Per Share (NT\$)	12.62	11.24	11.16

### Consolidated financial income and expenses and profitability analysis

	Item	2019	2020	2021
Financial Income and Expenditure	Operating Revenue	56,120,587	56,093,201	56,924,059
	Operating cost	45,959,383	45,420,091	46,364,505
	Profit after tax	5,869,843	5,227,665	5,189,975
Profits ability	Return on assets (%)	11.02	10.16	8.55
	Return on equity (%)	22.06	18.41	17.27
	Percentage of paid-up capital (%) - operating profit	156.91	171.95	162.63
	Percentage of paid-up capital ratio (%) - profits before tax	177.23	149.36	161.98
	Profit margin (%)	10.46	9.32	9.12
	Earning Per Share (NT\$)	12.62	11.24	11.16

Relevant financial information, please refer to Radiant Opto-Electronics Corporation's Official Website



Financial Information



Annual Report of the Company

## 2.3 Customer Relationships

Management Policy for Major Issues : Product Responsibility and Innovation	
Item	Summary Notes
Boundaries affected by agenda	within the organization (the group), external to the organization (customers)
Management mechanism	<ul style="list-style-type: none"> <li>A monthly trio-departments meeting within the Group is convened by the Quality Control Department to manage complaint cases from customers</li> <li>Goals to achieve is set for global patent application, encourage innovative in employees to add value for the Company</li> </ul>
Goals for 2021	<ul style="list-style-type: none"> <li>Continue to monitor quality conditions and improve in product faulty of the factory through defection analysis, to optimize product qualities and maintain number of complaints currently for abnormalities</li> <li>IATF 16949: 2016 scope of certification for Kaohsiung's and Wujiang's Factories have been extended from OEM to ODM</li> <li>Total of 1,280 patents applications have been filed by the Group globally.</li> </ul>
Execution Effectiveness in 2021	<ul style="list-style-type: none"> <li>Complaints of hazardous substances in product of abnormalities: 0 <b>Target Achieved</b></li> <li>IATF 16949: 2016 scope of certification for Kaohsiung's and Wujiang's Factories have been extended from OEM to ODM <b>Target Achieved</b></li> <li>Applications of 1,470 patents globally <b>Exceeded Target</b></li> </ul>
Goals rolled out for 2022	<ul style="list-style-type: none"> <li>Continue to monitor quality conditions and improve in product faulty of the factory through defection analysis, to optimize product qualities and maintain number of complaints currently for abnormalities</li> <li>The Group has applied for 1,550 patents at worldwide</li> </ul>
Medium and long-term development directions	Adhere to strict quality management and innovative R&D momentum, to pursue for highest satisfaction from customer and to achieve win-win between customers, Radiant Opto-Electronics Corporation and vendors.
Relevant policies	Measures for implementation of basic policies on Quality Assurance, Environmental Management of Green Products, Handling of Customers Complaints, Review Management of Patents and Technical Confidentiality.

### Products and Services GRI 102-6 GRI 103-2 GRI 103-3

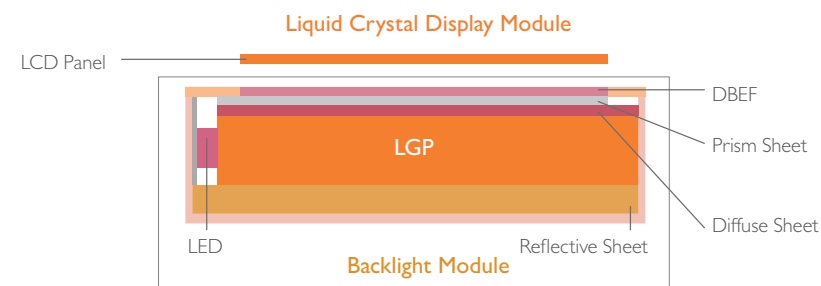
#### About Products

"Backlight Module" is the core product of Radiant Opto-Electronics Corporation. Liquid Crystals do not emit light directly, that is why backlight module is important to provide light source through liquid crystal display panel with optical design, so that the light can penetrate through liquid crystal and illuminate the displayed content to the eyes of the user. Other than assembly of backlight module, the Company also constructed a complete mold factory and forming die factory, focusing on the research and development of light guide plates, LCM modules, LED light and related technologies. We also mastered technologies of a numbers of key patents, providing full technical support and on-site services to enhance competitiveness of enterprises.

In 2021, Mini LED backlight modules have started for mass production. Meanwhile, our efforts in in-car application market has started to bear fruits after years of hard works, with certifications from module plates and the customers of the car manufacturers, the Company has successfully entered into the supply chain of well-known car manufacturers in Europe and the United States. In-car product has thus become another niche product for the Company in addition to tablet and laptop.

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 products quality. Apart from that, the customer service department is to collect customers feedback and review Verified Line Reject Ratio (VLRR) periodically, to improve in product faulty of the factory through defect analysis, try as best as possible to meet satisfaction level of customers.

#### ❖ Diagram of Backlight Module



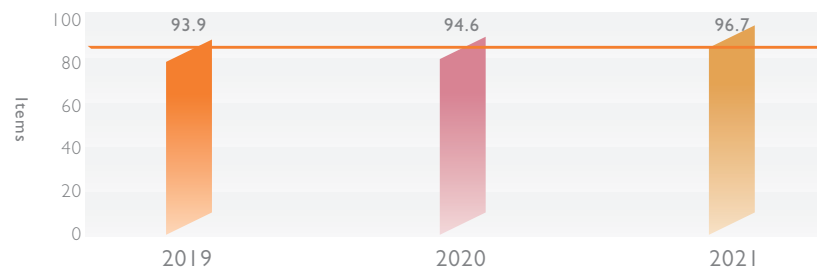


## Main Service Customers

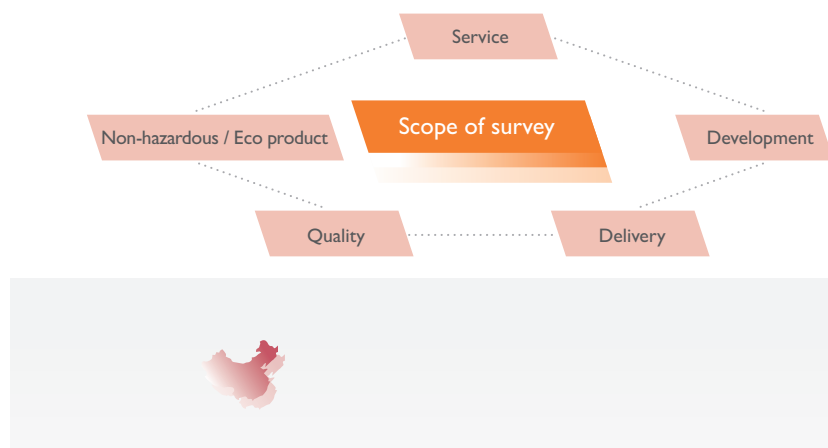
### Customer Satisfaction

Customers voice is important to Radiant Opto-Electronics Corporation. Through "Customer Satisfaction Survey" conducted every year, the Company understands whether the five service objectives, which are "delivery", "quality", "service", "development" and "no harmless substance/green product" have met customer expectations, and would be an important basis for continuous improvement of product and service flow of the Company. In the professional backlight modules industry, we hope to gain recognitions from customers, and become one of the important partners that customers can rely on towards success.

Since 2018, customer satisfaction of the Company stays high at above 90% for 4 consecutive years. Customer satisfaction of the Company has been recorded steady growth. This not only represent a good interaction between the Company and the customers, also shows customers recognition of our products and services. In 2021, the Company scored 96.7 for customer satisfaction score, continue to grow for 4 consecutive years.



### Customer Satisfaction Survey



### Investigation Process



## Quality Control

The quality management system of Radiant Opto-Electronics Corporation is established in accordance with ISO 9001, IATF 16949, QC 080000 and other international standards. Every year, quality policies and targets are set, together with the formulation of a manual as guideline for the implementation of comprehensive quality management and as a basis for every department to achieve quality targets of the Company. Eventually, to create an enterprise culture of employees full participation and continuous improvement in product quality.

### Admin System Authentication/Verification Scope

Category	standard system	Range of Factory Zone			
		Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Quality Management	ISO 9001 Quality Management System	●	●	●	●
	IATF 16949 Automotive Quality Management System <sup>Note 1</sup>	●	●		
	UL Product Safety	●	●	●	●
	QC 080000 Hazardous Materials Process Management System <sup>Note 1</sup>		●	●	●
	ESD S20.20 Electrostatic discharge protection certification		●		
	ISO 17025 Laboratory Quality Management System		Note 2		
Information Security	ISO 27001 Information Security Management System		Note 2		
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	●	●	●	●

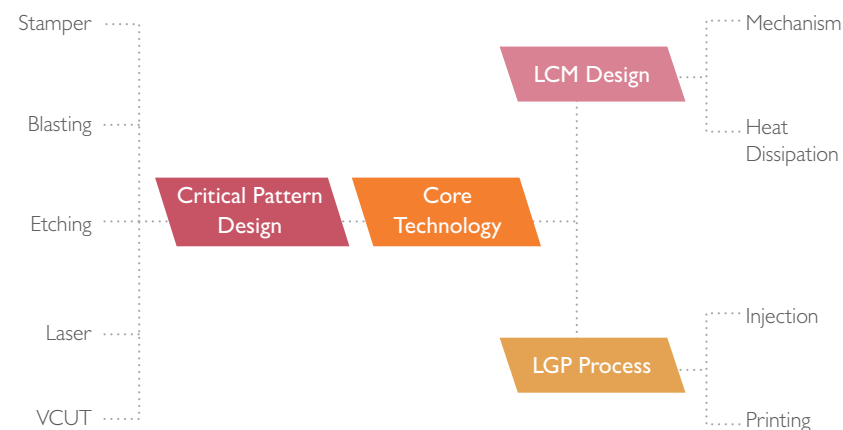
Note 1: Due to production configuration, some factories have not obtained certification

Note 2: The management system is being introduced and pending for third-party verification

## R&D and Innovation

After ups and downs in the end consumer market of panel product in recent years, it is expected that the future market trend of the end application product will shift from volume to specification. In response to the increased in consumer demand for high specifications product, module panel manufacturers have been continuously adjusting their configuration of production lines and continuing in developing new technologies and bringing in new materials. The Company is also increasing production for small and medium-sized panels for main application products such as in-car panels or medical panels. At the same time, the development of LCD displays have continued towards high resolution, high color saturation, low power consumption and other directions. Quantum dots (QD), wide color gamut, transparent display and other technologies of light-emitting sources have also been introduced, which has become the key to improving module panel technology and product quality.

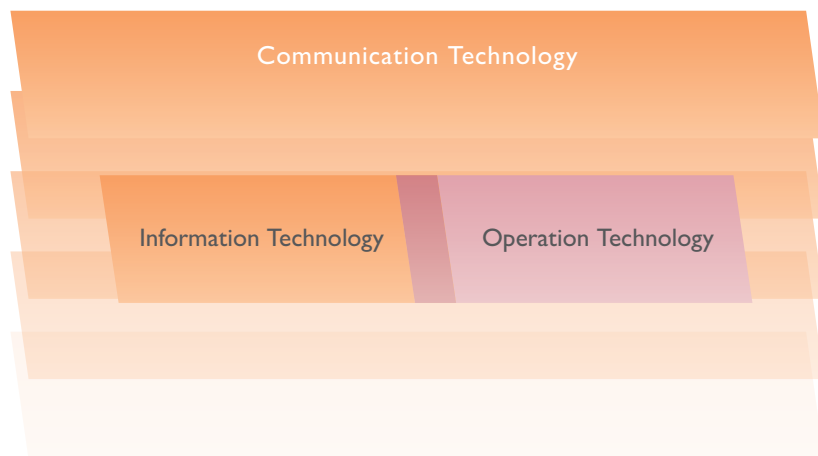
In order to adapt to the ever changing market, Radiant Opto-Electronics Corporation is committed to the improvement of key technologies. The Company is constantly investing in manpower and capex, continuing in expanding patent applications to maximize the value of the Company. Current trends in the development of LCD backlight modules are mainly towards the directions of thinning, high efficiency, wide colour gamut, narrow frame, HDR, Mini LED and VR/AR. In addition, in order to compete with OLED displays, a straight-down Mini LED model with Full Array Local Dimming has jointly developed by Radiant Opto-Electronics Corporation and our end customer. The local dimming feature enables the display to meet high dynamic contrast (HDR) standard, which contrast ratio can be 1,000,000: 1 at the end product, and would provide advantage in picture quality of LCD display to be comparable with OLED display.



## Key Technologies

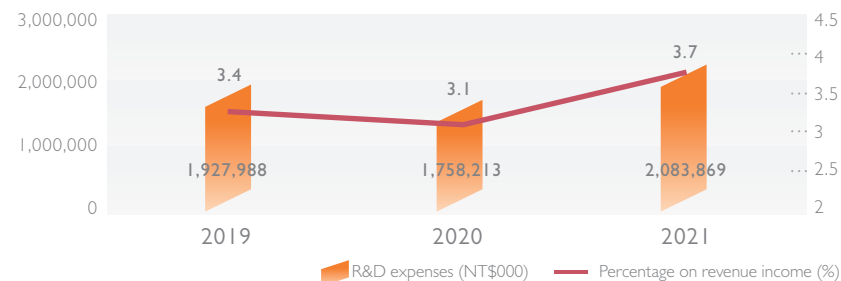
In recent years, Radiant Opto-Electronics Corporation has constructed intelligent production lines for the Company and continuously recruiting and cultivating talents. Utilising on the existing IOT technology and system, IOT solutions was applied across to the production line to integrate datas of personnel scheduling control, early warning maintenance for machinery equipments, purchasing quality control, automatic line switching, industrial safety monitoring and etc, to provide an optimal solution for production, enable the Company to foresee problems and to take early action.

## Three Main Infrastructure of Intelligent Production Line



Radiant Opto-Electronics Corporation has allocated 3.66% of its operating income in 2021, amounting to NT\$ 2,083,869,000 for research and development expenses, to cater for the development of innovative production technology and new products, the Company is expected to continue to allocate 3-4% of its operating income in 2022 for research and development expenses. The allocation is mainly to be used for research and development of refined optical design, mold design manufacturing technology, LGP injection technology, production of LGF non-injection and Mini LED, to enable the Company to maintain its leading position in the industry.

## R&D Expenses



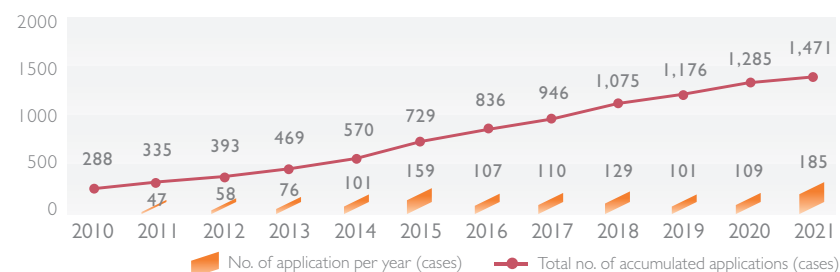
## Patent R&D

In terms of patent application strategy, the Company current main focus is China, Taiwan and the United States. Based on production and market requirement, we also filed patent application to Japan, South Korea and Europe, which would reserved as backup to cope with possible patent wars and at the same time generate potential patent revenue. Besides that, the Company would also consider to acquire high-quality patents to improve product quality and strengthen our existing patents portfolio. This would raise technical barriers for competitors to enter into the market which in turn would help Radiant Opto-Electronics Corporation to maintain our own technology advantages.

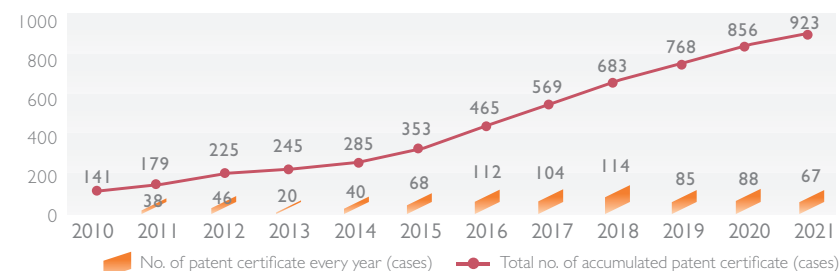
Radiant Opto-Electronics Corporation has nearly 100 patent proposals every year and had accumulated more than 923 local and international patent applications. In 2020, the Company is listed in the ranking of Taiwan's 100 largest company in patent application for invention category. Patent technology of Radiant Opto-Electronics Corporation mainly comes from R&D activities and creative thinking within the Company. Since the introduction of Taiwan Intellectual Property Management System (TIPS), interaction between R&D and intellectual property unit has been strengthened. The database of patent proposals received by intellectual property unit from the past was shared to R&D unit during meetings and discussion, to ensure the continuation and maintenance of the R&D results of advanced technology and enhancing the protection of business secrets. Within the past five years, the number of patent proposals received has grown by 30%, proportion of proposals that passed internal initial review has also increased by 10%, which would really help in improving the quality and quantity of the accumulation of intellectual property assets. With TIPS in the system, we are expecting a comprehensive strategic layout of intellectual property rights in the near future.



## Patent Application Statistics over the years



## Patent Certificate Statistics over the years



## Intellectual Property Management

In line with the international trend of Intellectual Property Management, our Guangzhou Factory has first incorporated the "National Standard for Corporate Intellectual Property Management" rolled out by the Chinese government in 2018. The factory has obtained its verification certificate in 2019, and passed the verification again in 2021. Kaohsiung Factory introduced TIPS in 2019 and constructed its own intellectual property management system which is applicable to Radiant based on existing procedures. Kaohsiung Factory obtained its first verification certificate in 2020, and passed the verification again in 2021 for a renewal of certificate for two-years.

The Company's priorities are the cultivation of knowledge in intellectual property and prevention of leakages in business secrets among the employees. The followings are being clearly stipulated: 1. Continue to accumulate intellectual property power; 2. Deepening patent data collection and analysis capabilities to assist technicians to explore innovative designs; 3. To improve confidentiality awareness or intellectual property knowledge and three management policies of new employees and ordinary employees. Through the introduction of TIPS, figure out risks related to intellectual property rights in daily operation activities of each departments and avoid the risks.

### What are Radiant's Goals in Intellectual Property Management?

Every year, policy objectives for Intellectual Property Management are set for the Company, which were being discussed and announced at the TIPS Management Review Meeting and reported to the Board of Directors on January 7, 2022.

### Intellectual Property Management Goals for 2022

1. Planning of at least 20 patent proposals in relevant technical field.
2. Establish a knowledge base for patents of the Company.
3. New employees are required to complete the "TIPS Management and Business Secrets Protection Program" during their training.
4. To complete 2 write-ups on confidentiality awareness or intellectual property concepts to be published in the monthly legal magazine that being circulated within the Company.



## Protection & Processing of Confidential Data

Confidential information of customers, vendors and partners of Radiant Opto-Electronics Corporation are handled professionally, we worked effortlessly to protect competitive advantages of each other over the years. We have formulated "confidential information management procedure" in accordance with Trade Secret Law, continuously protecting confidential information from institutional, management and legal aspects, and effectively safeguarding the confidential information of the Company. We also strike a balance between "strict protection" and "paperless management", manage regularly in a systematic manner, in order to save labor expenses and improve the effectiveness of control.

In terms of information security, all terminal equipments that connected to the factory are monitored on real-time basis by IT department. This is to identify the settings of internal network and to block unknown foreign connection, to detect abnormal events in the company effectively, instantaneously and automatically, and generate report automatically. This is the most important precaution mechanism in information security to perform endpoint device control, and to ensure the security of confidential information. In 2021, the Company did not receive any complaints from partners in relation to the protection of confidential information, and there was no confidential information leakage during the year.



## 2.4 Vendors Management

### Vendors Policies GRI 202-I GRI 205-2

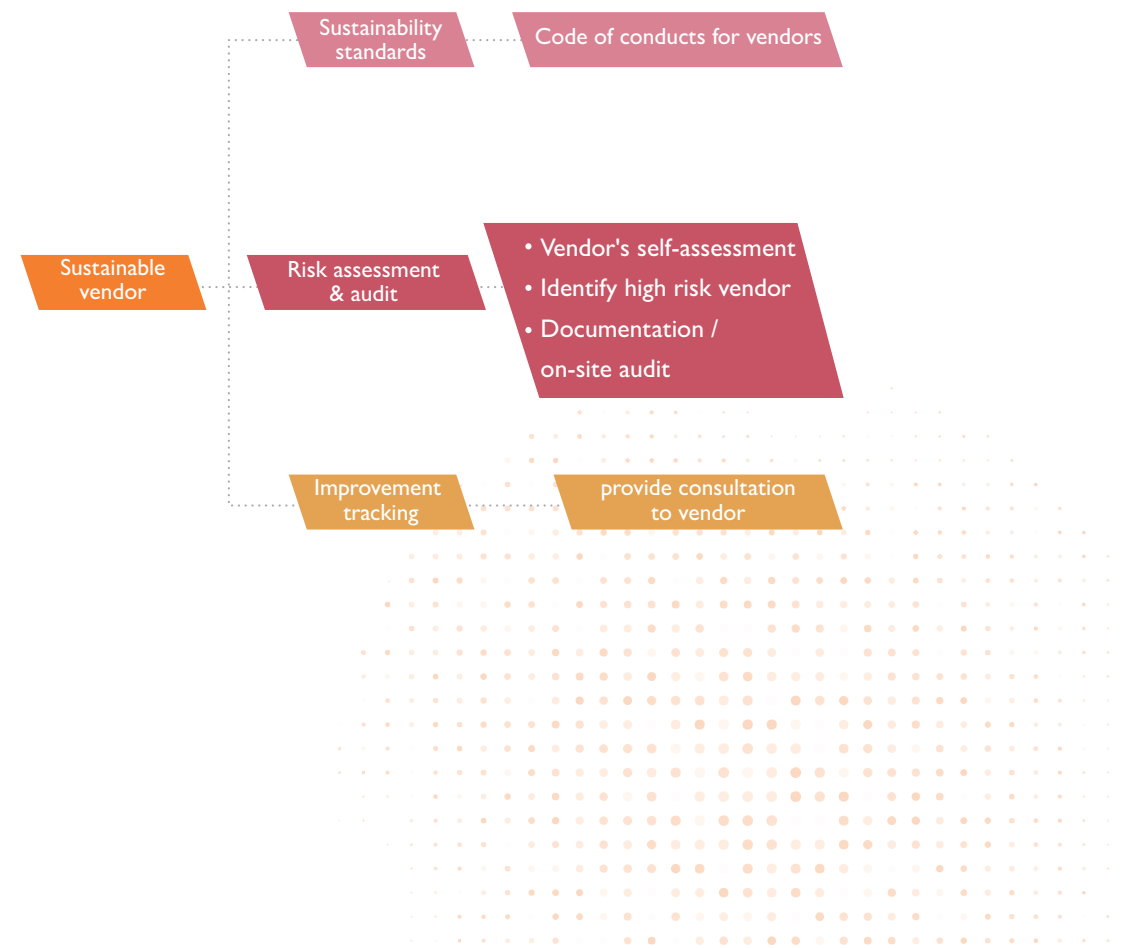
As an important member of the supply chain of the industry, and to exert influence and value to the supply chain, the Company is adhered to the Responsible Business Alliance Code of Conduct. We implement sustainable management for supply chain, which our vendors are required to sign documents in relations to the compliance of local laws and regulations for environmental protection, workers' rights, safety and health, etc. We look forward to a corporation across upstream and downstream of the supply chain, to enhance and strengthen ESG management, and to take the responsibilities together on corporation sustainability.

When screening for vendors, Radiant Opto-Electronics Corporation prioritizes vendors who are internationally verified. Vendors are required to sign RoHS documents on forbidden items, Statement of Declaration of EU REACH on substance of very high concern, and provide inspection reports to ensure the safety of the source of raw materials products. The Company does not accept supply chain of providing conflict minerals such as gold (Au), Tantalum (Ta), Wolfram (W), Cobalt (Co) and Tin (Sn) and tropical rainforest fibre materials from the People's Republic of Congo or its neighboring countries, and dead tin ore from the Bangka Island, Indonesia, in order to stop the use of the relevant controlled substances as well as to take care of product safety and environmental protection responsibilities.

In addition, the Company is actively introducing localized procurement, encourage vendors to set up local factories, reduce energy consumption during air freight and sea freight and shorten timeline of the process. The Company uphold the principle of fairness during the procurement process, vendor is selected on the basis of the quality of raw materials, price, delivery date, vendor's operational stability, production and supply capacity, and compliance with environmental safety-related regulations and other reasonable conditions. Eventually, in order to have more communication and exchange opportunities with the vendors, Radiant Opto-Electronics Corporation hold regular meetings with the vendors. During the meetings, the Company appreciate the assistance and supports rendered by the vendors, more importantly, to brief vendors on various management policies and annual goals that will be rolled out by the Company, as well as to update vendors' on relevant regulatory developments. We look forward to working closely with our vendors, to grow together and create greatest value for each other.

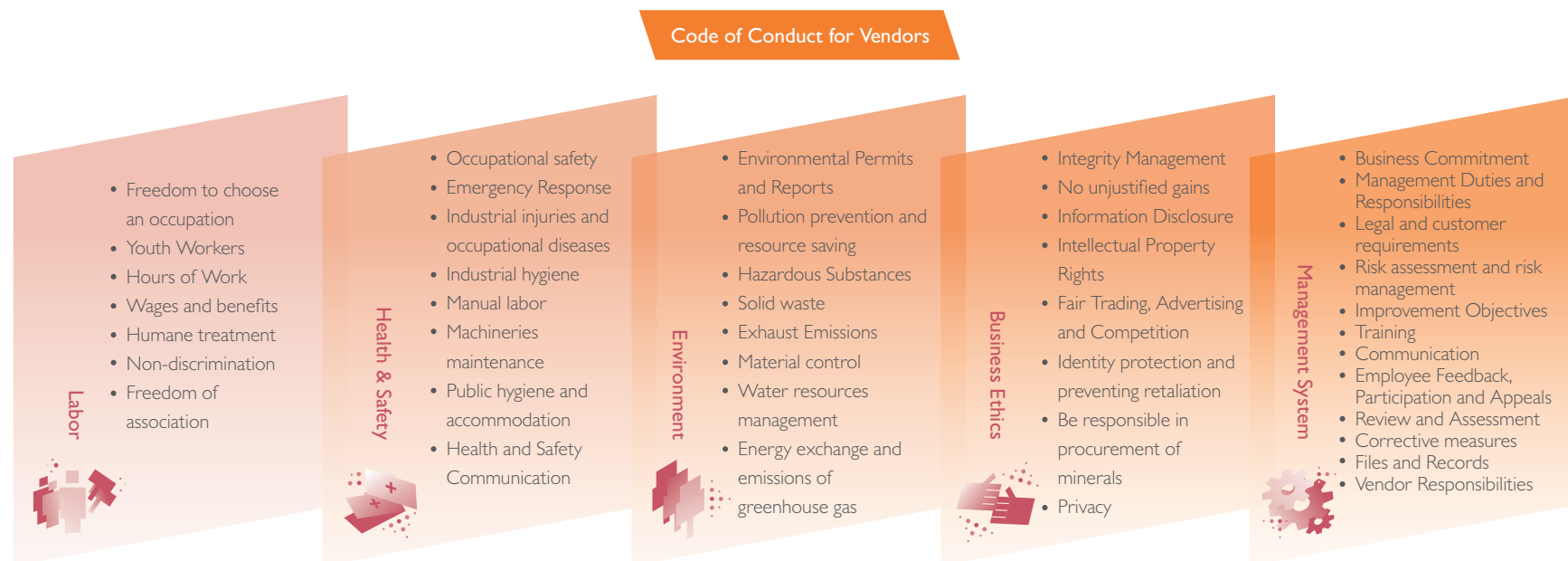
### Vendor Sustainability Specification GRI 308-I GRI 414-I

Radiant Opto-Electronics Corporation had completed new vendor CSR management mechanism in 2015. In 2020, the Company is further enhancing the existing system, which being categorised into three main axes: sustainability standards, risk assessment and audit review, and tracking of improvement progress. In 2021, vendor CSR sustainability evaluation results has incorporated into the annual Quarterly Business Review so that vendors are more aware of the significance of sustainable business, with the combination of quality, delivery and other indicators. We look forward to a better co-operation with our vendors to create common values.



"Vendors Code of Conduct" of Radiant Opto-Electronics Corporation is formulated referring to the Code of Conduct of Responsible Business Alliance, the UN Guiding Principles on Business and Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and the UN Universal Declaration of Human Rights and etc. Vendors are required to comply

with the criteria of Code of Conduct and applicable laws and regulations, which the level of compliance will be taken into account in Radiant's evaluation of procurement decisions. The Vendors Code of Conduct covers five main pillars, i.e. labor, health and safety, environment, business ethics and management systems, with a total of 43 corresponding provisions, all are publicly disclosed on the Company's website.



## Vendor Sustainability Risk Audit

Radiant Opto-Electronics Corporation understands, potential risks at vendors are also a hidden risk to the Company. Therefore, we had in 2020 completed the development of "Vendor CSR Management Mechanism" based on the spirits of the five main pillar of "Vendors Code of Conduct" to layout specifications, targeting to communicate sustainability awareness effectively and establish a common language to achieve mutual benefits.

Radiant Opto-Electronics Corporation will first define key vendors for the year, which will then be selected to conduct sustainability risk review. Selected vendors are required to complete a self-evaluation form after self-assessment. On-site audit will be carried out on vendors who have high-risk, major industrial safety and

environmental accidents and potential risk by Radiant Opto-Electronics Corporation according to risk level. If any deficiencies are found during audit, vendor is requested to propose an improvement plan. On the other hand, Radiant Opto-Electronics Corporation will also share its experience to help for improvement at vendor's. With documentation and on-site audit, the Company would be managed to identify potential risks at vendor's, and ensure risks are effectively controlled and mitigated.

In 2021, there were 686 existing vendors in Radiant Opto-Electronics Corporation, of which, 109 were selected based on the key vendor definition. After discounting conditions such as different production bases and etc, total of 34 vendors were subjected to self-assessment on sustainability risk. Deficiencies found during audit





can be divided into 4 categories: priority, major, minor, and observation. Further follow up action will be taken, the vendor is required to propose a improvement plan. From vendor self-assessment documentation, we noticed that compliance rate of management system is slightly lower. According to analysis, this is because many of our vendors have not passed certification for occupational safety and health ISO 45001 greenhouse gas verification ISO 14064-1. Vendors who scored B+ for CSR and QBR sustainability review results in 2021 and do not required further consultation. Starting from 2022, vendors sustainability review will be included into part of assessment topics of Quarterly Business Review (QBR), the Company is also considering to include carbon and water management and other sustainability topics for self-assessment, to be in line with international development.

In addition, new suppliers will also be assessed on their risks against the five main aspects through the "New Vendor Self-Rating Form", if failed they will not be continued for business, or being assisted for improvement. In 2021, there were 192 vendors being assessed using "New Vendor Self-Rating Form", representing 91% of total new vendors for the year, the passing rate was 100% and no vendor was being terminated.

#### How are key vendors selected by Radiant Opto-Electronics Corporation?

There are four principles defined by the Company to filter key vendors:

1. Transaction Amount of the vendor
2. Is the vendor supplying key part materials
3. Is that a single vendor
4. Are there any major industrial safety and environmental accidents and potential risks?

#### How annual CSR sustainability review is conducted by Radiant Opto-Electronics Corporation?

Annual CSR Sustainability Review: ratings are given based on the "degree of cooperation with on-site audit", "proactivity in delivery improvement", "results of on-site audit" and other index, different level of grades will be given according to the results of the review.

Grade A : above 90%.

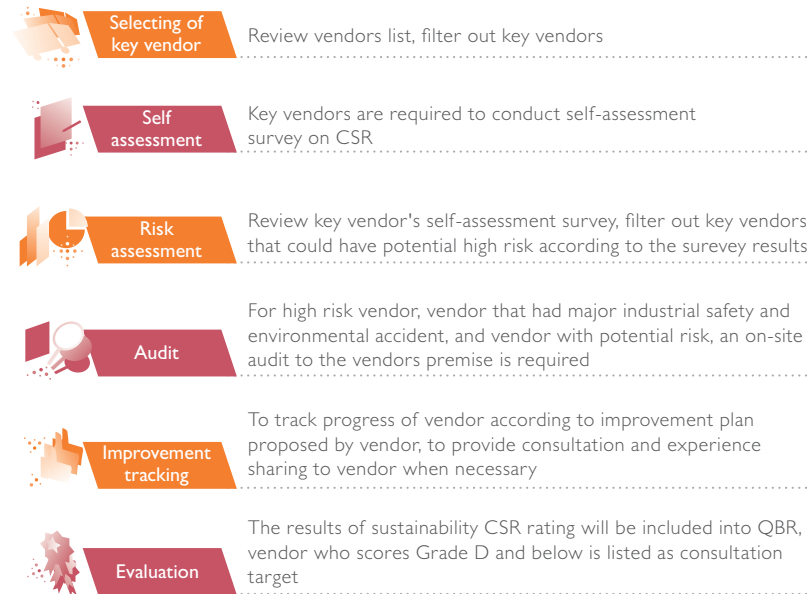
Grade B : 80 ~ 89%.

Grade C : 70-79%.

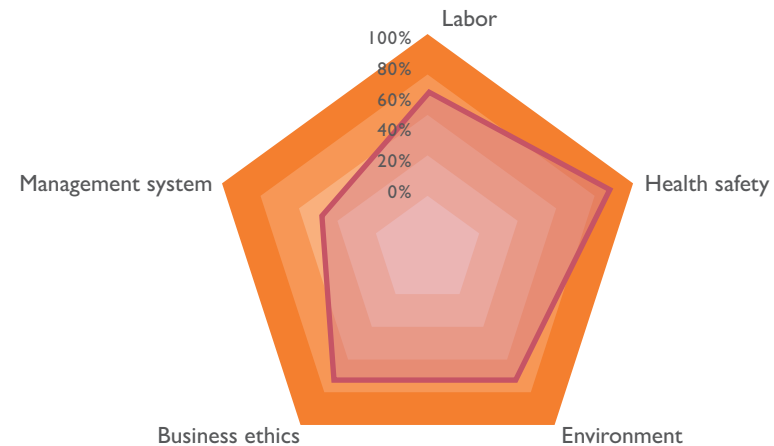
Grade D : below 69%.

Grade D : to be included into consultation list, self-assessment and on-site audit are required to be carried out again at the following year.

### Vendor Sustainability Risk Review Process



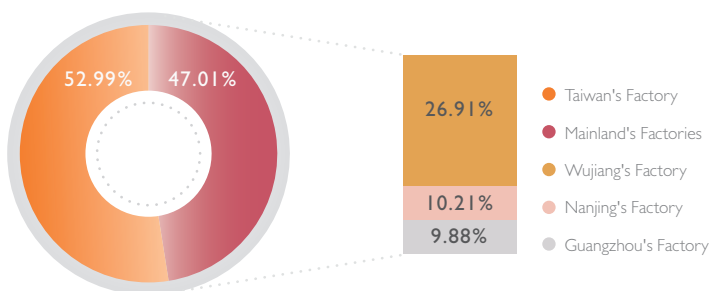
### Vendor Self-Review Results



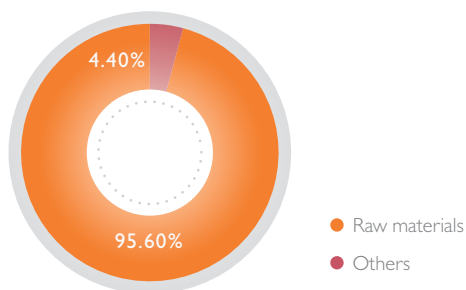
## Transaction Analysis of Vendor GRI 102-9 GRI 204-1

From the analysis report of transaction volume in 2021, Kaohsiung Factory recorded highest transaction volume, accounted for 52.99% of the total volume, while Guangzhou Factory is relatively lower, accounted for 9.88%; the overall transaction were mainly on raw material procurement, accounting for 95.60%. In 2021, the proportion of local procurement of the Company recorded at 50.80%, of which mainland factories have a proportion of local procurement of 58.42%. From the analysis report, the difference was due to adjustment in transaction model and change in prices. In 2021, there were 303 vendors who provide raw materials and outsourced vendors who cooperated with Radiant Opto-Electronics Corporation; 211 of them were newly joined vendors, of which 4.74% were engineering vendors, 12.32% were raw materials vendors, 1.42% were mold vendors, 35.07% were miscellaneous vendors and 46.45% were other category vendors.

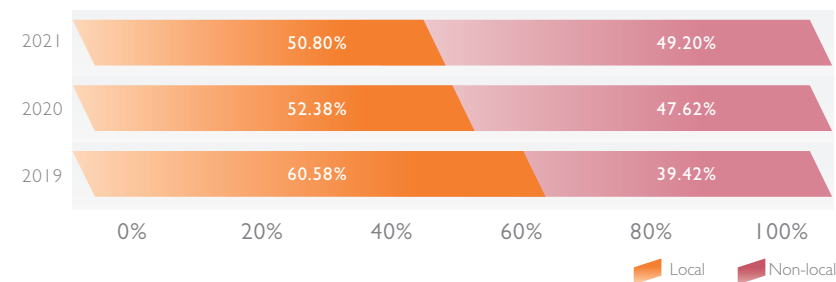
### Proportion of vendor's transaction amount at each factories



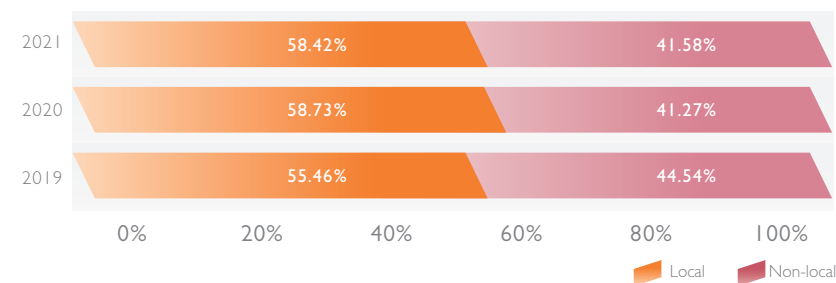
### Proportion of vendor's transaction amount



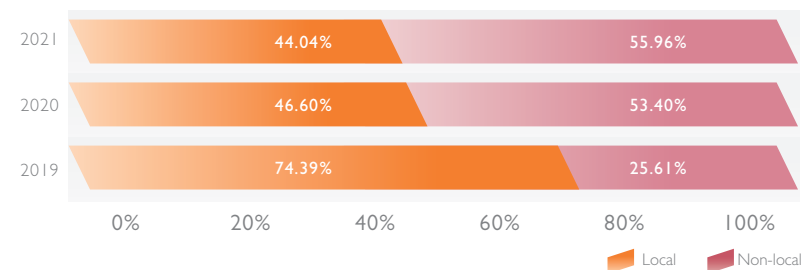
### Percentage of transaction amount for local procurement of the Group



### Percentage of transaction amount for local procurement at Mainland



### Percentage of transaction amount for local procurement at Taiwan's factory





# 3

3.1 GREEN SERVICES	41
3.1 ENVIRONMENTAL MANAGEMENT	46

SUSTAINABLE COEXISTENCE WITH NATURE IS THE BASIS OF THE THREE COMPONENTS OF ESG. RADIANT OPTO-ELECTRONICS CORPORATION CAREFULLY EVALUATES THE IMPACT OF OPERATING PROCESS ON THE ENVIRONMENT, AND ALSO EVALUATE THE IMPACT OF CLIMATE CHANGE ON THE COMPANY. OPERATION OF THE COMPANY IS BASED ON THE ENVIRONMENTAL MANAGEMENT SYSTEM, THE ENTIRE PRODUCT LIFE CYCLE IS BEING CONSIDERED DURING ITS CRADLE STAGE, GREEN DESIGN IS INTEGRATED AT THE PRODUCT DEVELOPMENT END. THE COMPANY ALSO REDUCE THE USE OF HARMFUL SUBSTANCES DURING PRODUCT MANUFACTURING, IMPROVE ENERGY EFFICIENCY, REDUCE WASTE GENERATION AND ENHANCE POLLUTION PREVENTION. FINALLY, A COMPLETE PACKAGING RECYCLING MECHANISM IS ESTABLISHED AFTER THE FINAL PRODUCT IS SHIPPED. IN GENERAL, WE HOPE TO EXERT POWER OF RADIANT OPTO-ELECTRONICS CORPORATION IN GREEN MANUFACTURING, TO CREATE OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT.





## Environmental Policy

- Energy savings · implement recycle and reuse of resources
- Ensure resources be used wisely, protect the nature and environment

- Environmental protection, implement pollution prevention
- All employees of the Company to take part in protection of environment

- To comply with law and regulation, uplift image of the Company
- Continuously improvement, ensure sustainable operation

## ❖ Responding to Sustainable Development Goals of United Nation

Goals	Targets	Radiant Opto-Electronics Corporation as
 <p>SDG 12 Ensuring sustainable consumption and production patterns</p>	<p>12.2 To achieve sustainable management and effective utilisation of natural resources by 2030.</p> <p>12.5 To reduce waste generation substantially through prevention, reduction, recycling and reuse by 2030.</p>	<ul style="list-style-type: none"> <li>• To complement the ESG governing regulations for supply chain, including evaluation of sustainable vendors into the Company's quarterly business evaluation, with the inclusion of sustainable issues such as carbon and water management, to have influence and contribute values to the supply chain.</li> <li>• To implement reward system for Green Proposal, encourage colleagues to have improvement during work and enhance existing working practice, to think out of the box, drive the Company with more Green Initiative.</li> </ul>
 <p>SDG 13 To take emergency measures in responding to climate change and its impacts</p>	<p>13.3 To improve education and raise awareness, enhance capacity of people and institutions in the mitigation, adaptation, impact reduction and early warning of climate change.</p>	<ul style="list-style-type: none"> <li>• Greenhouse gas inventory was expanded starting from 2021, disclosure of other indirect emissions in 2020 (Category 3 - Category 6)</li> <li>• Risk assessment for sustainability operation is initiated by Sustainable Development Commission, as a basis for sustainability goals of the Company in 2025, which includes risks assessment on climate change risks and the development of mitigation responses.</li> <li>• At the production base, renewable energy purchase agreement is signed with power plant, coupled with the existing rooftop solar power and various energy saving initiatives, the Company is gradually entering into a net zero-carbon emission pathway.</li> </ul>

## 3.1 ■ Green Services

### Green Design

Radiant Opto-Electronics Corporation considers factors which including environmentally friendly, safe to use and etc for product R&D, from selecting raw materials, improvement in energy efficiency and final product packaging and delivery, we work with our customers and vendors to pursue a more sustainable production process.

### Material saving design in products

Display thinning has become one of the battlegrounds of the industry. Radiant Opto-Electronics Corporation demonstrates its core capabilities in backlight modules, continue to work closely with customers to develop a variety of thinning products. In general, material saving in product design not only can be carried out by reducing the use of raw materials from the beginning of production, reducing thickness of the product also helps. Furthermore, it helps to reduce energy consumption generated by transportation in the manufacturing process effectively.



#### Is there any actual case for material saving design in product?

The new lighting product was ameliorated by R&D team, effectively reducing front frame thickness with a thinner light guide plates and lightweight design. According to the new design proposal, the thickness of light guide plate is reduced by 33.3%, overall weight is reduced by 16.2%.

	LGP Thickness (mm)	Back plate thickness (mm)	Front Frame Material	Total Weight (Kg)
Initial Design	3	0.6	AL	4.3
Proposal for amelioration	2	0.6	AL	3.6

### Energy-saving in Product Design

The light source of the backlight module is produced by a combination of LEDs, which is currently a better and more stable light source. With good optics and energy-saving design, energy efficiency can be improved significantly. Radiant Opto-Electronics Corporation provides optimal light through micro structured design of Light Guide Film (LGF), Reflector Cavity of the LEDs and Local Dimming technology, while significantly reducing power consumption and improving the quality of the LCD display.

In line with market trends in the recent years, Radiant Opto-Electronics Corporation has leveraged on its core capabilities on lighting products. The Company has obtained not only international safety certifications such as UL (Underwriter Laboratories Inc.), ETL (Electrical Testing Laboratories), but also obtained the iconic energy saving certification, DLC (Design lights Consortium), especially DLC Premium certification for flat lamps, is a recognition for lighting product who has highest quality and best performance.

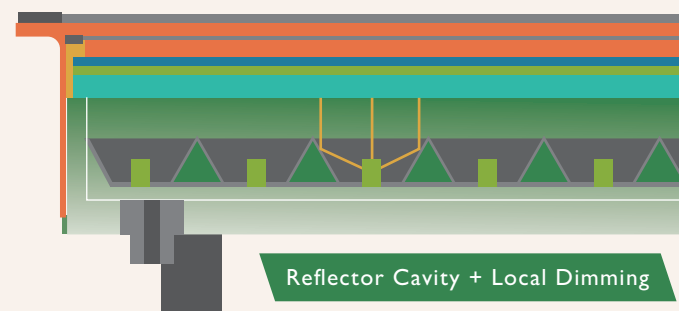
#### Is there any actual case for energy saving design in product?

In order to cater for thinning demand of the market for consumer electronics products, Radiant Opto-Electronics Corporation develops a thinner LGF technologies for light guide plate that able to meet customer needs to improve the luminance of modules, thereby reducing power consumption and increasing product lifetime.

Light guide plate structure	Extrusion	LGF
Backlight module thinnest spot (mm)	1.07	1.07
Module Weight (g)	82.4	82.4
Light guide plate thickness (mm)	0.42-0.3	0.42-0.3
Brightness (%)	100	103
Power consumption (%)	100	97

#### Is there any energy saving case for automotive display products?

Reflector cavity design and local dimming technology are used in automotive displays products to increase reflection area and uniformity through core technology of optical design. This would reduce backlight brightness of LEDs in local dark screen areas, while improving screen dynamic contrast and display grayscale, which eventually reducing the numbers of LEDs used and lower down power consumption.

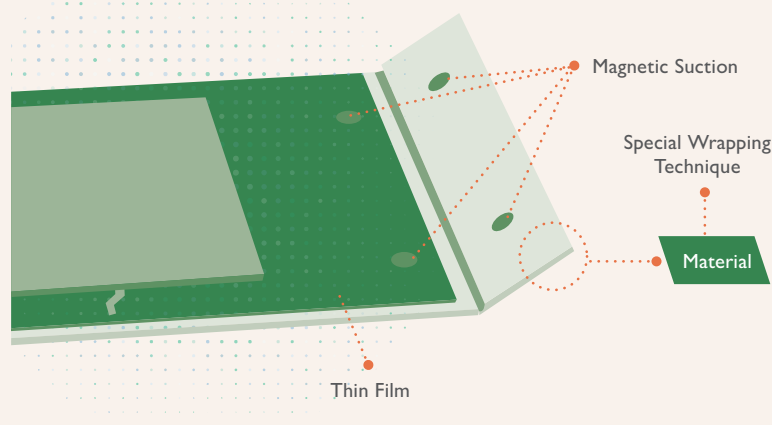


## Material Saving Design in Packaging

We are living in a world of convenience, which has made packaging materials the most disposable plastics. Radiant Opto-Electronics Corporation has been committed in continuing our efforts to recycle and reuse packaging materials, the Company is also carrying out research and development on product packaging concurrently. We hope to reduce the output of plastics during the production process without affecting its quality, to work our best for a better society and environment.

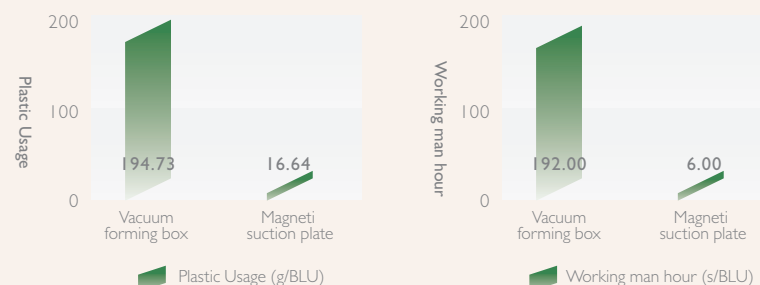
### Is there any actual case for material saving in product packaging?

Existing shipment of backlight modules are packed in vacuum forming boxes made with plastics. Our R&D team has developed a new packaging sample - magnetic board, which can completely replace the use of vacuum forming box. The board is coated with a special wrapping technique and unique material, so that the magnetic suction plate can enter into dust-free room, and the backlight module is able to be fixed on the board through a thin film using magnetic suction. The board is downward compatible, and applicable to backlight module in different sizes, can be shared to use widely and available for re-cycle. Currently, the design has obtained a patent in China, and has also applied for patent in US and Taiwan.



In general, the magnetic board packaging is able to reduce the amount of plastic used in each piece of backlight module by more than 90%, which is undoubtedly a great effect on the "plastic reduce" efforts. On the other

hand, the structure of magnetic board is simple, so it does not require water cleaning like the recycle of plastic vacuum forming box to ensure it is free of dust. The magnetic board can be cleaned by cleaning roller to enter into dust-free room, this would also significantly reducing energy consumption and reduce cleaning hours by more than 95%.



## Green Innovation

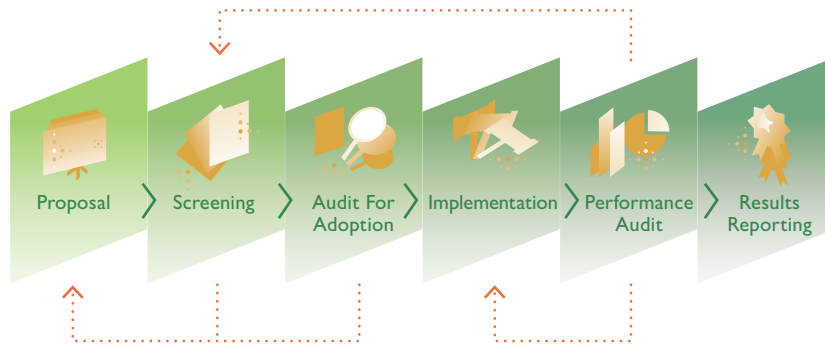
With the support of the Board of Directors, a green proposal reward system has launched by the Sustainable Development Commission. The rewarding system encourages green initiatives such as energy-saving and material saving in product design and packaging, change in production process and raw materials to improve output with lower energy consumption, replace toxic substances with non-regulated chemicals, recycle and reuse of wastewater and solid waste, change in transportation method to reduce staff travelling and commuting, and other activities related to product deliveries. The green proposal required brain storming discussions across all the colleagues, and is backed by attractive rewards and required rigorous review process, encourage colleagues to improve and enhance existing practices, to think out of the box and to drive the Company to come out with more green initiatives, in order to create more sustainability value for the Company.

The system is carried out by the Taiwan Factory Environmental Safety Unit acting as the general executive team, which collects and selects the proposal cases to ensure that the case meets the scope of application of the green proposal, and announces the number of proposal cases each month; the review group meetings are held every quarter; the Green Review Committee is held every six months, and a total of 8 review meetings have been held to date, and a bonus of nearly NT\$60,000 has been distributed. At the end of 2021, total number of green proposals was 71, with cost savings exceeding NT\$2.15 million, of which energy resources reduction accounted for about 37%, followed by waste recycling at 21%.

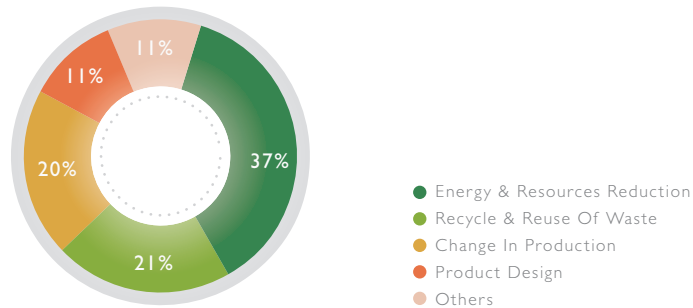




### Improvement Process of Green Proposal



### Category of Green Proposal



## Green Products

### Green Product Management

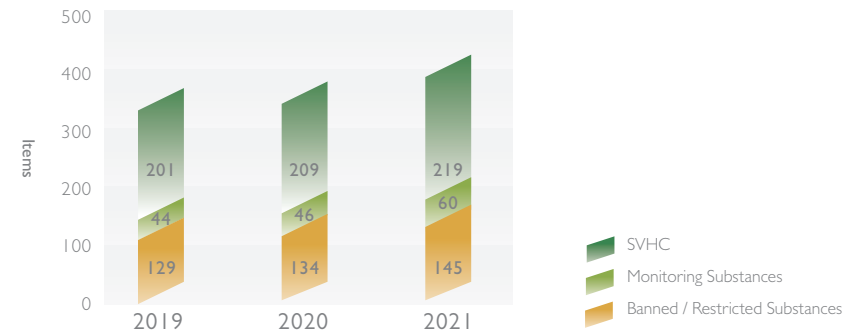
Product management, education and training, conflict minerals and etc are the three main pillar of green product management of Radiant Opto-Electronics Corporation. From product development and design to final stage of inspection and delivery, green product control requirements are incorporated into the standard control and implementation at every stage. A green material control platform is formed for a green product team to monitor vendor to comply with "Environmental & Substances Management Standards" formulated by the Company. Radiant Opto-Electronics Corporation required our products to be of high standard, our production principle is based on Restriction of Hazardous Substances Directive (RoHS) of the European Union, and in compliance with REACH spirits to strictly regulate the use of chemicals substances. The Company also study major international environmental laws regularly

to keep updated with latest environmental trends, in order to establish a green supply chain, to reduce impact of hazard products to the environment and human health. Generally, the range of prohibited substances has also been expanded year by year in accordance with international regulations and customer requirements. In 2021, the proportion of products compliance recorded at 100%.

#### How to raise awareness among colleagues about green products?

In order to create awareness among all colleagues about green products, all newly joined employees are required to attend education training for green products during their orientation program. The education training including: International Environmental Protection Law, Green Design Regulations, categories of hazardous substances products, Green Supply Chain Management Practices and etc. In 2021, the proportion of green products education training for new employees has reached 100%.

### Prohibited Substances over the years Management Quantity



### Declaration of Conflict Minerals

"Environmental & Substances Management Standards" set up by the Company, strictly prohibiting the use of conflict minerals in products. The Company also regularly investigating the source of metals used by vendors to ensure that the high-risk metals provided such as gold (Au), Tantalum (Ta), Wolfram (W), Cobalt (Co) and Tin (Sn) are not obtained through mining in conflict zone located in The Democratic Republic of the Congo, anarchy and mining area owned by illegal groups. If the Company discovered that the supplied parts contain of conflict minerals, necessary measures will be taken and the use of metal will be immediately suspended. Until the end of 2021, such scenario was not found. However, the Company will continue to focus on the issue in the future, in order to reduce the impact resulted from minerals issue, to be in compliance with regulations and to meet customers demand.

## Green Initiative

### Recycle of Packaging Material

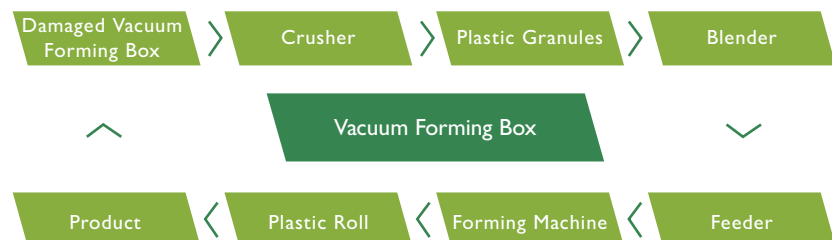
"Packaging Recycling" has always been a management priority in the Company's green initiative. We managed to achieve our target of high recycle rate for packaging through communication with vendors and customers. The operations department will review recycling status at each factory on a monthly basis. If the target of recycle rate is not reached, sales department and customer service department are required to check with customers and to follow up for packaging materials to be immediately returned. This is to increase the turnover rate of the recycled packaging materials. In recent years, the recycle rate has reached more than 96%.

#### ❖ Recycle Rate of Packaging Materials by Factory Area

Factory	Classification of packaging material	2019	2020	2021
Taiwan Factory	Vacuum forming box	96.47%	96.70%	99.46%
	Paper box	98.83%	98.11%	99.93%
Factories in Mainland China	Vacuum forming box	99.75%	99.00%	99.71%
	Paper box	99.64%	99.04%	99.27%

### Use of Recycled Raw Materials

Backlight module of the Company is made of optical grade plastic pellets, and to maintain optical qualities, the use of recycled raw materials is not possible. Nevertheless, there are recycled raw materials that can be used in other section of the production process. Wujiang factory produces its own vacuum forming boxes for product packaging, damaged vacuum forming boxes are used as recycled raw materials in the manufacturing process. A total of 1,818 metric tons were increased from 2019 to 2021, which was recycled in the factory and reducing the use of virgin materials, for the purpose of resources reduction.



## Transport Optimization

In recent years, Radiant Opto-Electronics Corporation has been optimizing its shipping mode. The operating unit has three principles in shipping: combined shipment, full shipment, and recycle materials to be collected by returning vehicle. The purpose is to reduce emissions of greenhouse gas during the shipment process. Besides, the Company has in 2021 started to carry out inventory and disclose emissions of three main activities in 2020. For example, inventory of carbon emissions during product shipment, to manage greenhouse gases within the Group more effectively, and to establish a carbon emission database gradually.

## Green Life

### Green Products Procurement

Green life is implemented in the daily operation of Radiant Opto-Electronics Corporation. As stipulated in the "source material procurement management standard", for procurement of non-production use chemicals, priority shall be given to chemicals with low-toxicity, low hazard, low pollution and take into account of environmental protection and ecological conservation. Therefore, dishwashing liquid, hand soap and other cleaning supplies currently used in the factory are all eco-label approved products.

### Donation of Recycled Computer

For IT devices such as computers and monitors that have exceeded certain use period in Taiwan factory, would be sent to ASUS Foundation for recycle since 2018, after sensitive data stored in the devices are cleared by IT Department. The recycled electronic products will be reassembled as Second Life Computers and be donated to local and international schools, digital learning centers and counselling centers to help the needy, young scholars, seniors and people with disabilities to learn computer courses. This would have multiple benefits including promote information equality, enable the recycling of resources, improve social welfare and minimise digital disparities. As of closing report in 2022, there were 103 units of monitors, 263 units of laptops, 135 units of desktop computers and 416 units of other devices (such as hard disk, printer, server hosts etc.), which a total of 917 items were recycled, this would help in reducing 9.55 metric tons of carbon dioxide emissions, which translates into a reduction of 795.609 trees being felled (data source: ASUS Foundation The Second Life Computer Program).



## 3.2 ■ Environmental Management .....

### Climate Change GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-5

Extreme weather is no longer coming in the future, it is happening right now. The "Global Risk Report" published by the World Economic Forum recent years, has highlighted that climate risks would cause more instability in global economy. The 2022 report stated that "climate action failure" has surpassed "extreme weather", rising from fifth place in 2018 to the first place. If we do not take action, we may face irreversible global environmental damage caused by climate change after the pandemic.

#### Governance

In response to the operational impact resulted from climate change, Radiant Opto-Electronics Corporation has set up Sustainable Development Commission in accordance with the "Organizational Rules of Sustainable Development Commission" and "Code of Practice for Corporate Social Responsibility", to continue to focus on sustainable development issues and report to the Board of Directors annually.

#### Strategy

To address the issue of climate change systematically, Radiant Opto-Electronics Corporation has since 2020, refer to the framework of Task Force on Climate-related Financial Disclosures (TCFD) from the Financial Stability Board (FSB), gradually activating the identification of climate risks and opportunities, to improve transparency in climate change risk management.

#### Risk Management

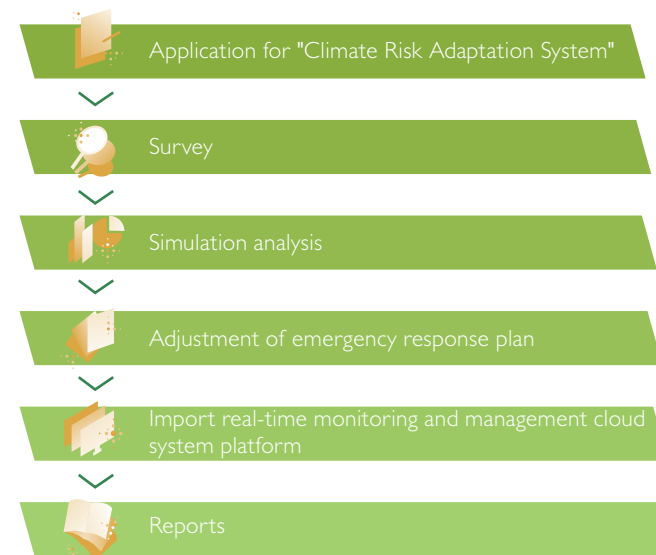
To handle the risks and opportunities that may result from climate change, Radiant Opto-Electronic Corporation has engaged external risk management firm to conduct natural disaster model analysis regularly, through the comparison between historical events of hurricane and floods from the database and latest flood disaster potential map, to obtain the maximum possible impact of different return period. Taking Kaohsiung factory as an example, the biggest possible loss in a return period of 500 years is 0.29%, which leads to the conclusion that the factory is situated at a location with lower possibility of flooding. Moving forward, Radiant Opto-Electronics Corporation will conduct more comprehensive assessment of transition risks and physical risks, and carry out further assessment on different scenarios under climate change, to get closer to the real situation. In 2021, Kaohsiung Factory has participated

in Guidance Project [Construction of Climate Risk Adaptation and Adaptation System] of the Bureau of Industry, which is to help enterprises to cope with and mitigate the impact of climate change. With the introduced of "Meteorological Data Real-time Monitoring and Management Cloud System", simulation analysis can be conducted at the factory area and surrounding outer roads, to strengthen emergency response within the factory, to reduce the impact of climate risk, and to ensure the continuity of operations.

### ⚙️ Climate Risk Adaptation System Installation Process (activated in April 2021, completed in November 2021)

#### Indicators and Goals

Radiant Opto-Electronics Corporation is using "mitigation" and "adaption" strategies to tackle climate change. In terms of mitigation, the Company continue to adopt optimization technology and have set specific and quantitative targets, i.e to reduce greenhouse gas emissions per unit product by 20% in 2025 compared with 2015. In terms of adaptation, to coordinate with insurance company to get relevant insurance covered to reduce the impact of climate disasters on the operations of the Company.





## Greenhouse Gas Inventory

Started from 2020, Radiant Opto-Electronics Corporation has set up cross-departmental project team to form a standard mechanism for greenhouse gas inventory with reference to the new edition of ISO 14064-1: 2018 and the inventory guidelines of domestic and foreign institutions. Other than the previous internal carbon inventories, the Company plan to develop carbon inventories at value chain, to monitor inventories of indirect greenhouse gas emissions during transportation, products used, related to use of products and other sources. To check greenhouse gas emissions of Taiwan factory and Mainland factories regularly every year, covering 100% of factories areas of the Company, and the inventory is verified by third-party. Greenhouse gas emissions of the Company is being fully monitored, and carbon management is being implemented.

In 2020, total greenhouse gas emissions of the Company was about 114,800 tons of CO<sub>2</sub>e (scope 1 and 2), mainly from indirect greenhouse gas emissions under scope 2, accounting for about 97%. The inventory covers all facilities area that under operational control of the Company, including factories located in both Taiwan and Mainland China. The greenhouse gas categories included: Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Nitrogen Trifluoride (NF<sub>3</sub>), and Sulphur Hexafluoride (SF<sub>6</sub>), the GWP preset values were quoted from IPCC Fourth Assessment Report in 2007; while the electricity carbon emission factor quoted is the most recent release data from the location of respective factory. Currently, all factories are undergoing external audit according to the Company's annual planning. If there is any data revision, it will be disclosed in the upcoming report.

Category	Emissions in 2021
Scope 1	0.31
Scope 2	10.76
Scope 3	8.9

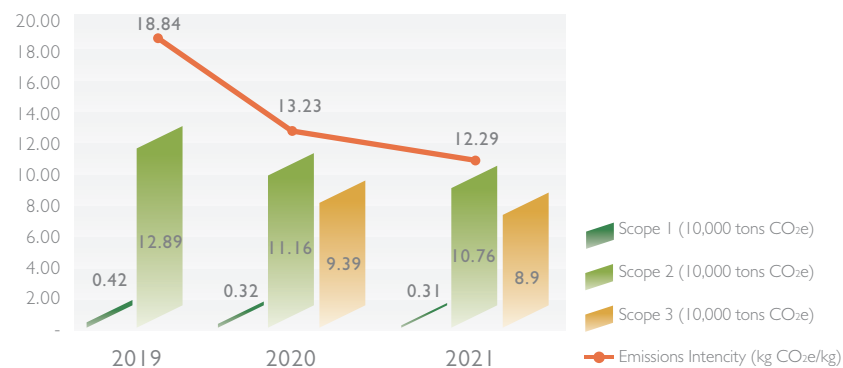
10 kilo-tons CO<sub>2</sub>e

Note: Datas of 2021 are estimated figures Unit: Ten Thousand Tons of CO<sub>2</sub>e

## Greenhouse Gas Inventory Base Year (Only for Category 1-2)

Factory	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Year	2020	2020	2020	2020
Emissions (Ten Thousand Tons of CO <sub>2</sub> e)	1.20	6.50	2.19	1.57
Setting Instructions	First year inventory	First year inventory	First year inventory	First year inventory

## Emissions of Scope 1, 2 and 3 of the Group



Note: Datas of 2021 are estimated figures



## Energy Resource Management GRI 302-1 GRI 302-3

GRI 302-4 GRI 303-2 GRI 303-3

### Energy Usage

Category	Item	Consumption
Direct energy	Natural Gas	21,387 GJ
	Gasoline	2,464 GJ
	Diesel	48 GJ
Indirect energy	Outsourced electricity power	616,899 GJ

Note: 1 GJ (Gigajoule) = 10<sup>9</sup> J (Joule)

### Electricity Usage

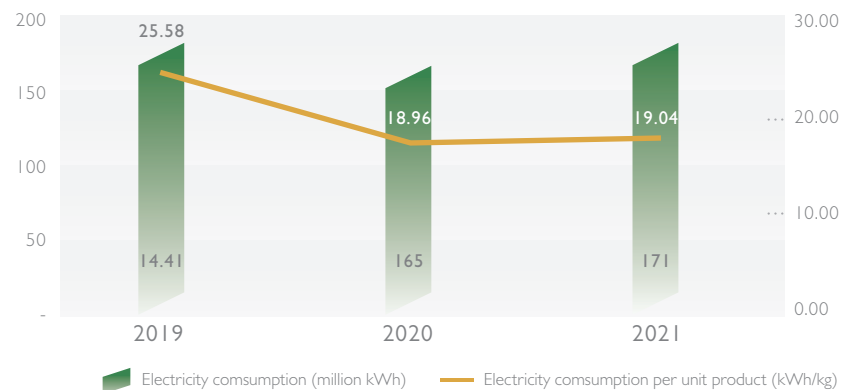
In 2021, the Group's overall electricity consumption was approximately 171 million kWh, slightly increasing by 0.1% compared to 2020 and decreasing by 14% compared to 2015 (2025 SDG benchmark year); main usage was from the processing of injection molding machines. Unless variation in the number of products shipped, energy conservation projects implemented over the years have continued to have an effect on the overall electricity consumption. According to statistics, in 2021, the Company has saved a total of 2,031,000 kWh (7,312 gigajoules) of electricity consumption.

On top of that, in order to reduce greenhouse gas emissions of scope 2, factories in Mainland China have fully installed with solar photovoltaic systems since 2018, with total power capacity of 3,562kW, which 1,762kW was generated from Wujiang Factory who has the largest power capacity. Total electricity power generated in a year is about 3.94 million kW (14,184 gigajoules), which could reduce the emissions of CO<sub>2</sub>e by about 3,144 Ton annually (based on the average of 0.79815 kg CO<sub>2</sub>e/degree of the baseline emission factor of the power grid in East China and South China in 2019).

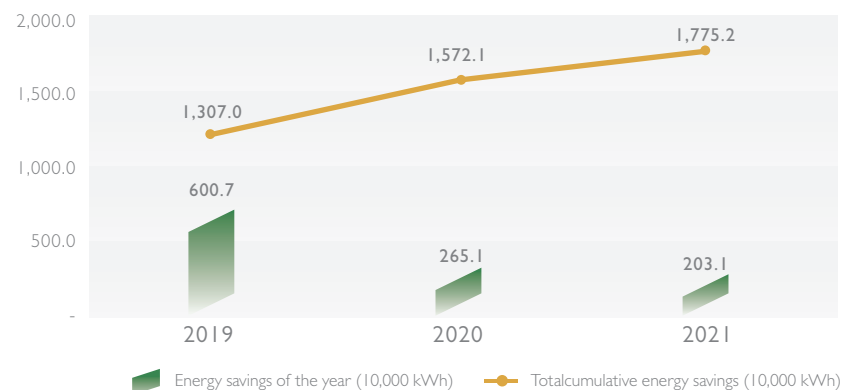
Various power saving solutions of the Company is planned by the office equipment unit, corresponding solutions are provided according to the characteristics of production process of each factory area. Kaohsiung factory is considered as an old

factory area with long service years, power saving solutions are mainly focus on the optimization of existing equipment. In 2021, a number of measures are taken to improve the dust-free air conditioning system, operation mode is also adjusted, which managed to save 251,000 kWh of electricity per year. For Guangzhou Factory, air pressure system is being optimized and improved, fine-tuning system parameters, and managed to save about 1,360,000 kWh of electricity per year.

### Electricity Intensity



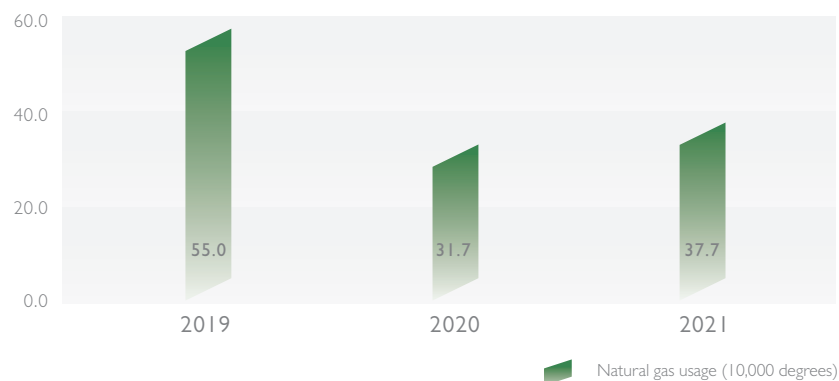
### Energy Saving of the Group



## Usage of Natural Gas

Under Radiant Opto-Electronics Corporation, only Wujiang Factory is using natural gas for employees' dormitories to heat up hot water boiler, and since 2017, a heat recovery system has been set up to reuse the waste heat generated by the air compressor, which could save about 361 degrees of natural gas (14,079 Joules) per month.

### Volume of Usage of Natural Gas



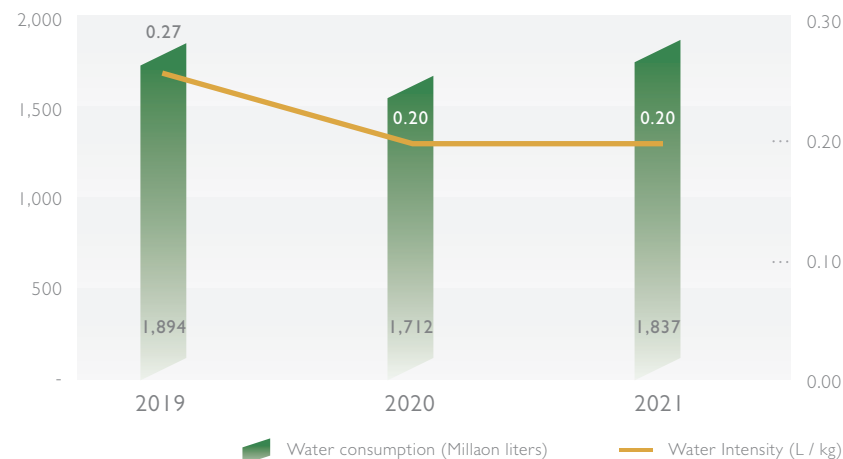
## Water Resources Management

The Company has no process that requires large usage of water; water consumption is mainly for livelihood and air conditions facilities. Furthermore, factories under the Group are located either in the processing and export area or developed area, which water source is third-party water (tap water), and not surface water, groundwater, seawater or produced water, therefore no significant impact on the water sources is verified currently. Nevertheless, monthly water usage of each factory area is still being tracked, to continue to improve operational efficiency of existing equipments, to build additional backup units, increase operational flexibility, to avoid the risk of extreme weather-related rainstorms or droughts that would affect the company's operations. The Group's third-party water (tap water) usage in 2021 was 1,837 million litres, with water intensity at the same level compared to 2020 and a decrease of 32% compared to 2015 (2025 SDG benchmark year).

Starting from 2020, the Company cooperated with a numbers of branded customers in the management of water resources at production base, covering the assessment of clean water projects and the establishment of water resource management systems. Details can be further subdivided into: water management, water conservation measures and results, waste water management and reuse, multi-party participation, climate variability, information disclosure, etc., all customers requirement are being met. The Company is still improving and optimizing the system

gradually to enhance water management capability of the Company. Continuous planning for installation of secondary water meter at key production area and living areas, to further analyze water usage of key areas with more precise datas. Wujiang Factory has saved 113 million liters of water in 2021.

### Water Intensity



### Is there any distinctive cases of water conservation in recent years?

The ice water main condenser of the central air conditioner is being cooled by the cooling water tower. In the process, the cooling water will evaporate into the air in large quantities, thus require replenish of fresh water uninterruptedly, resulted in huge consumption of water resources. On the other hand, in order to maintain the temperature and humidity of the dust-free room, an air handling unit is required to regulate the temperature, and the condensed water produced from the process is directly discharged into the sewage sewer.

In particular, Kaohsiung Factory links the two complementary characteristics of large water consumption of the cooling water tower and the low-temperature condensed water of the air handling unit to reduce the use of fresh water and allow the recycle of waste water. Therefore, the office equipment unit has installed a recycling tank for air-conditioned condensed water in particular, which the condensed water is being recycled to the cooling tower for reuse. The recycled condensed water is about the volume of 1.2 international standard swimming pools or about 2,190 tons per year.

Air-conditioned  
condensed water



Recycle



Cooling  
water tower



## Pollution Prevention and Control GRI 305-7 GRI 306-3

GRI 306-4 GRI 306-5

All factory areas under Radiant Opto-Electronics Corporation have passed ISO 14001: 2015 certification, various policy management are carried out in corresponding to relevant environmental issues and based on the environmental management system. The factories will be continuously managing waste water, solid waste, prevention and control of air pollution and noise and etc. Backed by the spirits to have continuous improvement, to reduce impact on the environment and the ecosystem, work towards improving energy efficiency and reduce operational risks. Radiant Opto-Electronics Corporation is not in violation of environmental laws and regulations and not subject to severe penalties in 2021.

### Air Pollution Prevention and Control

In order to prevent the impact of air pollution caused by operation, Radiant Opto-Electronics Corporation has launched various air pollution control measures, air pollution control is being self-managed and self-monitored through the collection of actual emission data. Manufacturing process of Radiant Opto-Electronics Corporation is mainly on assembly, which is a process with low air pollution, hence no emissions of nitrogen oxides and sulfur oxides, other air pollutants are in compliance with the requirements of local laws and regulations.

Unit: Tons

air pollutants	2019	2020	2021
Sulfur Oxides (SO <sub>x</sub> )	0	0	0
Nitrogen Oxides (NO <sub>x</sub> )	0	0	0
Volatile Organic Compounds (VOCs)	2.2	2.4	2.6

Note: disclosure herein is only for Taiwan Factory

### Prevention and Control of Water Pollution

The effluent standards of all factories under Radiant Opto-Electronics Corporation are in compliance with local regulatory standards. The waste water is discharged into sewerage system of the particular area for waste water treatment. Therefore, no separate sewerage treatment system is set up in the factories. In addition, effluent

water is regularly tested to ensure that there is no impact on territorial waters. All test results in 2021 met water quality standards under the law.

### ✧ Taiwan Factory Water Quality Test Results

Item	pH	COD(mg/L)	BOD(mg/L)	SS(mg/L)
Test Results	8.6	375	80.1	2.2
Waste Water Management Standard <sup>Note 1</sup>	5-9	600	450	450
Conformance	Conforms	Conforms	Conforms	Conforms

Note 1: Effluent standard limit of public sewage in Kaohsiung

### ✧ Mainland Factory Water Quality Test Results

項目		pH	COD(mg/L)	SS(mg/L)
Test Results	Wujiang Factory	7.3	189	24
	Nanjing Factory	7.22	211	27
	Guangzhou Factory	7.3	94	83
Waste Water Management Standard <sup>Note 2</sup>	Wujiang Factory	6.5~9.5	500	400
	Nanjing Factory	6~9	500	400
	Guangzhou Factory	6.5~9.5	500	400
Conformance		Conforms	Conforms	Conforms

Note 2: Effluent standard for waste water discharged to urban sewage (Wujiang Factory, Guangzhou Factory) and acceptance effluent standard for waste water discharged to sewage network under Nanjing Economic Development Zone (Nanjing Factory)



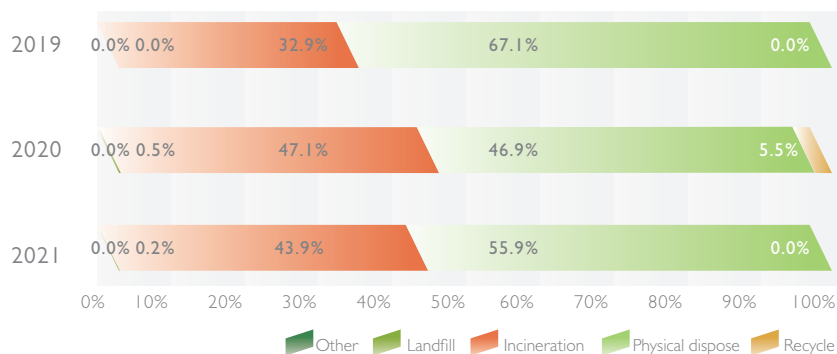
## Waste Management

Main strategy priorities of the Company in waste management are source reduction, resource classification, and recycle, with zero waste as the ultimate goal. Industrial waste management is mainly driven by source management control and reduction of output of hazardous waste. The Company also committed in raising employee awareness on classification and management of domestic waste through internal education and training, to improve in resources recycling and reduce waste.

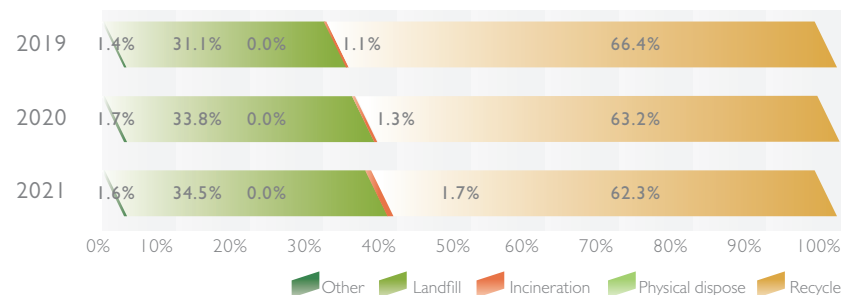
To ensure the storage, removal and disposal of waste are comply with regulatory requirements, a specialist is responsible in daily inspection at waste storage area; to audit the compliance of all waste collectors and cleaning contractors pro-actively on quarterly basis. All waste are to be handled by qualified cleaning contractors; to schedule audit plan every year to check the handling process of high concerned waste and newly appointed contractor. By following the vehicle of the contractor, to verify whether all the waste are cleared lawfully by the contractor to the designated disposal facility. Further, to monitor waste flow and disposal method, to complete the supervision responsibility of waste disposal.

The Company's waste output can be divided into two categories: hazardous industrial waste and non-hazardous industrial waste. Total volume of waste output in 2021 was 6,642 tons, of which non-hazardous industrial waste was about 6,552 tons, accounting for 99%; and hazardous industrial waste was about 90 tons, accounting for 1%, which nature are considered simple. If classified by disposal treatment, non-hazardous industrial waste is mostly recycled, accounting for 62%, followed by landfill, accounting for 34%; hazardous industrial waste is mainly disposed of by physical treatment and incineration, accounting for about 55% and 43%, respectively. Radiant Opto-Electronics Corporation has been actively promoting waste recycling, converting waste into useful resources. With this, not only resources are being recycled, but also reducing energy consumption and cost for waste disposal.

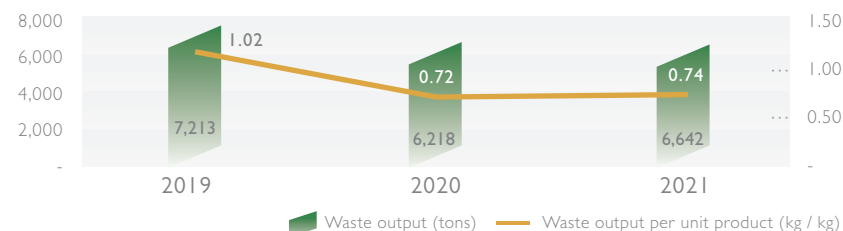
### Percentage of Hazardous Industrial Waste Treatment



### Percentage of Non-Hazardous Waste Treatment



### Waste Output per Unit Product

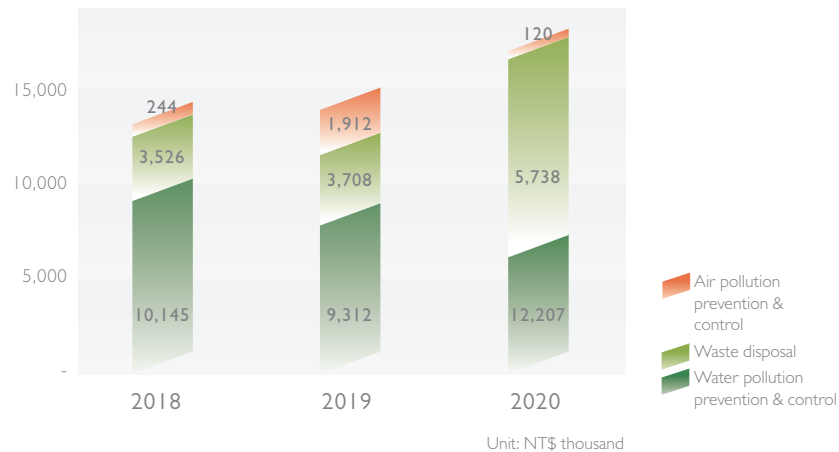


Composition of waste waste treatment		Hazardous waste		Non-hazardous waste	
		On-site	Off-site	On-site	Off-site
Direct Disposal	Incineration (with energy recovery)	-	2,788	-	65,216
	Incineration (without energy recovery)	-	36.77	-	44,334
	Landfill	-	0.21	-	2,260.39
	Other disposal operation	-	50.39	-	4,182.83
	Sub-total	-	90.16	-	6,552.78
Total		-	90.16	-	6,552.78
Total Sum		6,642.94			
Temporary storage in the factory		-			
Total Waste		6,642.94			

## Expenses Related to Environmental Protection

The Company has set up various pollution prevention and control facilities, industrial waste and waste water are being managed and controlled properly. At the front-end of the manufacturing process, to ensure equipments are repaired, maintained, replaced and purchased at best feasible solutions, to reduce pollutant emissions; while for the final-end, ensure industrial waste are properly disposed, and recycle rate is continuously being improved. Approximately NT \$18.065 million was invested in environmental protection in 2021, mainly for water pollution prevention (sewage treatment fees), of which prevention expenses for both solid waste and water pollution has increased slightly, mainly due to increased in production capacity.

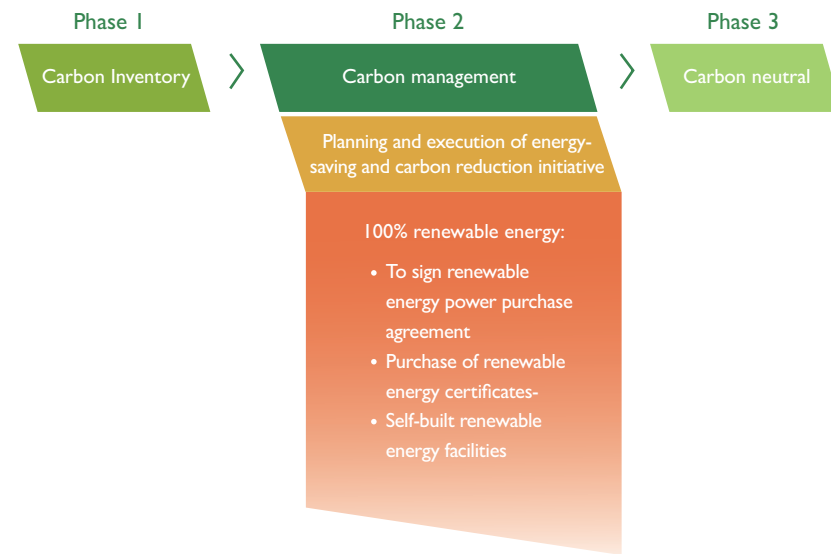
### Environmental Protection Expense of the Group



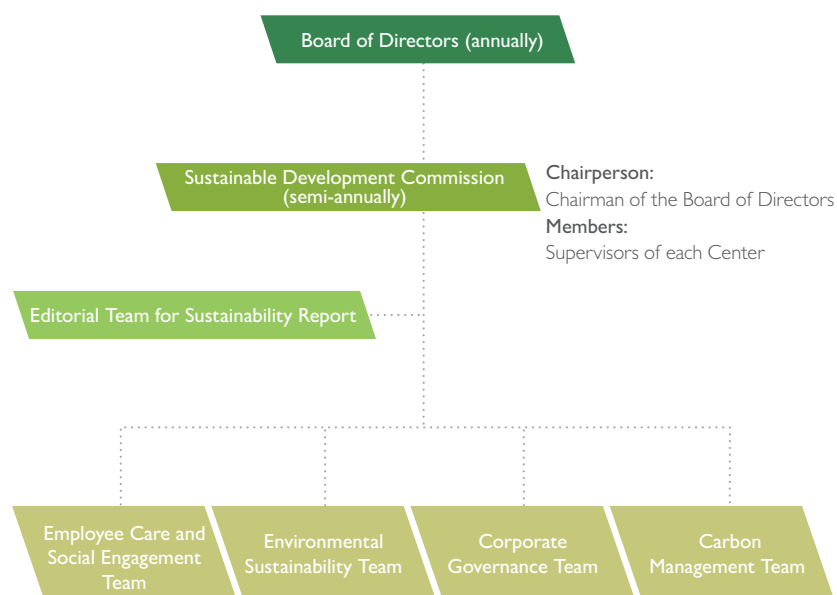
## Carbon Neutral Operation

Under the global challenge of warming to 1.5 degrees Celsius for climate action, the Chinese government has committed in the dual-carbon targets, which are carbon peak in 2030, and carbon neutral in 2060; Taiwanese government has also announced for a net zero emissions target in 2050 on the 2021 World Earth Day. At the board meeting held on 30 July 2021, the Board of Directors are in the opinion that the 2025 Sustainability Goal presently is not sufficient, which then Carbon Neutral in 2020 or Net Zero Emissions Goal in 2050 were proposed for assessment and planning. Further to that, the Sustainable Development Commission has initiated carbon management project within the Group, call up every departments to define direction for carbon management, based on two major topics, "energy saving and carbon reduction" and "renewable energy", to discuss for short-term, medium-term and long-term goals and implementation. In order to implement carbon neutrality in the daily operation of each unit, a carbon management team is proposed to be established under Sustainable Development Commission, to allow smooth movement of the carbon management initiative (The team was officially established and operated on March 30, 2022)

### Carbon Neutral Path Map



## Organizational Operations of Carbon Management Team



## Innovative Recycling Regeneration of Pallet Scrap

For non-recycling pallets from vendors deliveries, except for recycling within the factory, the pallets are also being recycled and provided to groups in need. For example, pallets were provided to Zhongshan University for street children's activities for 3 consecutive years, the pallets will then be provided to kindergarten for reuse after the activities, therefore the pallets are no longer a scrap wood.



## Regeneration of Canvas after Event

Canvas used for the 25th anniversary event were regenerated as a sustainable canvas bag and as a gift for new employees. Combined with education and training on environmental education, the friendly environment target is achieved, and we hope our new employees would understand the importance of sustainable environment to the Company, and Company's efforts in pursuing sustainability.



## Reuse of Lighting Samples

To place flat lamp samples at lobby and use intelligent control for suitable lighting would help to reduce the amount of waste, at the same time, employees and visitors would also feel comfortable. Furthermore, the flat lamp sample has lower down energy consumption by 53% (compared to 2019, saving of 946.176 degrees)



## Received Eighth Environmental Education Award of Kaohsiung - Preferred Private Business Group for the first time

In 2021, Radiant Opto-Electronics Corporation participated in the National Environmental Education Award for the first time. Under cultural preservation, community participation, nature conservation, pollution prevention, school and social environment education" of the 8 major aspects of the award, and with "a good edge for environmental lights", the Company received the Eighth Environmental Education Award of Kaohsiung - Preferred Private Business Group for the first time.



# 4

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RADIANT OPTO-ELECTRONICS CORPORATION ALWAYS BELIEVES THAT ENTERPRISES PLAY AN IMPORTANT ROLE IN DRIVING THE SOCIETY FORWARD. IN ADDITION TO THE WELL-ESTABLISHED INTERNAL HUMAN RIGHTS POLICY, RADIANT OPTO-ELECTRONICS CORPORATION HAS ALSO ESTABLISHED A COMPLETE TRAINING SYSTEM AND MANAGEMENT SYSTEM TO CREATE A SAFE AND HEALTHY WORKING ENVIRONMENT FOR EMPLOYEES. EXTERNALLY, THE COMPANY HOPES TO EXERT ITS INFLUENCE AS A CORPORATE, MOBILIZING EMPLOYEES TO PARTICIPATE IN VARIOUS OF ACTIVITIES TO DRIVE A POSITIVE CIRCULATION AMONG THE SOCIETY, TO SHAPE A CORPORATE CULTURE OF ACTIVE PARTICIPATION IN SOCIAL WELFARE.



## SOCIAL SUSTAINABILITY



## ✦ To correlate with Sustainable Development Goals of the United Nation

Goals	Targets	Radiant Opto-Electronics Corporation as
 <p>SDG 3 To ensure health and promote welfare for all ages</p>	<p>3.6 Before the year of 2020, to reduce numbers of people killed and injured in road accidents by half globally.</p> <p>3.9 Before the year of 2030, to reduce numbers of deaths and illness due to hazardous chemicals, air pollution, water pollution, soil pollution, and other pollutions significantly.</p>	<ul style="list-style-type: none"> <li>To continue to raise safety awareness among colleagues through electronic posters, posters, education and training etc, so that employees would have right attitude towards traffic safety, in hope to reduce possible damages caused by traffic accidents.</li> <li>To provide a healthy and comfortable working environment to avoid damages caused by hazardous chemicals in workplace. To have a qualified environmental monitoring institution to monitor the environment of the workplace in every six months. Meanwhile, to provide training, education and emergency response drill for factory workers regularly every year; to increase risk awareness in using chemical substances among the workers.</li> </ul>
 <p>SDG 4 To ensure a unparalleled, equitable and high-quality education, encourage life-long learning</p>	<p>4.5 Before the year of 2030, to eliminate gender inequalities in education, to ensure the underprivileged groups, including the disabled, indigenous and disadvantaged children, to have access to all levels of education and vocational training.</p>	<ul style="list-style-type: none"> <li>Radiant Education Foundation has been focusing on education for the underprivileged groups for a long time. Since establishment, the Foundation has been continuously working with its partners to provide resources and supports, including teacher training and organization of winter and summer camp, for programming education at key schools. The foundation also organize IT and social courses that are tutored by local teachers, for the purpose of long-term companionship and training up logical thinking of the children.</li> </ul>
 <p>SDG 8 To promote inclusive and sustainable economic growth, comprehensive and productive employment, to enable everyone to get a good job.</p>	<p>8.5 Before the year of 2030, to achieve comprehensive and productive employment so that every man and woman, including youngsters and people with physical and mental disabilities, can get himself/herself a good job, to offer equal pay for equal work.</p> <p>8.8 To protect workers' rights and interests, committed in providing a safe working environment to all workers, including migrant workers, especially women and workers who engaged in hazardous work.</p>	<ul style="list-style-type: none"> <li>To design a competitive remuneration system, which also meets minimum wage requirements set by the local government. All candidates are offered with salaries that are above market standards according to their education background, technical expertise and work experience, regardless of their gender, religion, race, nationality or differences in political parties.</li> <li>For physical hazards, chemical hazards, human-induced hazards, free radiation hazards and maternal employees in the workplace, to establish health protection plan and conduct hazard assessment, hierarchical management, and implement improvement and hazard prevention for workplace.</li> </ul>
 <p>SDG 11 To work towards a inclusive, safe, resilient and sustainable city and human habitat.</p>	<p>11.4 Further efforts to be poured into the protection of global cultural and natural heritage.</p>	<ul style="list-style-type: none"> <li>Through the connection from Radiant Education Foundation, resources from the Company's R&amp;D Department and Museum of Shadow Puppet are integrated for a public-private partnership. Radiant's core technology in opto-electronics products is being transferred to the puppet show theater, which puppet show is used to interpret new venture project, and at the same time creating unlimited possibilities for traditional performance art.</li> </ul>
 <p>SDG 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p>	<p>17.17 encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> <li>ROEC cooperated with Kaohsiung Museum of History, Kaohsiung Museum of Shadow Puppet, and tradional shadow puppet troupe through the coordination of Radiant Education Foundation, and combined public and private resources to jointly promote the goal of localization into shadow puppet culture. Encourage and promote effective public, public-private and civil society partnerships .</li> </ul>

## 4.1 Friendly Workplace GRI 103-2 GRI 103-3

With reference to the United Nations Global Compact, Universal Declaration of Human Rights, Tripartite Declaration of Principles of the International Labour Organization, OECD Guidelines for Multinational Companies, Code of Conducts for Responsible Business Alliances, Social Accountability 8000, SA 8000, and relevant local government regulations, Radiant Opto-Electronics Corporation has established four major policies under its "Labor and Professional Ethics".



### Integrity

Refusing improper interests and keeping clients' business secrets



### Open and transparency

Ensure smooth communication channel and be transparent in information disclosure of the Company



### Friendly Workplace

Value employee welfare and create harmonious labor-management relations.



### Equal Respect

Safeguard basic human rights and treat all employees fairly.

### Management Policy for Significant Issues : Human Rights and Labor Relations

Item	Summary Notes
Boundaries affected by agenda	Within the organization (the group)
Management mechanism	<ul style="list-style-type: none"> <li>To formulate specific management mechanism to ensure the implementation of labor rights and human rights commitments, forced labor, abusive labor and child labor is strictly prohibited.</li> <li>Guarantee employees' solidarity rights, freedom to participate in trade unions and associations, and ensure the smooth flow of appeal channels</li> <li>To organize variety of activities and classes based on 3 main principles, that are, work and have leisure, be healthy and happy, and have a happy family</li> </ul>
Goals for 2021	<ul style="list-style-type: none"> <li>Full participation of factory workers in RBA Code of Conduct, Ethics and Integrity training course</li> <li>To organize 9 employee care events, with satisfaction level of above 4.5 points</li> </ul>
Execution Results in 2021	<ul style="list-style-type: none"> <li>RBA Code of Conduct, Ethics and Integrity training course, training completion rate of 100% <b>Goal Achieved</b></li> <li>Had organized 8 employee care events (adjusted due to the pandemic) with satisfaction level at 4.7 <b>Goal Achieved</b></li> </ul>
Goals for 2022	<ul style="list-style-type: none"> <li>To continue to promote for full participation of factory workers in RBA Code of Conduct, Ethics and Integrity training course</li> <li>To organize 11 employee care events, with satisfaction level of 4.5 points</li> </ul>
Medium and long-term development directions	<ul style="list-style-type: none"> <li>Provide an equal and diverse work environment for employees, avoiding all forms of forced labour, abusive labour, employment discrimination and workplace violence</li> <li>Through the operation of employee care mechanism and execution of activities, we hope our employees would feel that they are being taken care more completely, to maintain good employee relations for long-term</li> </ul>
Relevant policies	Advocacy of humane treatment and ethical behavior standards, prevention and control measures for workplace violence, management procedures for recruitment and selection

## Human Rights Policy GRI 102-4I GRI 402-I GRI 406-I GRI 407-I GRI 408-I GRI 409-I GRI 410-I

Radiant Opto-Electronics Corporation values workers' rights, and provides equal employment opportunities based on ones' professional and work ability. Talent is hired regardless of race, nationality, gender, sexuality, age, physical or mental disabilities, religion, or any other characteristic protected by applicable law.

Meanwhile, the Company respect freedom of employment of every employees, there is no forced or compulsory labor within our entire operation line. Relevant labor standards in the Company are set in accordance with Taiwan's "Labor Standard Acts" and China's "Labor Law", "Special Protection Provisions for Juvenile Workers", "Labor Contract Law" and other relevant laws and statutory regulations, for the execution of human resources planning. Management mechanism is in place to ensure the implementation of Labor human rights, LHR commitments, which including "advocacy on humane treatment and ethical behavior standards", "prevention and control measures for workplace violence", etc. In addition to that, child labour is strictly prohibited as stipulated under the "management procedures for recruitment and selection", age and identity of all candidates are verified to ensure that child labour is not mistakenly being recruited.

In 2021, there were no incidents in related to violation of aboriginal rights, recruitment of child labour, gender or racial discrimination in Taiwan's Factory. There were also no incidents of external human rights scrutiny or impact assessment. Factories in mainland China are operated in accordance with local laws and regulations, there were no discrimination or incidents mentioned above, labor relation is harmonious, no additional collective labor agreement was being signed. Besides, trade union was established in accordance with law, which 86.4% of the employees of Taiwan factories has participated (all employees below managerial level has participated in the trade union). As for factories in mainland, trade union organizations have also established in accordance with respective laws.

### Compliance of Code of Conduct of Responsible Business Alliance

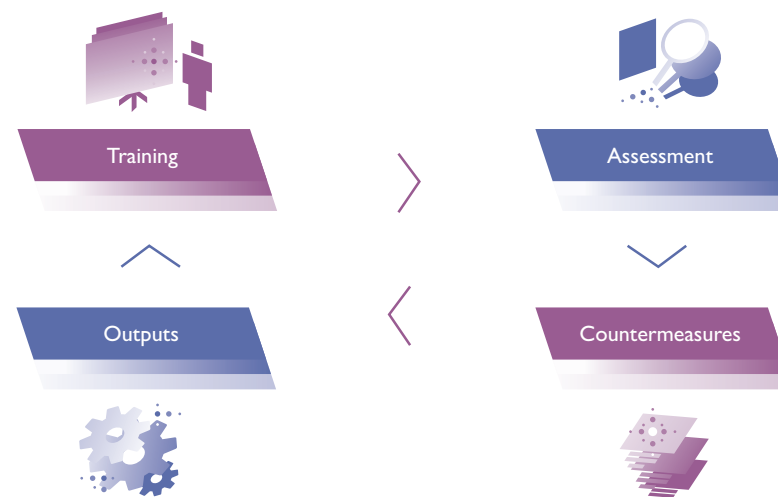
Radiant Opto-Electronics Corporation adheres to the Code of Conduct of Responsible Business Alliance, which is also a reference base to strengthen the Company's own management system. Every year, self-reviews are conducted and cooperations were given for customers audits. We strives to provide suitable and compliant working conditions and environment, to enable every of our employees to achieve self development and self realization. Therefore, in terms of "Labor and Professional Ethics", the following are our commitments:

- To comply with relevant local regulations, to support relevant international labour rights standards with action.
- No forced labour, respect freedom of employment of each individual.
- No child labor, strictly investigate and protect the children.
- No discrimination and abuse, equal respect and humane treatment.
- No bribes, to do business with integrity.
- No procurement and use of conflict minerals, pay attention to suppliers' legal compliance.

Every year, all employees of Radiant Opto-Electronics Corporation are arranged to attend online training course on "RBA Provisions" and "Ethical and Integrity". Furthermore, the course is included in training course attended by newly joined employees. In the duration of about 1 hour, the purpose of the course is to ensure that all factory workers have a true understanding of the spirits and contents of RBA policy, the employee's own interests and policies and practices implemented by the Company. As at 2021, training courses within the Group has a ratio of 100%.

### Prevention of workplace violence

In order to prevent workplace violence, Radiant Opto-Electronics has stipulated provisions for "Prevention of Workplace Violence", and set up four-step procedure, "Training - Assessment - Countermeasures - Outputs" to provide employees and job seekers with a work environment that is free from sexual harassment, and to prohibit sexual harassment in the workplace. In 2021, all factories workers have completed 100% of the relevant training. Details are as follows:



## Security Practice Assessment

To maintain safety and order of the factories area, Radiant Opto-Electronics Corporation has a total of 84 security personnel, including self-organized members and outsourced personnel. To ensure security personnels have a clear understanding of the system, rules and details of the Company, an one hour staff education and training is arranged by relevant department on quarterly basis. Contents of the training includes briefing on duties of security personnel, anti-discrimination, handling procedure for workplace violence incidents, reporting mechanism, etc. In 2021, 100% of security personnels have completed relevant education and training, total training hours are 336 hours.

## Employee Structure GRI 102-8 GRI 202-2 GRI 401-1 GRI 405-1

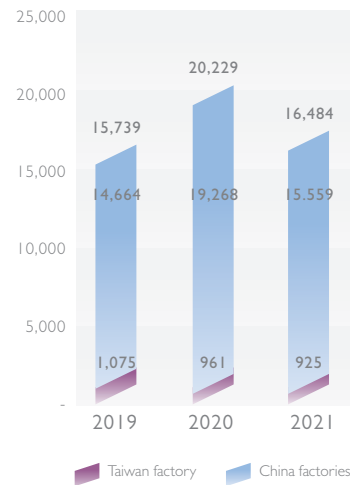
Radiant Opto-Electronics Corporation has a total number of employees of 16,484 (including full-time and dispatch workers as of December 31, 2021). Number of employees in Taiwan factory is 925, and 7 outsourced security personnel; while total number of employees in the mainland's factories are 15,559. Due to the gradual upgrade into automation production line and adjustment in demand of production capacity, total number of employees has decreased compared to 2020, of which Kaohsiung factory decreased by 3.7%, mainland factories decreased by 19.2%. Based on the principle in prioritizing customers, factories in mainland are the production base, accounting for about 94.4% of the total employees of the Group; Taiwan's factory is the R&D base, so the proportion of engineering personnel is relatively higher, accounting for 42.0% of total employees in the Taiwan factory. In terms of gender distribution, male employees accounted for 66.5% of the total employees due to the nature of the industry and the gender graduates from relevant disciplines; While for age distribution, employees who are below age 30 has a dominated proportion, accounted for 62.4% of the total employees.

Further analysis shows that in 2021, Radiant Opto-Electronics Corporation had a total of 78,305 new employees, of which 79.1% were male and 20.9% were female; their age were mainly concentrated below the age of 30, accounting for about 76.5%. Managerial level for unit and above of the Group are dominated by male employees, accounting for about 77.4 per cent; local employment rate is 76.4 per cent. In terms of turnover rate\*, which evaluating at factory, gender, age group and etc., the Kaohsiung factory is 1.0%, while mainland factories is 30.3%, slightly lower than in 2020. Further analysis on the gender and age of employees who has resigned from the company shows that 79.6% were male and 20.4% were female; 76.2% were below the age of 30, and the remaining were at 23.8%. Reason of the high turnover rate of factories in mainland China is that the resignations includes interns and a variety of forms of labour contracts, which overall leads to a higher turnover rate.

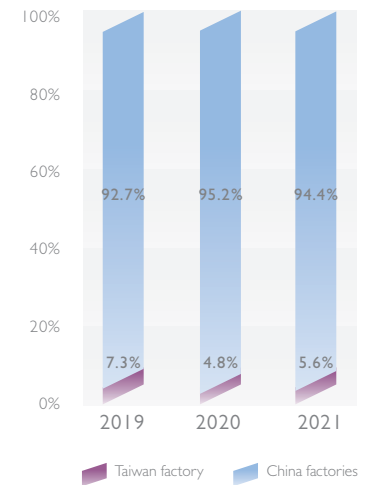
Since incorporation of the Company, Radiant Opto-Electronics Corporation has been employing the disabled group as workers in accordance with the law. In 2021, the number of employees who have disability in Taiwan Factory every month has reached the statutory number of employees (9), who including language disorders, mobility disorders, etc., our target to take care of the disabled group and promoting diversified employment is hereby achieved.

\*Note: Turnover rate = average of number of employee resigned of the month/(average of total number of employees at end of the month + average of number of employee resigned of the month)

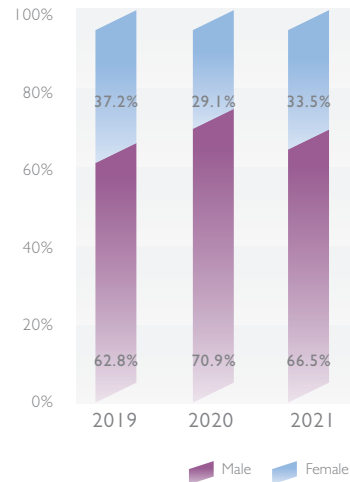
## Total Number of Employees of the Group



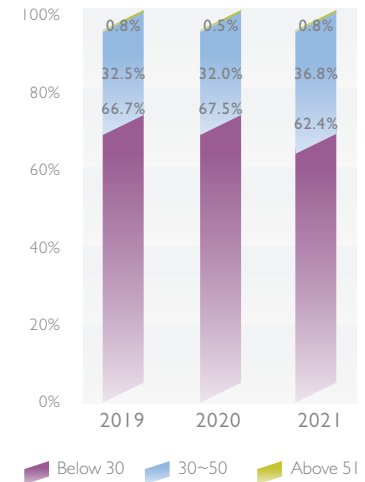
## Distribution of Employees of the Group



## Proportion by Gender

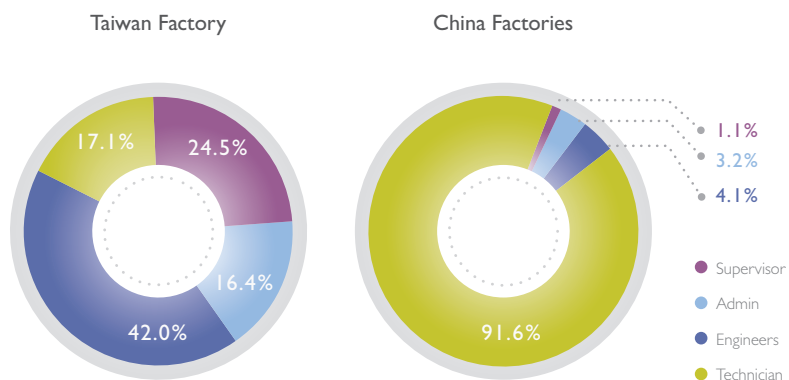


## Distribution of Age of Employees

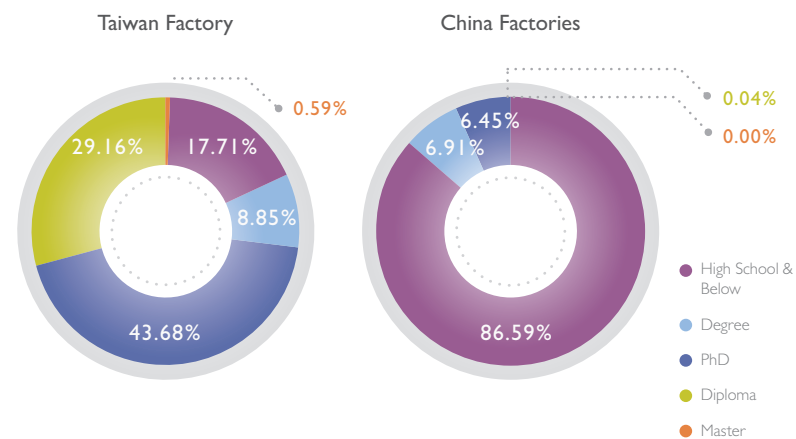




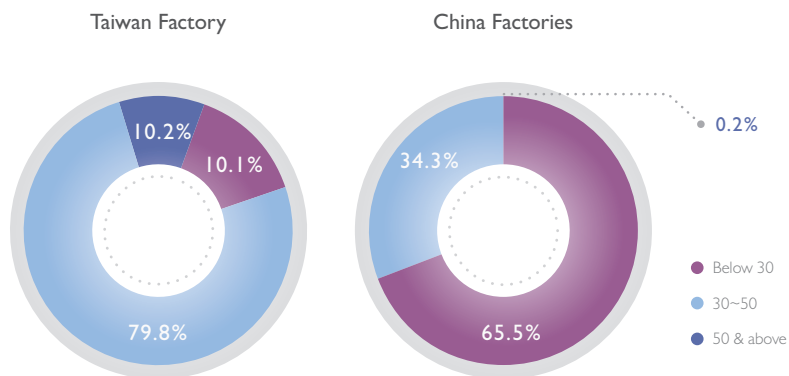
### Group Structure by Job Category



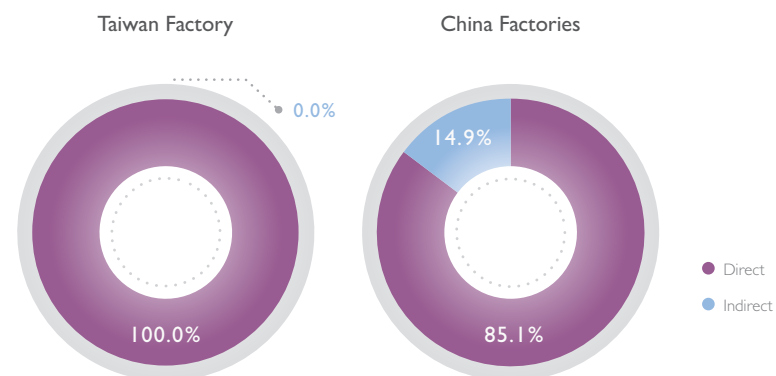
### Group Structure by Academic Background



### Group Structure by Age



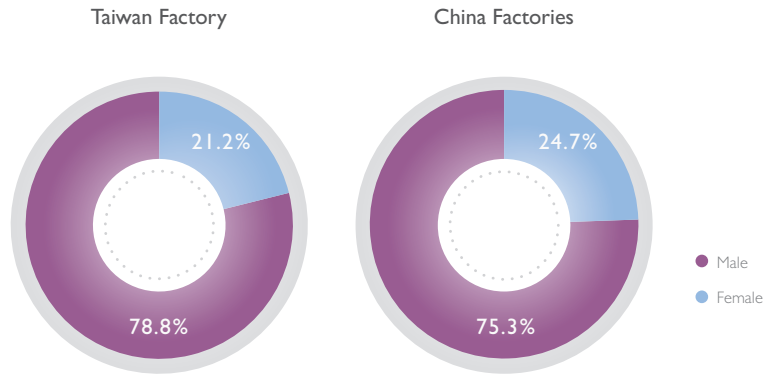
### Group Structure by Labor Force Composition



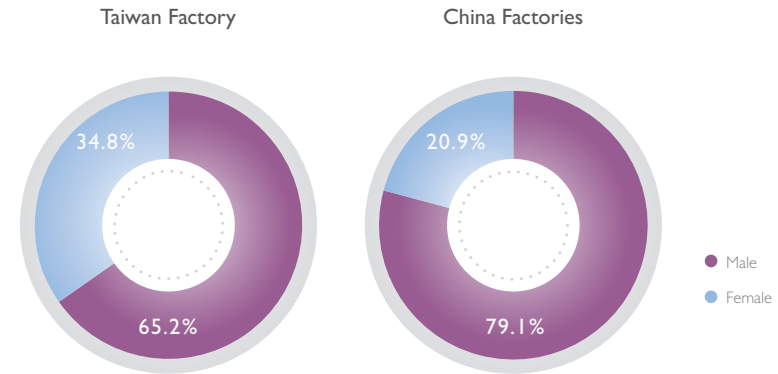
Note:

1. Direct employment: employee who is directly employed by Radiant Opto-Electronics Corporation
2. Indirect employment: Taiwan - migrant worker; mainland China - dispatch worker and intern

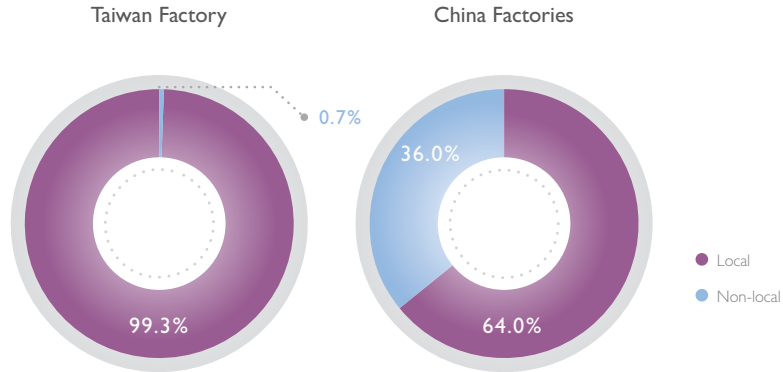
### Gender Ratio at Management Level



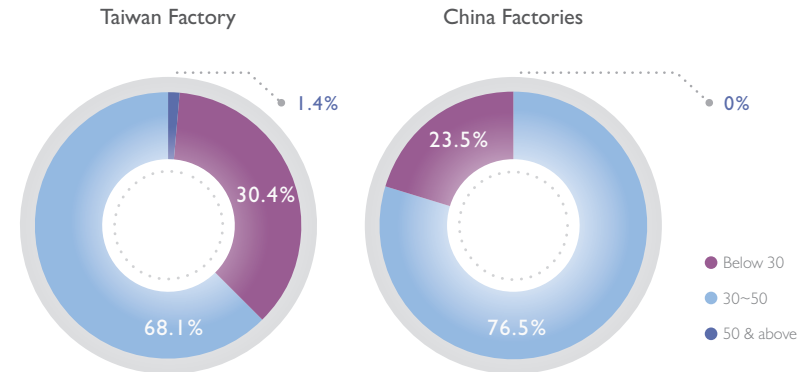
### New Employees Differentiated by Gender



### Percentage of Local Recruitment at Management Level



### New Employees Differentiated by Age



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

### Is the nature of industry the cause of high turnover rate at the production base?

In recent years, regions in mainland China have undergone significant progression in economic, transportation and information flow, which has lead to a drastic change in the employment environment. There are more diversified approach for job opportunities across factories, cities or provinces, this has resulted in a higher turnover rate compared to the past, which in turn has resulted a turnover rate that constantly remaining high. In order to lower the turnover rate effectively, Radiant Opto-Electronics Corporation holds monthly meeting on turnover rate to review and analyze factors that have caused employees to leave the Company. The Company also try to listen to employees who have resigned to determine if there is any area that required improvement.



#### Employee Relationships

In 2021, there were more efforts for employee relations. Employees care has been expanded to new employees who joined the Company within seven days, a seven-day retention rate improvement action plan is being proposed, and weekly reviews on three major aspects and 15 issues to improve new employees' understanding of the Company, to gain recognition from new employees and thus to reduce turnover rate of the Company. Besides that, it is not easy to train a skilled employee who is also familiar with the operation of the Company. Therefore, the Company will talk to employees who have served more than six months to let them fully understand that they are important to the Company, in order to retain more experienced skilled workers.



#### Salaries

To continue to introduce bonus for key positions for the three factories in mainland China. The factories are authorize to define their each key positions and pay additional allowances to employees who are holding the key positions . After five months of continuous observation, we noticed that the turnover rate of the key position was relatively lower than normal position after the payment of additional allowance, which in Wujiang Factory, it was 6.8% lower on average, Nanjing Factory 11.5% lower on average, and Guangzhou Factory 7% lower on average. It is proven that key position allowances is effective in lowering the turnover rate.



#### Dormitory

Dormitory common areas of the three factories in mainland China have undergone renovation, including wall painting, lighting refurbishment, damaged and dirty equipment in the shower rooms and toilets were being removed and upgraded. Monthly staff satisfaction surveys on dormitory is conducted and the Company will make improvement according to employees feedback, to upgrade the overall service efficiency and quality of the dormitory.



#### Food Catering

For food catering, the quality of food will be continuously enhance and be innovative in trying new recipes. In addition to the monthly new dishes, a new approach is introduced for “food tastings of snacks from each province or region” , this is to enhance dining expectations and to offer a variety of food choices for the employees. Environmental management of restaurants located in the factories is adhered to standard requirements of "Bright & Clean Kitchen", aged hardware equipments are being replaced constantly to improve the dining quality of employees. To ensure the feedback channel is in place, so that employees are able to feedback their dining experience timely, and relevant department can propose effective improvement methods accordingly. Besides that, food safety checks are also being monitored, suspected food poisoning drills, vegetable pesticide residue tests, tableware and dish inspections are carried out at each factory to reduce restaurant management risks.

## Salaries & Benefits GRI 201-3 GRI 202-1 GRI 401-2 GRI 401-3 GRI 404-3 GRI 405-2

### Employee Remuneration

To attract talents to join the Company, Radiant Opto-Electronics Corporation has designed a competitive remuneration system based on market standards, external talent competitiveness and supply and demand of the labor market, which also meets basic wage requirements stipulated under the law and regulations of respective local government. Candidates are offered with salaries that are above market standards according to their education background, technical expertise and work experience, regardless of their gender, religion, race, nationality or differences in political parties.

Salary and promotion adjustments after employment are based on personal ability and qualifications, regardless of age, gender or region, etc. Employees are entitled for bonus payment according to individual performance and profitability of the company, to have a share in the Company's operation profits. Currently, year-end bonuses,

performance bonuses, proposal bonuses and festival gifts are being provided. In 2021, the average salary increment of the Taiwan Factory was 2.68%.

Due to the changes in economic development in recent years, the industry is facing challenges from structural transformation, and the awareness from both employer and employees on the Company has become significantly important. "Employee Welfare Committee", "Remuneration Committee" and "Employees Trade Union" are established. Employees can also maintain open communication during the orientation program that arranged for newly joined employees. Since its incorporation, Radiant Opto-Electronics Corporation has no experience of major labor disputes.

### Percentage of Employees' Annual Income in 2021

Taiwan Factory	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and the rank above)	1	1.07	1	1.04	1	1.08
Mid-level Supervisor (Assistant Manager → Deputy Manager)	1	1.03	1	1.09	1	1.10
Supervisor (below unit level)	1	0.98	1	1.01	1	1.02
Indirect personnel	1	1.04	1	1.07	1	1.11
Direct personnel	1	0.95	1	0.98	1	0.97

Wujiang Factory	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and the rank above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Assistant Manager → Deputy Manager)	1	1.07	1	1.06	1	1.10
Supervisor (below unit level)	1	1.09	1	1.05	1	1.20
Indirect personnel	1	1.09	1	1.23	1	1.26
Direct personnel	1	1.05	1	0.98	1	0.96

Nanjing Factory	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and the rank above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Assistant Manager → Deputy Manager)	1	0.85	1	0.85	1	0.86
Supervisor (below unit level)	1	1.11	1	1.23	1	1.18
Indirect personnel	1	1.11	1	1.21	1	1.27
Direct personnel	1	1.06	1	0.97	1	0.97

廣州廠	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Senior Supervisor (Deputy Head of Division and the rank above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Assistant Manager → Deputy Manager)	1	0.81	1	0.80	1	0.83
Supervisor (below unit level)	1	1.07	1	1.04	1	1.31
Indirect personnel	1	1.11	1	1.18	1	1.28
Direct personnel	1	1.03	1	0.97	1	0.99

Note: 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.



### Salary Information of Full-time Employee(non-supervisor) of Taiwan Factory in 2021

Item	2019	2020	2021	In comparison with 2020
Number of full-time employee (non-supervisor)	1,047	1,020	937	-8.1%
Average salary (NT\$ 000) of full-time employee (non-supervisor)	1,069	1,064	1,195	+12.3%
Median salary (NT\$ 000) of full-time employee (non-supervisor)	797	826	919	+11.3%

### Performance Review

Through the conduct of performance review twice a year, which included “target setting” at the beginning of the period and “performance review” at the end of the period to implement performance management, to achieve a win-win situation of enhancing organizational performance and employees capabilities. In 2021, the Company has achieved 100% in review ratio.

### Parental Leave Without Pay

Employees of Radiant Opto-Electronics Corporation are entitled for paid leaves in accordance with local laws and regulations of respective factories. The paid leaves including annual leave, marriage leave, compassionate leave, maternity/parental leave, pregnancy check-up leave, paternity leave, menstruation leave and etc., to enable employees to take care of work and personal matters. In 2021, total of 65 employees in Taiwan factory were eligible for parental leave, 43 of them were male and 22 were female. While for factories in mainland China, employees have to apply for maternity leave instead, because there is no parental leave standards according to the local labor laws and regulations.

Item	Taiwan Factory			China Factories		
	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave	43	22	65	-	-	-
A: Actual number of employees who applied for parental leave in 2021	2	5	7	0	6	6
B: Number of employees expected to apply for reinstatement from parental leave in 2021	1	2	3	0	5	5
C: Actual number of employees returning to work after parental leave in 2021	1	3	4	0	5	5
D: Number of employees who have worked for more than 12 months after returning from parental leave in 2020	0	4	4	2	6	8
E: Actual number of employees returning to work after parental leave in 2020	0	4	4	3	12	15
Reinstatement rate: C/B	100%	150%	133%	-	100%	100%
Retention rate: D/E	-	100%	100%	67%	50%	53%

### Insurance Planning

Radiant Opto-Electronics Corporation provide various type of insurance protections to employees on top of basic social insurance that required under laws and regulations (Taiwan factory: labor insurance, health insurance; China factories: pension, medical care, unemployment, industrial injury, maternity and provident fund), and also provides group insurance protection for employees. In addition, insurance protection plan with discounted rate is extended to spouse, parents and children of employees in Taiwan factory; On top of the general group insurance, Taiwanese executives who stationed in the factory are additionally insured with high limit accident insurance. Comprehensive protection is provided to ensure all of our employees are well taken care of.

### Retirement System

Retirement system in Radiant Opto-Electronics Corporation is comprehensive and complies with law and regulations of the the local government. The monthly retirement pension is paid to the individual retirement pension account of the employees according to the monthly salary grading table and the contribution rate required under Government regulations. Currently, the proportion of colleagues participating in retirement plan is 100%.

Factory	Retirement Planning Mechanism	Pension contribution ratio	Extent of employee participation in retirement plan
Taiwan Factory	Old pension system: Company Pension Account	Employer: 2% Employee: 0%	100%
	New pension system: Individual Pension Account	Employer: 6% Employee: 0 ~ 6%	
Main land Factories	Wujiang	Endowment Insurance Employer: 20% Employee: 8%	100%
	Nanjing	Endowment Insurance Employer: 20% Employee: 8%	100%
	Guangzhou	Endowment Insurance Employer: 14% Employee: 8%	100%

## Open Communication

Radiant Opto-Electronics Corporation provides diverse and smooth communication method, set up "New Employees Seminars", "Employees Dedicated Line", "Employees Suggestion Box", "On-site Consultation" and other channels to respond to colleagues' enquiries, to ensure all enquiries are being solved effectively and instantly. In this year, number of consultation in Taiwan factory were 247 cases, while China factories were 6,119 cases, total number of cases were 6,366. Communication channels are unimpeded, all employees' feedbacks and inquiries were being resolved on the spot. Since incorporation of the Company, no major labor disputes were experienced.

communication channel	Number of consultations	
	Taiwan Factory	China Factories
Employee dedicated line	227	1698
Employee on-site consultation	17	3628
Employees Seminar	3	197
Employees Suggestion Box	0 (Primary channel: mail)	596 (Primary Channel: Communication Software)

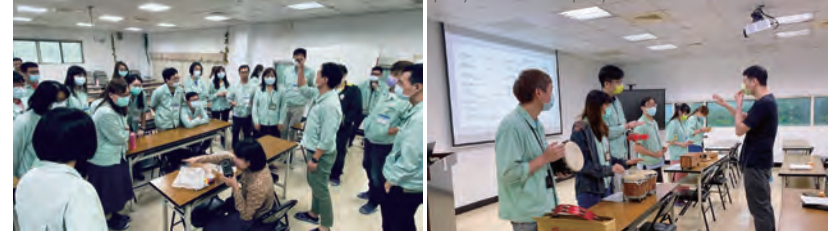
In order to optimize on-boarding process of new employees in Taiwan factory to help newcomers to adapt to work more rapidly, a half year employee care program was arranged. By understanding the needs of new employees and providing real time support, to allow new employees to feel secure and warm. Overall, new employees satisfaction level against the employee care program is 4.6 points.

## Statistic of Employee Complaints Categorized by Issues in 2021

Factory Item	Taiwan Factory				China Factories			
	Discrimination	Leadership Management	Sexualharassment	labor dispute	Discrimination	Leadership Management	Sexual harassment	labor dispute
Numbers of communication & feedback on problems	0	0	0	0	0	58	0	100
Solving Ratio	-	-	-	-	-	100%	-	100%

## Employee Relationships

Global pandemic seems to be slowing down gradually in 2021, under the premise of proper prevention measures, internal activities are being resumed moderately. We hope that channels to release stress can be maintained during the post-pandemic era, to enhance social cohesion among co-workers as well as sense of recognition towards the Company. At the same time, this would also contribute to the reducing of turnover rate, a win-win situation for employer and employees.

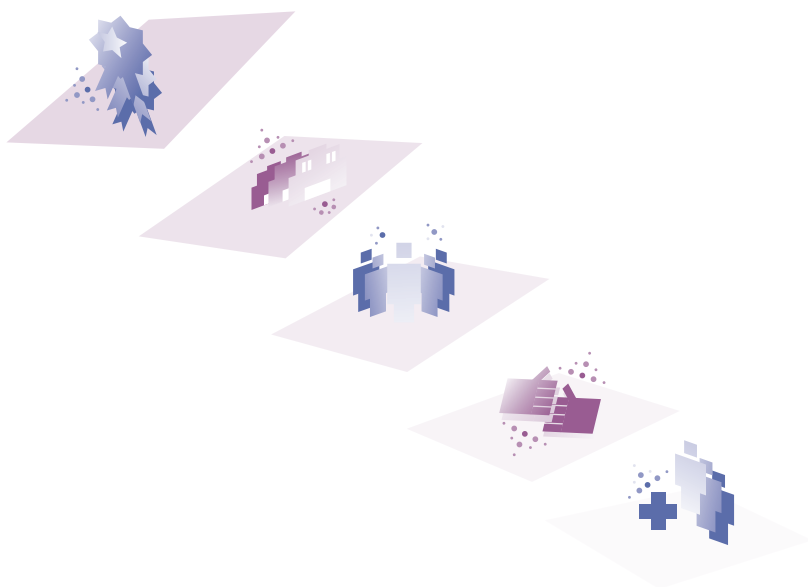


In order to enhance artistic and cultural literacy within the Company, the Taiwan factory has specially invited artists or cultural groups to the factory to organize "Arts and Culture Salon". We look forward to enrich working lives of our employees through organizing of diverse cultural activities and to deliver our corporate culture, at the same time to increase artistic population locally. In 2021, a total of five arts and culture salons are being organized. We also invite professionals to the factories to give talks, to explore tips on communication between parents and their children. From the talks, our employees would be able to build a family relationship that is warm, harmonious and intimate, so that their children can be brought up to be an empathetic and responsible person. Employees care is also important in China factories, they have series of activities every month, small games during lunch hours every week, and activities in conjunction with major festival theme, so that employees are able to relieve their stress aside from work.

## Company Benefits

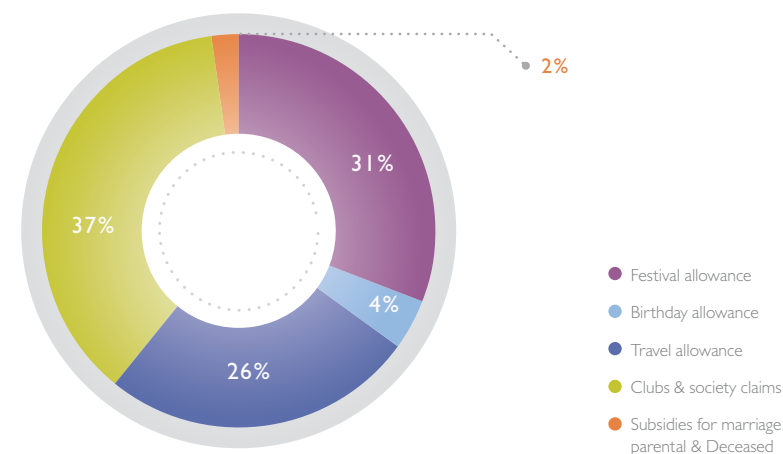
Radiant Opto-Electronics Corporation hopes to help employees to achieve work-life balance through the organizing of rich and diverse activities. More importantly, family members of employees are invited to participate in some of the activities, so there is a connection established with Radiant. We hope Radiant is the solid backing for our employees, and move towards to the target of a happy corporate that provides diversity of welfare.

Taiwan Factory has established "Radiant Opto-Electronics Co., Ltd.'s Employee Welfare Committee (hereinafter referred to "Employee Welfare Committee" ), which its main sources of income are derived from 0.05% of the Company's monthly operating income and 0.5% of employees salaries of Taiwanese factory. The Employee Welfare Committee will prepare budget according to available income and execute activities related to employee benefit according to meeting's resolutions. Recently, some factories have added facilities such as gym room, sports facilities, multi-function recreation room, massage chairs and etc. for employees, there are also various types of clubs being organized in line with diverse community to attract active participation of the employees.



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

## Employee Welfare Committee Expenses Analysis



In 2021, with the planning of various sports clubs and strategic planning in organizing various of sports activities under the leadership of supervisors, employees are being influenced to do exercise regularly to maintain a healthy body. Radiant Opto-Electronics Corporation has won the "Sports Enterprise Certification" from Sports Department Under the Ministry of Education for the first time in 2022.

Apart from Taiwan factory, the factories in mainland China are also our main attention. Since most of the employees there are working far away from home, Radiant Opto-Electronics Corporation pays more attention to take care of their daily lives. There are various kinds of activities held in conjunction with festival theme, to allow employees to relieve stress besides working, at the same time, to allow more communication between co-workers to strengthen unity, and to win awards for department through teamwork.



## 4.2 Talent Development

### Talent Development System GRI I03-2 GRI I03-3

In recent years, digital transformation in human resources has become a distinguish, while talent development is one of the important indicator for sustainable business. Therefore, in June 2021, under the leadership of Human Resources Department and technical supports from IT Department, the establishment of "R<sup>+</sup>eHRD\* Talent Development System Platform" has been introduced. The system is aim to integrate information of education and training of employees, performance management, and key talent development plan, in order to build a culture who offer common benefits, to enable Radiant Opto-Electronics Corporation to become first choice of core talents who are available in the market. The initiative has enable the Company to won its first "National Talent Development Award - Outstanding Category" by the Ministry of Labor.

#### What is the "National Talent Development Award - Outstanding Category" about?

Radiant Opto-Electronics Coporation has applied "Youth Employment Flagship Program" of the Labor Department in the Company's "Mentor and Friend-Mentor Mechanism", this has reduced turnover rate among the youths significantly. The Company also introduces "R<sup>+</sup>eHRD" digital transformation and gradual optimization learning platform, combined with the action learning app, to create a fun learning working environment and establish a professional career blueprint development mechanism, so as to enhance competitiveness of the Company.



#### Management Policy for Significant Issues : Talent Retention and Diversity

Item	Summary Notes
Boundaries affected by agenda	Within the organization (the group)
Management mechanism	To establish plans for key talent selection and retention
Goals for 2021	To build R <sup>+</sup> eHRD Talent Development System Platform
Execution Results in 2021	R <sup>+</sup> eHRD talent development system setup completed 
Goals for 2022	Consolidation of training, performance and competency datas, and through system analysis, to propose a complete key talent development plan
Medium and long-term development directions	<ul style="list-style-type: none"> <li>To clearly define core functions, common functions, management functions and professional functions of Radiant Opto-Electronics Corporation</li> <li>Externally, to recruit best suitable talents to join Radiant Opto-Electronics Corporation.</li> <li>Internally, to identify key talents through skills appraisal, weaknesses of employees to be trained up and strengthen, in order to optimize talent assets and increase competitive advantage of the Company</li> </ul>
Relevant policies	Key Talent Development Programs

Note: Radiant's Talent Development (R.O.E. e-Human Resource Development, R<sup>+</sup>eHRD); Radiant's Learning Management System (R.O.E. Learning Management System, R<sup>+</sup>LMS)



### Training vs. R<sup>+</sup>eHRD

#### App

- Using the mobile APP to learn
- Promoting colleagues' to participate in learning
- Creating a friendly workplace

#### Value-added

- Taking the advantages of R<sup>+</sup>LMS
- Receiving value-added training plans

#### Culture Mutual Benefit

#### Multi-literacy

- Multiple learning models make colleagues feel that learning is an interesting thing
- Multiple themes including communication skills, management skills, and legal compliance etc.
- Multiple learning methods including Experiential learning, role-playing, video sharing, etc.

#### Knowledge Management

- Content includes:
- Language learning
  - Reading various magazines (workplace parent-child, health etc.)
  - Online News

### Performance vs. R<sup>+</sup>eHRD

#### Record and Feedback

- R<sup>+</sup>eHRD can link performance results and training records
- Supervisors can grasp the learning and development status of members at any time then make proper arrangement.

#### Talents Identify

Through the feedback of performance management and learning management modules, assist supervisor to define key talents

#### Key Talent Development

#### Career Path

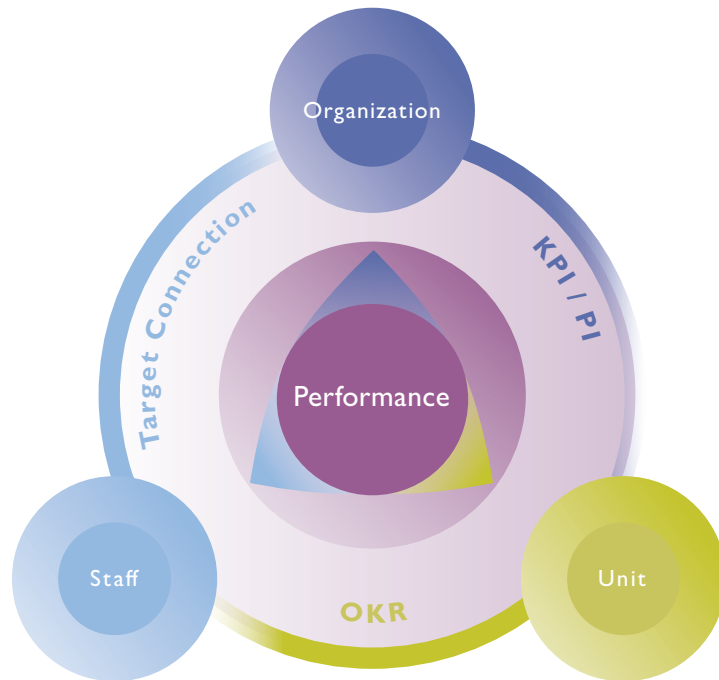
Clarify the possible career paths (such as promotion and rotation) provided by the company

#### Performance Assessment

Self-training for their own functional gaps.  
The supervisor also arranges the corresponding task for talent cultivation.



## Key Talent Development vs. R<sup>+</sup>eHRD

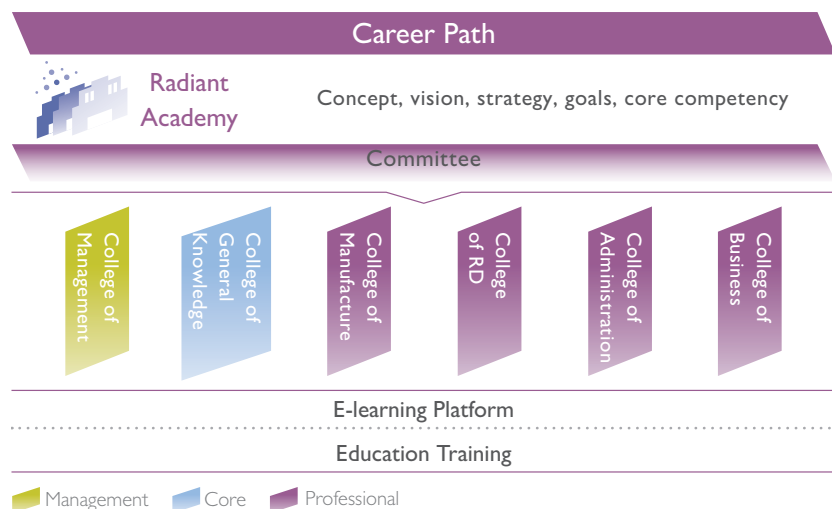


## Education Training System

Learning and Development Department set up by Radiant Opto-Electronics Corporation is for the purpose of establishing a learning organization. To incorporate education training as part of talent development plan, based on the premise of talent development. Meanwhile, in accordance with the philosophy and principles of Talent Quality-management System (TTQS), and analyse using SWOT to develop business directions and formulate training policies. To strengthen employees knowledge skills and attitudes through systematic analysis on demand, course design, training implementation and training evaluation, to improve job performance in the future.



"Radiant Academy" was establish as a main learning center for employees for internal education and training programs, various of management and professional online courses (e-Learning) are provided according to business direction of the Company. The academic plans learning development systematically, develops comprehensive training plan for talents. At the same time, it also provides resources for external trainings, encourages employees to continue learning and accept new stimulation from external, to help employees in career development and to face job challenges. Radiant Academy has three main skills functions: the core, professional and management. The professional skills function is divided into four colleges according to different professionals of each center, with additional establishment of college of management and college of general knowledge.



### College of Professional

Every department to plan training courses required for each level of position according to different professional fields and develop "Departmental Professional Blueprint". This would not only encourage employees for advance learning and continue to grow, but also to achieve personal career goals through the internal training system.

### College of Management

The training program of the College of Management were conducted through surveys on senior managers to collect quantitative data on a large scale, and to develop management skills according to the analysis results of survey responses. Management abilities are a set of comprehensive skills including knowledge, skills, attitudes and behaviors that required by management level of Radiant Opto-Electronics to perform job duties. Typical training courses include: Competitive Leading Course, Supervisor Management Course of MTP Series, etc.

### College of General Knowledge

General knowledge courses is human-centered, emphasizing on lifelong learning and all-round education, emphasizing on the breadth and integrity of knowledge and encouraging cross-industry integration. The course design covers knowledge, feelings and skills, including expression, communication, comprehensive, understanding and criticism, soft-skills courses such as experiential learning and emotional distress are also provided.

In order to improve the quality of products and services, Radiant Opto-Electronics Corporation has achieved one-step decision analysis through process facts and statistical data analysis, and formed consensus among employees through problem-thinking training, thereby creating overall benefits to the Company. Therefore, for core skill functions courses, participants are required to form working group in connection to a particular project, and to combine course contents with work practices, and finally obtain internal certification after the release of results to ensure the mastering of relevant core skills.

In addition, for new employees, relevant training programs will be provided on the date he/she start joining to the Company, to enable them to understand the sustainability culture, vision, mission, business ethics, and relevant regulations, disciplines and other policies of the Company. At the same time, the training programs are designed to familiarize new employees with the environment, and thereafter have a sense of identity with Radiant Opto-Electronics Corporation. In terms of professional knowledge, comprehensive basic courses are designed based on manufacturing, operations, management processes and other topics, to allow new employees to understand the work details soonest possible

## Employees Training GRI 404-2 GRI 412-2

### Corporate Human Resource Improvement Program

From 2014 to 2021, Taiwan Factory has applied for "Corporate Human Resource Improvement Program" from Workforce Development Agency (Kaohsiung-Pingtung-Penghu-Taitung Regional Branch) under the Ministry of Labor to expand its training benefits and to continuously improve the quality of human resources. On average, 25 courses were applied for each year; total number of training hours has exceeded 500 hours, with a total of 250 participants. The course contents covered: engineering technology, professional skills, management and other courses.

For underperformed employees, the Company has developed performance coaching programs for work skills enhancement training. This will be carried out through relevant supervisors participating in internal/external training courses by OJT or according to requirement, to enhance individual capabilities. The Company will also furnish employees for information related to government subsidies, courses, expertise training, employment information and other reference materials that are for unemployed workers or middle-aged and senior retired employees. For employees that are going to retire, to provide pension calculation services to facilitate the planning of the retirement life.

### MTP Supervisor Excellence Management Development Training

MTP (Management Training Program) courses developed by Radiant Opto-Electronics Corporation provides systematic and comprehensive training program to the management level, to allow the managers to understand their role and incorporate management skills into daily management works. This would in turn improving management performance of each department and enhance overall competitiveness of the Company.



## In-house Lecturers Development

To help employees to be in the center of knowledge and to enhance existing ability of knowledge demonstration, Radiant Opto-Electronics Corporation has brought in in-house lecturers development into the education and training system. Through the system, lecturers are produced exclusively for corporate purpose, this would not only maximize the effects of education and training, but also improve corporate experience, culture, image and the inheritance of professional technology, so that corporate knowledges could be quickly disseminated and applied. Accumulated until the end of 2021, Radiant College has trained 133 in-house lecturers.

## Youth Employment Flagship Program

From 2018 to 2021, the Company has applied for "Youth Employment Flagship Program" from Workforce Development Agency (Kaohsiung-Pingtung-Penghu-Taitung Regional Branch) under the Ministry of Labor. Through the consolidation of industry resources, to provide practical workplace training for youth. In total, there were 118 applications received, 62 attended for training, and 56 of them completed the training, retention rate for those who had completed training was 100%.

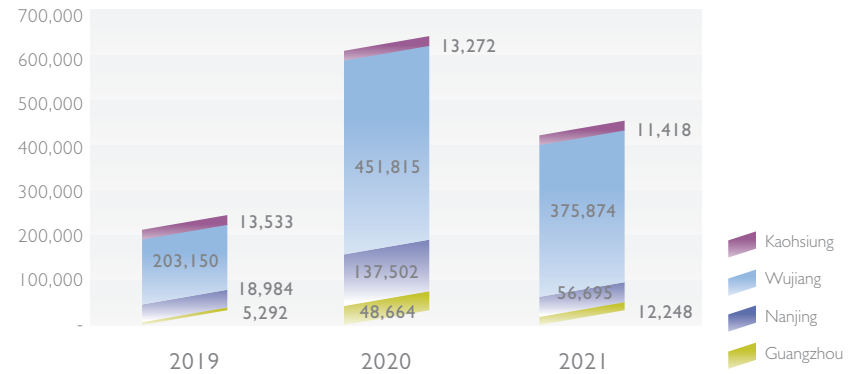
## Training Results GRI 404-I

In 2021, total training hours for education and training were 450,000 hours, and about 75,000 employees participated for training, with hours per capita of about

6 hours. Total training hours for Taiwan factory were 11,418 hours per capita, accounting for about 2.5%; while for mainland China was 444,817 hours per capita, accounting for 97.5%. In 2021, due to the COVID-19 pandemic, the number of face-to-face courses has reduced and hours for direct training has shortened, resulting in a slight decrease in the number of training hours in each factory compared to 2020.

Mobile learning app has been launched in November 2021, providing employees a learning tool that has no restriction on time and location. It would be convenient for employees to learn during spare time, increase convenience and efficiency of learning.

## ✧ Total Hours of Training by Factory



## ✧ 2021 Training Profile Analysis

Category	Groups	Taiwan Factory			China Factories			Entire Group		
		Numbers	Total hours	Hours per capita	Numbers	Total hours	Hours per capita	Numbers	Total hours	Hours per capita
Gender	Female	392	4,165	10.6	16,597	116,641	7.0	16,989	120,806	7.1
	Male	430	7,253	16.9	58,084	328,177	5.7	58,514	335,430	5.7
Job	Non-management	616	9,297	15.1	75,387	442,316	5.9	76,003	451,613	5.9
Category	Management	206	2,121	10.3	301	2,531	8.4	507	4,652	9.2
	Total	822	11,418	13.9	74,678	444,817	6.0	75,500	456,235	6.0

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



## 4.3 ■ Safety and health

### Occupational Safety and Health GRI 103-2 GRI 103-3 GRI 403-1 GRI 403-2 GRI 403-4 GRI 403-5 GRI 403-7 GRI 403-9

Management Policy for Significant Issues: Occupational Health and Safety	
Item	Summary Notes
Boundaries affected by agenda	Within the organization (the group)
Management mechanism	<ul style="list-style-type: none"> <li>Occupational health and safety management system is operated at every factories area, and has been validated by a third party.</li> <li>Occupational health and safety meetings are held regularly, and if there is any high risk deficiency in the unit, the respective unit supervisor shall propose solutions to reduce the recurrence of deficiency during the meeting.</li> </ul>
Goals for 2021	<ul style="list-style-type: none"> <li>Number of controllable industrial accidents ≤ 8</li> <li>Environmental Safety and Health Performance Review on 80 units: 70%</li> <li>Environmental Safety and Health Compound: 0</li> </ul>
Execution Results in 2021	<ul style="list-style-type: none"> <li>Number of controllable industrial accidents: 14 cases <b>Goal Not Achieved</b></li> </ul>
	<ul style="list-style-type: none"> <li>Environmental Safety and Health Performance Review on 80 units: 35% <b>Goal Not Achieved</b></li> </ul>
	<ul style="list-style-type: none"> <li>Environmental Safety and Health Compound: 0 <b>Goal Achieved</b></li> </ul>
Goals for 2022	<ul style="list-style-type: none"> <li>Number of controllable industrial accidents ≤ 8</li> <li>Environmental Safety and Health Performance Review on 80 units: 70%</li> <li>Environmental Safety and Health Compound: 0</li> </ul>
Medium and long-term development directions	<ul style="list-style-type: none"> <li>To continue to provide the best resources to improve safety and health facilities at the factories, enhance health service programs of employees and establish a safe and healthy working environment, to improve safety culture as a whole.</li> </ul>
Relevant policies	Occupational Health and Safety Management System related procedure documents

### Occupational Health and Safety Management System

All factories of Radiant Opto-Electronics Corporation have passed certification of "ISO 45001 Occupational Health and Safety Management System", the Company is committed to improve occupational health and safety management performance and establish a safe environment and a healthy workplace, by continuously implementing the operation of the ISO 45001 management system and complying with regulatory requirements.

### Occupational Health and Safety Policy



## Health and Safety Management

Environmental Safety Department of Radiant Opto-Electronics Corporation is responsible in managing safety and health management affairs of the Group. An Occupational Safety and Health Commission is established as requested by Taiwan Factory under the "Occupational Safety and Health Management Policy", which has a total of 15 members, of which 6 are labor representatives. To ensure the operation of the Commission is being regulated, "Constitution for Occupational Safety and Health Commission" has been formulated. Commission meeting shall be convened every three months, and after each meeting, resolutions passed and follow-up matters shall be sent to all employees for their information and follow-up. This is for advocate purpose and to raise awareness among employees on industrial safety. Although there are no local regulations that require the establishment of an Occupational Safety and Health Commission in China, there are still meetings on occupational safety and health every quarter for China factories, in reference to the practice of Taiwan factory.

In addition, "Safety and Health Consultation Meeting" is held in the second quarter of each year through the "Safety and Health Consultation Meeting Group". Feedbacks from internal and external workers of the Company on Occupational Safety and Health were collected and being consulted, the consultation results were presented for review in the third quarter "Occupational Safety and Health Commission Meeting".

## Equipment Safety Management

All equipments in the Company are comes with relevant management measures. Started from newly bought machinery and equipment, safety risk assessment has been conducted before procurement, Environmental Safety Department will do safety acceptance upon receipt of equipment, and to confirm safety label with respective unit which will be using the new equipment, in accordance with regulations under the management procedures. In addition, there will be safety inspection, repair and maintenance, education and training regularly, to implement safety management systematically.

In addition, infrared (IR) detection of electrical power equipments are carried out twice a year, to enable the environmental safety department to understand the condition of electricity load according to power distribution map of each factory area. The department will then judge electricity risk level based on the detection results. By performing early maintenance, the probability of electric fire is reduced, and the risk of operation interruption is avoided.

## Chemical Substance Safety Management

Safety management procedures for chemicals substances is established in Radiant Opto-Electronics Corporation, the substances are under strict control from purchase, storage, use to disposal. Purchase of chemicals substances that have significant impact on employees' health or environment is strictly prohibited, the safety of chemical use is fully under controlled.

Since 2015, the Taiwan factory has introduced Chemical Control Banding (CCB), which assess risk levels based on health hazards, dispersion and volume of use of the chemical substances, corresponding control measures are being carried out accordingly. Since 2019, safety risk assessment on the source of new procured chemicals substances is being enhanced through changes on management procedures. For vendors who are unable to provide Safety Data Sheet (SDS), respective department is strictly prohibited to proceed with the procurement. This is to comply with laws and regulations under occupational health and safety, and to prevent occupational accidents and diseases.

On top of that, in order to avoid chemical hazards in workplace, the Company has appointed qualified environmental monitoring company to monitor the working environment of the workplace every six months, to identify, assess and control hazards at workplace, and to prepare relevant protective measures. Subsequently, for workplace that do not meet regulatory requirements, it will be monitored under an improvement plan for further follow-up. Meanwhile, regular education and training on general knowledge of hazards and emergency response drills were conducted every year, to increase employees' awareness of the danger of chemical use and to ensure their safety.

## Emergency Response Mechanism

Radiant Opto-Electronics Corporation has established a series of emergency response procedures for emergencies such as fire, explosions, hurricanes, earthquakes, chemical leaks, accidents during the removal of hazardous industrial waste, air pollutants leaks, biotic contamination, illegal activities, unusual individuals and accidents, industrial safety accidents and etc. In case of emergency, the safety of human life is the first priority.

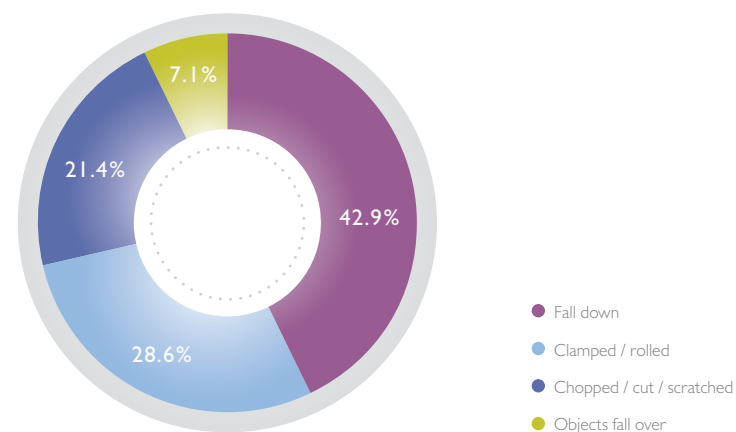
Meanwhile, Radiant Opto-Electronics Corporation regularly holds emergency response drills every year, there are also education and training on personal protective equipment, general knowledge of hazards, mechanical equipment inspection, contractor hazards notification, safety and health consultation meeting team, risk assessment personnel, fire training, emergency evacuation drills, etc., to enable all employees to be familiar with various contingency processes and be more awareness of crises. Each department is encouraged to organize their own evacuation drills, thereby strengthening the sensitivity of emergency response of relevant personnels.

## Occupational Hazards

In 2021, there were a total of 14 cases occupational injuries within the Group. If categorised by type of injuries, there were 6 cases of falling down, 4 cases of being clamped/rolled, 3 cases of being chopped/cut/scratched, 1 case of objects fall over/collapsed, there were no fatal occupational injuries. Besides that, there were no cases of occupational incidents from contractors.

Further analysis of work-related accidents indicated that there were 9 work-related injuries among employees with a seniority of less than one year, accounting for 64% of the Group's work-related injuries; 8 of these injuries were caused by machinery and equipment due to lack of safety awareness and experience, and potential risks of the machine, accounting for 57% of the Group's work-related injuries. The Company has taken action to enhance various improvement measures, such as: strengthening education and training of new employees, providing professional education and training on workplace, and disclosing information about work-related accidents. Starting from 2022, a systematic risk assessment will be conducted to identify and confirm potential risks of machineries, to lay out action plan for risk reduction (intrinsic safety, engineering control and management control), to ensure the safety of users during operation, troubleshooting and maintenance. This is to improve safety and smooth operation of machine and reduce the occurrence of industrial injuries.

## Occupational Injury Statistics



## Disabling Frequency Rate (F.R.)

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

Year	2019			2020			2021		
Sex\ Factory	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group
Female	1.84	0.39	0.53	0	0.51	0.46	1.22	0	0.09
Male	1.73	0.35	0.43	0	0.30	0.29	0.93	0.54	0.56
Total	1.78	0.36	0.46	0	0.37	0.35	1.06	0.38	0.41

## Disabling Severity Rate (S.R.)

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

Sex\ Factory	2019			2020			2021		
Female	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group
Male	18	5	6	0	11	10	3	0	0
Total	17	7	7	0	4	3	0	15	14
合計	18	6	7	0	11	10	2	10	10



## Frequency Severity Indicator (FSI)

Frequency Severity Indicator =  $\sqrt{\text{Disabling Injuries Frequency F.R.} \times \text{Disabling Severity Rate S.R.}} / 1000$

Year	2019			2020			2021		
Sex\ Factory	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group	Taiwan Factory	China Factories	Entire Group
Female	0.18	0.04	0.05	0	0.08	0.07	0.06	0	0
Male	0.17	0.05	0.05	0	0.04	0.03	0.02	0.09	0.09
Total	0.17	0.04	0.05	0	0.05	0.05	0.04	0.06	0.06

## Absence Rate (A.R.)

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

Year	2019		2020		2021	
Sex\ Factory	Taiwan Factory	China Factories	Taiwan Factory	China Factories	Taiwan Factory	China Factories
Female	0.010	0.010	0.012	0.004	0.013	0.007
Male	0.005	0.004	0.006	0.001	0.003	0.003
Total	0.007	0.006	0.009	0.002	0.008	0.004

Note: Number of days absent includes sick leave due to work injury and normal sick leave

## Employee Health Care GRI 403-3 GRI 403-6 GRI 403-10

### Health Care

Clinic of Radiant Opto-Electronics Corporation provides comprehensive health care services to our employees. Every year, employees are arranged for health examinations at a frequency that is higher than the regulations stipulated by laws and regulatory standards. Employees who stationed overseas are also arranged for health examinations at local hospitals. In addition to general medical consultation for factory workers, measurement of body fat, blood pressure and other services are also provided. Classes and activities to advocate no smoking, weight control, epidemic prevention are regularly organized for factory employees. Company's clinic will also take initiative to take care of employees' health. For employees with abnormal three highs readings after medical examination, a letter of care will be sent regularly to them, and doctors will be arranged to give personal health guidance. The Company is committed in promoting workplace health, to create a healthy working environment for employees, and have received "Healthy Workplace Promotion Badge" from Ministry of Health and Welfare.

### Is there first aid training on employees of Radiant Opto-Electronics Corporation?

CPR leaning is encouraged for employees, the Company organizes CPR + AED tutorials and training regularly, to improve employees awareness and ability in providing first aid emergency during the golden hour of an accident. The whole Group, up from the chairman to the general manager, operators, securities as well as new employees are required to complete the first aid training. In 2021, the Company has installed Automated External Demineralizer (AED), CPR+AED refresher training is being organized for factories employees, and obtained certification from safe institution in 2022.





## Special Protection

Radiant Opto-Electronics Corporation has established a health protection plan for potential hazards that are physical, chemical, human-induced, and ionizing radiation, and for female employees. The health protection plan will conduct hazard assessment, hierarchical management and to implement work environment improvement and hazard prevention. On top of that, the factory doctor will check whether there are risks on operation site every month. There will be prevention talk for occupational disease, consultation on occupational injury and disease, and health inspection management on highly hazardous operations. In 2021, no employees suffered from occupational injuries or illnesses.

The Taiwan factory provides special physical medical examinations to new employee and employee who has a change in job nature, regular check-up every year is also be arranged every year, in accordance with regulations stated for operations that are highly hazardous for health under the "Labor Health Protection Regulations". The examination covers noise, ionizing radiation, n-hexane, dust, sodium dichromate and salts, nickel and nickel compounds, etc. The completion rate of medical examinations in 2021 is 100%. For China factories, employees who handle dangerous operation is arranged for medical examinations for occupational diseases prevention. For employees who are involved in shift rotation, night work, long working hours and abnormal workloads, the Company has lay out "prevention plan for disease due to abnormal workload. One-to-one follow-up management measures such as risk assessment, hierarchical management and etc were taken, to prevent the occurrence of cerebrovascular diseases.

## Health Promotion

Development Strategy for Workplace Health Promotion of the Company is "Employee Care, Social Care", which encourages employees to really take action to achieve a healthy lifestyle and to create a healthy and safe work environment. Furthermore, the management level is showing support with real actions and participates in various health promotion activities. In order for employees to achieve work-life balance, sports fitness centers have been set up in each factories in recent years, providing a variety of sports equipment, so that employees can go for work out and release out stress together. In 2021, various sports clubs and internal external resources were consolidated, employees are encouraged to participate in sports activities regularly. The Company has received sports enterprise certification from Sports Department Under the Ministry of Education.

## Safety and Health Month

In order to promote awareness on occupational safety and health in the factory, Radiant Opto-Electronics Corporation and the Institute of Labor have jointly organize hazard prevention and experience activities, to achieve the goal of "safety and health labor environment, safeguard physical and mental health of workers". The activities consist of 9 major items, including: industrial safety experience, occupational disease prevention talk, general knowledge and training on hazard, traffic safety talk, physical fitness tests, 3C vision care talk, CPR+AED first aid training, hiking challenges and pandemic prevention and mascot photography session, attracting 612 employees to participate, overall activity satisfaction rating is 4.5 out of 5



## 4.4 ■ Social Engagement GRI 203-I GRI 413-I

### Light and Shadow Co-Operation Initiative

Radiant Opto-Electronics Corporation's headquarters is located in Kaohsiung, which also has the only Museum of Shadow Puppet in Taiwan. In the past, Shadow Puppet was flourished in Southern Taiwan, even in small towns like Gangshan and Luzhu, there were more than 80 troupes. Unfortunately, Shadow Puppet was unable to compete with tech media nowadays. The show had faced stiff challenges and eventually be withdrawn from the market completely. The Shadow Puppet troupe is forced to look for other opportunities to get a living.

As a local corporate and a leader in global backlight module industry, Radiant Opto-Electronics Corporation has launched the Light and Shadow Co-Operation Initiative in 2019, in expectation to illuminate traditional art with "backlight" and to preserve the only cultural asset. From 2020, through the connection from Radiant Education Foundation, resources from the Company's R&D Department and Museum of Shadow Puppet are integrated for an optimization project on performance window. On the premise of preserving the traditional rhythm, Radiant Opto-Electronics Corporation hope that through the added value of core technology, problems and difficulties of shadow puppet performance such as insufficient brightness, uneven lighting, and electrical wire safety can be improved. At the same time, to enable traditional artists to understand that with the combination of technology and art, traditional performance art is able to explore unlimited possibilities. The initiative was recognized by the Ministry of Culture and received "Creative Award of the Year" in 2021 through sponsorship model of "diverse activities" and "transposition thinking" to revive traditional art with new initiative.

### Radiant Volunteer Team

Radiant Opto-Electronics Corporation has been actively participating in various social activities in recent years. Volunteer teams are formed in Kaohsiung factory and Wujiang factory. We hope that to participate in social activities on a substantive manner, and not just financially supports. We also hope that our employees is taking part in social activities personally, to experience growth and spiritual abundance by participating in volunteer services.

Radiant Education Foundation is the platform for voluntary services, we encourage employees to participate in voluntary services, which is also aligned with the formal volunteer service system. Our voluntary system has completed Kaohsiung Municipal Social Bureau's assessment as a formal social welfare unit, and our counselling volunteers have completed basic training and special training to apply for volunteer service record book; on the other hand, the Company provides paid volunteer

leaves for employees who participated in volunteer service under Radiant Education Foundation, and determines reward method for voluntary services through internal management method. Rewards are given according to the accumulation of service hours, employees are encouraged to participate in volunteer service by external connection and internal reward system. As of 2021, there were 87 volunteers with 5,307 cumulative services hours.

In 2021, "Volunteer Biography" Person Interview Program was launched for the first time. Through interviews, editing and recording of the journey and transformation mindset of volunteer services, recording and recalling of the original intention of volunteer service, the spirit of service is transformed into a written record. We hope the spirits of public welfare of a corporate can be seen and transpired to employees and departments, thereafter expanding the influence of volunteer service in corporate culture.

Volunteer teams of Wujiang factory works with local government to actively engage in social welfare activities. Since its establishment in 2014, the team has gradually increased from a single number to more than 100 members, which come from various departments, to continue to participate in various social services and environmental protection. In recent years, we have further cooperate with attraction office to carry out regular volunteer services every week, and also participated in services work such as green cycling, free blood donation and tourist guidance on metro station based on local special events. We are recognized as Outstanding Volunteer Team for many years.

### Blood Donation Campaign

Since the first blood donation campaign in August 2011, the Campaign is organized twice a year either with Management Office of Kaohsiung Processing Zone or independently. In 2021, the number of blood donors was 294, total volume of bloods donated were 437 bags, and 109,250c.c. By the end of 2021, there were total 21 blood donations campaign being held at the Processing Zone for 12 consecutive years, which has become a tradition event of the Kaohsiung Technology Industrial Park. The cumulative number of blood donors were 2,409, total volume of bloods donated were 3,419 bags, and 854,750c.c.. China Factory (Wujiang) also mobilized for free blood donation campaign since 2015. In total, there were about 355 people participated in the event until 2021, and received Free Blood Donation Promotion Award for corporate category from Wujiang Economic Technological Development Zone (Tongli Town).

## 4.5 ■ Radiant Education Foundation

# KEEP THE LIGHTS ON, AND PUBLIC WELFARE NEVER STOP

Taiwan was hardly hit by COVID-19 in 2021

As a member of this Global Village, we were forced to change our daily routines and habits. We started adapting to look at the world through a faceshield, and intentionally keeping distance from others.

Nonetheless, our hearts are still tied closely together as we residing on this island and sharing the same fate.

Radiant Opto-Electronics Corporation who based in Kaohsiung is working hard with Radiant Education Foundation, to keep things going even challenges are everywhere during the pandemic.

Keep the lights on, and public welfare never stop!

Continue to exert public welfare influence into talent development, community care, environmental education, culture and arts

Radiant Education Foundation



# WHEN THE GOING GETS TOUGH, THE TOUGH GET GOING, IT WOULD BE EXTRAORDINARY TO MAINTAIN EVERYTHING AS USUAL WHEN EVERYTHING BECAME UNUSUAL!

In 2021, the environment in various fields were deeply affected by COVID-19, and the pace of life was forced to be delayed or even stopped. However, although talents development, social communities development, implementation of sustainable environment and promotion of cultural events were being affected, Radiant is being supportive all the time to ensure timely resources and the continuation of children's education and community, natural, arts & cultural events as well as environmental sustainability to carry on during the pandemic period. With the combination of core literacy of management culture and the volunteer service system, volunteers are able to do their part for social welfare. The process and experience of volunteer service were being published, through various aspect of volunteer biodata to promote the culture of voluntary service within the Group.



更多最新訊息，請詳見  
瑞儀教育基金會 Facebook 專頁

**"Programming Learning"** creates opportunities for rural students to diversify their exposure to programming knowledge, to strike a balance on unequal resources between rural and urban areas. In order to protect the health and safety of the campus as well as teachers and students, the 2021 pandemic has enabled the local teachers training program, which is initiated by Radiant Opto-Electronics Corporation and Program the World Association (PTWA), to play an effective role in the continuation of programming learning for children.

**"Community Care"** takes care of local communities, Radiant Spotlights Scholarship" is set up exclusively for students in Kaohsiung, Pingtung, Penghu and Taitung, who are diagnosed of Attention Deficient and Hyperactivity Disorder (hereinafter referred to as "ADHD"). We encourage on the guidance and development of interests and expertise of the ADHD childrens, to explore their exclusive strength and specialty. On top of that, talks and events on parent-child education were organized to build a communication platform for ADHD families. We hope to integrate southern ADHD families and professional resources of related fields, to become an important backing and give warm supports to families who require special education.

**"Environmental Education"** focus on the "ocean" agenda, emphasizes the relationship between Radiant, Kaohsiung and the ocean. The "Sea You Again Love the Sea Infinite Action Plan" was activated, with concerns on the port, coastal garbage and marine ecological conservation and other topics on a diverse and multi-angle way, combining with "source management" and "back-end clearing", to set up a guardian network for the ocean.

**"Cultural and Arts"** protects the unique intangible cultural assets of the South and to support local and potential artistic team. With the utilisation of core technology, a window is opened for the inheritance of "traditional performing arts – shadow puppet". Through sponsorship model of "diverse activities" and "transposition thinking" to revive traditional art with new initiative, the whole process would indirectly internalizes the artistic literacy of the community, employees and their families. Meanwhile, leverage on the power of business entity, to support local arts and culture group to operate steadily during the pandemic period.





### Programming Learning



2 Collaboration Plan

Taitung Binmao Middle School and Special Education Technology School Program

Continuing for 5 years

Participatory cooperation with PTWA

825 Participants

Schoolchildren benefiting from the programme

### Community Care



4 Seminars/events

ADHD parental education talks and events, charitable blood donations

15 Recipients

Recipients of Radiant Spotlights Scholarships

4,019 Persons

improve visibility of Radiant through organization of events and sponsorships

## Volunteer Service

First issue

# VOLUNTEERS BIODATA



### Environmental Education



1 Port Survey

Joined Taiwan's Azure Alliance  
To keep important exploration information and data for Kaohsiung harbor

2 Coral Health Examinations

Work with Taiwan Environmental Information Association to perform coral health examination for sea areas in Taitung and Green Island

175,885 Participants

Sponsored for Second Taiwan Science Festival, Increase visibility of Radiant

### Cultural and Arts



Creativity

Received Arts and Business Awards from Ministry of Culture for reviving traditional art with new initiative

5 Events

During difficult times in the pandemic period, supports are given to artistic community with increased of numbers of events.

38,180 Participants

Watch performance, Radiant will be seen

## PROGRAMMING LEARNING

### To illuminate rural and Special children's needs by using apps

Taking into account the difference in education needs and disparity in education rights of the rural areas and special children, the "programming course" is able to break the geographical boundaries and lit up the learning process of children through the programmed course. Education needs of rural areas and special children is illuminated by Radiant, only when needs are seen, accomplishment could be discovered.

# TTT Program - Taitung Binmao Middle School

# Special Education Technical School - Science and Technology Education Program for underprivileged special children



Pictures are provided by PTWA

## TTT Program - Taitung Binmao Middle School

The Company has been supporting Taitung Binmao Middle School for 4 consecutive years, while for this year we injected in the localisation programming courses through "TTT program" (Train the Trainer). The spirit of the program is to integrate cooperation synergy between Radiant, PTWA and local school. The program was initiated with PTWA and Radiant to evaluate for base school, visited and interviewed the school principal and teachers to construct commitment and idea from three parties in programming education. Thereafter, volunteers team of Radiant formed up supportive school team to kick start the programming education, which the baton was then passed to local teachers who have completed training to continue to develop medium-term program. Content of the courses including Scratch, programming learning board game, mBot bicycles, Uno bicycles, Edison small cars, model building software, 3D printing, App Inventor and other courses to keep the children accompanied.

15 Classes

localisation  
programming course

225 Participants

benefited schoolchildren



## Special Education Technical School - Science and Technology Education Program for under-privileged special children

"PTWA Special Education Technical Schools" are designed for children with special needs who are economically disadvantaged in their families. They may have high-functioning autism, may have Asperger's disease, or may have reading and learning difficulties.

Due to congenital or acquired factors, the learning progress of these children is different for each child. Therefore, the teachers of the special education school will determine the needs of each children and use computers and technology teaching tools through customized curriculum design to develop children's interests and expertise through learning 3D animation, 3D printing, laser cutting, 2D mapping, etc.

In addition, there are multiple craft courses and practices for senses triggering and the fostering of sense of achievement; there are also well-trained companion dogs stationed at the teaching site to help calm the emotions of children and increase learning performance. At the same time, we also provide snacks to encourage children to be more energetic to learn!



Pictures are provided by PTWA

20<sub>Classes</sub> 600<sub>Participants</sub>

localisation programming  
course

benefited schoolchildren



# COMMUNITY CARE

See the spotlights, there is hope.

In 2021, we have established "Radiant Spotlights ADHD Scholarship", we see the specialty spotlight of ADHD children from the dominant point of view. We encourage through guidance and development, to explore interests and expertise of ADHD children, focus on their exclusive advantages and abilities, enable them to be seen; On top of that, talks and events on parent-child education were organized to build a communication platform for ADHD families. We hope to become an important backing and give warm supports to families who require special education.

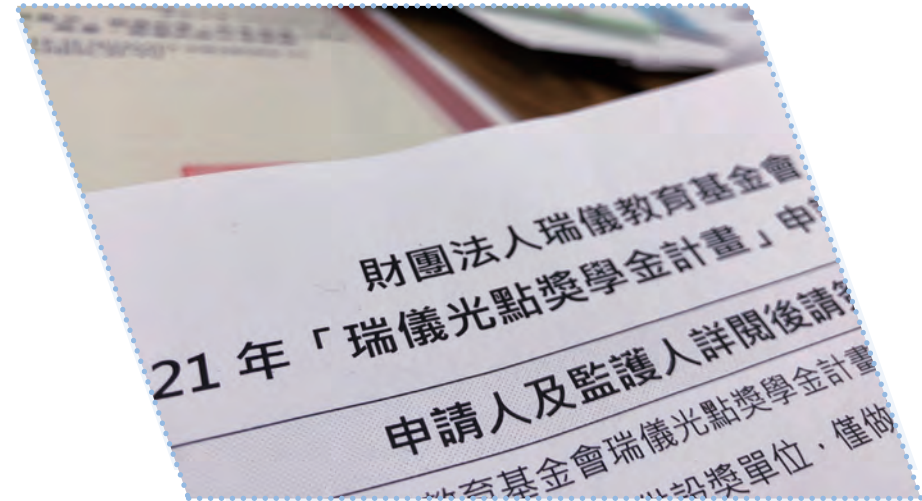
- # Radiant Spotlights ADHD Scholarship - See the spotlights, there is hope.
- # Radiant Hope for hearts Seminar - Movie Day with no fear of noise, Talks on ADHD and its comorbidity
- # Green living for Covid-19 prevention Blood Donation Program at Industrial Park - co-operation with partners in industrial park, blood donation can be environmental friendly



## Radiant Spotlights Scholarship 2021

The set up of scholarships is aimed to encourage ADHD related special children, to guide and to develop children's interests and expertise, to explore their exclusive advantages and specialty spotlights, enable them to be the focus, being seen and supported. The scholarship also serve as a reward to stabilize their education foundation, that's the reason for the scholarship to be specially established.

The scholarship is only for ADHD students residing in Kaohsiung, Pingtung, Penghu and Taitung, with valid ADHD related supporting documents. We hope to protect the children and their families with lights at Southern Taiwan, and give them the warmest companionship.



15 Participants

ADHD schoolchildren's spotlights are being seen

4.9/5

Overall Program of the Scholarship

NT\$ 102,000

Scholarship Subsidies

### Participant Feedback:

Thanks to Radiant Education Foundation for providing my child with different experience and different sense of accomplishment, thank you  
Thank you Radiant Opto-Electronics Corporation for enabling us to be seen and understood by the society. It's really warm. We're very grateful.  
Through these activities, children and parents have discovered more specialty spotlights on the children, gaining more self-confidence, this would help a lot in enhancing children's adaptability in school and the society







## Radiant Hope for hearts Seminar - Movie Day with no fear of noise, Talks on ADHD and its comorbidity

Radiant Hope for hearts Seminar continue to combine corporate family day to organize "ADHD parental movie day - Movie Day with no fear of noise". ADHD families are invited to participate in the annual anniversary event of Radiant Opto-Electronics Corporation, considering ADHD families as extension of family members of Radiant, to share together the happiness during family day. This is a movie day for children. We hope ADHD parents and children would get to know each other better and improve supports to each other through the activities.

The theme of parental education talk this year is "Dancing with Illness - ADHD and Common Comorbidities", mainly to share choices of drug treatment. The talk also provides ADHD families with the possibility to change parenting mode according to the characteristics of their children, and share the concept of using drugs. The talk has shared many different insights and new ideas to parents and special education teachers.

199 Participants

ADHD-Related Parents, Teachers, and Professionals

4.9/5

Average satisfaction level for talks and events

48 Hours

Volunteer Service Hours of Radiant's Corporate Volunteers

### Participant Feedback:

Every year, I look forward to participating in the activities organized by the Radiant Education Foundation. This time, the film appreciation is both educational and entertaining, both children and parents were able to think about the relationship between parents and children.

I am a very loyal supporter, I participate in almost every event, the talk from doctor have enabled me to know more about parenting ADHD children, while the parental activities also gave me a good time with my children to spend the weekend.



## Green living for Covid-19 prevention Blood Donation Program at Industrial Park - co-operation with partners in industrial park, blood donation can be environmental friendly

Due to the impact of the COVID-19 pandemic, the blood donation campaign for 2021 has revised as "COVID-19 prevention green life", to remind the public to be aware of pandemic prevention, and encourage employees to donate blood to save lives and keep the world moving. There were 2 blood donation campaigns organized jointly with partners during the year.

The activity is still embedded with the theme of green living and the spirit of public welfare, encourage community in the industrial zone to exchange batteries for small plants. On the other hand, we have purchased "Courage Brand Corn" and co-operate with Zenan Homeless Social Welfare Foundation for baked sweet potatoes project to support single mother. The theme for blood donation campaign was "pandemic prevention", pandemic prevention materials were given as gifts, as to maintain environmental education of the event, and at the same time implement community care, to diversify the level of influence.



294 Participants

Blood donation with rolled up sleeves

125 Hours

Number of hours of volunteer service with pay

109,250 c.c.

Volume of donated blood in 2020





# ENVIRONMENTAL EDUCATION

## Attention on marine environment for the achievement of sustainable business

Radiant's environmental education is focusing on the "ocean" agenda, pay attention to the relationship between people and the ocean, and according to the 108 synopsis to get close to the ocean, love the ocean, know the ocean, and to cultivate basic etiquettes towards ocean. Being a corporate which is located in the seaport city, Radiant Opto-Electronics Corporation is echoing to the "environmental coexistence" under corporate social responsibility, we hope to work with an external party who shared the same principle to carry out action plan in marine protection.

In 2021, the Company supported Taiwan Environmental Information Association in conducting a survey of hardware facilities of the bay landfill site on the one hand, and provided adequate resources for diving volunteers on the other hand, for the divers to dive into the ocean for ecological examination of tropical rainforest - "Coral"; Besides, the Company also joined Taiwan's Azure Alliance to develop marine garbage automation cleaning machines, and encouraged the team while collecting machine data at the same time to conduct field surveys for the fishing port waters and the terrestrial environment of Kaohsiung City.

# Sea you Again Love the Sea Infinity Action Plan

# Circular economy for life time, responding and participate in the  
Second Taiwan Science Festival





## Sea you Again Love the Sea Infinity Action Plan

In 2021, Radiant's environmental education philosophy continued to focus on the ocean. With the goal of "recreating a blue sea", we implemented diverse marine protection action plan, try to reduce from the source, with actions to focus on the bay and the ocean in many ways simultaneously. The coral protection that extends from the land to the coast and further into the seabed, is aimed at creating a protective network for the ocean through the perfect combination of "source management" and "back-end clearing".

**"Fight for azure, clean harbor"** In cooperation with the "Taiwan's Azure Alliance", we focused on the development of marine garbage automation cleaning equipment and related research, to introduce solutions for the area by design. The results of collaboration will be introduced into Kaohsiung's first fishing port – Qianzhen Fishing Port. In addition to assisting in the cleanup of pollution sources on the harbor, the geographical environment around the Bay was also recorded through the new cleaning equipment, to keep record as important survey information and data for Kaohsiung Bay.

**"Coral reef health examination-take care of the underwater rainforest"** To support Taiwan Environmental Information Association and volunteers to produce coral health examination reports for Taiwan, so that relevant units can take necessary measures according to the physical examination reports. In 2021, health examinations have been carried out for Taitung, Green Island and 2 areas in Kihau.

**"Marine Waste Action-Waste leakage"** To support marine waste action initiated by "Taiwan Environmental Information Association", which has been deeply involved in the environmental agenda for a long period. To help the Association to successfully prepare the only "Marina and River Landfill Report" for Taiwan, in order to effectively urge the government to improve high-risk landfill sites. Through policy discussions to supervise government and enterprises to truly implement plastic restriction policy.



The above photos were provided by TEIA



## "Circular economy for life time", responding and participate in the Second Taiwan Science Festival

Support for Taiwan Science Festival Activities, which National Science and Technology Museum was the main host for Southern Taiwan, and has adopted "Circular economy for life time" as the main theme for the Second Taiwan Science Festival. There were total of 22 series of activities being launched that were in line with "UN Sustainable Development Goals", including "Earth Defense War Action!" popular science plays, circular life carnival, toddler paper science, secrets of eternal life for all - Circular Journey, toy doctors, native textile culture and banana yarn creations, science market, and innovative highlights such as "Save the Earth - a mysterious game of augmented reality" combined with classic museum, to create an atmosphere for the whole population to participate in science feasts.

## Section 22

Series Events of Science Festival

# 175,885 Participants

Number of participants





# CULTURAL AND ARTS

## Nurturing, Inheritance, Literacy Creativity to illuminate art literacy of Southern

Since 2019, Radiant's supports in cultural and arts activities has a clearer skeleton, high-quality exhibitions produced by "local, emerging and potential" artistic teams are being chosen, to internalize cultural literacy of employees through the co-operation process. Besides, local creative project launched by "National Kaohsiung Center for the Arts", the international exhibition hall, was being selected for series supports. We try to connect the project with Kaohsiung to describe our affections towards the city in terms of content, creator, or inspiration, etc.; Besides, the Company also pay attention to old cultures and still participate in the regional revitalisation program of the Yanchen old community through online conference, even under the pandemic period. In 2021, the supports in software and hardware of traditional shadow puppet culture has started to bear fruits, our engineers has successfully light up the traditional stage by using our lighting expertise. 2021 was a difficult year, hundres of industries were affected by the pandemic, especially for the arts and culture team, which already not easy to operate during pre-pandemic times. From the perspective of social welfare, Radiant encouraged public to support the exhibition hall in the post-pandemic period to enable the artist to flow back to the performance stage.

- # Support local exhibition plan to demonstrate Kaohsiung's strength
- # CSR × USR Lighting up old Neighborhoods - from offline to online Yanchen program,  
Street Players - Reborn of abandoned pallet
- # Light and Shadow - Shadow Puppet Educational Promotion Program started to bear fruits
- # Supportive to artistic team - Post-Covid performance



Pictures are provided by National Kaohsiung Center for the Arts

## Kaohsiung Magnificent Series Performance To tell the story of love for Kaohsiung with arts.

Kaohsiung Magnificent Series Performance was organized by National Kaohsiung Center for the Arts annually, the program is always associated with Kaohsiung in a certain orientation such as content, creator or inspiration.

With the purpose of supporting Kaohsiung's local, emerging and potential teams, Radiant hopes to have more people to see the beauty of Kaohsiung in different ways, and the strength of soft power of arts in the Southern, through supports in Kaohsiung Magnificent Series Performance.

# 20,876 Participants

When touch about performance, Radiant will be seen



## Offline and Online show to continue the beauty of Yanchen

### - To participate with arts and get to know old places in Yanchen

In May 2021, the outbreak of COVID-19 in Taiwan has triggered alertness of Level 3, which was also on the planned organizing period for the annual local festival event "Yanchen Program", that is in cooperation with USR of National Sun Yat-sen University. In order to not disrupt the cultural tradition established by the event, the team has reorganized and decided to change the model of event, which eventually has launched the first online curatorial exhibition to continue to promote the old cultural beauty of Yanchen by utilising the Internet medium that is currently populated among the youngsters.

Besides, the Company supports the utilisation of waste recycling to promote the concept of circular economy, which street children activities were organized at Maya Park, Yanchen, abandoned pallets provided by Radiant were turned into interesting toys for children, this would also promote children's play rights from the activities.

# 5

 Days

Live streaming of Yanchen program

# 7

Talk shows and online performance with local characteristic of Yanchen

# Approximately 100,000

 Participants

When touch about activities, Radiant will be seen







Photos are provided by Kaohsiung Museum of shadow puppet

## Light and Shadow - Gradually bearing fruits of cultural

Light and Shadow - Shadow Puppet Education Promotion Program initiated by Radiant Opto-Electronics Corporation, was started by a combination of software and hardware, not only has completed first stage of lighting improvement, but also conducted trial run with the help from Shadow Puppet Promotion Association in school, reviews are given for follow-up improvement policy; In addition, the script for local new drama is also handled by professional playwright, training workshop will be opened based on the script for cultivation of shadow puppet education promotion.

Since 2019, Radiant Opto-Electrics Corporation has been working with Kaohsiung Museum of History and Museum of Shadow Puppet, planted a cross border seed in shadow puppet industry, and now the seed is started to bud.

## Supportive to artistic team, support artistic performers to flow back to the stage

In mid-May 2021, the COVID-19 pandemic has entered into alert of Level 3, indoor and outdoor venues were required to close completely, arts and literature industry that requires large number of "popularity" was the first to be severely affected. In consideration of social welfare and to show support to South Taiwanese cultural and arts, Radiant Foundation has activated "Supportive to artistic team program". In order to ensure that the artists who have been nourished into hard-won talents are not lost and their creative power is not interrupted. When pandemic is easing, we contributed financial supports for artistic activities and mobilize employees to participate in order to revive artistic events.



Photos were provided by Neo-Classical Chamber Ensemble

# 5

Theme Navigation for community

# 10

Performing Arts Events

# 434

Participants

Employee echoes in purchasing/collectingticket

# 17,304

Participants

Watch performance, Radiant will be seen



## Volunteers Biodata

To record the journey and emotion change of volunteer service, to recall for original intention. Volunteer service spirits of the Company to be transmitted to employees and departments, to expand contribution to the society and the influences of volunteer culture.



April Issues  
Edison Digital Products Division  
黃國豪



August Issues  
Danny Administrative Center  
江秉諭



December Issues  
Oliver R&D center  
戴永輝

# 5

## APPENDIX





## Appendix I Statement of Verification



### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Radiant Opto-Electronics Corporation 2021 Sustainability Report

The British Standards Institution is independent of Radiant Opto-Electronics Corporation (hereafter referred to as ROE in this statement) and has no financial interest in the operation of ROE 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 ROE 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 ROE. 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 ROE only.

#### Scope

The scope of engagement agreed upon with ROE includes the following:

1. The assurance scope is consistent with the description of Radiant Opto-Electronics Corporation 2021 Sustainability Report.
2. The evaluation of the nature and extent of the ROE's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

#### Opinion Statement

We conclude that the Radiant Opto-Electronics Corporation 2021 Sustainability Report provides a fair view of the ROE sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ROE and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate ROE's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurance 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 ROE's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to ROE's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 9 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- 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).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that ROE 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 ROE's inclusivity issues.

#### Materiality

ROE publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of ROE and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the ROE's management and performance. In our professional opinion the report covers the ROE's material issues.

#### Responsiveness

ROE has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ROE is developed and continually provides the opportunity to further enhance ROE's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the ROE's responsiveness issues.

#### Impact

ROE has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. ROE has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the ROE's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

ROE provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). 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 ROE's sustainability topics.

#### 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.

#### Responsibility

The sustainability report is the responsibility of the ROE'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 Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004 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.



For and on behalf of BSI:

*Peter Pu*  
Peter Pu, Managing Director BSI Taiwan

Statement No: SRA-TW-2021060  
2022-05-17

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Taiwan Headquarters: 2nd Floor, No. 27, 3rd Rd., Shilin Dist., Taipei 114, Taiwan, R.O.C.  
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## Appendix II GRI Standards Disclosure Comparison Table GRI 102-55

Note: Significant Issues

GRI Guidelines	Disclosure items	Corporate Reporting Section	Page No.	Omitted/Notes
GRI 102: General Disclosure 2016				
Organization Overview	102-1 Organization Name	Company	10	This disclosure item cannot be omitted
	102-2 Events, Brands, Products & Services	Company	10	This disclosure item cannot be omitted
	102-3 Headquarter Location	Company	10	This disclosure item cannot be omitted
	102-4 Location of operation	Company	10	This disclosure item cannot be omitted
	102-5 Ownership and legal form	Company	10	This disclosure item cannot be omitted
	102-6 Markets served by the organization	Product and Services	31	This disclosure item cannot be omitted
	102-7 Size of Organization	Company	10	This disclosure item cannot be omitted
	102-8 Employees and other workers information	Employee Structure	58	This disclosure item cannot be omitted
	102-9 Supply Chain	Transaction Analysis of Vendor	39	This disclosure item cannot be omitted
	102-10 Major changes in the organization and its supply chain	Governing Organization	13	This disclosure item cannot be omitted
	102-11 Early warning principles or policies	I-5 Risk Management	19	This disclosure item cannot be omitted
	102-12 External initiatives	No participation in relevant external initiatives in 2021	-	This disclosure item cannot be omitted
Strategies	102-13 Membership Qualification of the Association	Participating Organization	12	This disclosure item cannot be omitted
	102-14 Statement of the decision maker	Chairman' s Letter	05	This disclosure item cannot be omitted
	102-15 Critical Shocks, Risks and Opportunities	Chairman' s Letter I-5 Risk Management	05 19	
Ethics and Integrity	102-16 Values, Principles, Standards and Code of Conduct	Integrity Management	22	This disclosure item cannot be omitted
	102-18 Governance structure	Governing Organization	13	This disclosure item cannot be omitted
	102-19 Delegation of Authority	Sustainable Development Committee	17	
Governance	102-22 Composition of the Supreme Governance Unit and its Committees	Board Meetings	13	
	102-23 President of the Supreme Governance Unit	Board Meetings	13	
	102-24 Nomination and election of the highest governing body	Board Meetings	13	
	102-26 The role of the highest governance unit in establishing purpose, values and strategy	Board Meetings	13	
	102-27 Group intelligence of the highest governance unit	Board Meetings	13	
	102-29 Identify and manage the economic, environmental and social impacts	Sustainable Development Committee	17	
	102-31 Monitoring of economic, environmental and social issues	Sustainable Development Committee	17	
	102-32 The role of the top governance unit in sustainability reporting	Sustainable Development Committee	17	

GRI Guidelines	Disclosure items	Corporate Reporting Section	Page No.	Omitted/Notes
GRI 102: General Disclosure 2016				
Stakeholder communication	I02-40 Stakeholder Groups	Identification of Stakeholders	26	This disclosure item cannot be omitted
	I02-41 Group Agreements	Human Rights Policy	57	This disclosure item cannot be omitted
	I02-42 Identification and selection of stakeholders	Identification of Stakeholders	26	This disclosure item cannot be omitted
	I02-43 Guidelines for communication with stakeholders	Stakeholders Engagement	26	This disclosure item cannot be omitted
	I02-44 Key topics and concerns raised	Survey and Responses on Concerned Topics	28	This disclosure item cannot be omitted
Reporting practices	I02-45 Entities included in the consolidated financial statements	Scope	02	This disclosure item cannot be omitted
	I02-46 Defining report content and topic boundaries	Material Topic Scope and Objectives	29	This disclosure item cannot be omitted
	I02-47 List of material topics	Material Topic Scope and Objectives	29	This disclosure item cannot be omitted
	I02-48 Information Reprogramming	No such situation in 2021	-	This disclosure item cannot be omitted
	I02-49 Reporting Changes	No such situation in 2021	-	This disclosure item cannot be omitted
	I02-50 Reporting Period	Scope	02	This disclosure item cannot be omitted
	I02-51 Date of the last report	Report Publication	03	This disclosure item cannot be omitted
	I02-52 Reporting cycle	Report Publication	03	This disclosure item cannot be omitted
	I02-53 Contacts who is able to answer questions in relation to the report	Contact Info	03	This disclosure item cannot be omitted
	I02-54 Announcements that is accordance with GRI guidelines	Report Framework	02	This disclosure item cannot be omitted
	I02-55 GRI Content Index	GRI Content Index External assurance/confidence	98	GRI Content Index External assurance/confidence
	I02-56 External assurance/confidence	Report Assurance	02	
GRI 103: Management Policy 2016				
	I03-1 Explanation on major issues and their boundaries	Material Topic Scope and Objectives	29	
	I03-2 Management Policy and its Elements	Integrity Management	22	
		4-I Friendly Workplace	56	
		Product and Services	31	
		Occupational Safety and Health	71	
		Talent Development System	66	
	I03-3 Evaluation of Management Policy	Integrity Management	22	
		4-I Friendly Workplace	56	
		Product and Services	31	
		Occupational Safety and Health	71	
		Talent Development System	66	



GRI Guidelines	Disclosure items	Corporate Reporting Section	Page No.	Omitted/Notes
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Financial Performance	30	
201-3	Defined benefit plan obligations and other retirement plans	Salaries & Benefits	62	
201-4	Financial subsidies from government	Financial Performance	30	
GRI 202: Market Presence 2016				
202-1	The ratio of standard salary for general employees of different genders to local minimum salary	Vendors Policies Salaries & Benefits	36 62	
202-2	Proportion of senior executives hired from the local community	Employee Structure	58	
GRI 203: Indirect Economic Impacts in 2016				
203-1	Infrastructure investment and development of support services and impacts	4-4 Social Engagement	76	
GRI 204: Procurement Practices 2016				
204-1	Percentage of procurement expenses on local vendors	Transaction Analysis of Vendor	39	
GRI 205: Anticorruption*2016				
205-2	Communication and training on anti-corruption policies and procedures	Integrity Management	22	
205-3	Confirmed corruption cases and actions taken	Integrity management	22	
GRI 206: Anti-competitive behavior * 2016				
206-1	Legal Actions Involving Anticompetitive Behavior, Antitrust, and Monopoly	No such situation in 2021	-	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy Resource Management	48	
302-3	energy intensity	Energy Resource Management	48	
302-4	Reduction in energy consumption	Energy Resource Management	48	
GRI 303: Water and Effluents 2018				
303-2	Management of drainage related impacts	Energy Resource Management	48	
303-3	Water intake	Energy Resource Management	48	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Climate Change	46	
305-2	Indirect Energy (Scope 2) GHG emissions	Climate Change	46	
305-3	Other indirect (Scope 3) GHG emissions	Climate Change	46	
305-5	Reductions in GHG emissions	Climate Change	46	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant gaseous emissions	Pollution Prevention and Control	50	
GRI 306: Industrial Waste 2020				
306-3	Generation of waste	Pollution Prevention and Control	50	
306-4	Disposal & transfer of waste	Pollution Prevention and Control	50	
306-5	Direct disposal of waste	Pollution Prevention and Control	50	



GRI Guidelines	Disclosure items	Corporate Reporting Section	Page No.	Omitted/Notes
GRI 307: Environmental Compliance 2016				
307-1	Violation of environmental regulations	No such situation in 2021	-	
GRI 308: Vendor Environmental Assessment 2016				
308-1	To screen new vendors with environmental criteria	Vendors Sustainability Specification	36	
GRI 401: Labour Relations * 2016				
401-1	New employees and former employees	Employee Structure Appendix 6 Relevant Data	58 104	
401-2	Benefits provided to full-time employees (not including temporary or part-time employees)	Salaries & Benefits	62	
401-3	Parental Leave	Salaries & Benefits	62	
GRI 402: Labor/Management Relations* 2016				
402-1	402-1 Minimum notice periods for operational changes	Human Rights Policy	57	
GRI 403: Occupational Health and Safety * 2018				
403-1	Occupational Health and Safety Management System	Occupational Safety and Health	71	
403-2	Hazard identification, Risk assessment and accident investigation	Occupational Safety and Health	71	
403-3	Occupational health services	Employee health care	74	
403-4	Worker involvement, consultation and communication in occupational safety and health	Occupational Safety and Health	71	
403-5	Worker training on occupational safety and health	Occupational Safety and Health	71	
403-6	Worker health promotion	Employee health care	74	
403-7	Preventing and mitigating occupational safety and health impacts directly related to business relationships	Occupational Safety and Health	71	
403-9	Occupational Injury	Occupational Safety and Health	71	
403-10	Occupational Diseases	Employee health care	74	
GRI 404: Training and Education 2016				
404-1	Average number of hours of training per employee per year	Training Results	70	
404-2	Programs for upgrading employee skills and transition assistance	Employees training	69	
404-3	Percentage of employees receiving regular performance and career development reviews	Salaries & Benefits	62	
GRI 405: Employee Diversity and Equal Opportunities * 2016				
405-1	Diversity of governance bodies and employees	Employee Structure	58	
405-2	Ratio of basic salary and remuneration of women to men	Salaries & Benefits	62	
GRI 406: Non-discrimination * 2016				
406-1	Incidents of discrimination and improvement actions taken by the organization	Human Rights Policy	57	
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operating sites or vendors that may be at risk of freedom of association and group negotiation	Human Rights Policy	57	
GRI 408: Child Labour * 2016				
408-1	Significant risks of child labour at operating locations and vendors	Human Rights Policy	57	



GRI Guidelines	Disclosure items	Corporate Reporting Section	Page No.	Omitted/Notes
GRI 409: Forced or compulsory labour * 2016				
409-1	Operating locations and vendors with significant risks of forced and compulsory labor	Human Rights Policy	57	
GRI 410: Security Practices * 2016				
410-1	Security personnel training on human rights policies or procedures	Human Rights Policy	57	
GRI 411: Aboriginal Rights 2016				
411-1	Incidents involving violations of Aboriginal rights	No such situation in 2021	-	
GRI 412: Human Rights Assessment 2016				
412-2	Employees training on human rights policies or procedures	Employees training	69	
412-3	Significant investment agreements and contracts that contain human rights clauses or have undergone human rights review	No such situation in 2021	-	
GRI 413: Local Community 2016				
413-1	413-1 Operations with local community engagement, impact assessments, and development programs	4-4 Social Engagement	76	
413-2	Operations with significant actual or potential negative impact on the local community	No such situation in 2021	-	All Radiant's factories 100% conduct environmental impact assessment in accordance with local laws and regulations
GRI 414: Vendor Social Assessment 2016				
414-1	To screen new vendor with society code of conducts	Vendors Sustainability Specification	36	
GRI 415: Public Policy 2016				
415-1	Political donations	Radiant Opto-Electronics Corporation is political neutral and no political donation	-	
GRI 416: Customer Health and Safety * 2016				
416-2	Violations of health and safety regulations related to products and services	No such situation in 2021	-	
GRI 417: Marketing and Labeling * 2016				
417-2	Incidents of failing to comply with product and service information and labeling regulations	No such situation in 2021	-	
417-3	Incidents of failing to comply with marketing communications regulations	No such situation in 2021	-	
GRI 418: Customer Privacy * 2016				
418-1	Complaints of proven infringement of customer privacy or loss of customer data	No such situation in 2021	-	
GRI 419: Social and Economic Regulations Compliance 2016				
419-1	Violation of laws and regulations in the social and economic fields	No such situation in 2021	-	



## Appendix 3 SASB Comparison Table

S/N	Indicator Description	Relevant Sections	Pages
Product Information Security			
TC-HW-230a.1	Explanation on risk identification and management methods for product information security	Information Security	23
Diversity and inclusive of employees			
TC-HW-330a.1	Percentage of all employees by gender and ethnicity in (1) management, (2) technicians, and (3) all other employees	Appendix 6 Relevant Data	104
Product Life Cycle Management			
TC-HW-410a.1	Percentage of annual revenue for product complies with IEC 62474 controlled substances that required declaration	Backlight module is not an end product, therefore no relevant statistics	-
TC-HW-410a.2	Percentage of annual revenue for product complies with EPEAT standards or equivalent	Backlight module is not an end product, therefore no relevant statistics	-
TC-HW-410a.3	Percentage of annual revenue for product complies with ENERGY STAR requirements	Percentage of annual revenue for product complies with ENERGY STAR requirements Backlight module is not an end product, therefore no relevant statistics	-
TC-HW-410a.4	Total recycled weight of discarded products; and percentage of recycled weight against total product weight sold	Backlight module is not an end product, therefore no relevant statistics	-
Supply Chain Management			
TC-HW-430a.1	Percentage of Tier I vendors who performed RBA Validated Audit Process (VAP) or equivalent audit against total number of (a) All suppliers and (b) High risk suppliers	Vendors Sustainability Specification	36
TC-HW-430a.2	Percentage of Tier I Vendor who has (1) not passed RBA validated audit process or equivalent audit against total number of vendors who performed the said audit; and (2) Improvement pursuant to audit findings of Tier I vendor on (a) material deficiencies and (b) other deficiencies	Vendors Sustainability Specification	36
Procurement of materials			
TC - HW - 440a.1	Description of risk management using critical materials	Green Products	44

## Appendix 4 ISO 26000 Clause Comparison Table

	Agenda	Relevant Sections	Pages
Organizational governance	System for decisions making and implementation in materialising goals	Business philosophy and vision	11
	Regulatory audit	Human Rights Policy	57
	human rights risk	Human Rights Policy	57
	Avoid conspiracy - direct, benefit and silence conspiracy	Internal Control	21
	Resolve grumbles and complaints	Human Rights Policy	57
Human rights	Discrimination and Underprivileged Groups	Human Rights Policy	57
	Civil and political rights	Human Rights Policy	57
	Economic, social and cultural rights	Human Rights Policy	57
	Fundamental right at work	Human Rights Policy	57
	Hiring and Employment Relationships	Employee Structure	58
Labor Practice	Working conditions and social protection	Human Rights Policy	57
	Social conversations	Stakeholders Engagement	26
	Health and safety at work	4-3 Safety and health	71
	Manpower Development and Training	4-2 Talent Development	66
	Pollution prevention	Environmental Management	46
Environmental	Utilization of Sustainable Resources	Green Initiative	45
	Climate change mitigation and adaptation	Climate Change	46
	Protection and restoration of the natural environment	Green Service Environmental Management	41 46
	Anti-Corruption	Integrity Management	22
	Responsible political participation	No political engagement in 2021	-
Fair business practices	Fair Competition	Integrity Management	22
	social responsibility in promoting value chains	Vendors Management	36
	Respect for intellectual property rights	R&D and Innovation	35



Agenda		Relevant Sections	Pages
Consumer Agenda	Fair Marketing, Information and Contract Practices	Integrity Management	22
	Protecting the health and safety of consumers	Products and Services Green Products	31 44
	Sustainable expenses	Green Services	41
	Consumer Services, Support, Complaints and Dispute Resolution	Products and Services	31
	Consumer data protection and privacy	R&D and Innovation Information Security	35 23
	Provide necessary services	Products and Services	31
	Education and Cognition	Social Engagement	76
	Community Engagement	Social Engagement	76
	Education and culture	Talent Development	66
	Job creation and technological development	Employee Structure	58
Community Engagement and Development	Science and technology development	R&D and Innovation	33
	Wealth and income creation	Business Overview	30
	Health	Employee health care	71
	Social Investments	Social Engagement	76

## Appendix 5 The UN Global Compact comparison table

Category	10 principles	Relevant Sections	Pages
Human rights	Businesses should support and respect internationally recognized human rights	Human Rights Policy	57
	assurance of not to be complicit with human rights abuses	Human Rights Policy	57
	Business community should support freedom of association and fully recognize the right of collective bargaining	Human Rights Policy	57
Labor Standards	Elimination of all forms of forced and compulsory labour	Human Rights Policy	57
	Effective abolition of child labour	Human Rights Policy	57
	Elimination of discrimination in employment and occupation	Human Rights Policy	57
Environmental	Business community should support a preventive approach to environmental challenges	Environmental Management	46
	Take proactive action in promoting more environmentally responsible practices	Green Services	41
	Encourage the development and promotion of environmentally friendly technologies	Green Design	41
Anti-Corruption	Business community should strive against all forms of corruption, including extortion and bribery	Integrity Management	22

## Appendix 6 Relevant Data GRI 401-I

Key Indicators		2021	2020	2019
Financial Performance	Operating income (NT\$ 000)	56,924,059	56,093,201	56,120,587
	Operating cost (NT\$ 000)	46,364,505	45,420,091	45,959,383
	Gross operating profit (NT\$ 000)	10,559,554	10,673,110	10,161,204
	Net profit before tax (NT\$ 000)	7,532,296	6,945,564	8,241,909
	Earnings per share (NT\$)		11.24	12.62
	Income tax expenses (NT\$ 000)	2,342,321	1,717,899	2,372,066
	Attendance of shareholders' meeting (%)	70.91	73.13	82.52
R&D Innovation	R&D expenses (NT\$ 000)	2,083,869	1,758,213	1,927,988
	Number of patents (case)	67	88	85
	Shipment quantity (thousand sheets)	134,456	121,384	136,022
Customer Relationships	Customer satisfaction (%)	96.7	94.6	93.9
Vendors Management	Local procurement (%)	50.80	52.38	60.58
GHG emissions (estimated figure for 2021)	Total (ten thousand metric tons of carbon dioxide equivalent)	11.07	11.48	13.31
	Scope 1 (ten thousand metric tons of carbon dioxide equivalent)	0.31	0.32	0.42
	Scope 2 (ten thousand metric tons of carbon dioxide equivalent)	10.76	11.16	12.89
Utilization of resources	Electricity (millions degrees)	171	165	181
	Natural Gas (ten thousands degrees)	38	32	55
	Water (million litres)	1,837	1,712	1,894
Pollutant Management	Waste generation (metric ton)	6,642	6,218	7,213
	Volatile organic substance generation (metric ton)	2.6	2.4	2.2
	Environmental protection expenses (NT\$ 000)	18,065	14,932	13,915
Green Products	Number of prohibited substances (item)	424	389	374
	Packaging material recycle rate (%)	>99.3	>96.7	>96.5
Employee Composition	Total number of employees (persons)	16,484	20,229	14,664
	Employees of Taiwan factory(persons)	925	961	1,075
	Employees of mainland factories (persons)	15,559	19,268	13,589
	Female employees (%)	33.5	29.1	37.2
Education Training	Female who holds management position (%)	22.6	21.5	21.7
	Employee Training Hours (hours)	456,235	651,254	240,959
Occupational health and safety	Disability Injury Frequency	0.41	0.35	0.46
	Incapacity Damage Severity Rate	10	10	7
	Combined injuries Index	0.06	0.05	0.05
Social Engagement	Volunteer Service (Hours)	208	940	1,130
	Participation in Foundation's events (number of participants)	190,000	22,699	19,462

Currency : NT\$



## Manpower Structure 2021

Category	Groups	Male		Female		Total number by group	
		Numbers	Percentage of the group	Numbers	Percentage of the group	Percentage of the group Numbers	Percentage of total
Duties	Supervisor	294	77.4%	86	22.6%	380	2.3%
	Engineering staff	793	80.8%	189	19.2%	982	6.0%
	Technical staff	9,150	67.8%	4,342	32.2%	13,492	81.8%
	Administrative staff	140	22.9%	471	77.1%	611	3.7%
Jobs Location	Taiwan	525	56.8%	400	43.2%	925	5.6%
	mainland	10,444	67.1%	5,115	32.9%	15,559	94.4%
Age	Below 30	7,201	70.0%	3,089	30.0%	10,290	62.4%
	31~50	3,706	61.1%	2,362	38.9%	6,068	36.8%
	Above 51	62	49.2%	64	50.8%	126	0.8%
Total number by gender		10,969	66.5%	5,515	33.5%	16,484	100.0%
All employees		16,484					

## New employees, Resigned employees and Management Structure 2021

Category	Groups	New employees		Resigned employees		Management structure	
		Numbers	Percentage of the group	Numbers	Percentage of the group	Numbers	Percentage of the group
Sex	Female	16,373	20.9%	16,529	20.4%	86	22.6%
	Male	61,932	79.1%	64,340	79.6%	294	77.4%
Jobs Location	Taiwan	69	0.1%	110	0.1%	222	58.4%
	mainland	78,236	99.9%	80,759	99.9%	158	41.6%
Age	Below 30	59,870	76.5%	61,584	76.2%	2	0.5%
	31~50	18,434	23.5%	19,273	23.8%	336	88.4%
	Above 51	1	0.0%	12	0.0%	42	11.1%
Total		78,305		80,869		380	

