

2022

RADIANT OPTO-ELECTRONICS
SUSTAINABILITY REPORT



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

2022

RADIANT
OPTO-
ELECTRONICS
CORPORATION



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

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About This Report

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

Reporting Period

The information disclosure period of this report is from January 1, 2022, to December 31, 2022. In order to ensure the integrity of project and activity performance, certain content will cover periods before January 1, 2022, as well as after December 31, 2022. The 2022 Sustainability Report will be published in June 2023, and it can be downloaded from the "Corporate Sustainability Section" of the website.

Principles of Preparation

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



Reporting Scope

This report covers Radiant Opto-Electronics Corporation's physical premises, including the Head Office in Kaohsiung, Taiwan, and three production plants located in mainland China: Wujiang Factory, Nanjing Factory, and Guangzhou Factory. During the reporting period, there were no significant changes in organizational size, structure, ownership, or supply chain. The financial data presented in this report is sourced from Radiant Opto-Electronics Corporation's 2022 consolidated financial statements, and has been verified by the accounting firm KPMG. For further information, please refer to Radiant Opto-Electronics Corporation's 2022 Annual Report.

Report Management Internal management

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

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External Verification

In order to enhance the accuracy and credibility of the information in this report, ROEC has engaged a third-party verification unit, the British Standards Institution (BSI), to conduct the verification. The company has independently upgraded the verification level to Type 2 moderate assurance level for GRI verification, and Type 1 moderate assurance level for SASB verification. The details are as follows:

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

Quality of Information		
Issuing Unit	Item to Follow	Assurance Agency
Sustainability Information	GRI	AA1000 Assurance Standards v3 (Type 2 Moderate Assurance Level)
	SASB	AA1000 Assurance Standards v3 (Type Moderate Assurance Level)
Financial Information	Annual Financial Report	KPMG
Environmental Information	ISO 14064: 2018 Greenhouse Gas Inventory	Kaohsiung Factory
		Wujiang Factory, Nanjing Factory
		Guangzhou Factory
		British Standards Institution (BSI)
		Ti Testing and Certification Group (Shanghai)
		WIT Assessment

Contact Information

If you have any suggestions or queries regarding the sustainability of our business, please feel free to contact us. Our contact information is as follows:

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Chairman's Message

To all stakeholders:

In addition to the impact of the pandemic, the Ukrainian-Russian war has added to the gloom. In the face of these uncertainties, Radiant Opto-Electronics Corporation continues to stand firm with a steady pace, achieving its goals, and to propose solutions that meets the challenges head-on, demonstrating remarkable results. In the face of a grim future, many challenges go beyond past experience—not just the economic downturn, but also the challenges of international sustainability issues such as climate change, net-zero carbon emissions, carbon taxes and fees, renewable energy, and many others. These challenges cannot be solved in a short period of time and require intelligent management, continuous accumulation of efforts, and hard work to address.

During this unstable time, ROEC has demonstrated a steady pace of operation. With contributions from the laptop and tablet products as well as foreign exchange, overall operations have been relatively stable. Cumulative revenue for 2022 was NT\$58.701 billion, which was an annual increase of 3.1% and a new high in the nine years since 2013. The Company has also consistently seen growth of NT\$10 in earnings per share for the past five years.

In response to sustainability issues, Radiant Opto-Electronics has taken several measures. First, we have strengthened our Sustainability Development Committee by including independent directors, who participate in the planning of sustainable blueprints, strategies, and policies. Additionally, the committee has expanded the structure by establishing a Carbon Management Task Force to promote carbon management and the path to achieving net-zero carbon emissions. To enhance communication with stakeholders and increase transparency of sustainability information, Radiant Opto-Electronics reinforce the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD). It is also promoting third-party certification based on the Sustainability Accounting Standards Board (SASB) framework. Furthermore, in response to investor demands, the corporation is responding to the Carbon Disclosure Project (CDP) questionnaire, disclosing corporate carbon information. Radiant Opto-Electronics is also actively engaging in carbon management throughout the supplier chain. We conduct carbon management surveys on suppliers, extending our influence to upstream suppliers and striving towards sustainable development."

At the same time, Radiant Opto-Electronics Corporation is continuously driving digital transformation and encouraging its employees to propose internal transformation projects. These projects include a Carbon Management Platform, an Energy Efficiency Management Platform, an Industrial Bureau Information Security Enhancement Program, an RPA (Robotic Process Automation) Rollout, a SAP (System Applications and Products) Hardware Upgrade, AP (Access Point) Virtualization, an RTI Patent Knowledge Base, an eHRD (Elearning Human Resources Development) Human Resource Development System, continuous computer audits, and regulatory cloud risk control, among others. By integrating smart tools and technology, Radiant Opto-Electronics Corporation can improve or deepen work processes and efficiency, starting from a management perspective to address the challenges of corporate sustainability. The Company's problem-solving expertise enables it to achieve better efficiency. In 2022, ROEC participated in the CGMA Global Management Accounting Competition and received the Best Robotics Process Automation Practice Award, capturing the judges' attention from among a large number of competing companies.

Radiant Opto-Electronics Corporation places great emphasis on the diverse development of employee training and continuous improvement of talent development and education training. Following the PDDRO (Plan, Design, Do, Review, Outcome) cycle and utilizing the Radiant Opto-Electronics Corporation learning management system, the company has optimized its existing training operations. This effort was recognized with the TTQS Silver Medal award from the Workforce Development Agency, Ministry of Labor, Executive Yuan, affirming the company's commitment to the quality of employee education and training environment. On the other hand, we value the happiness and sense of achievement of our employees, and have launched various projects to create a friendly and inclusive workplace. For example, we have introduced a new style of staff meals and implemented new dormitory management practices. We hope that these initiatives will enhance the well-being and satisfaction of our employees.

Radiant Opto-Electronics Corporation's efforts in ESG sustainability were widely recognized in 2022. Not only have we won the TCSA Taiwan's Top 100 Corporate Sustainability Award and the Silver Award for Electronic Information Manufacturing Reporting, we have also been awarded the Contribution to Public Welfare Award by the Ministry of Economic Affairs in the Export Processing Section and the Special Service Award by the Social Affairs Bureau of Kaohsiung City Government Volunteer Service Evaluations this year.

The significance of sustainable development lies in meeting the needs of the present without jeopardizing meeting the needs of future generations, therefore, the importance of sustainable development in ROEC has also been continuously upgraded. Sustainability will continue to be a major direction in global industry development. Radiant Opto-Electronics Corporation is fully committed to preparing for the digital transformation of intelligent management and the low-carbon transformation of products. We are improving our carbon management internally and incorporating low-carbon considerations into product design at the source. We will also work with our customers and suppliers to enhance our collective sustainable impact and confront future challenges together.

As global issues such as COP27, biodiversity, and cross-regional cooperation gain traction, and as Taiwan embarks on its path towards net-zero emissions by 2050 and climate change regulations, the only way to mitigate operational risks and earn the trust of customers and suppliers is for companies to adhere to strict ESG regulations. At ROEC, every employee should possess sustainable awareness and practices, firmly committing to the sustainable goals of "coexistence of the environment, co-prosperity of society, and mutual benefit," while continuously strengthening our linkage with the United Nations' Sustainable Development Goals (SDGs). By making ESG part of the corporate cultural DNA of ROEC, we can work together to realize corporate sustainability and create long-lasting value.

**Radiant Opto-Electronics
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Chairman Pen-Jan Wang

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About Radiant Opto-Electronics Corporation

Founded in July 1995, Radiant Opto-Electronics Corporation is located in the Kaohsiung Technology Industrial Park (formerly known as Kaoshiung Cianjhen Export Processing Zone). We are the first manufacturer in Taiwan specializing in the development and manufacture of backlight modules, and have secured a leading position in the backlight module industry over the years. Our services cover the design, manufacture, assembly, and sales of backlight modules. With added value in core technologies, we have extended our operations into the digital product industry. Our advanced technologies and professional team have enabled us to build a close-knit partnership with our customers. Our head office is located in the Kaohsiung Technology Industrial Park in Taiwan, with a focus on research and development. In addition, we have three production bases in mainland China, located in Wujiang, Nanjing, and Guangzhou, with a total of 12,217 employees.

Radiant Opto-Electronics Corporation has been continuously investing in new machinery and equipment to expand its production capacity, keeping up with customer demand. To provide customers with even more value, the company has developed an in-plant service system and strengthened its after-sales service and technical support, building closer relationships with customers and keeping up-to-date with market trends. In terms of production line, in addition to the backlight module assembly line, ROEC has also established a full molding factory and mastered a number of key technologies, successfully implementing production of key components of the light guide plate and expanding its profitability.

Distribution of Factory Sites



Looking towards the future, Radiant Opto-Electronics Corporation aims to stay ahead of product and manufacturing technology trends by developing new process technologies and becoming a leading manufacturer of backlight modules. Riding on the growth trend of the LCD industry and based on our existing technologies in relation to backlight modules, the Company will also continue to expand its operations by integrating vertically and horizontally into the LCD industry and its related sectors. We specialize in the production of backlight modules, and in line with the Company's future globalization plan, we aim to become a major global manufacturer of backlight modules.

Company Overview

Full Name	Radiant Opto-Electronics Corporation
Number of employees	12,217
Paid-up capital	NT\$4.65 billion
Date of Incorporation	24 July 1995
Main Product	LCD backlight modules, LCD light guide plates
Chairman	Pen-Jan Wang
Head Office	No. 1, Central Sixth Road, Qianzhen District, Kaohsiung City
Operating Locations	Kaohsiung, Wujiang, Nanjing, Guangzhou

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Business Philosophy and Vision

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

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

To seek breakthroughs and innovation, Radiant Opto-Electronics Corporation holds consensus meetings every year. These meetings involve employees from various managerial levels, ranging from baseline supervisors to the Chairman, President, and senior managers. Through these meetings, the Company engages in serious discussions on topics such as sustainability, management, research and development, sales, and manufacturing. This ensures that the entire group has a unified set of operational goals and vision. In recent years, the Company has achieved vertical integration of both its upstream segment, which includes parts and components, and its downstream segment, which consists of the customer base. Additionally, the Company has been able to maintain control over key raw materials, resulting in the annual improvement of gross profit margins. The Company has also made a concerted effort to recruit professionals from various fields in order to enhance its product innovation and marketing capabilities. As a result, the Company has been successful in securing orders from major global manufacturers, which has led to an increase in market share. With a long-term strategic partnership with our customers, ROEC is on the way to becoming the world's number one backlight module manufacturer.

Operating Strategies for 2022

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

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Short-term development strategy



Short-term Development strategy

- Development of ultra-thin, high-efficiency mobile device BLU (backlight unit) products
- Light guide plate technology for thin, curved screens
- Development of automotive 2D Mini LED backlight modules
- Development of AR Combiner lens
- High-yield privacy display backlight modules
- High-performance backlight technology for VR
- Highly directional advanced color ePaper using frontlight boards
- Development of FALD backlight modules
- Development of smart lighting products and the certification thereof

- Improve capabilities in technology development and manufacturing production, expand production capacity actively to meet customer requirements
- Technical integration in development of light guide plates and backlight modules to reduce production costs and improve quality and competitiveness
- Develop automation equipment for module production and integrate it into a complete automation system
- Implementing smart manufacturing and utilizing data analytics to analyze production lines, improving overall equipment efficiency and detecting issues early on
- Actively planning energy-saving and carbon-reduction programs at each factory to improve energy efficiency and achieve annual carbon-reduction targets
- Plan the electronic management of equipment inspection, improve the efficiency of inspections, and reduce paper consumption

- Actively expand and work closely with international customers, accommodating niche customers' requirements to provide all sizes of backlight and backend modules
- Use our excellent core technical skills, including optical design, mold development, light guide plate injection, and module manufacturing, to provide full-scope products and services to our customers in all areas, including design, development, production, marketing, and after-sales services

Medium and Long-term Development Strategies

- Continue to invest in research and development of technology, cultivation of talent, and development of competitive backlight modules
- Continue to invest in key equipment and manufacturing to improve R&D capacity
- Keep abreast of growth trends in the display industry and leverage our existing expertise in backlight modules to diversify our business, developing products in display-related sectors and extending our reach both vertically and horizontally
- Integrate the technical strengths of the Company in optical, mechanical, and electrical areas, strengthen our core capabilities in backlight modules, and open up more possibilities for new businesses
- Stay abreast of market trends and continue to develop smart lighting products

- Establish long-term partnerships with key component manufacturers to maintain control over materials sourcing
- Keep abreast of developing trends in manufacturing technology to develop new manufacturing process and become a leading manufacturer in the backlight module industry
- Enhance automation systems, reduce labor and production costs, and improve competitiveness
- Extract the concepts of smart manufacturing, upgrade the Company's systems to full smart management, and further improve OEE index
- Introduce assembly line and product testing automation, plan a production process based on the principle of manpower reduction to lower labor costs
- Plan the continuing electronic management of equipment inspection, improve the efficiency of inspections, and effectively reduce paper consumption

- Build an R&D, production, and marketing system that interacts with customers closely to boost customer satisfaction
- Meet the diverse needs of customers, accommodate customers global business plans, build new cooperation models, and become a long-term strategic partner

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Association and Union Participation

Kaohsiung Factory

- Member of Taiwan Export Processing Zone Electrical and Electronic Manufactures Association
- Member of the Institute of Internal Auditors-Chinese Taiwan
- Member of Kaohsiung Personnel Representative Association

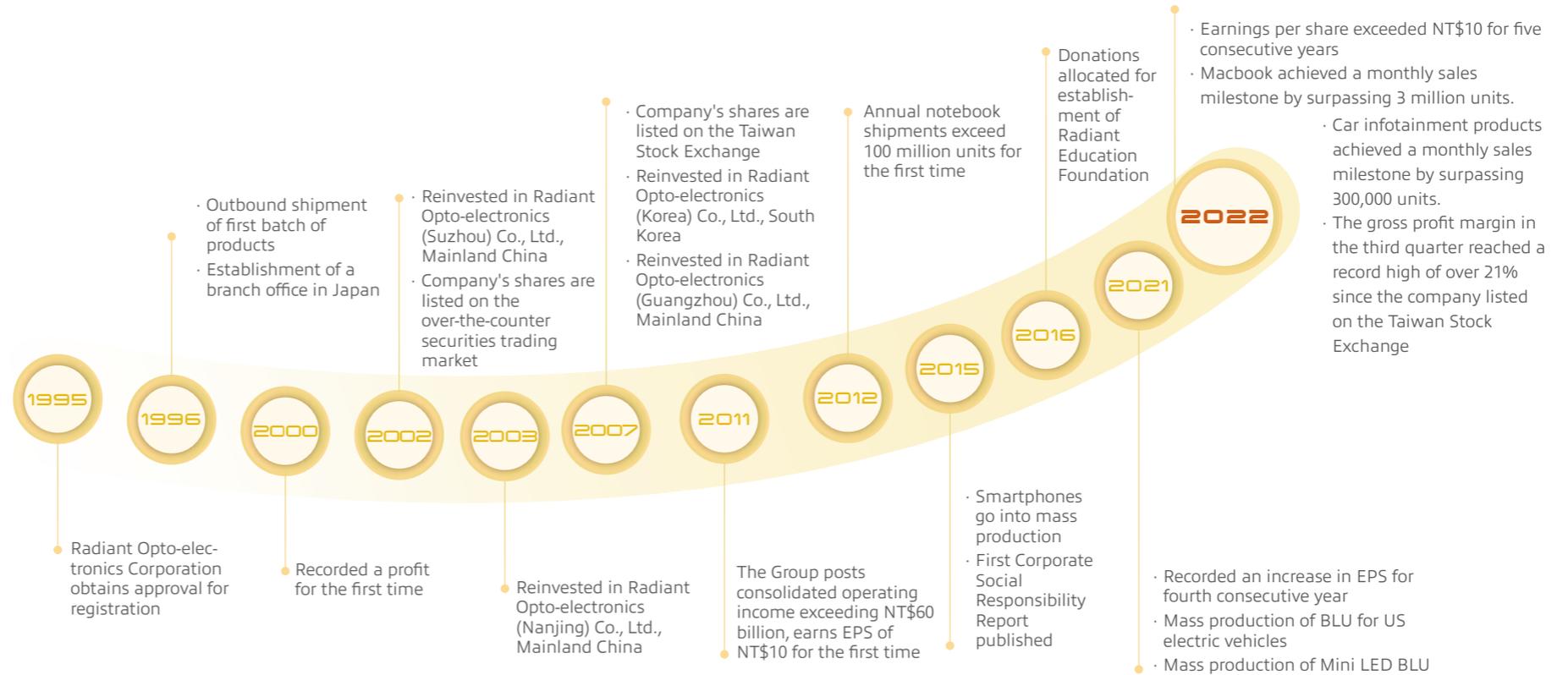
China Factories

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

Sustainability Advocacy Organizations

- CSR@CommonWealth
- Taiwan Climate Partnership
- Carbon Disclosure Project (CDP)

Timeline of Major Events



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Management Policy and Sustainable Performance for 2022

Six Capitals



Financial

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



Intellectual

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



Natural

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



Manufactured

Ensure product quality and innovation to meet customer needs and expectations



Human

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



Social

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

Process of value creation

Operating Strategy

- Unleash the new potential of core competencies and embrace opportunities for growth in emerging industries
- Collaborate with customers to exchange new technologies and jointly develop competitive and innovative products
- Leverage the benefits of vertical integration and expand the development of high value-added products
- Committed to the research and development of low-carbon products and expanding the use of renewable energy
- Gain mastery in new product research and development and parameter testing, and achieve high yields during the initial phase of mass production
- Emphasize creativity within the organization and create room for future growth

Sustainability Performance



Mutual Benefit Corporate Governance

- Performance Evaluation of the Board of Directors: **Excellent**
- **Four independent directors** included in the Sustainable Development Committee
- Corporate Governance Evaluation was ranked in **top 6-20%**
- Manager performance incorporated into ESG objectives
- Earning per share exceeded NT\$10 for five consecutive years, with EPS at **NT\$14.47**
- Shipped a total of approximately **123,511,000** backlight modules for the year
- Cumulative number of patent applications globally is **over 1,600**
- Conducted evaluations of 239 vendors through "New Vendor CSR Self-assessment Form"
- **100%** pass rate for on-site audits of tier 1 key suppliers



Environmental Symbiosis Environment

- Implementing climate risk management and establishing a **carbon management team**
- Biodiversity and commitment to zero deforestation
- Identified 19 risks and opportunities based on TCFD; 22 adaptations and actions need to be taken
- Scope 1 & 2 carbon emissions of the Group: **118,400** tons of CO₂e
- Group's emission intensity per unit of product: **13.16**
- Group energy savings: **3.94 million kWh**
- Group water savings: **345 million liters**
- Group packaging material recycle rate (%): **over 99%**
- Recycling rate of packaging material: **37.96%**
- Full occupancy rate of transport exceeded **98%**



Social Prosperity Society

- Education & training hours for employees: approx. **370,000 hours** and **77,000 participants**
- **71** employee care activity sessions with **over 54,000** participants
- **Zero** occupational disaster cases among contractors
- Total of **298 hours** in social welfare activities and volunteer services
- Total of **75** events participated and organized by Radiant Education Foundation
- Total number of participants was **1,084,572** (both physical & virtual events)
- Percentage of local procurement within the Group: **50.36%**
- Frequency-Severity Indicator: **0.07**
- Health promotion activities: **6,893 participants**

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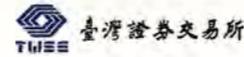
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- TCSA "Top 100 Corporate Sustainability Awards"
- TCSA Silver Award for "Electronic Information Manufacturing Reporting"



- "Taiwan High Compensation 100 Index"
- Ranked in top 6-20% in TWSE Corporate Governance Evaluation



Received Ministry of Labor's Silver
"Certification-Talent Quality Management System"



- Affairs "Level A Certification-Taiwan Intellectual Property Management System"
- Affairs "Top 100 Taiwan Corporation Patent Rankings"
- Affairs Export Processing Zone Administration "Contribution to Public Welfare" Award



Honors and Recognition

Robotics Process Automation
"Best Practice Award"



"Special Service Award"



- Ranked 83th "Top 2000 Companies in the Manufacturing Sector"
- Ranked 5th "Top 2000 Company in the Optoelectronics Sector"



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1.1 Radiant Opto-Electronics Corporation's Sustainability Commitment

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

Mutual Benefit

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

Environmental Symbiosis

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

Social Prosperity

To create a healthy and safe working environment for employees, we emphasize respect for human rights, compliance with international human rights regulations, gender equality, protection of the right to work, and the prohibition

of discrimination. We have also established a comprehensive talent cultivation system and welfare measures, established diverse employee communication channels, and actively engaged in charitable activities to achieve a sustainable vision of "social prosperity."



Biodiversity and Commitment to Zero Deforestation

Radiant Opto-Electronics Corporation has been paying attention to global issues such as biodiversity and zero deforestation for a long time and understands the importance and the impact of these two issues on the environment. We hope to bring our employees, partners, and stakeholders together to advocate for these issues.

ROEC pledges:

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

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Radiant Opto-Electronics Corporation's Sustainable Development Blueprint

Radiant Opto-Electronics Corporation has drawn up a blueprint for future sustainable development from the perspective of sustainable business operation. The Sustainable Development Committee initiated the analysis of domestic and international evaluation organizations and industry benchmarks to assess Radiant Opto-Electronics Corporation's sustainable management risks. Taking into account the comprehensive assessment of the overall operation from senior executives, the committee established the "2025 Sustainable Development Goals of Radiant Opto-Electronics Corporation" in 2019, which transform past performance into a vision for the future and align our goals with the United Nations Sustainable Development Goals (SDGs). Radiant Opto-Electronics Corporation aims to deepen our internal sustainability practices and strengthen the influence of our external supply chain, expanding from internal horizontal expansion to vertical integration of our supply chain. Our actions in 2022 corresponded to 11 United Nations Sustainable Development Goals (SDGs) with 16 sub-indicators.



E Environmental Symbiosis

We are committed to creating a sustainable environment by continuously developing green products, improving energy/resource efficiency, reducing waste, and enhancing pollution prevention to mitigate the impacts of climate change and coexist with the environment.

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

S Social Sustainability

We foster a healthy and safe working environment for our employees, emphasizing respect for human rights, establishing a comprehensive talent development system, and actively engaging in public welfare activities to promote shared prosperity with society.

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 ≤ 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

G Mutual Benefit

We adhere to the principle of honest business operations, establish sound corporate systems, focus on risks and opportunities, strive to create the optimal interests of all stakeholders, and leverage the positive influence of our company in the supply chain for the well-being of all.

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

Main Stakeholders



Business Philosophy: The First Domestic Company Specializing in Backlight Module Research and Manufacturing

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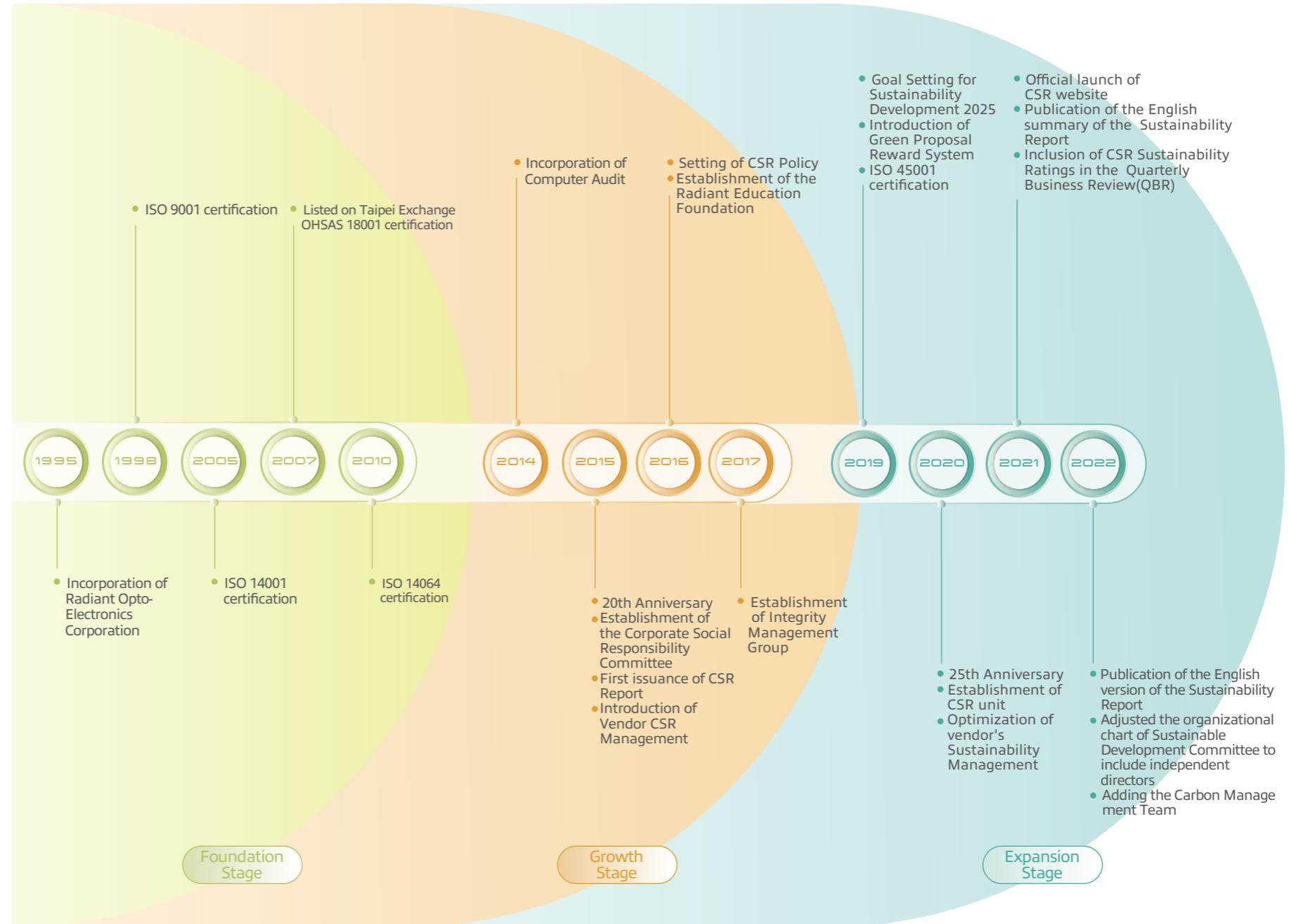
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Sustainable Development Goal(s)	Detailed Objectives	Links and Responses	Corresponding Chapters	Radiant Opto-Electronics Corporation 2025 Sustainable Development Goals
 <p>Goal 3 Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>	<ul style="list-style-type: none"> Continuously raise colleagues' safety awareness and reduce traffic accidents. To provide a safe and healthy working environment, we will continuously monitor the working environment and promote programs to enhance occupational safety and health. 	Happy Workplace	<ul style="list-style-type: none"> Health promotion activities reaching 8,000 participants
 <p>Goal 4 Ensure inclusive and quality education for all and promote lifelong learning</p>	<p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.</p>	<ul style="list-style-type: none"> Radiant Education Foundation has been focusing on education for people with special needs, underprivileged groups, and rural residents. 	Corporate Citizenship	<ul style="list-style-type: none"> *Carried out ADHD programs for six consecutive years, from which 15 students with ADHD benefited in 2022.
 <p>Goal 5 Achieve gender equality and empower all women and girls</p>	<p>5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.</p>	<ul style="list-style-type: none"> Protect the equal rights in the workplace and realize gender equality. Protect gender equality and strengthen post-parental-leave retention rate. 	Happy Workplace	<ul style="list-style-type: none"> Annual post-parental-leave retention rate was 85% in the Kaohsiung Factory and 60% in all three factories in Mainland China.
 <p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</p>	<ul style="list-style-type: none"> The Company plans and coordinates various energy-saving programs and provides corresponding solutions tailored to the specific characteristics of each factory's production processes. 	Climate Action	<ul style="list-style-type: none"> 20% reduction in the Group's energy use costs compared to 2018
 <p>Goal 8 Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<ul style="list-style-type: none"> Design a competitive compensation system that does not discriminate on the basis of gender, religion, race, nationality, or political affiliation. All outsourced manpower units in each factory comply with regulations regarding not employing child labor, including employees employed in industry-academia/college-enterprise cooperation and summer internships. Establish a health protection plan that includes hazard assessments, hierarchical management, and work environment improvement and hazard prevention. The Company is committed to implementing and following regulatory requirements in accordance with the ISO 45001 management system, with the goal of improving occupational health and safety management performance, and establishing a safe and healthy workplace. 	Happy Workplace	<ul style="list-style-type: none"> The average annual global education and training hours per person was 20 There were a total of 125 internal lecturers for training purposes 50% of low performers completed improvement plans The annual Frequency-Severity Indicator was ≤0.03 There were no cases of major occupational injury and occupational disease We achieved 100% compliance or better than regulations regarding non-hazardous substances of products Zero cases of abnormal harmful substances in products
 <p>Goal 9 Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>	<ul style="list-style-type: none"> Reduce operational risk by introducing ISO 27001 standards. Strengthened information security management to protect the privacy of customer and employee data 	Information Security	<ul style="list-style-type: none"> No complaints from customers about invasion of customer privacy or leakage of confidential information

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Sustainable Development Goal(s)	Detailed Objectives	Links and Responses	Corresponding Chapters	Radiant Opto-Electronics Corporation 2025 Sustainable Development Goals
 <p>Goal 11 Make cities inclusive, safe, resilient and sustainable</p>	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.	<ul style="list-style-type: none"> In collaboration with the Radiant Education Foundation, the Company has integrated its core business with the R&D Department to preserve and promote the intangible cultural assets of traditional shadow puppetry unique to Kaohsiung City. 	Corporate Citizenship	<ul style="list-style-type: none"> *We have supported the shadow puppet project since 2019, and in 2022, 100 professionals participated in the lead performance.
 <p>Goal 12 Ensure sustainable consumption and production patterns</p>	12.2 By 2030, achieve the sustainable management and efficient use of natural resources. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	<ul style="list-style-type: none"> Using environmental management systems to reduce impact on the environment and the ecosystem, and work towards improving energy efficiency and reduce operational risks. To improve the ESG management regulations for our supply chain, we will include sustainability assessments of our suppliers in our quarterly business evaluations to influence our value chain. Promote the implementation of an award system for Green Proposals to drive the Group's green initiatives. 	Climate Action Responsible Governance	<ul style="list-style-type: none"> The Group's waste output per unit of product has decreased by 30% compared to 2015. 100% of CSR assessment completed by raw material suppliers Customer service assessment satisfaction rate for the year reaching 85% Cumulative number of patent applications exceeds 1,500 worldwide Introduction of Taiwan Intellectual Property Management System (TIPS) Ranked among the top 100 corporate patent applications in Taiwan
 <p>Goal 13 Take urgent action to combat climate change and its impacts</p>	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	<ul style="list-style-type: none"> We continue to conduct greenhouse gas inventories and follow the TCFD framework to identify climate related risks and opportunities for the organization, strengthen renewable energy usage, and promote carbon neutrality for the Group. Encourage employees to participate in Green Proposals. 	Climate Action	<ul style="list-style-type: none"> The Group's greenhouse gas emission intensity per unit of product decreased by 20% compared to 2015. Cumulative number of Green Proposals reached 150.
 <p>Goal 16 The promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels.</p>	16.5 Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none"> The Company has specifically stipulated guidelines for personnel to follow when performing job duties to avoid any direct or indirect provision, promise, request, or receipt of illegitimate interests, or engage in any dishonest actions that breach good faith, are illegal, or violate fiduciary obligations. 	Responsible Governance	<ul style="list-style-type: none"> No major violations (fines exceeding NT\$1 million)
 <p>Goal 17 Revitalize the global partnership for sustainable development</p>	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	<ul style="list-style-type: none"> The Company cooperates with the Radiant Education Foundation, the Kaohsiung Museum of History, the Kaohsiung Shadow Puppet Museum, and folk traditional shadow puppet theatrical groups to jointly promote the preservation of traditional shadow puppet culture by combining resources from the public and private sectors. 	Corporate Citizenship	<ul style="list-style-type: none"> *Since 2019, we have been cooperating with National Sun Yat-sen University on the Yancheng Summer Nights Project to breathe new life into the old Yancheng community. *We have supported the shadow puppet project since 2019 and continued to work with three performing groups in 2022.

Note: Those marked with an asterisk (*) are not part of the 2025 Sustainability Goals of ROEC, but because of their high relevance to their respective SDGs, Nevertheless, due to their strong alignment with the SDGs and ongoing project implementation each year, they serve as concrete actions in response to the SDGs.

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1.2 Sustainable Development Committee

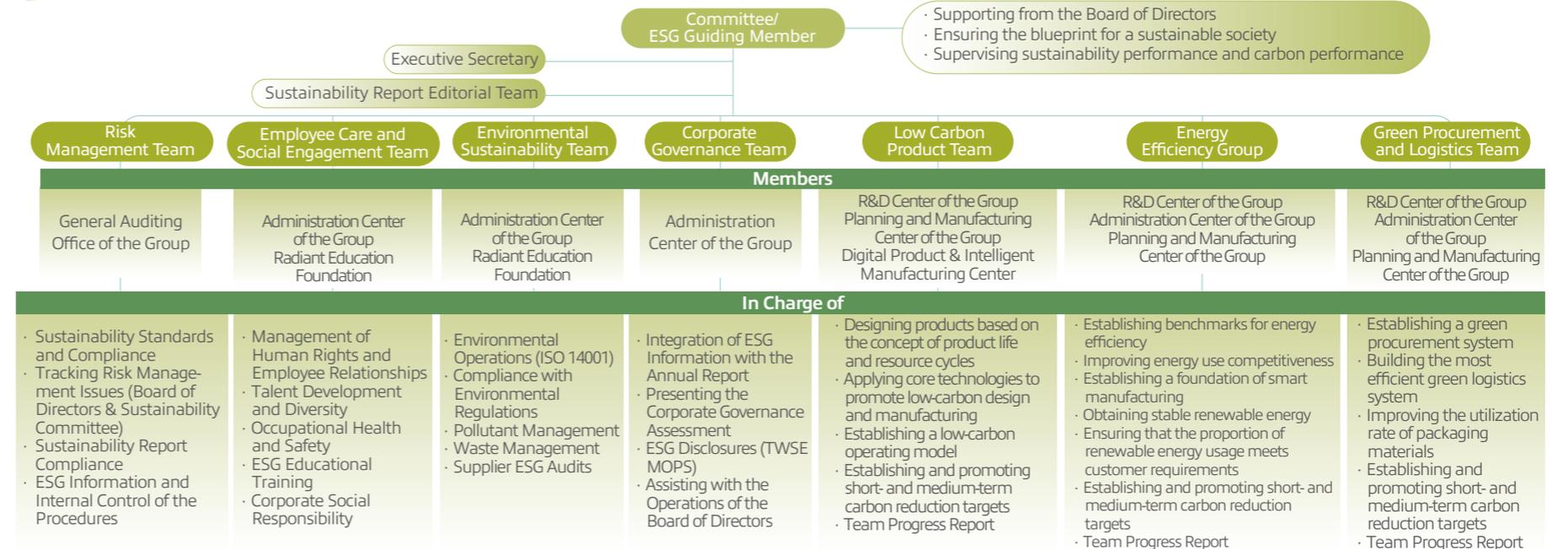
The Sustainable Development Committee was established by ROEC in 2015, originally named the Corporate Social Responsibility Committee, and officially renamed as the Sustainable Development Committee in 2022, with the aim of implementing the vision and goal of sustainable development and creating value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

The Sustainable Development Committee is under the control of the Board of Directors, with the Chairman of the Board of Directors serving as its chairperson. The highest executives of the Group's Operations and Manufacturing Center and Administrative Center serve as vice chairperson. The committee also includes seven sub-groups, namely, Risk Management, Employee Care and Social Engagement, Environmental Sustainability, Corporate Governance, Low Carbon Product, Energy Efficiency, and Green Procurement and Logistics. Members are determined by the Board of Directors and consist of seven senior executives from different fields, along with four independent directors who were invited to participate. The diverse composition of the Sustainable Development Committee embodies the belief of "top-down formulation and bottom-up implementation". In addition to effectively connecting resources across departments, it also enables the sustainability blueprint to be implemented and deeply rooted in all parts of the Company.

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

An Executive Secretary of the Committee and Sustainability Report Editorial Team have been established. The former is responsible for convening meetings, arranging agendas, organizing information, preparing minutes, and managing meeting instructions. The latter is responsible for planning and coordinating the annual sustainability report, which is reviewed by internal supervisors and verified by external third parties. With the existence of Sustainable Development Committee, the influence of corporate social responsibility and management value of ESG can be maximized within the Company. We will also ensure the progress and the effectiveness of implementation through a meticulous division of labor, and work together to weave a vision of sustainable development and mutual prosperity.

Organizational Structure



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1.3 Material Topics Identification and Stakeholder Engagement

As the world's No. 1 backlight module manufacturer, Radiant Opto-Electronics Corporation is a sound and efficient organization. The Company continues to establish various communication channels with stakeholders, constantly meeting stakeholders expectations by adhering to the principles of "integrity" and "transparency," creating mutual benefits to enhance competitiveness and growth momentum of the Company.

Identification of Stakeholders

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

Main Stakeholders



Stakeholder Engagement

To better understand the concerns and expectations of stakeholders, Radiant Opto-Electronics Corporation values the communication with them. Radiant Opto-Electronics Corporation established multiple communication channels to interact with the seven stakeholders and collect their feedbacks as an important basis for formulating corporate sustainability strategies. In 2022, the results of stakeholder communication is promptly responded by the responsible departments, and is disclosed through the sustainability report/website to share with all stakeholders the achievements of the Company's sustainable development as well as future development goals.

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Stakeholders' Concerns and Communication

	Significance for ROEC	Communication channels	Key achievement in 2022	Topics of Concern	Corresponding and Response Chapters
 Customers	To understand customers requirements and meet customers' expectations through our core technology and full comprehensive services	<ul style="list-style-type: none"> Customer satisfaction survey Customer website system Customer survey Customer audit (from time to time) Suppliers conferences (from time to time) 	<ul style="list-style-type: none"> Conducted the customer satisfaction survey with 14 customers, and the satisfaction rate reached 96.6% Responded to 9 customers and conducted 14 ESG audits 5 Suppliers conferences 	<ul style="list-style-type: none"> Information Security Management Product Responsibility and Innovation Environmental Management System Supplier Management Pollutants Management Ethical Corporate Management 	<ul style="list-style-type: none"> Information Security Management Products and Services Green Products Climate Action Supplier Sustainability Management Ethical Corporate Management
 Shareholders	To gain the recognition of investors is both a responsibility and a driving force for Radiant Opto-Electronics Corporation to continue growing.	<ul style="list-style-type: none"> Shareholders' Meeting Corporate Information Session (from time to time) Conference for domestic and foreign investment institutions (from time to time) Company Website The Company's Annual Reports/Financial statements Material information released by the MOPS 	<ul style="list-style-type: none"> 1 Shareholders' Meeting 4 institutional investors conferences, included 1 was convened by ROEC, and 3 were by invitation Public reporting of information on monthly revenue 12 times 	<ul style="list-style-type: none"> Business Performance Risk Management Climate Action Utilization of Resources Sustainable Strategies 	<ul style="list-style-type: none"> Business Overview Risk Management Climate Action Energy Resource Management Sustainable Vision
 Employees	Employees are not only the cornerstone for the sustainable operation of Radiant Opto-Electronics Corporation but also the key factor in sustaining the Company's innovation and growth momentum.	<ul style="list-style-type: none"> Internal and External Websites of the Company Various Electronic Newsletters Complaint Mailbox Labor-Management Meetings (every quarter) Group Staff Meetings (from time to time) Employee Hotline 1720 Business Briefing with the Contact Window 	<ul style="list-style-type: none"> 2,636 cases of employee consultations and communications were received, including 269 cases from the Kaohsiung Factory and 2,367 cases from factories in Mainland China. 12 Welfare Committee Meetings 4 Regular Labor-Management Meetings 10 Business Briefings with the Contact Window 	<ul style="list-style-type: none"> Business Performance Risk Management Information Security Management Climate Action Product Responsibility and Innovation 	<ul style="list-style-type: none"> Business Overview Risk Management Information Security Management Climate Action Products and Services Green Products
 Suppliers/Contractors	Suppliers are long-term business partners of the Company. Through commitments and close cooperation, we are able to gain the trust of the market and customers. Contractors can provide expertise to make up for the shortage of manpower in each factory area. ROEC conducts sustainable supply chain management through mutual cooperation with manufacturers.	<ul style="list-style-type: none"> Suppliers Platform Regular Auditing Carbon Risk Questionnaires Sustainability Report/Website Contractor Meetings (monthly) 	<ul style="list-style-type: none"> 239 copies of ESG questionnaires from suppliers 12 copies of feedback documents related to suppliers platform ESG Sustainability Self-Assessment Questionnaires conducted with 27 qualified suppliers ESG investigations conducted into 13 suppliers 126 Carbon Risk Questionnaires 	<ul style="list-style-type: none"> Business Performance Climate Action Product Responsibility and Innovation Utilization of Resources Sustainable Strategies 	<ul style="list-style-type: none"> Business Overview Climate Action Products and Services Green Products Energy Resource Management Sustainable Vision
 Non-Profit Organizations	Non-profit organizations are an important source of sustainable and diverse opinions for Radiant Opto-Electronics Corporation and also crucial partners in reaching out to the community. By collaborating with the Radiant Education Foundation and maintaining continuous communication, we aim to enhance our positive impact on society.	<ul style="list-style-type: none"> Project Cooperation and Events Radiant Education Foundation CSR X Facebook Page External Communication Mailbox Company Website 	<ul style="list-style-type: none"> Worked with 5 Non-Profit Organizations Promoted 79 projects and events The online community has 36 articles published, interacted with 2,018 people, and reached 105,246 people. 	<ul style="list-style-type: none"> Social Engagement Pollutants Management Information Security Management Human Rights Risk Management 	<ul style="list-style-type: none"> Corporate Citizenship Climate Action Information Security Management Human Rights Policies and Commitments

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	Significance for ROEC	Communication channels	Key achievement in 2022	Topics of Concern	Corresponding and Response Chapters
 Community Residents	ROEC and the Radiant Education Foundation have maintained mutual and harmonious partnerships with local residents. Additionally, offered educational and artistic resources to Kaohsiung local and corporate employees	<ul style="list-style-type: none"> • Project Cooperation and Events • External Communication Mailbox • Company Website 	<ul style="list-style-type: none"> • 1 university/2 rural primary and secondary schools/28 kindergartens • 3 parenting lectures and family activities • 27 "Sea You Again" events • 2,351 participants in projects and events • Promoting the "Public Piano Scheme" to bring art into everyday life, which has reached nearly one million people. 	<ul style="list-style-type: none"> • Product Responsibility and Innovation • Social Engagement • Information Security Management • Ethical Corporate Management • Sustainable Strategies 	<ul style="list-style-type: none"> • Products and Services • Green Products • Corporate Citizenship • Information Security Management • Ethical Corporate Management • Sustainable Vision
 Government agencies	To ensure compliance with local regulations, ROEC follows the requirements of local government agencies in each factory area and adjusts its practices accordingly.	<ul style="list-style-type: none"> • Inspection by Supervisors(from time to time) • Policy Programs/ Seminars (from time to time) • Document Management Platform(from time to time) 	<ul style="list-style-type: none"> • ITRI's Industrial Net Zero Transformation Service Group promotes energy resource management projects. • Applied for the Energy Saving Performance Assurance Project Demonstration and Promotion Grant from the Bureau of Energy, Ministry of Economic Affairs to promote energy resource management. • Collaborated with Processing Export Zone under Ministry of Economic Affairs to organize 2 blood donation activities with total of 404 donors donating 591 bags of blood • Supported the "Taiwan Science Festival" program hosted by the National Science and Technology Museum, reaching nearly 90,000 people. • Supported the promotion of shadow puppetry by the Kaohsiung Museum of Shadow Puppetry under the Kaohsiung Museum of History. 	<ul style="list-style-type: none"> • Labor Relations • Human Rights • Sustainable Strategies • Ethical Corporate Management • Product Responsibility and Innovation 	<ul style="list-style-type: none"> • Happy Workplace • Human Rights Policies and Commitments • Sustainable Vision • Ethical Corporate Management • Products and Services • Green Products

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Identification of Material Topics

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



STEP 1 Identify

Identify Stakeholders

7 Stakeholders

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

Identify and collect potential issues

20 Issues of Concern

To identify and collect potential issues, the team compiled 20 sustainability issues by referring to international sustainability regulations and standards (GRI standards, SASB, TCFD, SDGs), sustainable investment ratings (DJSI, CDP, MSCI), domestic and international cases from the optoelectronics industry, and ROEC's 2025 sustainable development goals.

STEP 2 Investigate

Investigate the level of stakeholder concern

982 Questionnaires

The material issues questionnaire follows the new version of the GRI 3 regulations, the questionnaire is designed to distinguish between positive and negative impacts (based on severity, likelihood, and the significance of human rights assessment for negative impacts, and size, scope, and likelihood for positive impacts). To facilitate stakeholder responses, the questionnaire provides instructions and all questions are divided into two main indicators: impact degree and likelihood, and are rated on a five-point scale. A total of 982 valid questionnaires were collected, including customers (20), shareholders (24), employees (836), suppliers (71), non-profit organizations (14), community residents (10), and government agencies (7).

STEP 3 Analyze

Filter and rank material topics

8 Material topics

Based on stakeholder feedback, discussions with internal executives and external experts, and analysis of the level of concern and impact, the team identified and ranked eight material topics, which include business performance, product responsibility and innovation, climate action, risk management, information security management, sustainability strategy, E utilization of resources, and human rights. After the identification and filtering process, a material matrix was generated.

Analyze positive and negative impacts

13 Internal Questionnaires

Based on the eight material topics, a positive and negative impact questionnaire was distributed to the responsible departments, and 13 internal questionnaires were collected to determine the management policies and short-, medium-, and long-term goals corresponding to each material topic. Based on the confirmation results, the editorial team reviewed the impact of the material topics in the upstream(suppliers), operational (Kaohsiung Factory, China Factories), and downstream(customers) boundaries of the Company's value chain on a case-by-case basis.

STEP 4 Confirm

Confirm the material topics Corresponding GRI Guidelines

14 GRI-specific Topics

The results of the 2022 material topics identification process were presented to the Board of Directors by the Sustainability Development Committee, and it was ultimately confirmed that eight sustainability issues were of material importance. The eight material topics can be mapped to 14 specific GRI topics, and the Company collected and disclosed internal information, data, and management policies in accordance with the reporting requirements of the Standards.

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Material Topics Matrix



E Environmental S Social G Governance

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Significant Changes to Material Topics in 2022

This year, the Company compiled a total of 20 sustainability issues as the basis for the Material Topics Questionnaire. After considering the opinions of stakeholders, internal executives, and external experts, eight sustainability issues were identified as the material topics for this year. For detailed management guidelines of each material topic, please refer to [Appendix 9](#).

Material Topic in 2022	Comparison with the Previous Year	Reason
 Business Performance	Addition	Combination of sustainable strategies in the optoelectronics industry to control business performance.
 Product Responsibility and Innovation	Materiality Enhancement	Innovating and maintaining competitiveness in product design is a matter of concern for stakeholders in the optoelectronics industry.
 Climate Action	Text Adjustment	Radiant Opto-Electronics Corporation actively responds to the global issue of climate change risks and impacts.
 Risk Management	Addition	Radiant Opto-Electronics Corporation formulates risk management regulations and actively responds to various emerging risks.
 Information Security Management	Addition	Information technology has led to an increasing focus on information security risk management.
 Sustainable Strategies	Addition	Perfecting and implementing ESG policies can guide companies toward steady progress.
 Utilization of Resources	Materiality Enhancement	Addressing the international trend towards net-zero carbon emissions, internal resource utilization is an important issue within the company.
 Human rights	Text Adjustment Materiality Enhancement	Creating a fair, just, and inclusive environment that fosters diversity is crucial for the company to sustainably generate profits.

Note:
1.Text Adjustment: Refers to name change
2.Addition: Refers to an element added in 2022
3.Materiality Enhancement: Refers to an increase in priority

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Scope and Impact range of material topics

● Direct impact ○ Indirect impact

Material Topic	Significance for Radiant Opto-Electronic Corporation	GRI Standards Disclosure Items	Topic Scope and Impact Range				Reinforce ROEC's commitment to sustainable development by providing a comprehensive explanation of the actual and potential positive and negative impacts of its operations to strengthen the meaning of sustainable development for the Company		Corresponding SDGs	Management approach (Corresponding Chapters)	
			Within the Organization		Outside the Organization		Positive Impacts	Negative Impacts			
			Kaohsiung Factory	China Factories	Customers	Suppliers					
 <p>Business Performance</p>	With a strategic vision to advance in the field of professional backlight modules, the Company not only develops sustainable strategies but also prioritizes the growth of operational performance to enhance competitiveness.	GRI 201	●	●		○	<ul style="list-style-type: none"> Efficient operations can enhance employment opportunities in the industry, improve capital market efficiency, attract domestic and foreign capital, increase international visibility, and boost the Company's competitiveness. 	<ul style="list-style-type: none"> Poor operating performance may lead to budget cuts and layoffs, resulting in financial losses for shareholders and investors in the capital market, also negatively impact the company's reputation and steadily erode its competitiveness. 		Financial Performance / P54	
 <p>Product Responsibility and Innovation</p>	ROEC values our customers' opinions and believes that superior product quality can provide them with a competitive advantage in the market. Additionally, the development of innovative technologies can help us maintain our competitiveness.	GRI 417	●	●		○	<ul style="list-style-type: none"> The Company's products align with market trends and customer demands, and our competitive offerings will sustain revenue growth and attract top talent. By enhancing the competitiveness of the Company's products, there will be a greater potential for investment in new products. We stay up to date with current market trends and developments in order to offer diverse and customized services for new product development. The Company effectively utilizes the Chinese government's subsidy policy to lower the cost of acquiring intellectual property. This strategy has resulted in an increase in patent applications and intellectual property litigation experience, ultimately reducing the risk of infringement on intellectual property rights. 	<ul style="list-style-type: none"> Products that do not meet market trends and customer requirements will lead to a decrease in the Company's revenue and operations, as well as the outflow of talents. Moreover, it will erode the trust of shareholders and investors, damage the Company's reputation, and reduce its competitiveness over time. If there is a prolonged absence of new technologies being developed, it may lead to a lack of new business opportunities (products) and an inability to meet customer needs, ultimately affecting the Company's overall development. The lack of assurance in product quality during development can result in significant rework or even customer loss. The potential loss resulting from the leakage of trade secrets can be significant. In order to prevent such incidents, the Company's legal counsel will design courses and share the latest information with employees to increase their awareness of confidential information and avoid any leakage of business secrets. 		Products and Services / P56	
 <p>Climate Action</p>	Climate change and extreme weather have a potential major impact on production and operations in the optoelectronic industry. ROEC has developed a blueprint for achieving net zero carbon emissions and established a Carbon Management Team to strengthen the Company's ability to mitigate and adapt to the impacts of climate change and actively respond to the impact of climate change on the Company.	GRI 201-2 GRI 305	●	●		○	●	<ul style="list-style-type: none"> The disclosure of climate-related information can increase information transparency, aid investors in making informed decisions, and even enhance a company's reputation. Setting up a comprehensive mechanism in advance of the net zero carbon emission goal can enhance the Company's image. By developing strategies to address climate risks in advance, we can strengthen organizational resilience and develop new business opportunities. The successful development of a climate action strategy can reduce a company's electricity consumption and mitigate its environmental impact. Adopting ISO 14064-1:2018 for greenhouse gas inventory allows the Company to meet international certification standards, obtain third-party certification, and meet the expectations of stakeholders such as customers and investors. The Company can improve its carbon management performance by responding to external sustainability assessment organization questionnaires such as DJSI/CDP, and thus demonstrate its effectiveness in managing carbon emissions. 	<ul style="list-style-type: none"> Failure to comply with legal requirements regarding the disclosure of climate-related information may lead to a lack of transparency in information and affect investors' ability to make informed decisions. If the Company does not manage carbon emissions in its operations, it may face higher operating costs in the future when a carbon tax or fee is imposed. If we do not prepare for climate threats in advance, we may incur operational losses when requested by our customers in the future. If climate change risks are not assessed and prevented in a timely manner, the Company's capacity to respond may be insufficient to meet future ESG investment development and sustainable finance regulations. This may have an impact on capital lending and market evaluation. ISO 14064-1:2018 requires an increase in the inventory of other indirect sources of greenhouse gas emissions (such as employee business travel, staff commuting, waste transportation, and downstream supply chain), which may require outsourcing support and an increase in verification costs. 		Climate Action / P66

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Material Topic	Significance for Radiant Opto-Electronic Corporation	GRI Standards Disclosure Items	Topic Scope and Impact Range				Reinforce ROEC's commitment to sustainable development by providing a comprehensive explanation of the actual and potential positive and negative impacts of its operations to strengthen the meaning of sustainable development for the Company		Corresponding SDGs	Management approach (Corresponding Chapters)
			Within the Organization		Outside the Organization		Positive Impacts	Negative Impacts		
			Kaohsiung Factory	China Factories	Customers	Suppliers				
Risk Management	ROEC prioritizes the management of traditional and emerging risks, monitoring changes and developing strategies for major potential risks. Regular tracking and reviews are conducted to evaluate the effectiveness of these strategies.	Self-defined	●	●		○	<ul style="list-style-type: none"> Regular risk identification and inclusion in risk management policies can help mitigate the impact of negative risks. Efficient risk management can create opportunities that benefit the organization positively. 	<ul style="list-style-type: none"> Inadequate risk management policies or insufficient risk identification and assessment can lead to a decrease in the organization's ability to respond to risks, and may even require additional resources for recovery and remediation, resulting in losses. 	-	Risk Management / P41
Information Security Management	ROEC prioritizes information security. To protect the privacy of all stakeholders, we continue to strengthen our processes and systems, refine information security systems, and hone our management strategies.	GRI 418 Customer Privacy	●	●		○	<ul style="list-style-type: none"> ROEC prioritizes information security. To protect the privacy of all stakeholders, we continue to strengthen our processes and systems, refine information security systems, and hone our management strategies. We have implemented the ISO 27001 Information Security Management System to enhance our operational processes and control measures, mitigate unknown attack incidents, and minimize financial losses resulting from information security risks. 	<ul style="list-style-type: none"> In the event of a cyber attack, there is a risk of disrupting the Company's operations and the potential for the disclosure of sensitive information. In response to supply chain information security requirements, a malicious attack resulting in theft of customer data could lead to high claims and fines. 		Information Security Management / P46
Sustainable Strategies	ROEC values the implementation of sustainability strategies and is actively promoting and strengthening the operating model of the Sustainability Development Committee to achieve the sustainable goal of "top-down formulation and bottom-up implementation".	Self-defined	●	●		○	<ul style="list-style-type: none"> Developing sustainability strategies and a decarbonization roadmap not only aligns with government regulatory requirements, but also meets market ESG trends and customer ESG demands, enhancing the Company's long-term overall competitiveness. 	<ul style="list-style-type: none"> Companies that do not have a sustainability strategy in place may not be able to meet international trends, government regulations, and customer needs, resulting in shrinking operations and poor business performance. 		Sustainable Strategies / P12
Utilization of Resources	ROEC is actively working to improve its energy resource utilization and implement carbon reduction measures in coordination with the Carbon Management Team.	GRI 302	●	●			<ul style="list-style-type: none"> The Company can use renewable energy to reduce carbon emissions generated by general electricity purchases, significantly reducing its impact on the environment. The effective implementation of energy-saving and carbon reduction measures, such as the renewal of utility equipment, can enhance the efficiency of utility equipment, reduce operating costs, and mitigate negative environmental impacts. 	<ul style="list-style-type: none"> Failure to effectively manage energy use has resulted in waste of resources, increased operating costs, and negative impacts on the environment. 		Energy Resource Management / P72

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			Within the Organization		Outside the Organization		Positive Impacts	Negative Impacts		
			Kaohsiung Factory	China Factories	Customers	Suppliers				
 Human Rights	ROEC adheres to the nine core human rights treaties of the United Nations and related international human rights principles, and not only establishes relevant human rights policies but also takes action consistent with the RBA to ensure equal and justice working conditions for every employee at ROEC.	GRI 401 GRI 402 GRI 405 GRI 406 GRI 407 GRI 408 GRI 409 GRI 410	●	●			<ul style="list-style-type: none"> Developing a people-oriented and friendly workplace that values the physical and mental health of employees and strives to promote harmonious work can enhance employee satisfaction and improve the Company's image. To ensure the smooth operation of the Company, we will implement the Group's philosophy of human rights protection, comply with customer audits and labor laws and regulations, and reduce the impact of any violations of relevant regulations. Constructing a supplier audit management process to ensure that suppliers comply with the code of conduct can help to identify and manage sustainability risks associated with key suppliers. Implementing the requirements of RBA provisions not only meets the expectations of stakeholders such as customers and investors, but also improves ESG performance. Compliance with occupational safety and health management systems can improve workplace safety, enhance employee morale, and reduce the costs of occupational safety incidents. 	<ul style="list-style-type: none"> Implicit employment discrimination can lead to negative impacts on both employee retention and the Company's reputation. Additionally, failing customer audits and labor inspections can also result in operational losses for the Company. Workplace bullying or unlawful actions can cause a decrease in employees' trust in the Company and team morale, and also negatively impact the Company's image. Working overtime or beyond capacity can harm employees' physical and mental well-being, resulting in a decrease in work efficiency or an increase in the risk of occupational illnesses and accidents. Failure to comply with the RBA provisions on supplier management not only hinders the ability to promptly take corrective actions to mitigate supplier risks, but also undermines the expectations of stakeholders, potentially leading to lost business opportunities and reputational damage. Not implementing relevant medical examinations in accordance with the law and failing to promptly control the physical condition of personnel can lead to the occurrence of occupational diseases, violate legal regulations, and harm the Company's reputation. Failure to properly identify and control hazards in the work environment has resulted in increased risk of occupational hazards to employees, affecting employee safety and company operations. 	 3  8	Human Rights Policies and Commitments / P81 Occupational Safety and Health / P99

Note 1: The material topic text is colored green to represent potential impact.

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

● Achieved ● Maintained

Indicators	Goals for 2022	Execution Results in 2022	Goals for 2023	Medium- to Long-term Objectives	Relevant Policies	
 <p>Business Performance</p>	EPS	Maintain double digits or higher	● We steady operated the business and held the control of market, which leads to an achievement of 20% EPS	We aim at strengthen the internal competitiveness to maintain the growth of EPS because of the increase of salary and production cost	Improving the collaboration with different fields of clients to benefit the profit of company	Control Program for Business Operations
	GP Customer Complaint Irregularities	0 or fewer cases	●	●	●	
	Green material qualification rate	100%	●	●	●	
	Foreign exchange risk	Exchange loss is less than the materiality standard for material information	●	●	●	
	Tax risk	No fines for tax violations. We apply for the tax incentives that the Company is entitled to each year.	●	●	●	
	Corporate governance risk	The Company's corporate governance rating ranked in the top 6%-20% of all listed companies, and there were no significant incidents of non-compliance with corporate governance-related laws and regulations.	●	Ranked in the top 6%-20% of the Corporate Governance Assessment	Ranked in the top 5% of the Corporate Governance Assessment	
	Liquidity risk	Reduce liquidity risk and maintain at least two months of working capital for operational needs.	●	●	●	
	Investment risk	The interest rate shall not be lower than the interest rate on a US dollar deposit in which the Company has invested.	●	●	●	
	 <p>Product Responsibility and Innovation</p>	Customer development	We offered customers design, develop, production, marketing and after-sales service with the outstanding core technology, which included optical design, LGP, and module manufacturing.	● We continuously optimize our technologies to meet customer needs, including features such as thinness, high brightness, low power consumption, narrow bezel, high contrast ratio, and privacy. Additionally, we promote products with environmental sustainability that encourage energy-saving and carbon reduction and strive to become a strategic partner of choice for many well-known customers.	To cater to our niche customers, we offer customized new product design solutions, develop high-contrast technology, and provide cost-effective products that are more attractive to the market.	
Number of products developed		<ul style="list-style-type: none"> European and American customers ≥ 5 Japanese customers ≥ 3 Mainland Chinese customers ≥ 1 Vehicle type ≥ 10 DPBU new product/new technology development ≥ 3	<ul style="list-style-type: none"> European and American customers: 6 Japanese customers: 3 Mainland Chinese customers: not fulfilled (Note 1) Vehicle type: 5 	<ul style="list-style-type: none"> European and American customers ≥ 5 Japanese customers ≥ 2 Vehicle type ≥ 10 New technology projects ≥ 2 DPBU new product/new technology development ≥ 3 	<ul style="list-style-type: none"> Expanding our range of vehicle models Investing in the development of new products related to the industry Finding the right strategic partner alliance to achieve a win-win DPBU patented product situation 	
Patented product design		Total: 23 (including product development ≥ 7 ; technology R&D ≥ 9 ; DPBU patented product situation designs ≥ 7)	● Total: 36 (including product development: 19; technology R&D 9; DPBU patented product situation designs 8)	● Total 21 (including product development: ≥ 7 ; technology R&D ≥ 9 ; DPBU patented product situation designs ≥ 5)	●	
Packaging materials recycling rate		Above 95%	● Above 99% (Note 2)	●	●	
Full capacity rate of transportation		Above 90%	● 98.3% (Note 3)	●	●	
Addition of regrind materials		Above 20%	● 37.96% (Note 4)	●	●	

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Indicators	Goals for 2022	Execution Results in 2022	Goals for 2023	Medium- to Long-term Objectives	Relevant Policies	
 Product Responsibility and Innovation	Energy saving in production	Electricity savings per PCS BLU for each plant's production: <ul style="list-style-type: none"> Wujiang Factory: 1^{10⁶} kWh Nanjing Factory: 0.98^{10⁶} kWh Guangzhou Factory: 7.5^{10⁶} kWh Kaohsiung Factory: 12^{10⁶} kWh 	<ul style="list-style-type: none"> Wujiang Factory: 6.5^{10⁶} kWh Nanjing Factory: 22.7^{10⁶} kWh Guangzhou Factory: 25.6^{10⁶} kWh Kaohsiung Factory: 30.2^{10⁶} kWh 	Electricity savings per PCS BLU for each plant production: <ul style="list-style-type: none"> Wujiang Factory: 1.5^{10⁶} kWh Nanjing Factory: 1.4^{10⁶} kWh Guangzhou Factory: 6.5^{10⁶} kWh Kaohsiung Factory: 7.2^{10⁶} kWh 	Electricity savings per PCS BLU for each plant's production: <ul style="list-style-type: none"> Wujiang Factory: 1.7^{10⁶} kWh Nanjing Factory: 1.6^{10⁶} kWh Guangzhou Factory: 7.6^{10⁶} kWh Kaohsiung Factory: 9.6^{10⁶} kWh 	Organizational Regulations of the Sustainable Development Committee
	Luminaire safety regulation certification	7 series of lighting fixtures, totaling 11 products, have completed BSMI safety certification	●	Safety certification for lighting products <ul style="list-style-type: none"> UL-1 Series CE-1 Series 	Continuously planning DPBU products for safety certification of lighting products to enhance product competitiveness and safety	
	Patent application and verification	Cumulative number of patent applications worldwide are over 1,550	●	Cumulative number of patent applications worldwide are over 1,650	Cumulative number of patent applications worldwide are over 1,850	
 Patent application and verification	Reverification of Guangzhou factory implementation standards, and re-verification of TIPS at the Kaohsiung factory	●	●	Introduction of Taiwan Intellectual Property Management (TIPS)	Organizational Regulations of the Sustainable Development Committee	
	Ranked among the top 100 corporate patent applications in Taiwan	●	●	●		
 Sustainable Development Committee	Adding Carbon Management Team	●	●	The Carbon Management Team continues to set and track carbon reduction goals	Organizational Regulations of the Sustainable Development Committee	
	Report the carbon reduction target to the Chairman at least once a year	● (Note 5)	●	Report the carbon reduction target to the Chairman at least twice a year		
 Climate Action	Education and training related to carbon	Training hours for specialist personnel: 20 hours/person annually	29.9 hours/year	22 hours/year	24 hours/year	
	TCFD	Assessment and implementation of TCFD mechanism	TCFD will be disclosed in the 2022 Sustainability Report, and the Group will adopt the TCFD framework in 2023.	Emissions will follow the TCFD framework and a climate change governance mechanism will be established.	We will gradually improve our carbon management system in accordance with ROEC's zero carbon emission blueprint.	
	Greenhouse gases	Completed 2021 annual greenhouse gas inventory and passed ISO 14064-1:2018 third-party verification.	●	●	●	
	The Group's greenhouse gas emission intensity per unit of product in 2021 decreased by 6% compared to 2015.	●	The Group's Greenhouse gas emission intensity of per unit of product decreased by 36% compared to 2015.	Greenhouse gas emission intensity per unit of product decreased by 11% compared to 2015.	Greenhouse gas emission intensity per unit of product decreased by 20% compared to 2015.	

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Indicators	Goals for 2022	Execution Results in 2022	Goals for 2023	Medium- to Long-term Objectives	Relevant Policies	
 Risk Management	Risk Management	Risk management operations are reported to the Board of Directors at least once a year	●	<ul style="list-style-type: none"> Prepare audit plans based on material issues and risks Review the results of the execution of targets of each department Material topics and risk assessment results are reported to the Board of Directors 	<ul style="list-style-type: none"> Each unit implements internal controls and self-inspections Compile a risk matrix of the results from each unit's self-audits, deficiencies, and significant issues, and formulate audit plans Continuously revise risk management policies based on the results of annual risk identification and analysis 	<ul style="list-style-type: none"> Risk Management Policies and Procedures
		Oversee whether sustainability reports are regularly published and presented to the Board of Directors	●			
 Information Security Management	ISO27001	-	-	Verified compliance with ISO 27001 management system	<ul style="list-style-type: none"> The audit department conducts oversight and obtains third-party information security verification on an ongoing basis 	
	Education and Training on Information Security	2 information security training sessions, 1 penetration test	<ul style="list-style-type: none"> Education and training on emails and social engineering Education and training on virus scanning and USB flash drives Education and training on factory-wide AEO information security Conduct 1 penetration test 	1 social engineering simulation drill, 1 penetration test	<ul style="list-style-type: none"> Regular training sessions and promotion of information security awareness Commission an information security consulting firm to conduct social engineering drills every year 	<ul style="list-style-type: none"> Information and Communication Security Risk Management Framework Information and Communication Security Policies
	Vulnerability Assessment Detection	Establish an Information Security Management System (ISMS)	●	●		The availability of the information and communication system is over 99%. (Outage Hours/Total Operating Hours ≤ 1%)
		Join the TWCert Intelligence Organization	●	●		
	Internally-developed system, built source code scanning process	●	●			
	Online system, establish process for vulnerability assessment, and repair high risks and vulnerabilities	●	●	Continue to pass third-party independent security certifications every year		

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Indicators	Goals for 2022	Execution Results in 2022	Goals for 2023	Medium- to Long-term Objectives	Relevant Policies			
 Sustainable Development Committee Operation	The Corporate Social Responsibility Committee was renamed the Sustainability Development Committee	●	<ul style="list-style-type: none"> • Regularly review the status of each department's compliance with sustainability strategy goals <ul style="list-style-type: none"> ▪ Convened 1 committee meeting • Report to the Board of Directors at least once on the effectiveness of ESG implementation. 	Strengthen the operations of the Sustainable Development Committee, integrate company resources, and incorporate sustainable strategies into the execution of each business center.	<ul style="list-style-type: none"> • Sustainable Development Best Practice Principles • Organizational Regulations of the Sustainable Development Committee 			
	Including 4 independent directors, a committee of 7 members was convened	●						
	Convened 1 committee meeting	●						
	Report to the Board of Directors at least once on the effectiveness of ESG implementation	●						
 Renewal of energy-saving equipment	Completed 11 energy-saving equipment replacement projects (Note 6)	Completed 10 energy-saving equipment replacement projects (Note 7), including the addition of an air pressure pipe network for light guide plates, introduction of heat pump units for the energy-saving project of the hot water system in the factory area, heat recovery and energy-saving transformation of Ingersoll Rand air compressors, restoration of reactive power compensation cabinets in the living area, renovation of electrical room air conditioning, air conditioning humidifier renovation, office area lighting improvement project, basement lighting improvement project, lighting improvement in the clean room, and air conditioning improvement in the power room. A total of 2694.57 tonnes of CO ₂ e can be saved every year.	<ul style="list-style-type: none"> • Proposed 8 energy-saving projects. • Replacement of three ice water main condensers at Kaohsiung Factory 3. <ul style="list-style-type: none"> ▪ Sharing the experiences and effects of energy conservation in the construction of various units in the carbon management group. 	<ul style="list-style-type: none"> • Cooperate with the Carbon Management Team and propose energy saving projects annually. • -The amount of electricity used by the Group from 2019 to 2025 was 20% lower than in 2018. • Gradual replacement of three ice water main condensers at the Kaohsiung Factory. 	<ul style="list-style-type: none"> • Methods for energy saving management • Key points for the conservation of (water, electricity, energy, and paper) • Implementation Standards for Energy Conservation and Emission Reduction 			
	Power Monitoring System	<ul style="list-style-type: none"> • After the establishment of the system and the distribution of the power monitoring system to each unit, the units will be able to access it for their own inquiries regarding their power usage. 				●	●	●

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A Sustainable Vision - A Company for the Future

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Indicators	Goals for 2022	Execution Results in 2022	Goals for 2023	Medium- to Long-term Objectives	Relevant Policies
RBA training courses	Full participation from factories in training courses on RBA Code of Conduct, Ethics, and Integrity	<ul style="list-style-type: none"> 100% training rate 			<ul style="list-style-type: none"> Advocacy of humane treatment and ethical behavior standards Management of workplace violence prevention measures Regulations Governing Recruiting Management ROEC Labor and Work Ethics Code of Conduct for Behavioral Management Responsible Business Alliance Management Manual Regulations Governing Management of the Health Examination for Employees Volunteer Service Incentives Regulations Governing Management of Sexual Harassment Prevention Measures Regulations Governing Prevention of Discrimination and Harassment Regulations Governing Workplace Violence Management Regulations Governing Strike Management
Mechanism Regarding Employee Care	11 employee care events, reaching a satisfaction level of 4.5/5	<ul style="list-style-type: none"> A total of 37 employee care events were complete Emergency relief provided in 3 instances Assisted and cared for 24,439 people in the Group ^(Note 8) Held 6 seminars for new recruits, with an average satisfaction rating of 4.85/5 6,399 employee visits 	48 employee care events, reaching satisfaction level of 4.5/5		
Labor Rights	-	-	<ul style="list-style-type: none"> 0 major violations of labor rights (fines over NT\$1 million) 	<ul style="list-style-type: none"> 0 major violations of labor rights 0 cases of human rights infringements in customer audits 	
Supplier ESG Audit Management Process	100% pass rate for first-tier key suppliers				
Employee Health Examinations	Achievement rate of 90%		Achievement rate of 95%	Achievement rate of 100%	
Implement health care					
Number of Occupational Injuries	Fewer than 18	<ul style="list-style-type: none"> 20 ^(Note 9) 	Fewer than 15	Fewer than 12	
Rate of Occupational Injury	Less than 1%				
Environmental Health Education	-	-	20 sessions	25 sessions	

Note 1 : Because of price-cutting competition in Mainland China, ROE didn't obtain any BLU tpe.
 Note 2 : The packaging materials recycling rate is the target setting agreed with the customer.
 Note 3 : Priority is given to the full capacity rate of transportation to meet customer demand for materials, and the annual shipments are highly variable, so the current target setting is maintained.
 Note 4 : Because the source of secondary materials is unstable every year, so the current target setting is maintained.
 Note 5 : On December 30, 2022, a report on the 2022 carbon reduction targets and achievements, as well as the carbon reduction targets for 2023, was presented to the Board of Directors.
 Note 6 : A total of 1,150 tonnes of CO2e can be saved, and 2,799 tonnes of CO2e can be saved annually in the future.
 Note 7 : The street lights at the Guangzhou factory were scheduled to be replaced with solar-powered street lights, which were estimated to cost about CNY 190,000. However, the project was canceled as the evaluation showed a long payback period.
 Note 8 : Includes death of an immediate family member, illness, new employee orientation, and returning employees
 Note 9 : Further analysis of workplace injuries revealed that 11 employees with less than one year of seniority were injured, accounting for 55% of the Group's workplace injuries. The Company has taken measures to improve the situation, such as providing education and training to new employees, providing professional education and training on the workplace, and launching investigations into work-related accidents.

2022

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RESPONSIBLE GOVERNANCE



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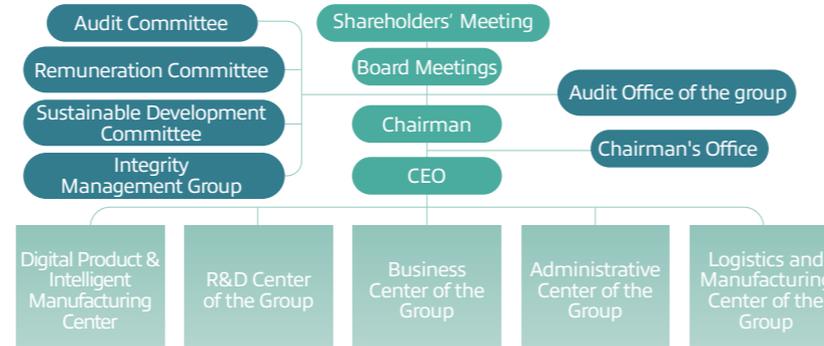
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2.1 Corporate Governance Organization

Board Meetings

Board of Directors' Structure

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



The Board of Directors is responsible for supervising, appointing, and directing the management team, as well as overseeing the overall operation of the Corporation. As the highest governance unit of the Group, the Board of Directors plays a crucial role in ensuring the success of the Corporation. In 2016, the Board of Directors approved the Corporate Social Responsibility Best Practice Principles." In 2021, the name was changed to the "Sustainable Development Best Practice Principles", which establishes the role of the directors in supervising and guiding the Corporation's sustainability strategy. The Corporation's 9th Corporate Governance Assessment has been rated among the top 6-20% of companies. Following the announcement of the annual review results, improvement measures have been initiated. Through the rolling method for continuous improvement, we aim to strengthen the Corporation's corporate governance system. Our goal is to achieve top performance in the upcoming corporate governance assessment by implementing a comprehensive supervision mechanism and enhancing our management capacity.

In compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," as well as the qualification requirements outlined in the Securities and Exchange Act and Article 14-2 of that same Act, Radiant Opto-Electronics Corporation established independent directors. The 10th Board of Directors was re-elected in July 2021, with ten directors elected, including four independent directors and one female director. The average age of the directors is 68, and their diverse professional backgrounds were taken into account during the election process. The Board of Directors of the Corporation convenes at least once every quarter. In 2022, a total of nine meetings were held, with an attendance rate of 99%. In addition to that, the Board of Directors of Radiant Opto-Electronics Corporation aims to safeguard the rights and interests of shareholders by implementing electronic voting. The attendance rate for the year 2022 was 57.98%.

		Academic Background and Work Experience	Actual Number in Attendance	Number in Attendance via Proxy	Number of Required Attendees	Actual Attendance Rate (%)
Chairman and CEO						
Pen-Jan Wang	Male	<ul style="list-style-type: none"> • Chairman and CEO of Radiant Opto-Electronics Corporation • Chairman of the Radiant Education Foundation • Bachelor of Water Resources Engineering and Conservation, Feng Chia University 	9	0	9	100%
Director						
Hui-Chu Su	Female	<ul style="list-style-type: none"> • Chair of Luck Sincere Investment Co., Ltd. • Bachelor of Computer Science and Information Engineering, Ming Chuan University 	9	0	9	100%
Been-Fong Wang	Male	<ul style="list-style-type: none"> • Director of Dragonjet Investment Co., Ltd. • Master of Chemical Engineering, California Miramar University • Assistant Manager of R&D Center of Radiant Opto-Electronics Corporation 	9	0	9	100%
Pen-Chin Wang	Male	<ul style="list-style-type: none"> • Attending Physician, Taipei Veterans General Hospital • Bachelor of Medicine, Kaohsiung Medical University 	9	0	9	100%
Pen-Tsung Wang	Male	<ul style="list-style-type: none"> • Manager and Director of Dragonjet Corporation • Master of Business Administration, Chang Gung University 	9	0	9	100%
Hsiang-Kuan Pu	Male	<ul style="list-style-type: none"> • Deputy General Manager of WK Technology Fund • Director of the Radiant Education Foundation • Master of Computer Engineering, University of Southern California 	9	0	9	100%
Independent Director						
Yao-Chung Chiang	Male	<ul style="list-style-type: none"> • Chairman of Taiwan High Speed Rail Corporation • Ph.D. in Mechanical Engineering, University of Wisconsin-Madison • Director of the China Aviation Development Foundation 	8	1	9	89%
Tzi-Chen Huang	Male	<ul style="list-style-type: none"> • Chairman of I-Sheng Electric Wire & Cable Co., Ltd. • Executive Master of Business Administration, Kun Shan University • Director of the Papenwindmill Cultural Foundation, Taiwan 	9	0	9	100%
Lun-Pin Tseng	Male	<ul style="list-style-type: none"> • Deputy General Manager and Chief Technology Officer of EDOM Technology Co., Ltd. • Master of University of Illinois Urbana-Champaign 	9	0	9	100%
Jung-Yao Hsieh	Male	<ul style="list-style-type: none"> • Deputy General Manager of Kaohsiung Opto-Electronics Inc. • Bachelor of Sociology, Fu Jen University 	9	0	9	100%

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Age Distribution of Directors

Age	Number
50-60 years old	1
61-70 years old	6
71-80 years old	3
Average Age	68

Tenure for the 10th Board of Directors: July 22, 2021-July 21, 2024

Nomination and Selection of Board of Directors

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

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

The Board of Directors convened a meeting to review the Corporation's business performance, major investment cases, and audit plan results. They also assessed the integrity management practices in response to critical events and evaluated corporate governance operations. Additionally, the Board discussed key ESG strategies and intellectual property management plans. During the meeting, the Board assigned and confirmed the authority and responsible unit for relevant matters. They also committed to tracking and monitoring the actual progress and current situation in subsequent meetings. In 2022, the Board of Directors

addressed four business performance issues, two ESG strategies, one integrity management issue, and other significant matters. For further information, please consult the "Information on the Operation of the Board of Directors" in the Annual Report and the Corporation's website. The report of the Board of Directors will also include communication with the independent directors.

Principles of Recusal

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

Diversity in Board of Directors Composition

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

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Diversity of the Board of Directors

	Business Judgment	Business Management	Leadership Decisions	Industry Knowledge	Financial Accounting	International Market Perspective	Crisis Handling	Environmental Management and Social Participation
Chairman and CEO								
Pen-Jan Wang	●	●	●	●	●	●	●	●
Director								
Hui-Chu Su				●	●			●
Been-Fong Wang	●	●	●	●		●		●
Pen-Chin Wang				●		●		
Pen-Tsung Wang		●		●	●	●		
Hsiang-Kuan Pu	●	●	●	●	●	●	●	●
Independent Director								
Yao-Chung Chiang	●	●	●	●	●	●	●	●
Tzi-Chen Huang	●	●	●	●	●	●	●	●
Lun-Pin Tseng	●	●	●	●	●	●	●	
Jung-Yao Hsieh	●	●	●	●		●		●

Objectives for Management of Board Diversity

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

Performance Review of the Board of Directors

To improve the operational function and efficiency of the Board of Directors, a yearly performance evaluation system has been implemented, which included the assessment of the entire Board, individual board members, and the Functional Committee. Board members are expected to complete a self-evaluation questionnaire regarding their performance.

Board Performance Evaluation Results 2022

Performance Review of the Whole Board		
Assessment Metrics	Score/Full Score	Evaluation Results
Participation in Corporation's operations	24.84/26.66	Excellent
Improving the quality of policy decisions made by the Board of Directors	25.16/26.66	
Composition and Structure of the Board of Directors	14.49/15.56	
Continuing Professional Development of Directors	14.27/15.56	
Internal Controls	14.71/15.56	
Performance Review of Individual Board Members		
Understanding and execution of Corporation's objectives and responsibilities	12.61/13.05	Excellent
Understanding of director's role and responsibilities	12.26/13.05	
Participation in Corporation's operations	31.91/34.78	
Internal Relationship Management and Communication	12.43/13.04	
Continuing Professional Development of Directors	12.35/13.04	
Internal controls	12.52/13.04	
Audit Committee		
Participation in Corporation's operations	17.95/18.18	Excellent
Awareness of the duties of the functional committee	22.27/22.73	
Improving the quality of policy decisions made by the functional committee	31.14/31.81	
Composition of the functional committee and election of its members	13.64/13.64	
Internal controls	13.41/13.64	
Remuneration Committee		
Participation in Corporation's operations	21.05/21.05	Excellent
Awareness of the duties of the functional committee	26.32/26.32	
Improving the quality of policy decisions made by the functional committee	36.32/36.84	
Composition of the functional committee and election of its members	15.79/15.79	
Sustainable Development Committee		
Participation in Corporation's operations	22.16/23.53	Excellent
Awareness of the duties of the functional committee	15.88/17.65	
Improving the quality of policy decisions made by the functional committee	37.25/41.18	
Composition of the functional committee and election of its members	16.67/17.65	

Note 1: Scoring Guide: 90-100=excellent, 80-89=very good, less than 79=needs improvement
 Note 2: Sustainable Development Committee Evaluation Indicators—Corporation Operations Covering Sustainability Issues

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Director Self-Improvement Program

Every year, Radiant Opto-Electronics Corporation arranges for its directors and supervisors to participate in a self-improvement program aimed at improving their knowledge and capabilities on issues related to economics, society, and the environment. Recently, the programs that were participated in included Corporate Governance 3.0 - Sustainable Development Blueprint, Sustainable Development of Corporations, Climate Governance, and others. On July 28, a training course titled "From ESG and Net Zero Governance to Transparent Disclosure" was held for all board members to participate in. The table below provides details on the courses that took place in 2022.

	Date of Training	Organizer	Name of Program	Training Hours
Chairman and CEO				
Pen-Jan Wang	02/22	Accounting Research and Development Foundation	How to analyze key corporate financial information and strengthen crisis alerting capabilities	6
Director				
Hui-Chu Su	02/22	Accounting Research and Development Foundation	How to analyze key corporate financial information and strengthen crisis alerting capabilities	6
Been-Fong Wang	03/09	Taiwan Institute of Directors	Leadership Institute Forum "Rebooting the New Reality - Seeing the Digital New Taiwan"	3
	03/25	Accounting Research and Development Foundation	TCFD Climate Related Financial Disclosure and Low Carbon Green Value Paradigm	3
Pen-Chin Wang	01/14	Accounting Research and Development Foundation	Cases of false financial reports and how to find key information in financial reports	3
	06/17	Securities & Futures Institute	Advanced seminar on directors' and supervisors' (including independent directors) practices - the most important financial information that directors overlook	3
Pen-Tsung Wang	08/23	Securities & Futures Institute	Discussing court cases for independent directors and audit committees	3
	09/21	Securities & Futures Institute	Corporate governance 3.0 from a jurisdictional and prosecutorial	3
Hsiang-Kuan Pu	03/18	Taiwan Corporate Governance Association	Changing the world with investment - impact investing and SDGs in practice	3
	09/06	Taiwan Corporate Governance Association	The real value created by circular and low carbon innovation - A look at circular economy and governance	3

	Date of Training	Organizer	Name of Program	Training Hours
Independent director				
Yao-Chung Chiang	04/13	Securities & Futures Institute	External innovation and sustainable management	3
	07/05	Taiwan Corporate Governance Association	2030/2050 Green Industrial Revolution	3
	08/03	Securities & Futures Institute	The applicability of the Information Security Management Act under the threat of ransomware	3
Tzi-Chen Huang	03/10	Quantum International Corp (QIC), Georgeson, and the Taiwan Stock Exchange	An international perspective on independent directors and the 2022 Shareholders' Meeting	1
	08/18	Taiwan Institute of Directors	SAP NOW Taiwan creating sustainable smart businesses	3
	10/14	Securities & Futures Institute	2022 Seminar on the prevention of insider trading	3
Lun-Pin Tseng	07/12	Taiwan Corporate Governance Association	Advanced Audit Committee Practices - M&A Review and Directors' Responsibility	3
	07/27	TWSE and TPEX	Sustainable Development Roadmap Industry Conference	2
	09/30	Taiwan Corporate Governance Association	Corporate governance in coping with the changes of the international order	3
Jung-Yao Hsieh	03/28	Accounting Research and Development Foundation	Development trends in Internet technology and new ways of thinking for internal auditors	6
	11/30	Taiwan Academy of Banking and Finance	Corporate Governance Conference	3

Note: In 2022, the total number of training hours for directors was 69 hours.

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Dedicated Unit for Corporate Governance

To enhance the implementation of corporate governance, the Corporation's Board of Directors has decided to designate the Accounting Supervisor of the Finance Department as the Corporate Governance Officer. This appointment aims to protect the rights and interests of shareholders and reinforce the Board's functions. The job duties of corporate governance officers include: assisting directors in performing their duties, providing necessary information, and arranging self-improvement training for them; assisting with meeting proceedings and legal compliance matters for all functional committees, the board of directors, and the shareholders' meeting; maintaining investor relations; and regularly attending self-improvement courses to enhance capabilities in corporate governance-related job functions.

Self-improvement Program for Corporate Governance Supervisors in 2022

Date	Organizer	Name of Program	Training Hours
6/21	Accounting Research and Development Foundation	Fiscal issues and tax governance practices of foreign investment by Taiwanese businessmen	3
6/21	Accounting Research and Development Foundation	Practical examples of "breach of trust" and legal liability analysis	3
9/13	Accounting Research and Development Foundation	Reading the TCFD Report: How to grasp the essential highlights	3
9/27	Accounting Research and Development Foundation	Preparation of the TCFD Report: Key points of reference	3

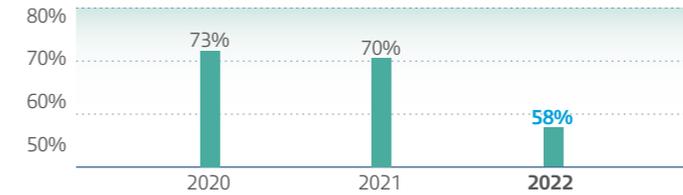
Note: The total number of training hours in 2022 was 12 hours

Safeguarding shareholders' rights and interests

Radiant Opto-Electronics Corporation hosts annual institutional investor conferences and periodically extends invitations to such events. Additionally, the corporation conducts annual shareholders' meetings to engage with investors. The shareholder attendance rate in 2022 is 58%. To keep investors informed of the corporation's financial, business, and corporate governance information, the corporate website is updated as needed. To safeguard the rights and interests of shareholders, we have implemented e-voting during Shareholders' Meetings to promote shareholder activism. Additionally, we have designated a spokesperson and an investor relations contact person to address any suggestions, questions, disputes, or litigation matters from shareholders. Furthermore, we have established the "Regulations on

Prevention of Insider Trading" and the "Procedures for Handling Significant Internal Information" to strictly prohibit insiders from trading marketable securities based on non-public information. Due to the pandemic, the attendance rate in 2022 was 58%.

Attendance Rate of the Shareholders' Meeting



Governance Organizational Chart



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Sustainable Development Committee

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

Audit Committee

The Corporation has established an Audit Committee in compliance with applicable regulations. The committee comprises four independent directors who are responsible for formulating and revising the internal control system, standard operating procedures for significant financial transactions, and matters related to directors' interests. In 2022, the Audit Committee has held six meetings with a 96% attendance rate.

Remuneration Committee

Radiant Opto-Electronics Corporation established a Remuneration Committee under the Board of Directors. The Remuneration Committee is comprised of members who are appointed by the Board of Directors and are required to comply with professional qualifications and independence as stipulated by relevant regulations. Currently, the Committee is chaired by Tzi-Chen Huang, with Yao-Chung Chiang, Lun-Pin Tseng, and Jung-Yao Hsieh serving as members. In 2022, the Remuneration Committee convened four meetings, with an attendance rate of 100%. Radiant Opto-Electronics Corporation is committed to gathering employee feedback through various communication channels, including employee suggestion boxes, labor-management meetings, and employee seminars. This feedback is then utilized to inform adjustments and optimizations to our salary-related policies.

Remuneration Policies for Directors and Managers

Remuneration for Directors

The remuneration of directors encompasses travel expenses and compensation from profit distribution. Regarding travel expenses, payment will be based on the number times in attendance at board meetings. Each director will receive NT\$10,000 per payment. As per Article 29 of Radiant Opto-Electronics Corporation's Articles of Incorporation, 1.1% of the remaining earnings balance, after deducting the amounts specified in paragraphs 1 to 4, will be allocated as directors' remuneration. The Remuneration and Compensation Committee will prepare a proposal for this allocation, which will then be approved by the Board of Directors. The proposal will be submitted to the Shareholders' Meeting, and the director's remuneration will be paid based on the agreed number of rights as resolved by the Shareholders' Meeting. In 2022, the annual total compensation ratio between the median salary of non-executive employees and the Chairman at the Kaohsiung Factory is approximately 1:69.4. Additionally, the annual total compensation change ratio between the salary increase of non-executive employees and the Chairman is approximately 1:3.5. The Chairman's personal remuneration is disclosed in the [annual report](#).

Remuneration Policies for Managers

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

Integrity Management Team

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

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2.2 Integrity Management

Radiant Opto-Electronics Corporation has established several management practices, including the "Code of Conduct on Integrity Management", "Procedures and Conduct Guidelines for Integrity Management", "Procedures for Handling Internal Material Information" and "Code of Ethical Conduct for Directors and Managers" and other management practices. The Corporation has provided specific guidelines for employees to follow while performing their job duties to prevent the provision, promise, request, or receipt of any illegitimate interests, either directly or indirectly. Additionally, employees are expected to avoid any dishonest actions that breach good faith, are illegal, or violate fiduciary obligations. All operating bases of the Group, including the Kaohsiung, Wujiang, Nanjing, and Guangzhou Factories, have been included in the scope of the corruption risk assessment. We are pleased to report that there were no reported cases of financial or accounting regulation violations in 2022. Furthermore, the overall number of reported cases was lower than the previous year.

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

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



[Code of Ethics and Business Conduct Guidelines](#)

Distribution of reporting channels

The official website of Radiant Opto-Electronics Corporation announces the reporting channel for both internal and external personnel to report any wrongdoings directly to the Corporation through the public reporting mailbox (cl@radiant.com.tw). The option of reporting anonymously is also available. The receiving unit is required to maintain the confidentiality of the whistleblower's identity and the incident and not disclose it to any third party not related to the investigation unless necessary to prevent unfair and unfavorable treatment of the whistleblower. The relevant protection system, case acceptance process, and handling standards for violations are clearly stipulated in "Procedures and Conduct Guidelines for Integrity Management." In 2022, Radiant Opto-Electronics Corporation received a total of 0 complaints and 255 reported cases, with a closing rate of 100%.

	2020		2021		2022	
	Number of Cases	Closing Rate	Number of Cases	Closing Rate	Number of Cases	Closing Rate
Leadership Management	107	100%	58	100%	90	100%
Labor Dispute	267	100%	100	100%	162	100%
Sexual Harassment	5	100%	0	0	3	100%
Others (Violation of Labor Regulations)	10	100%	6	83%	0	0
Total	389	100%	164	94.4%	255	100%

Note: Complaint cases refer to cases reported to the competent authority; whistleblower cases refer to cases reported through internal channels.

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Legal Compliance

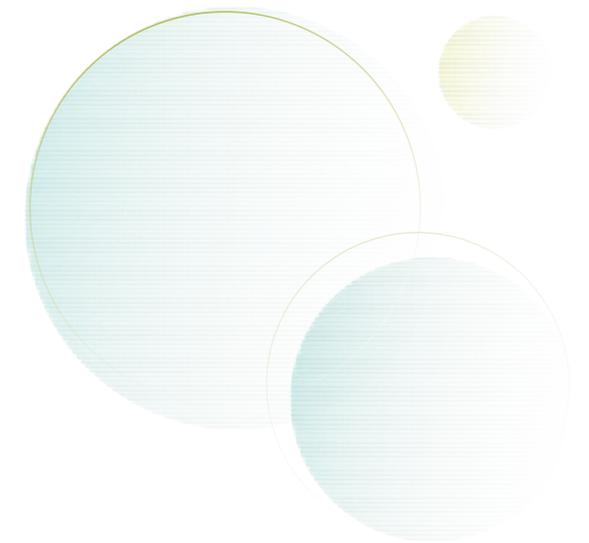
Radiant Opto-Electronics Corporation has prioritized compliance with legal requirements and operating with integrity since its establishment in 1995. The Corporation considers this to be the most fundamental responsibility of any enterprise and has instilled this spirit in all of its subsidiaries within the group. To ensure compliance with local governmental regulations, we have established a dedicated legal unit that collaborates with our audit, finance, and related departments. This unit closely monitors both domestic and foreign policies and regulations that may impact our Corporation, and stays up-to-date with the latest amendments to ensure that all units strictly adhere to regulations in their operations. This is crucial in protecting our corporation's reputation. In 2022, our Corporation has not incurred any significant monetary or non-monetary penalties for violating environmental, economic, or social laws and regulations. Additionally, we have not faced any litigation for engaging in anti-competitive behavior, and no negative news as well. "Significant violations" are defined as fines exceeding NT\$1,000,000 or more, or any suspension of business, operations, or work that may impact the Corporation's operations.

Legal Compliance Education

Radiant Opto-Electronics Corporation is committed to enhancing employee awareness and knowledge of legal compliance. To achieve this, we regularly organize internal education and training sessions. Given the rapid changes in labor laws and regulations, we will be introducing an educational course on labor laws and regulations in Mainland China in 2023. Additionally, our Legal Department will compile the Group's past arbitration and litigation cases in labor relations and educate management at all levels on current practices. This will help to minimize legal risks and ensure compliance with all relevant laws and regulations.

How can we increase awareness of legal compliance among our colleagues?

The Corporation offers educational courses and staff training on legal compliance. In addition, the Legal Department of the Corporation has published a bimonthly legal journal called "Obey Law" 14 times since 2020. This journal covers legal write-ups related to the Corporation or current events, as well as legal questions answered in a Q&A format. The purpose of this journal is to enhance the legal knowledge of colleagues in an easily accessible manner. By reading "Oh Bai Law," colleagues can become familiar with relevant laws and regulations, enabling them to comply with laws and regulations related to their business operations.



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2.3 Risk Management

Risk Management Culture

In recent years, global enterprises have been confronted with the challenge of a rapidly changing environment and emerging risks. Radiant Opto-Electronics Corporation has effectively addressed this issue through its risk management organization and related policies. The Corporation aims to prevent and control operational risks, ensuring that any potential risks arising from each business are kept within a tolerable range. Additionally, Radiant Opto-Electronics Corporation seeks to strengthen its risk management culture, enhance the risk awareness of all employees, and establish a transparent and comprehensive risk communication mechanism with all stakeholders. These efforts are aimed at achieving the Corporation's vision of sustainable operation.

Risk Management Framework and Mechanism

Radiant Opto-Electronics Corporation upholds the sustainable philosophy of "environmental coexistence, social co-prosperity, and mutual benefit" to ensure stable operations and proactively mitigate various risks. In 2022, the Corporation established a Risk Management Team under the Sustainable Development Committee to address major issues and sustainably manage risk. The team reports to the Board of Directors at least once a year on risk management operations and develops risk management policies and procedures. These policies and procedures are approved by the Board of Directors and serve as guidelines for all employees to maintain and stabilize the Corporation's operations.

Risk Management Process of Radiant Opto-Electronics Corporation



Radiant Opto-Electronics Corporation not only has a responsible team that continuously tracks relevant risk issues, but also convenes senior executives from various departments within the group to hold a series of business strategy meetings. The purpose of these meetings is to jointly identify possible risks, as well as to summarize and analyze the strengths and weaknesses of each department through horizontal information exchanges between units. Additionally, we keep a constant watch on industry trends and market changes, referring to research reports from domestic and foreign institutions, as well as the annual global risk report published by the World Economic Forum (WEF), to stay informed of risk changes. We formulate management strategies for major potential risks and regularly track and review their effectiveness. The corporation's risk management processes include identifying the scope of risk, measuring risk, monitoring risk, and reporting and disclosing risk.

Risk Management Organization Structure of Radiant Opto-Electronics Corporation



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Risk Management Strategies

Radiant Opto-Electronics Corporation conducts regular identification and classification of potential risks for each operation. The risks identified for 2022 fall into three major categories: financial, operational, and disaster prevention. In this report, we will discuss strategies for monitoring and managing these risks to achieve stable operations. The risk categories for the year are as follows:

	Risk Category	Key Focus	Control Policy/Practices
Financial 	Credit Risk	To actively stay abreast of and update customer credit ratings as well as their financial status on a timely basis.	Strategy: Set credit transaction limits and collection terms based on customers' financial status and credit ratings, and regularly review the recovery status of accounts receivable. Methodology: Evaluate customer collection risk in accordance with internal practices
	Foreign Exchange Risk	To adjust exchange rate policy in response to changes in the international situation.	Strategy: Conduct a thorough analysis of exchange rate fluctuations, identify the optimal timing for foreign currency exchange, and effectively manage foreign currency assets and liabilities to mitigate exchange rate risks. Methodology: Daily tracking of exchange rate losses and gains through a consolidated foreign exchange assessment table, along with close monitoring of global economic changes and providing timely suggestions and discussions to decision makers to mitigate the risks associated with exchange rate fluctuations.
	Liquidity Risk	The Corporation must maintain adequate liquid assets to cover its operating expenses. Failure to do so may result in liquidity risk, which could potentially cause a crisis in the Corporation's operations.	Strategy: Review the structure of assets and liabilities, maintain adequate available funds and emergency response mechanisms, ensure sufficient funds to meet operational needs, and mitigate liquidity risk for the Corporation. Methodology: Reserve at least two months of working capital for disposal.
Operations 	Market Risk	Development time and cost for new products and technologies	Strategy: Continue to develop and produce ultra-thin, high-precision, and cost-effective light guide and backlight module products. Methodology: Conduct technical meetings with customers periodically.
	Raw Materials Supply Disruption Risk	To avoid increasing in procurement costs due to short of materials	Strategy: Develop alternative materials according to customer needs. Methodology: Provide procurement forecasts early to suppliers.
	Climate Change Risk	Focusing on climate change-related risks through introducing the TCFD framework	Strategy: Establishing a climate change risk identification mechanism based on the TCFD framework. Methodology: Introduce the TCFD framework to facilitate subsequent formulation of relevant countermeasures and continuous greenhouse gas inventory.
	Energy Risk	Pay close attention to energy efficiency, reduce dependence on fossil energy, and improve energy efficiency	Strategy: Monitor power usage and develop energy-saving measures. Methodology: Build a power monitoring system, and cooperate with the carbon management team to propose energy-saving projects every year, replace old equipment, and introduce low-energy-consuming equipment.
Disaster Prevention 	Information Security Management Risk	We have implemented the ISO 27001 "Information Security Management System" to enhance our operational processes and control measures, mitigate unknown attacks, and minimize losses resulting from information security risks.	Strategy: Set up information security measures to protect against hackers. Employees receive information security education and training to strengthen their awareness of information security risks. Methodology: Implement regular password changes and daily backup of important folders and prepare for restoration in case of emergency.
	Environmental and Health Risk	Execution of system optimization, to raise awareness on environmental safety and health among colleagues	Strategy: Establish an environmental safety and health management system according to operation risk and set up management procedures for chemical safety, machinery and equipment safety, etc. Methodology: Conduct regular drills for chemical leakage, waste leakage, fire, and air pollution prevention mechanism failure, along with various other types of education and training.
	Risk of Epidemic and Infectious Disease	To prevent the prevalence of infectious diseases, ensure the health of employees, and stabilize the Corporation's labor force.	Strategy: Gather relevant departments to form a response team and plan management and pandemic prevention measures for different risk levels. Methodology: We have established a pandemic notification mechanism, developed a pandemic investigation app, enhanced disinfection of the environment, and planned isolated dormitories and office areas for emergencies.

Note 1: For the types of risks, the texts in blue represents potential risks; and texts in red represents actual risks

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With reference to the research reports of external experts, domestic and foreign related institutions and the Global Risk Report of the World Economic Forum, we identified the potential impact of each risk and formulated management strategies for significant risks as follows:

Risk management

Risk Category	Description of the Risk	Potential Impact	Risk Management Strategies
 Financial Foreign exchange Risk	Changes in exchange rates can impact EPS if the primary currency used for operations is not the same as the functional currency.	Unfavorable exchange rates can lead to reduced profits, which can have an impact on both investors and the Corporation's earnings.	We adapt our exchange rate strategy in response to changes in the international market, make comprehensive assessments of exchange rate movements, determine the optimal timing for foreign currency exchange, and manage foreign currency assets and liabilities to mitigate exchange rate risks.
 Operations Climate Change Risk	As a result of the heightened risk of climate change, the global community is expediting the implementation of climate action policies aimed at reducing carbon emissions. This, in turn, may lead to increased operating costs for companies.	<ul style="list-style-type: none"> • Failure to assess and mitigate climate risks in advance could result in operational losses when our customers demand action in the future. • Failure to conduct a carbon inventory and manage carbon in our operations could result in increased operating costs in the event of a future carbon tax or fee. 	To address the issue of climate change, the Sustainable Development Committee has established a Carbon Management Team. The team's primary objective is to develop a management mechanism and implement carbon reduction measures, including: <ul style="list-style-type: none"> • Integrating ISO 14064-1:2018 and passing third-party verification. • Setting up a Carbon Management Team to draw up a carbon reduction path for the Group for 2030. • Following the TCFD framework and establishing a climate change management mechanism • Completing 2021 annual greenhouse gas inventory and passing the ISO 14064-1:2018 third-party verification.
 Disaster Prevention Risk of pandemic and infectious diseases	The COVID-19 pandemic, which began at the end of 2019, has had a detrimental effect on the global economy and disrupted the stability of industrial supply chains across the world.	The prevalence of infectious diseases can result in employees being unable to work, which in turn can lead to a reduction in factory operations and labor force. This reduction may cause delays in delivering goods to customers on time.	The relevant departments have been assembled to form a response team and develop management plans for varying levels of risk. The following pandemic prevention measures are deemed relevant: <ul style="list-style-type: none"> • We will implement an pandemic notification system, procure necessary pandemic prevention materials, conduct temperature checks prior to entering the factory, and disseminate health education and awareness campaigns. • We will also improve the disinfection of the factory area, regulate visitor control in accordance with established procedures, and establish isolation/observation dormitories and office spaces to prepare for emergencies. • We are currently developing an app for pandemic investigations, and we have activated remote offices for colleagues who will be traveling on business trips or require their use.

Business Continuity Management

Radiant Opto-Electronics Corporation recognizes the potential risks that come with the ever-changing global economy, society, and natural environment. To ensure uninterrupted operations and pursue sustainable business practices, we offer our customers a range of diversified, professional-quality backlight modules. Our manufacturing principles prioritize the continuous management of our operations. Radiant Opto-Electronics Corporation has established an emergency response team that regularly holds discussions with relevant units to identify and assess both internal and external risks. Based on the level of risk, the team develops emergency response plans. Additionally, management has implemented measures to ensure that all products continue to meet customer

requirements during any major event that may occur. These measures will be in place until the production line has recovered, in order to protect customer interests and minimize any potential impact.

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

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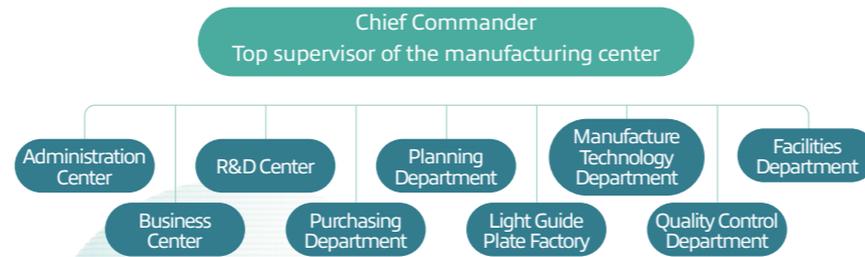
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At present, the emergency response team comprises nine units that have been chosen from various factories within the Corporation. The team is led by a chief commander who is the top supervisor of the manufacturing center. The senior executives, in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

Emergency Response Team



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

- 1. Notification of Suspicious Persons:**
Our warehouse security team conducts regular drills to ensure the safety of our premises. In the event that an unknown individual is discovered within the warehouse, our protocol dictates that they will be questioned and the supervisor will be immediately notified. Additionally, a guard will be dispatched to escort the individual off the premises.
- 2. Cargo Security Inspection:**
Use metal detectors to conduct cargo security inspection and report back to the responsible unit regarding the situation.
- 3. Mail and Cargo Abnormality:**
In the event of a suspicious parcel being discovered during the sending or receiving of mail, the local police department will be immediately notified. The site will then be sealed, and all personnel present will be evacuated simultaneously.
- 4. Climate Change-related Natural Disasters and Fires:**
We regularly call our colleagues from each unit to conduct fire drills and practice the use of fire hoses to prevent fires and other emergencies.

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

Radiant Opto-Electronic Corporation has formed a response team comprising relevant departments to address the COVID-19 pandemic. The Corporation has implemented various adjustments to its practices and put in place management measures based on the level of risk. Additionally, the Corporation is actively complying with local government policies in each factory area and taking preventive measures to minimize the impact on the Corporation. The relevant COVID-19 prevention measures are as follows:

The Environmental Safety Department is responsible for implementing prevention policies and adjusting pandemic prevention measures in response to the current situation. They not only purchase pandemic prevention resources but also show concern for confirmed cases and self-management personnel before they return to the factory for inspection. Additionally, they establish a self-reporting process for confirmed cases and implement pandemic prevention measures for close contacts in the factory, including temperature measurement. The department is also responsible for promoting health education and suggesting a notification mechanism during the pandemic to ensure the overall operations run smoothly.

In addition to disinfecting the factory area, the General Affairs Department also regulates visitor access in accordance with established procedures. To prepare for emergencies, isolation and observation dormitories have been established, as well as designated office spaces. Additionally, meal supply at the canteen has been adjusted to prevent workers from dining together. The Information Department is currently developing an app for pandemic investigations. Additionally, remote offices have been activated for colleagues who will be traveling on business trips or require their use. The business and procurement departments proactively engage with customers and vendors to increase safety stock and coordinate shipping times to meet customer requirements.

The volunteer teams at Wujiang Factory collaborate with the local government to actively engage in social welfare activities. Since its establishment in 2014, the team has grown from a small group to over 100 members from various departments. They continue to participate in various social services and environmental protection initiatives. In light of the recent pandemic, 121 volunteers have been actively involved in conducting PCR testing. Collectively, they have dedicated 3,127 hours towards this effort.



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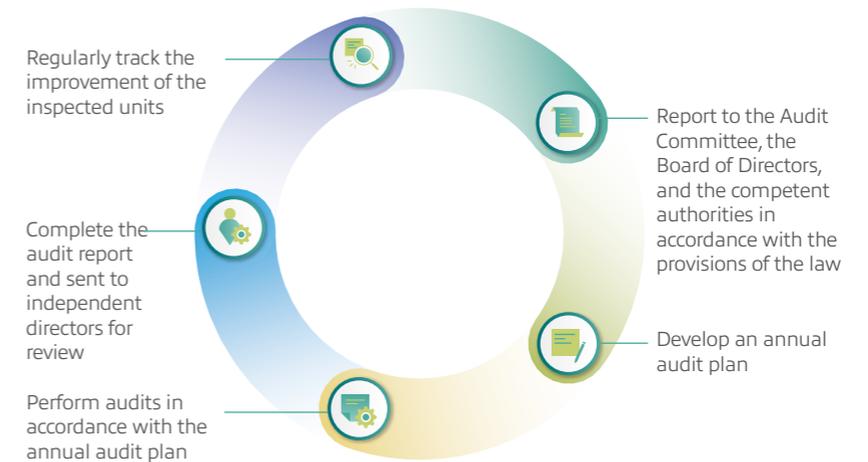
Radiant Opto-Electronics Corporation conducts annual audits in accordance with the "Guidelines for Public Listed Companies to Establish Internal Control Systems" by the Financial Supervisory Commission. These audits assist the Board of Directors and management in supervising all internal systems and processes of the Corporation. We implement annual audit plans and continuously monitor related operating systems to ensure the accuracy, reliability, timeliness, and transparency of operational, financial, and management information. We also ensure compliance with relevant laws and regulations and provide timely suggestions for improvement to ensure the continuous and effective implementation of the internal control system. Each year, the Corporation requires a review of the self-assessment reports on the internal control system for every unit and subsidiary, in accordance with applicable provisions. The report must be presented regularly to the CEO and Board of Directors, along with the results of the internal audit and progress made towards improvement. This ensures that management has a clear understanding of whether the purpose of management is being achieved and the effectiveness of the supervision mechanism being implemented.

To ensure continuous implementation of the self-supervision mechanism, the Auditing Office conducted an anonymous survey on internal control self-assessment. The purpose of the survey was to gain an understanding of the results of implementing internal controls. According to the survey results, the self-assessment scores for internal control at both the overall and operational levels have shown a slight increase of approximately 3% and a decrease of 1%, respectively, in 2022 compared to 2021. This indicates that both management and employees are dedicated to effectively implementing the internal control system to maintain operational risk control within acceptable limits. Furthermore, the results demonstrate that the current operational control measures are satisfactory.

Internal Audit Operation

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

components and control operation focus to ensure the following objectives are reasonably achieved: 1) the effectiveness and efficiency of operations, 2) the reliability, timeliness, and transparency of reporting, and compliance with relevant regulations, and 3) compliance with relevant laws and regulations. The internal audit unit is responsible for establishing the implementation details of internal audits in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." Additionally, the unit formulates an annual audit plan to inspect and evaluate the implementation of internal controls. The purpose of this plan is to provide timely recommendations for improvement to ensure the continuous and effective implementation of the internal control system. The Audit Office conducts an annual review of the self-inspection reports submitted by each Corporation unit and subsidiary, in compliance with regulations. These reports, along with the outcomes of internal audits and any corresponding improvements, serve as the foundation for the Board of Directors and Chief Executive Officer to assess the efficacy of the internal control system and to issue a statement on its status. This statement has been included in both the annual report and public statement to comply with regulations. The FSC is provided with online access to the annual internal audit plan, its implementation, and the efforts made to address any internal control deficiencies or irregularities, as required by regulations.



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Big Data Risk Warning Audit

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

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

Audit Process



2.5 Information Security Management

Information Security Management System

In recent years, data theft and cyber-attacks have become increasingly prevalent risks. To ensure the smooth operation and continued success of our business, Radiant Opto-Electronics Corporation has implemented a variety of monitoring and control systems, as well as regularly scheduled staff training. Thanks to the effective management of our information department, we have been able to reduce information security risks to a manageable level. Radiant Opto-Electronics Corporation has developed an internal information management system and implemented the PDCA (Plan-Do-Check-Act) circular management operation model. This model covers system establishment, introduction, implementation, risk assessment, and improvement measures. To enhance the information security structure, Radiant Opto-Electronics Corporation plans to obtain ISO 27001 certification for customer-specified models. The Wujiang Factory is certified in 2022, followed by the Kaohsiung Factory in 2023, and the Nanjing and Guangzhou Factories in 2025.



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Information Security Management Policies

Radiant Opto-Electronics Corporation has developed an information security policy to safeguard the confidentiality, integrity, and availability of its data and information. This policy is reviewed twice a year, in June and December, to ensure that it remains effective against new malicious attacks and to implement appropriate defense mechanisms. Radiant Opto-Electronics Corporation adheres to its information security incident management procedures in the event of a security breach. This involves implementing countermeasures, conducting a thorough analysis of the root causes, and reviewing best practices for future improvement. To prevent cyber attacks, we conduct monthly releases and examinations of major system loopholes. These loopholes are then repaired through system updates. Radiant Opto-Electronics Corporation regularly engages a third-party information security unit to conduct annual external system penetration testing. In 2022, we commissioned a third-party information security manufacturer to perform system penetration testing on three systems. The first test, which was conducted on a high-risk system, has been completed and the system has passed after undergoing necessary repairs. Radiant Opto-Electronics Corporation conducts periodic loophole scanning to ensure that its information systems and network environments comply with the information security protection mechanism. This helps to identify any potential vulnerabilities in the program and address them promptly.

Systemic aspects	Data aspects	Execution aspects
Implement and drive of IT security policy	Protect information and data access security	Ensure efficient environmental and physical facility operations
Implement internal and external information security audit system	Protect information and data access security System acquisition, development and maintenance security	Management of information security incidents
Execution of information security risk assessment mechanism	Information asset configuration management	Monitor of internal and external communication security
Compliance with information security ordinances		Sustaining the Corporation's operational continuity
Compliant with software and hardware licensing legalization		

Time	Drills and their effectiveness
2022.03	Email Social Engineering Drill and Email Social Engineering Information Security Education Training with a total of 2000 participants.
2022.04	Power outage drills in 4 factories
2022.08	Penetration testing for 3 targets
2022.10	Cyber attack drill

Information Security Risk Management

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

Information Security Risk Prevention and Protection Response	
Asset-security configuration	Control policy/practices
Risk prevention	<ul style="list-style-type: none"> • Information security policies are reviewed in June and December of each year and adjustments are made accordingly. • We regularly educate all factory personnel on the information security policy and conduct social engineering drills with emails every year. • Daily backup of important folders, preparing for restoration in case of emergency. • Recovery mechanism for important host disasters, annual recovery and verification to ensure the recovery of important systems.
Protective Facilities	<ul style="list-style-type: none"> • Smart software and hardware device protection, network endpoint management application, information system loophole scanning. • Introduce east-west network isolation to enhance virus protection on production line computer and prevent execution of illegal software program.
Emergency Response	<ul style="list-style-type: none"> • Develop response plans for potential server room disasters and design a flowchart to streamline emergency operations. • If a long-term power outage occurs without prior notification, the self-powered generator at the Kaohsiung Factory will be utilized as a backup power source for the information systems of all factories in China. This will be done promptly to ensure uninterrupted connectivity.

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Product Information Security and Loopholes

Radiant Opto-Electronics Corporation has implemented management and control strategies and practices to address the financial impact of information security risks and vulnerabilities. For instance, the IT Department has established a backup redundancy mechanism and conducts regular recovery drills to mitigate the potential risk of system service interruption. Radiant Opto-Electronics Corporation remains vigilant in managing supply chain information security risks. Despite the absence of information systems in the backlight modules, the Corporation takes measures to prevent potential threats such as counterfeit products, components, or production information security breaches. In order to carry out control on supply chain information security, Radiant Opto-Electronics Corporation introduced Multi-Factor Authentication (MFA) in 2022 to enhance the security of identity authentication.

How can we ensure the effectiveness of the information systems?

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

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

Protection & Processing of Confidential Data

Radiant Opto-Electronics Corporation values the confidentiality of information provided by our customers, vendors, and partners. We have made significant efforts to maintain each other's competitive advantages over the years. To ensure the continuous protection of confidential information at institutional, management, and legal levels, we have developed the "Management Regulations for Classified Information" in accordance with the Trade Secrets Act. These regulations are designed to effectively safeguard the Corporation's confidential information. We strive to strike a balance between "strict protection" and "paperless management" while managing our operations in a systematic manner. This approach helps us save on labor expenses and improve the effectiveness of our control measures.

The IT department monitors all terminal equipment connected to the factory through the information department's network access control system to ensure information security. This system identifies internal network settings, blocks unknown foreign connections, detects abnormal events in the Corporation, and generates reports automatically. It is the most important precautionary mechanism for endpoint device control and ensures the security of confidential information. This allows for effective, instantaneous, and automatic detection of any potential security breaches. In 2022, the Corporation did not receive any complaints from partners in relation to the protection of confidential information, and there was no leakage of confidential information during the year.

Does the Corporation have a policy to protect the privacy of customers in terms of information security to avoid personal information leakage?

Protecting the privacy of our customers and vendors is a very important part of gaining and maintaining the trust of our stakeholders. The Corporation is committed to maintaining privacy, protecting personal information, and safeguarding information security. The following measures were taken in the administrative and technical aspects of information security respectively:

Regarding administrative management, employees who violate the strict confidentiality obligations outlined in the Employee Confidentiality Agreement, including failing to protect confidential information to the best of their ability, must take necessary measures to safeguard the confidential information held by the Corporation's customers, vendors, and other parties during their tenure. In terms of information security technology, due to the industrial nature of Radiant Opto-Electronics Corporation's non-e-commerce and financial industries, which require the management of a large number of B2C customers, personal information protection certification is not required for establishing customer trust and loyalty. Currently, employee personal information, customer data, and supplier data are stored in corresponding ERP, HR payroll, and other application systems as databases. These systems are located in the Corporation's core internal network and are protected by firewalls, anti-virus software, intrusion detection systems, vulnerability scanners, and other information security solutions at the physical, network, and system levels. As a result, the risk of personal information leakage is extremely low.

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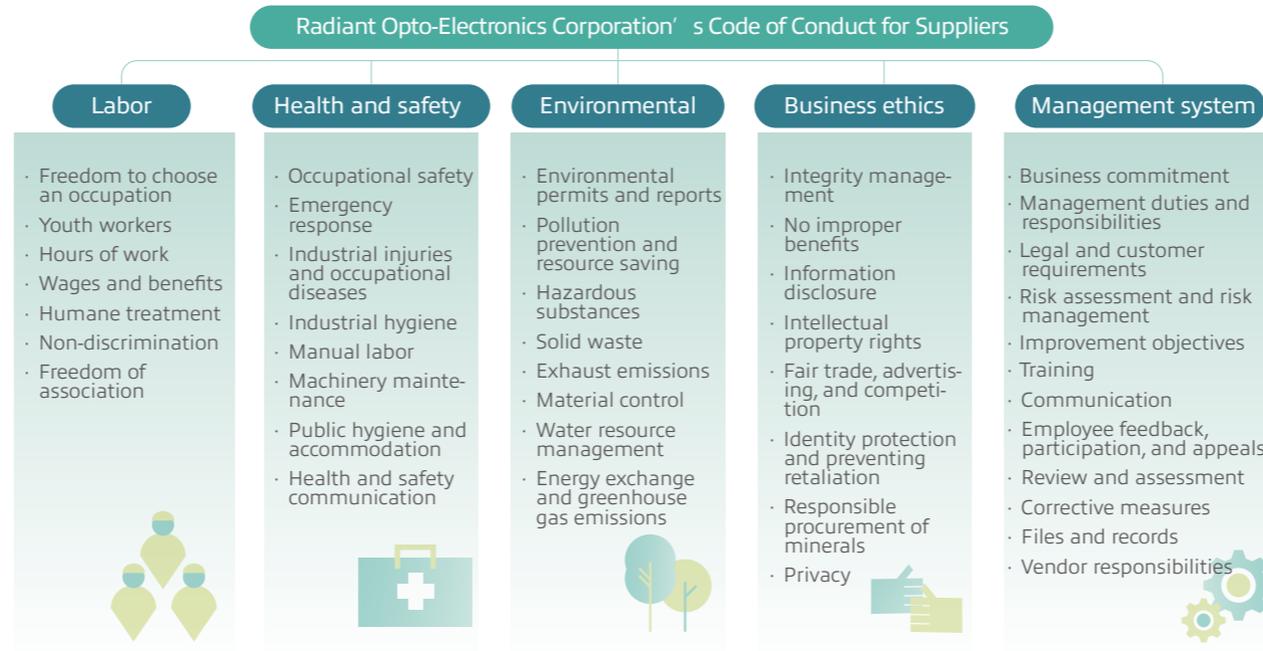
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2.6 Supplier Sustainability Management

Supplier Policies

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

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



Conflict Minerals Policy

Radiant Opto-Electronics Corporation places a high priority on suppliers who have international verification when conducting vendor screenings. In order to ensure the safety of the raw materials used in their products, vendors are required to sign RoHS documents regarding forbidden items, provide a Statement of Declaration of EU REACH on substances of very high concern, and furnish inspection reports. The Corporation refuses to accept supply chains that involve conflict minerals, including gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn), as well as tropical rainforest fiber materials sourced from the People's Republic of Congo or its neighboring countries, and illegal tin mining from Bangka Island, Indonesia. This policy is in place to prevent the use of controlled substances and to fulfill our responsibilities for product safety and environmental protection. For details, please refer to the section on Critical Materials Management.

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Supplier Management

The supplier sustainability management mechanism comprises four primary components: supplier policy, identification of supplier sustainability risks, verification of supplier sustainability risks, and supplier counseling. Radiant Opto-Electronics Corporation expects its suppliers to share the responsibility of corporate sustainability. Supplier compliance is a crucial factor in purchasing decisions and accounts for 5% of the Quarterly Business Review (QBR). New vendors will also undergo an assessment of their environmental and social risks using the "New Supplier ESG Self-assessment Form." If they fail to meet the required standards, they will not be considered for future business or provided with assistance to improve. In 2022, there were 239 vendors assessed using "New Supplier Self-Rating Form, the passing rate was 100%. We work together through the upstream and downstream supply chains to deliver sustainable impact and value. In the future, Radiant Opto-Electronics Corporation aims to enhance its value chain cooperation by collaborating with customers in the development of recycled materials and examining carbon risks with suppliers. This approach is in line with international trends and customer demands.



Due to the pandemic's impact in recent years, we have not held any in-person meetings. However, we continue to communicate with our suppliers through our internal supplier platform. This allows us to effectively convey our management policies and annual targets, as well as keep our suppliers informed of relevant regulatory trends. We look forward to working closely with our suppliers, growing together and creating greatest value for each other.

Supplier Carbon Management Survey

In 2022, the Procurement Department of Radiant Opto-Electronics Corporation initiated a survey of supplier carbon management. The department sent questionnaires to the suppliers of the Group's four factories, with a focus on 126 suppliers who provide raw materials, molds, manufacturing, or processing services. The survey included: greenhouse gas inventory, product carbon footprint, energy management systems, and carbon reduction projects. We will analyze the supplier assessments to clarify the carbon risks in the supply chain and move toward a sustainable supply chain.

Vendor Sustainability Risk Audit

Radiant Opto-Electronics Corporation has conducted a sustainable risk assessment for its suppliers, screening out the first-tier key suppliers based on various conditions such as raw materials, transaction volume, important components, and whether they are the sole supplier. The Corporation has distributed self-assessment questionnaires to key suppliers, investigated their potential environmental and social risks, classified risk levels based on the results, conducted on-site audits on high-risk suppliers, and completed audit evaluation reports. Based on the supplier self-assessment and inspection results in 2022, it was found that the compliance rate of the management system is low. The reason for this is that the suppliers have not obtained the ISO 45001 occupational safety and health certification and the ISO 14064-1 greenhouse gas verification.

In 2022, out of 316 existing suppliers, the Group's first-tier key supplier definition selected 27 suppliers from Taiwan and China, which accounted for 56% of total purchases, to conduct sustainable risk self-assessment. After reviewing the documents, 13 suppliers with high risk underwent on-site audits. The audit items were based on the RBA and covered five major aspects: labor, health and safety, environment, business ethics, and management system. Four levels of deficiencies were distinguished: priority, major, minor, and observation. We require suppliers to propose improvement plans to ensure effective control and reduction of risks.

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The environmental safety and human resources departments conduct field audits, and the results of the 2022 supplier risk audit indicate no immediate or significant risks. Suppliers did not have any priority or major deficiencies, and all final evaluation grades were above a B, resulting in a 100% pass rate. Furthermore, none of the suppliers required counseling or assistance. To enhance the efficacy of supplier auditing in the future, we will implement external inspection procedures and devise inspection protocols for suppliers located outside of Taiwan and China. This will help mitigate sustainability risks in our supply chain.

Supplier Sustainability Risk Ratings

Supplier Sustainability Review ratings are based on several factors, including the degree of cooperation during on-site audits, proactivity in delivering improvements, and the results of the audit. Different grades will be assigned based on the level of performance in these areas.

- Grade A: above 90%.
- Grade B: 80-89%.
- Grade C: 70-79%.
- Grade D: below 69%.

Those who receive a Grade D on their evaluation will be included in the consultation list. They will be required to undergo self-assessment and an on-site audit again the following year.

Supplier Sustainability Risk Review Process

01 Supplier self evaluations
Conduct evaluation of key vendors through the Supplier ESG Self-assessment Form

02 Audit and Review
Perform on-site audits of suppliers and manufacturers that pose potential social and environmental risks. These audits are specifically targeted towards high-risk entities.

03 Assessments
The results of supplier sustainability risk audits are included in the Quarterly Business Review (QBR). Those with assessment results below grade D are included in the counseling list.

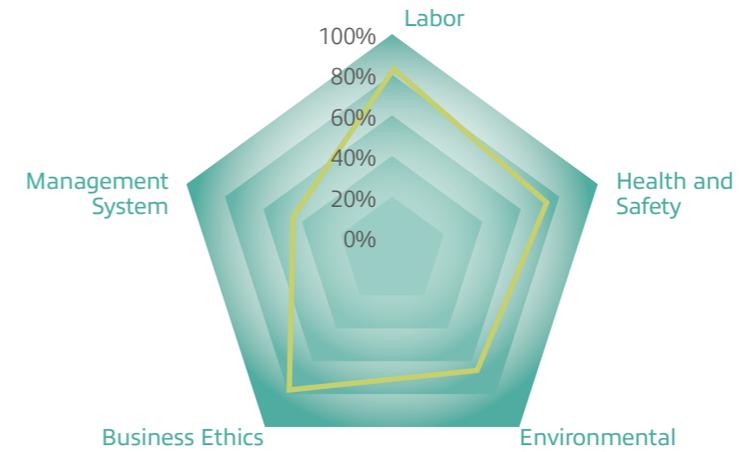


04 First-tier key Supplier selection
Review the supplier list and shortlist the first-tier key suppliers

05 Risk assessment
Review the content of the self-assessment form, and based on the results of the review, screen out suppliers that may be high risk

06 Tracking improvements
Follow up on improvement plans provided by suppliers, provide relevant experience and consultations for improvements when necessary

Vendor Self-Assessment Results



Local procurement for suppliers

The Corporation is currently implementing localized procurement practices, which involve encouraging suppliers to establish local factories, reducing energy consumption during air and sea freight, and shortening the overall timeline of the procurement process. Throughout this process, the Corporation maintains a commitment to fairness, selecting suppliers based on a variety of factors including the quality of raw materials, pricing, delivery dates, operational stability, production and supply capacity, and compliance with environmental and safety regulations, among other reasonable conditions. After analyzing supplier transactions in 2022, it was found that the Kaohsiung Factory accounted for the highest percentage at 56.74%, while the Guangzhou Factory accounted for a relatively lower percentage at 7.44%. The majority of transactions were for raw material purchases, which accounted for 95.30% of the total amount. In 2022, the Corporation's local procurement proportion was recorded at 50.36%, with mainland factories accounting for 56.95% of local procurement. The analysis report indicated that the difference was due to adjustments in transaction models and changes in prices. In 2022, Radiant Opto-Electronics Corporation collaborated with 294 suppliers who supplied raw materials and outsourced services. Among these suppliers, 239 were new additions. Of the new vendors, 4.46% were engineering suppliers, 15.24% were raw materials suppliers, 0.74% were mold suppliers, 32.71% were miscellaneous suppliers, and 46.84% were suppliers from other categories.

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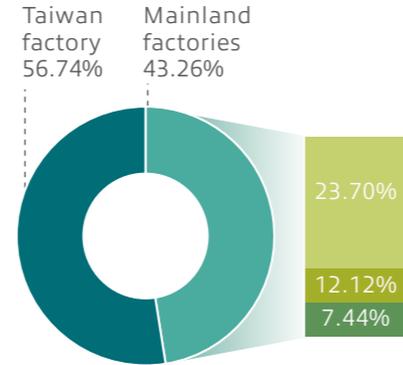
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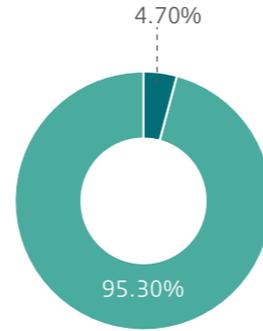
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Proportion of supplier's transaction amount at each factories

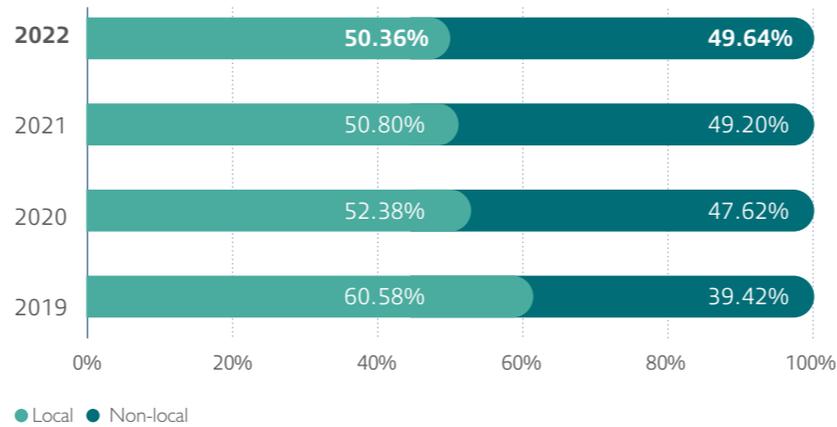


● Wujiang Factory ● Nanjing Factory ● Guangzhou Factory ● Raw Materials ● Miscellaneous Items

Proportion of supplier's transaction amount

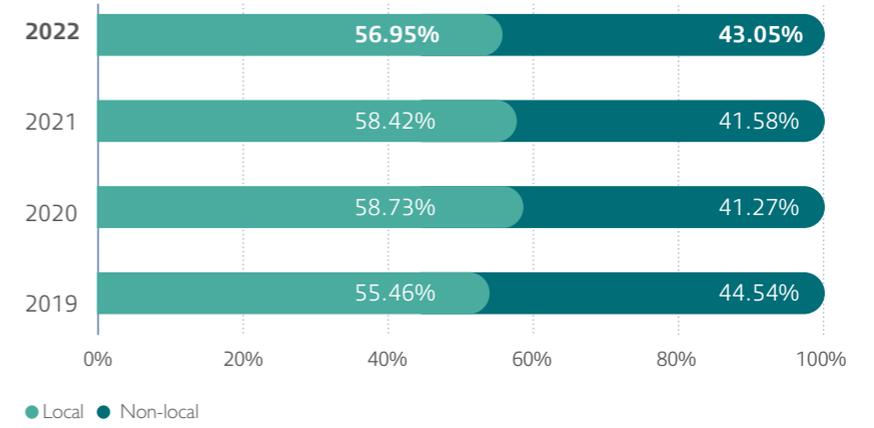


Percentage of transaction amount for local procurement of the Group



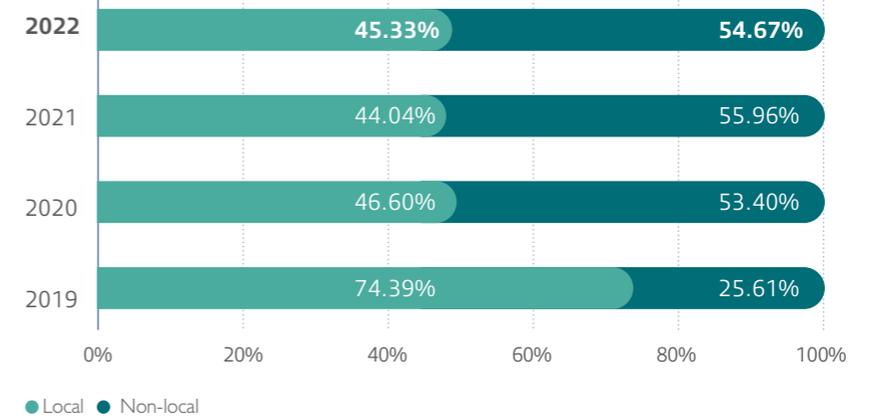
● Local ● Non-local

Percentage of transaction amount for local procurement at Mainland



● Local ● Non-local

Percentage of transaction amount for local procurement at Kaohsiung



● Local ● Non-local

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3.1 Business Overview

Financial Performance

In 2022, the global economy continued to be impacted by the COVID-19 outbreak. As a result of pandemic prevention and control measures implemented by the Mainland Chinese government, overall revenue sharply declined in the second quarter. However, in the third quarter, production capacity and results stabilized due to the traditional peak shipping season and the delayed shipment of orders caused by lockdown regulations. Despite these challenges, the steady contribution of tablets and laptops to revenue led to a slight increase in overall revenue performance increased slightly compared to the previous year. Additionally, the operating net margin remained at the same level as last year. From 2018 to 2022, the Corporation's EPS of the Corporation has increased by NT\$10 per share for five consecutive years. Additionally, the company's overall gross profit margin of the Corporation has reached a record high since its IPO and is currently at a double-digit level. These achievements demonstrate the effectiveness of the Corporation's strategy, which focuses on high-margin products and the benefits of internal lean management. As a result, the Corporation has maintained a stable growth momentum.

In 2022, 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. Automotive panel products have emerged as a new niche product with impressive sales growth, thanks to their long life cycle and excellent profitability. In August 2022, the monthly shipments exceeded "300,000" units, a testament to the results of hard work and dedication invested in the automotive market over the years. This success is noteworthy and bodes well for the future of the product.

The backlight module business of Opto-Electronics Corporation accounted for 100% of the Corporation's total revenue. In 2022, the Corporation's consolidated operating income reached NT\$58.7 billion, with earnings per share of NT\$14.47. The total income tax expenses for the year were NT\$3.1 billion. All business segments are operated in accordance with applicable local tax regulations, relevant financial information is published on the Corporation's website regularly. A consolidated profit & loss statement is also prepared annually in accordance with International Financial Reporting Standards. For the remaining information in details, please refer to the 2022 Annual Report of the Corporation.

Consolidated Statement of Comprehensive Income

Unit: NT\$ thousand

Item	2020	2021	2022
Operating revenue	56,093,201	56,924,059	58,700,962
Operating cost	45,420,091	46,364,505	47,021,980
Gross operating profit	10,673,110	10,559,554	11,678,982
Operating expenses	2,802,771	3,224,083	3,638,965
Other income and expenses	125,906	227,384	185,937
Operating income (loss)	7,996,245	7,562,855	8,225,954
Net non-operating income (expenses)	(1,050,681)	(1,050,681)	4,441,457
Net profit before tax	6,945,564	7,532,296	12,667,411
Income tax expense	1,717,899	2,342,321	5,940,437
Net profit for the current period	5,227,665	5,189,975	6,726,974
Earning Per Share (NT\$)	11.24	11.16	14.47

Consolidated financial income and expenses and profitability analysis

Item	2020	2021	2022	
Financial Income and Expenditure	Operating revenue	56,093,201	56,924,059	58,700,962
	Operating cost	45,420,091	46,364,505	47,021,980
	Profit after tax	5,227,665	5,227,665	6,726,974
Profitability	Return on assets (%)	10.16	8.55	10.28
	Return on equity (%)	18.41	17.27	20.80
	Percentage of paid-up capital (%) - operating profit	171.95	162.63	176.89
	Percentage of paid-up capital ratio (%) - profits before tax	149.36	161.98	272.40
	Profit margin (%)	9.32	9.12	11.46
	Earning Per Share (NT\$)	11.24	11.16	14.47

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

Financial Information



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Direct economic value generated and distributed by the Organization

Unit: NT\$ thousand

	Item	2020	2021	2022
Direct economic value generated	Operating revenue (Including net sales plus income from financial investments and asset sales)	56,093,201	56,924,059	58,700,962
	Non-operating revenue (Interest on financial loans; dividend income from holding shares; royalties; direct income from assets; tangible assets; intangible assets)	767,846	620,655	1,084,594
Economic value distributed	Operating cost (including rent, licensing fees, venue and equipment usage fees, royalties, outsourced labor fees, education and training fees, and fees for personal protective clothing)	41,155,543	41,331,041	41,836,785
	Employee Salaries and Benefits (including salary, employee tax, unemployment fund, pension, insurance premium, business car, private medical, housing subsidy, interest-free loans, public transportation subsidy, education allowance, and severance pay)	5,759,283	6,676,491	7,121,915
	Payments to contributors (e.g., Board of Directors, shareholders, interest payments on lenders' debts or loans, dividends not paid to preferred stock shareholders)	3,968,062	3,816,704	3,720,218
	Payments to government (Business tax, income tax, property tax)	1,341,667	1,670,141	3,104,485
	Social investment (donations to charitable organizations or arts and educational activities, community recreational facilities)	7,693	4,000	5,004
Economic value retained		4,628,619	4,046,347	3,997,149

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

Financial subsidies from government

In 2022, the Corporation received financial and tax subsidies of NT\$133,798,000 from the Republic Of China government and NT\$614,723,000 from other governments.

Governments from various countries	Subsidy Programs	Amount of Subsidy (Unit: NT\$ thousands)
Republic of China	Tax credits and deductions, government subsidies	133,798
Mainland China	Tax credits and deductions, government subsidies	614,723

Taxation Policies

Radiant Opto-Electronics Corporation has established a tax governance policy in response to the international trend of tax governance and to fulfill the tax regulations and corporate social responsibility. Our goal is to establish a sound tax management system and perfecting tax risk management, with a commitment to creating corporate value and implementing sustainable corporate development.

Organizations and responsibilities related to tax governance

The Chairman of the parent company of the Group is the highest decision maker of Radiant Opto-Electronics Corporation's tax risk management mechanism is the Chairman of the parent company. The Chairman approves the overall tax governance policy based on the overall operation strategy and business environment to ensure the effective operation of the tax management mechanism. The tax administration unit is the accounting office of the Group's parent company is the tax administration unit, which reports to the Chairman of the Group's parent company on the implementation of tax administration after the annual income tax return. The executive units responsible for all types of taxes are the accounting departments of Radiant Opto-Electronics Corporation and its subsidiaries are the executive units responsible for all types of taxes.

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Taxation Governance and Risk Management

The taxation governance of Radiant Opto-Electronics Corporation is based on transparency, openness, and compliance with laws and regulations. The taxation policy and code of conduct upheld are as follows:

- We comply with local tax regulations and international tax standards, file and pay tax with honesty, and fulfill our social responsibility as a taxpayer.
- For tax visas, a large-scale local accounting firm is appointed, and the annual financial information is provided by the Corporation to the local accounting firm for tax declaration.
- To ensure the transparency of tax reporting information, we have submitted country-specific reports, master file reports from the Group, and transfer pricing reports to the tax authorities in accordance with the regulations.
- We adopt a legal and transparent tax incentive policy and do not use methods that violate the spirit of the law to enjoy tax deductions.
- The corporate structure and transactions are in line with commercial substance, and no tax structures are used with the intention of avoiding tax liabilities, and no profits are shifted to low tax jurisdictions for tax avoidance.
- We have established a solid tax risk control structure and organizational culture, and at the same time consider the impact of Radiant Opto-Electronics Corporation's overall tax burden optimization, risk control and sustainable value, and prudently evaluate tax risks and response measures.

Policy on communication with stakeholders on tax-related issues

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

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

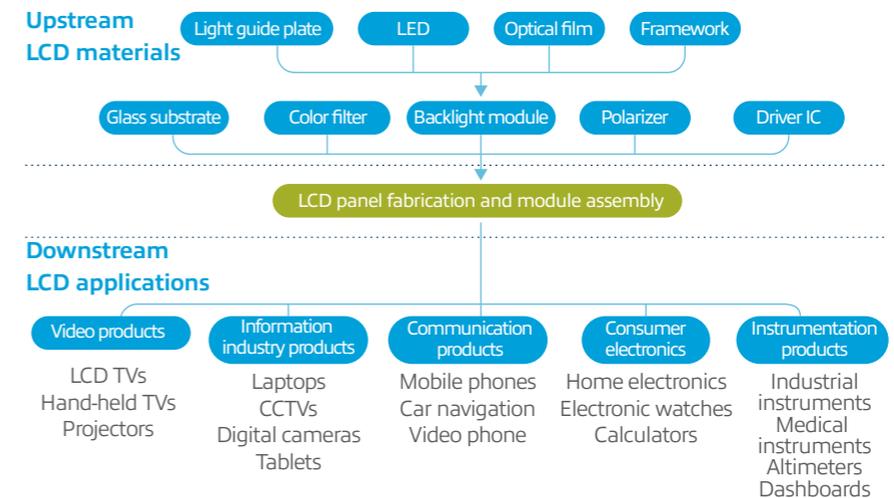
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Product Introduction

"Backlight modules are the core product of Radiant Opto-Electronics Corporation. Liquid crystals do not emit light directly. Therefore, a backlight module is necessary to provide a light source for the liquid crystal display panel. The optical design of the backlight module allows the light to penetrate through the liquid crystal and illuminate the displayed content for the user to see. In addition to assembling backlight modules, the Corporation has established a complete mold factory and forming die factory. These facilities are dedicated to researching and developing light guide plates, LCM modules, LED lights, and related technologies. Furthermore, we have acquired expertise in several key patents, enabling us to provide comprehensive technical support and on-site services that enhance the competitiveness of our clients' enterprises.

Radiant Opto-Electronics Corporation is an upstream manufacturer in the panel industry. The Corporation's primary focus is on producing backlight modules that provide uniform and sufficient brightness to panels. These panels are widely used in various information, communication, and consumer products, and are considered a key component of TFT-LCD. Panel industry structure can be divided into: materials, panels and modules, and LCD upstream materials, including glass substrates, color filters, polarizers and driver ICs, in addition to backlight modules. The upstream raw materials industry includes light guides, light sources, optical films, and plastic frames, while the downstream industry includes the manufacturing and assembly of LCD panels and their application in a wide range of electronic products.

Supply Chain Entity Relationship Diagram



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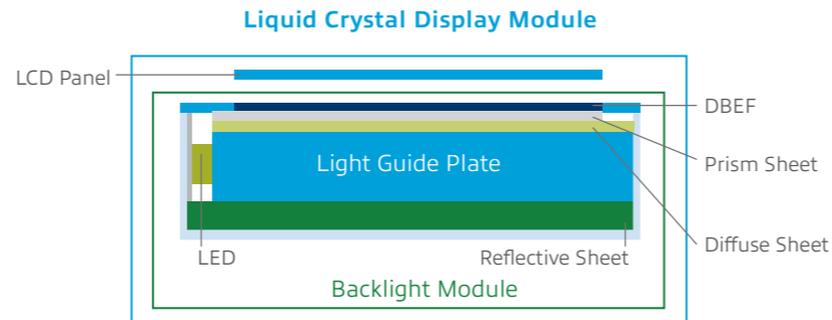
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In 2021, mass production of Mini LED backlight modules commenced. Additionally, our endeavors in the in-car application market begun to yield results after years of hard work. With certifications from module plates and the customers of the car manufacturers, the Corporation has successfully entered into the supply chain of well-known car manufacturers in Europe and the United States. As a result, in-car products have become another niche product for the Corporation, in addition to tablets and laptops.

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

Diagram of Backlight Module



Shipment volume by product category

Radiant Opto-Electronics Corporation prepares production capacity according to customer needs. The consolidated revenue in 2022 was NT\$58.7 billion, and the production volume by product category was as follows:

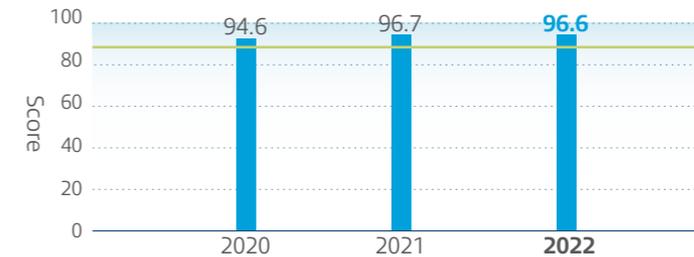
Mobile devices (tablets, cell phones)	69,301
IT (laptops, monitors)	51,465
Other backlight modules	2,745
Total Backlight Modules (Unit:Thousands)	123,511
Consolidated Revenue (Billion)	NT\$58.7 billion

Customer Satisfaction

Customer feedback is of utmost importance to Radiant Opto-Electronics Corporation. The Corporation conducts an annual "Customer Satisfaction Survey" to gauge whether it has met its five service objectives: "delivery," "quality," "service," "development," and "harmful substances free/green products." This survey serves as a crucial basis for the Corporation's continuous improvement of its product and service offerings. In the professional backlight modules industry, our goal is to earn recognition from customers, and become a reliable partner that customers can count on in their pursuit of success.

Since 2018, the Corporation has maintained a high level of customer satisfaction, consistently above 90% for five consecutive years. Furthermore, customer satisfaction has steadily increased over time. This not only represents a positive interaction between the Corporation and its customers, but also demonstrates our customers' positive feedback on our products and services. In 2022, the Corporation achieved an outstanding customer satisfaction score of 96.6%.

Customer satisfaction survey



Note: Disclosure of customer satisfaction data covering the past three years

Customer Satisfaction Survey Process



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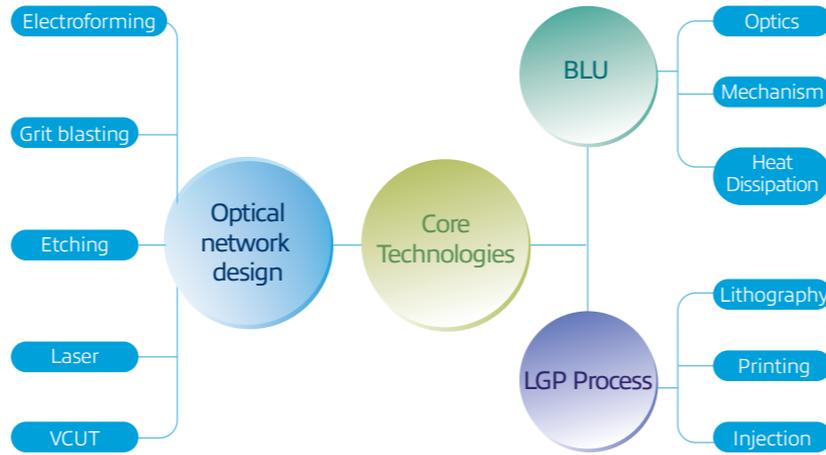
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Product and Development

After the ups and downs in the end consumer market of panel product market in recent years, it is expected that the future market trend in end application products will shift from volume to specification. In response to the increased in consumer demand for high-specification products, module panel manufacturers have been continuously adjusted their configuration of production line configurations and developed new technologies while bringing in new materials. The Corporation is also increasing production for small and medium-sized panels for main application products, such as in-car and medical panels. Meanwhile, the development of LCD displays has continued towards energy conservation, high efficiency, high resolution, high color saturation, low power consumption, and other directions. Additionally, quantum dots (QD), wide color gamut, transparent display, and other technologies of light-emitting source technologies have also been introduced, becoming key to improving module panel technology and product quality.

Core Technologies



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

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

Privacy Protection Technology



Moreover, we continue to strengthen the technologies related to automotive products, such as Refractor cavity and module dimming technology, to achieve the thinning thickness of various types of direct down BLU to meet the future demand of high contrast, high definition and HDR for automotive models.

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

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

Inch	Goal	Inch	Goal
17.3"	Short OD+Curved Surface+Allotypic	14.9"	Short OD+Vision Angle Control Plate
Appearance / Results		Appearance / Results	
Appearance	Results	Appearance	Results
Reflectorcavity	●	Reflectorcavity	● (Printing/Blister)
Dimming Module	●	Dimming Module	●

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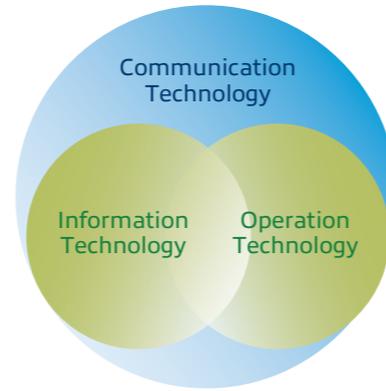
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Three Main Infrastructure of Smart Production Line



R&D Expenses

Radiant Opto-Electronics Corporation has allocated NT\$2,284,541,000 for research and development expenses. This funding will be used to support the development of innovative production technology and new products. In 2023, the Corporation is expected to continue allocating 3-4% of its operating income towards research and development expenses. The allocation will primarily be used for research and development of refined optical design, mold design manufacturing technology, LGP injection technology, and production of LGF non-injection and Mini LED. This will enable the Corporation to maintain its leading position in the industry.

3.3 Green Products

Radiant Opto-Electronics Corporation has made green products as the focus of their research and development efforts. They have integrated green design principles from the development stage, reduced the use of harmful substances during product manufacturing, and, strengthened the quality management of product raw materials to ensure quality from the source. Additionally, they have implemented strict regulations on prohibited and restricted substances, and obtained several ISO certifications. The Corporation's design philosophy emphasizes on reducing the usage of energy consumption and improving the efficiency of resource utilization, aiming to minimize material usage and

waste generation, and implementing a complete packaging material recycling mechanism after the product shipment. Overall, Radiant Opto-Electronics Corporation aims to leverage the power of Green Products, Green Design, and Green Manufacturing to foster opportunities for sustainable development.

Quality Control

The three main pillars of green product management at Radiant Opto-Electronics Corporation are product management, education and training, and conflict minerals. Throughout every stage of product development, from design to final stage of inspection and delivery, green product control requirements are integrated into the standard control and implementation. A green material control platform has been established for the green product team to monitor suppliers' compliance with the "Environmental & Substances Management Standards Corporation" formulated by the Corporation. Radiant Opto-Electronics Corporation requires that our products meet high standards. Our production principle is based on the Restriction of Hazardous Substances Directive (RoHS) of the European Union, and we comply with REACH regulations to strictly regulate the use of chemicals substances. Additionally, the Corporation regularly studies major international environmental laws regularly to stay updated on the latest environmental trends. This allows us to establish a green supply chain and reduce the impact of hazardous products on 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 the past years, the proportion of products in compliance has been recorded at 100%.

Radiant Opto-Electronics Corporation ensures excellent product quality by strictly controlling the quality of our products, and following our internal inspection procedures for incoming and outgoing semi-finished and finished products. Once the finished product passes the independent inspection of the production line, it undergoes inspection by the quality control unit. The label of the outer box is then affixed with a qualification seal, after which the warehouse staff can allocate the finished product into the final product warehouse. Based on the shipment list, the warehouse personnel must follow the Lot No. to first check in and check out products. They must confirm that the outer box's material number, batch, name, and quantity match, and check for the qualification seal on the outer box. Once the inspection is complete, the conformity seal will be marked according to the customer's requirements, and make the shipment inspection report will be marked on the outer box.

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Steady Management to Become the Industry Leader



Raising Awareness among Colleagues about Green Products

To raise awareness among colleagues about green products, all newly hired employees are required to attend an education training session on green products during their orientation program. The education training will cover topics such as International Environmental Protection Law, Green Design Regulations, Categories of Hazardous Substance Products, and Green Supply Chain Management Practices and etc. In 2022, the proportion of green products education training for new employees has covered 100% of its target.

Management Quantity of Prohibited Substances in Recent Years



Radiant Opto-Electronics Corporation's quality management system of Radiant Opto-Electronics Corporation is established in accordance with various international standards, including ISO 9001, IATF 16949, and QC 080000. Each year, the Corporation sets quality policies and targets, and creates a manual to guide the implementation of comprehensive quality management. This manual serves as a basis for every department to achieve the Corporation's quality targets. Ultimately, the goal is to create an enterprise culture that encourages full employee participation and continuous improvement in product quality.

Management System Authentication/Verification Scope

Standard System	Range of Factory Zone			
	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Quality Control				
ISO 9001 Quality Management System	●	●	●	●
IATF 16949 Automotive Quality Management System ^{Note 1}	●	●		
UL Product Safety	●	●	●	●
QC 080000 Hazardous Materials Process Management System ^{Note 1}		●	●	●
ESD S20.20 Electrostatic discharge protection certification		●		
ISO 17025 Laboratory Quality Management System		●		
Information Security				
ISO 27001 Information Security Management System	^{Note 3}	● ^{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, certain factories have not been able to obtain certification
 Note 2: Some models obtained third-party verification
 Note 3: The introduction of the new system to the Kaohsiung Factory is scheduled for 2023, and it has already received third-party verification.

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Risk Management Policies for Key Materials

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

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

Declaration of Conflict Minerals

The "Environmental & Substances Management Standards" established by Radiant Opto-Electronics Corporation strictly prohibits the use of conflict minerals in our products. Additionally, we regularly investigate the sources of metals used by our vendors to ensure that the high-risk metals, such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn), are not obtained through mining in conflict zones located in the Democratic Republic of the Congo, or in mining areas controlled by illegal groups or militias. If the Corporation discovers that the supplied parts contain of conflict minerals, necessary measures will be taken and the use of the metal will be immediately suspended. As of the end of 2022, no such scenario had been identified. Nevertheless, the Corporation will persist in addressing this issue in the future, in order to minimize the impact of mineral-related concerns, comply with regulations, and to meet customer demands.

Green Innovation

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

Energy Savings through Product Design

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

In recent years, Radiant Opto-Electronics Corporation has aligned with market trends by focusing on its core capabilities in lighting products. The Corporation has obtained not only international safety certifications, including UL (Underwriter Laboratories Inc.) and ETL (Electrical Testing Laboratories), as well as the iconic energy-saving certification, DLC (Design Lights Consortium). Notably, the Corporation has achieved DLC Premium certification for flat lamps, which recognizes lighting products with the highest quality and best performance.

Cases of Energy Saving Products

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

Cases of Energy Saving in Automotive Display Products

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

Material Saving Design in Products

Radiant Opto-Electronics Corporation is committed to improving the thinness of displays while also utilizing its expertise in backlight modules to work with customers in developing a variety of thin products. Additionally, we plan to implement a certification program for recycled materials in 2022 and prioritize the use of recycled plastic parts in mass production. Overall, Radiant Opto-Electronics Corporation will continue to enhance material-saving design and incorporate recycled materials into the design process to effectively reduce raw materials at the source. We will also strengthen the use of recycled materials, and continue to optimize the thinning technology to effectively reduce the energy consumption generated by the transportation during manufacturing process through various means.

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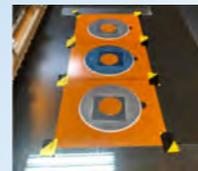
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Material saving design and contribution to the use of recycled materials

Production models in 2022	Frame Weight (g)	Total usage (pcs) in 2022	Total weight (Kg) in 2022	Recycling percentage (Kg) in 2022
Back light module No. 1	11	9,429,122	103,720.34	82,976.27
Back light module No. 2	12	7,079,408	84,952.9	67,962.32
Back light module No. 3	0.338	8,756	2.96	0.89
LCD Module	1.63	205,534	335.02	100.51
Total consumption of recycled plastic materials (kg) in 2022			189,011.22	151,039.99

Test print optimization during the printing process

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



Before Improvement



After Improvement

Material Saving Design in Packaging

We live in a world of convenience, where packaging materials are among the most disposable plastics. Radiant Opto-Electronics Corporation is committed in continuing our efforts to recycling and reusing packaging materials, while also conducting research and development on product packaging. Our goal is to reduce plastic output of plastics during the production process without compromising quality, and to work towards a better society and environment.

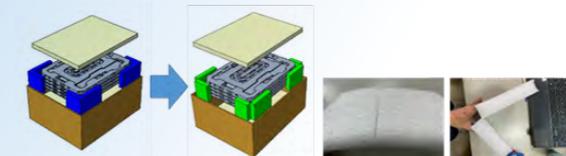
Actual Cases of Material Saving in Packaging

Currently, shipments of backlight modules are packed in vacuum-formed boxes made with plastics. Our research and development team has developed a new packaging sample: a magnetic board that can fully replace the use of vacuum-formed boxes. The board has been coated using a special wrapping technique and unique material. This allows the magnetic suction plate to enter a clean room, and the backlight module is able to be fixed onto the board through a thin film using magnetic suction. The board is downward compatible, and can be used with backlight modules of different sizes. It can be shared and widely used, and is available for recycling. Currently, the design has obtained a patent in China, and patents have been applied for patent in the US and Taiwan.

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

Solution to Reduce Cushioning Materials in Packaging

The Radiant Opto-Electronics Corporation's R&D team has proposed internal improvements to improve the process design based on the concept of low-carbon product design. Specifically, they suggest replacing the original "adhesive process" for cushioning material with a "adhesive process" and combining the "L-shape" and "flat type" of cushioning materials into a "foldable flat type." These changes offer carbon reduction benefits, including decreased use of plastic cushioning material and increased package sharing rates. According to estimates, reducing plastic use by 5.6% to 7.6% for each size of the cushioning material could result in saving 6.02 tonnes of plastic and 11.45 tonnes of CO₂e annually.



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Green Initiative

Recycling Packaging Materials

"Packaging recycling" has always been a management priority in the Corporation's green initiative. We were able to achieve our goal of a high recycling rate for packaging through effective communication with both suppliers and customers. The operations department will conduct a monthly review of the recycling status at each factory. If the target recycling rate is not achieved, the sales department and customer service departments are required to contact customers and to follow up on the immediate return of packaging materials. This will increase the turnover rate of the recycled packaging materials. As of 2022, the recycling rate has exceeded 99%.

Recycle Rate of Packaging Materials by Factory Area

Factory	Classification of Packaging Material	2020	2021	2022
Taiwan Factory	Vacuum-formed Box	96.70%	99.46%	99.91%
	Paper Box	98.11%	99.93%	99.99%
China Factories	Vacuum-formed Box	99.00%	99.71%	99.29%
	Paper Box	99.04%	99.27%	99.70%

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

Transport Optimization

In recent years, Radiant Opto-Electronics Corporation has been optimizing its shipping methods. The Corporation's operating unit follows three principles when it comes to shipping: combined shipment, full shipment, and recycling materials to be collected by collecting them through returning vehicles. The aim is to minimize greenhouse gas emissions during the shipment process, and reduce the impacts on the environment. Beginning in 2021, we will conduct a comprehensive review of the full occupancy rates of our transportation vehicles. This will involve double-checking that our vehicles are not being underutilized, and we will monitor and manage this situation through regular meetings. Our goal is to more effectively manage the greenhouse gas emissions resulting from the transportation of products in Scope 3 emissions. By 2022, we aim to achieve a full occupancy rate of the transportation vehicles that exceeds 98%.

	2021	2022
Full Loading of Transportation	97.9%	98.3%

Recycling Resources

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

Use of Recycled Raw Materials

The backlight module produced by our company is composed of optical-grade plastic pellets. In order to preserve its optical qualities, the use of recycled raw materials is not feasible. However, it is possible to utilize recycled raw materials that can be used in other stages of the production process. The Wujiang factory produces its own vacuum-formed boxes for product packaging and utilizes damaged vacuum forming boxes are used as recycled raw materials in the manufacturing process. A total of 1,613 tonnes were increased from 2020 to 2022, which was recycled in the factory from 2020 to 2022, reducing the use of virgin materials and contributing to our resource reduction efforts.

Usage of Re grind Materials	2020	2021	2022	Total
Addition Re grind Materials (tonnes)	479	573	561.3	1,613
Addition Ratio	34.15%	32.86%	37.96%	34.88%

Regeneration of Pallet Scrap

For three consecutive years in a row, the Corporation has collaborated with National Sun Yat-sen University's "Street Children" project to transform discarded pallets into children's playground equipment for children. In 2022, the new play equipment and experience will be unveiled at Maxwell Park in Yancheng District, Kaohsiung City. The equipment will be provided to interested kindergartens at no cost through a matching program. In addition, the discarded pallets were made into small book boxes for the Foundation's "Sea You Again Love the Sea Infinite Action Plan" project, which were given to the participating kindergartens to be used as book boxes for ongoing promotion in the kindergartens.



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Green Proposals

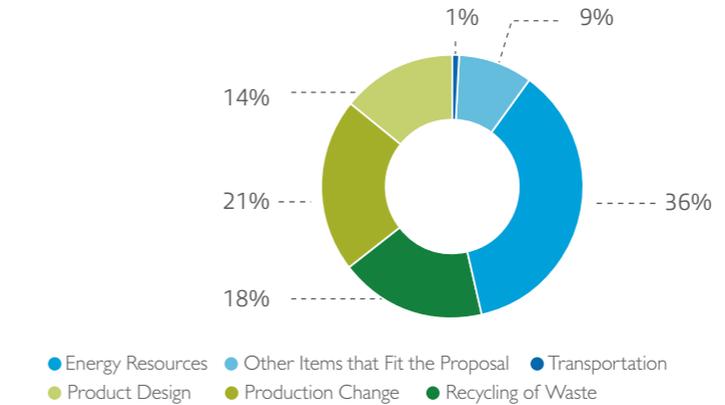
With the support of the Board of Directors, a green proposal reward system has launched by the Sustainable Development Commission has launched a green proposal reward system. This system encourages green initiatives such as energy-saving and material-saving in product design and packaging, changes in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

The Head General Affairs and Environmental Safety Unit at the Kaohsiung Factory serves as the general executive team responsible for implementing the system. They collect and select proposal cases to ensure that they meet the scope of application for green proposals. Additionally, they announce the number of proposal cases each month. Review group meetings are held every quarter, while the Green Review Committee convenes every six months. To date, a total of 14 review meetings have been held, resulting in a distribution of nearly NT120,000 in bonuses. The total number of green proposals in 2022 was 85, with cost savings exceeding NT\$3 million, of which energy resources reduction accounted for about 36%, followed by production changes at 21%.

Improvement Process of Green Proposals



Category of Green Proposal



Patent Research and Development

In regards to patent application strategy, the Corporation's primary focus is currently on China, Taiwan, and the United States. Additionally, patent applications have been filed in Japan, South Korea, and Europe based on production and market requirements. These applications serve as a backup plan to handle potential patent wars and also have the potential to generate patent revenue. In addition, the Corporation is considering acquiring high-quality patents to enhance product quality and strengthen our existing patents portfolio. This would increase technical barriers for competitors attempting to enter into the market, ultimately aiding Radiant Opto-Electronics Corporation in maintaining our technological advantages.

Radiant Opto-Electronics Corporation submits nearly 100 patent proposals annually and has amassed over 1,029 local and international patent applications. For three consecutive years since 2020, we have been ranked among the top 100 corporate invention patent applications in Taiwan, with our ranking improving each year. In 2022, we were honored to achieve 82nd place. The patent technology of Radiant Opto-Electronics Corporation primarily originates from the Corporation's R&D activities and creative thinking. The introduction of the Taiwan Intellectual Property Management System (TIPS) has strengthened the interaction between the R&D and intellectual property units. During meetings and discussions, the intellectual property unit shared the database of patent proposals received by intellectual property unit from the past with the R&D unit. This sharing of information ensures the continuation and maintenance of the R&D results of advanced technology, while also enhancing the protection of business secrets. In recent years, the number of proposals passing the internal preliminary examination has met the target set by the intellectual property management. Additionally, the number of patent applications has continued to grow, resulting in an improvement in both the quality and quantity of intellectual property accumulation. We anticipate completing the strategic deployment of intellectual property rights by utilizing TIPS.

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Steady Management to Become the Industry Leader



Patent Application Statistics in Recent Years



Patent Certificate Statistics in Recent Years



Intellectual Property Management

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

The 's priorities include cultivating knowledge in intellectual property and

preventing leaks of leakages in business secrets among the employees. The following priorities have been clearly stipulated:

- 1) Continuing to accumulate intellectual property power
- 2) Enhancing the intellectual and financial knowledge of all employees, and assisting technicians in exploring innovative designs
- 3) Strengthening business secrets protection measures and implementing three management policies. The introduction of TIPS will help identify risks related to intellectual property rights in daily operations of each departments and avoid such risks.

Intellectual Property Management Goals for Radiant Opto-Electronics Corporation

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

- Intellectual Property Management Goals for 2023
- Planning of at least 20 patent proposals in relevant technical fields.
- Establishment of the patent proposal and application history inquiry system of Radiant Opto-Electronics Corporation.
- New employees are required to complete the "TIPS Management and Business Secrets Protection Program" during their training. To complete two write-ups on confidentiality awareness or concepts on intellectual property.



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Climate Action



Climate Action

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4.1 TCFD Climate-Related Financial Disclosure

Following COP27, climate action has become a crucial aspect of the international review of carbon reduction commitments. The 2023 World Economic Forum Global Risks Report highlights that extreme climate risks have comprised half of the top 10 global risks in the past two years. The report emphasizes that the international community must collaborate more effectively in climate mitigation and adaptation; otherwise, it will result in persistent global warming and ecological collapse in the next decade. The WMO's "United in Science: We are Heading in the Wrong Direction" report, has warned that we are reaching the 1.5 degrees Celsius warning line, and that emissions reduction pledges for 2030 must be multiplied. In 2022, we have followed the TCFD framework to evaluate and identify climate-related risks and opportunities, establish adaptation measures, and assess potential financial impacts. We anticipate disclosing accurate financial impact data in 2024.

Governance

The Highest Governance Unit

In response to the operational impact resulted from climate change, Radiant Opto-Electronics Corporation has established the Sustainable Development Committee as the highest governing body to address the operational impact of climate change. The committee is responsible for planning and overseeing the sustainability strategy in accordance with the "Organizational Rules of Sustainable Development Commission" and "Code of Practice for Corporate Social Responsibility". The Risk Management Team, Environmental Sustainability Team, and Corporate Governance Team will collaborate to promote climate risk management and report to the Sustainability Development Committee at least once a year. Additionally, the Board of Directors will regularly review the risks and opportunities associated with climate change. The Corporation implements the risk management decisions made by the Sustainability Development Committee through its Risk Management Team. This is done to aid senior management and governance units in making informed risk decisions and fulfilling their risk management responsibilities.

Radiant Opto-Electronics Corporation Environmental Policy

-  Saving energy and practice resource recycling resources
-  Make good use of resources and protect the natural environment
-  Protect the environment and improve pollution prevention
-  Full employee participation and put action into protecting the environment
-  Complying with regulations and enhancing company image
-  Continuous improvement to ensure sustainable operation

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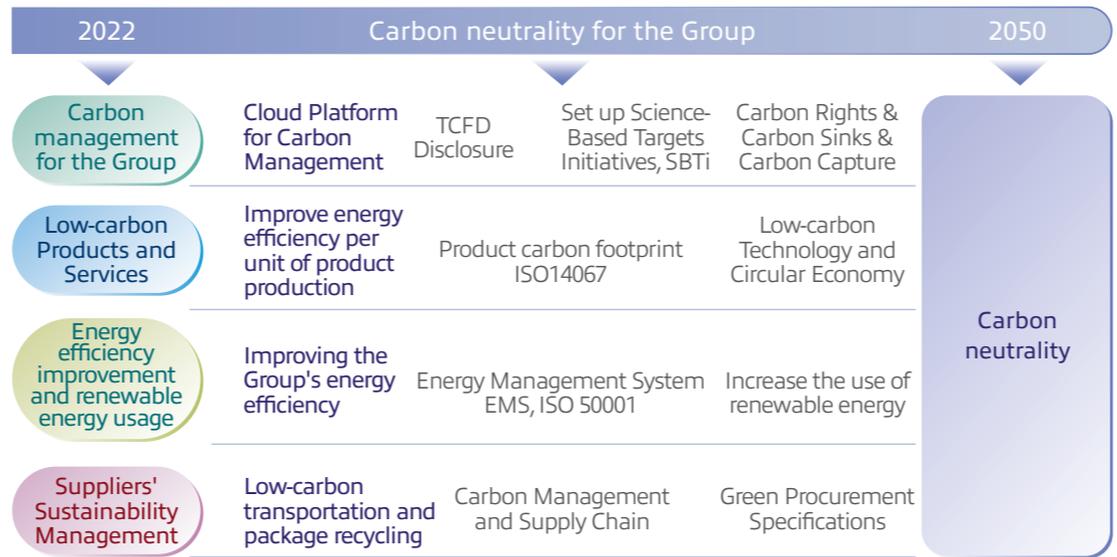
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Carbon neutral operations

In light of the climate change challenge and the worldwide movement towards carbon reduction, Radiant Opto-Electronics Corporation has formed a Carbon Management Group within the Sustainable Development Committee. The group's primary objective is to establish carbon reduction goals for low-carbon products, energy efficiency, and green procurement and transportation. Additionally, the group aims to promote carbon neutrality for the corporation by 2050. Each team is led by a supervisor at the director level or above who serves as the team leader. The team also includes members at the managerial level or above who participate in tracking carbon reduction performance on a monthly basis. The team reports their findings to the Group President and the Executive Center supervisor on a quarterly basis. Additionally, the Sustainable Development Committee regularly reviews the performance of carbon reduction performance and develops a strategic blueprint for environmental sustainability. In 2022, the Group has developed four significant carbon reduction strategies, namely: Group Carbon Management, Low Carbon Products and Services, Energy Efficiency and Renewable Energy Use, and Supplier Sustainability Management. We have undertaken 14 strategic development tasks to proactively address the challenge of achieving net zero carbon emissions.

Strategy

To systematically address the issue of climate change systematically, Radiant Opto-Electronics Corporation has adopted the framework of the Task Force on Climate-related Financial Disclosures (TCFD) from the Financial Stability Board (FSB) since 2020. Through cross-departmental discussions and identification of climate change risks and opportunities, we have assessed the potential financial impact of climate risks and opportunities on the company. In accordance with the Paris Agreement's goal of limiting global temperature increase to well below 2 degrees Celsius" scenario, we have developed four strategies: carbon management, low-carbon products and services, energy efficiency and renewable energy use, and supplier sustainability management. These strategies aim to achieve the goal of mitigating global warming mitigation.



Risk Management

Through the annual management strategy meeting, Radiant Opto-Electronics Corporation holds an annual management strategy meeting where department heads convene to identify the various operational risks of the company, integrate the Company's strategic objectives, and review risk management policies and procedures approved by the Board of Directors in 2022. The meeting also includes a comprehensive risk analysis that considers all aspects of corporate sustainability, including climate change. Our goal is to integrate climate change-related risks into our risk management strategy and make climate action and risk management a major sustainable theme in 2022. To achieve this, we will follow the TCFD framework to collect data on climate situations, assess climate risks and opportunities, verify assessment results, and continuously monitor and track climate risk management steps.

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Climate Related Risks and Financial Impacts

Type	Climate Related Risks	Responsible Department	Risk Description	Potential Financial Impacts	Adaptive and Responsive Actions	
Policies and Regulations						
Transiti on Risks	Carbon Fee, Carbon Trading	Finance and Accounting	The Company may need to increase its budget due to the possibility of the government imposing a carbon fee/tax or requiring carbon reduction by means of carbon credit trading in the future.	Increased Operating Cost	Prior to the imposition of any carbon fee/tax by the government, we will instruct the Manufacturing and Business Center to estimate the carbon fee/tax that may be incurred by Radiant Opto-Electronics Corporation and discuss the cost increase/budgeting with the relevant departments.	
	Technology					
	New Technology: Increasing Brightness	R&D Center	As a result of the need to enhance backlight brightness, we face the issue of increased power consumption increases as well.	Increased Operating Cost	The MTD light guide plate design technology is used to improve the light application rate to reduce power consumption.	
	New Technology: Reducing the Amount of Film	R&D Center	The backlight module requires multiple films to collect light, resulting in increased use of raw materials, higher costs, and environmental burdens.	Increased Operating Cost	The design of the directional backlight module reduces the number of films used.	
Immediate						
	LEDs and other fragile materials are easily damaged during transportation	Transportation	The transportation of vulnerable raw materials may be jeopardized by the increased occurrence of powerful tropical cyclones resulting from climate change, potentially leading to the need for scrapping these materials.	Increase in Raw Material Costs	Avoid shaking, vibration, and water ingress during transportation, and require suppliers to cooperate with packaging specifications.	
	Business Interruption	Finance and Accounting	Extreme weather-related power restrictions in the region may cause transportation challenges or production disruptions for suppliers, leading to increased costs for transporting raw materials and finished goods for production, as well as higher expenses for overtime or cross-country production of materials.	Loss of raw materials, finished goods, and personnel	Radiant Opto-Electronics Corporation places great importance on supply chain management, and maintains a safety stock of critical parts and materials. Additionally, we plan to have implemented a strategy of working with multiple suppliers to ensure continuity of supply. During periods of high demand or limited production capacity, we conduct thorough inspections of our suppliers' production and material preparation processes. We also maintain strict material control over the quality of materials used in our products.	
	Supplier Raw Material Shortage	Procurement	Extreme climate disasters may cause shortages and higher raw material prices in the supply chain	Increased transportation costs and raw material costs	1.The transportation is carried out by sea and air. 2.Introduce a second source to share the risk and plan more than two suppliers. 3.Strategic preparation in advance for emergency situations.	
Long-term						
Physical Risk	Generator/ Uninterrupted Power Supply System	Office Equipment Unit, Information Unit	Climate-related disasters can cause power instability, which may result in production shutdowns or interruptions in information system services.	Increased electricity costs and production costs	1.Instruct the IT department to install generators for information power supply stability issues, increase the capacity of the information uninterrupted power supply system in 2022, and discuss cost increases/ budgets with relevant departments. 2.Power limit response with ATS system and generator to provide as source of power during maximum power limit.	
	Regional Power Restrictions	Finance and Accounting	Costs for equipment outages due to power restrictions include rental generators/diesel costs/construction costs, staff overtime, etc.	Increase in electricity costs, product scrap loss, disaster damage	In 2023, Radiant Opto-Electronics Corporation will instruct the manufacturing center to assess the viability of procuring generators for the Corporation and engage in cost analysis and budget discussions with pertinent departments.	
	Air-conditioning system	Facilities Department	The annual average temperature is steadily increasing, potentially resulting in prolonged use of air conditioning systems and subsequent increases in energy consumption.	Increase in purchase and maintenance costs	In 2020, two aging air-conditioning chillers were replaced. Additionally, it is anticipated that three more units will require replacement in 2023. To minimize energy consumption, these units will be replaced in succession.	
	Rainfall shortage	Facilities Department	As Taiwan has experienced low rainfall in Taiwan in recent summers, this may continue to be the cause of water shortage.	Increase the cost in purchasing storage-related materials	Water management measures in 2022, including: increase 10 tonnes fixed water storage device, adding 30 temporary water storage 1 tonnes water storage tanks, improving the effective water consumption of existing pools, modifying water-saving devices, and adjusting the water consumption of faucets in living areas.	

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Climate Related Opportunities and Financial Impacts

Type	Climate Related Opportunities	Responsible Department	Potential Financial Impacts	Adaptive and Responsive Actions
Resources Efficiency	Introduction of electronic sign-off system	IT Department	Save paper and reduce expenses	Introduce an electronic sign-off system to reduce paper printing and usage. Estimated savings of 644,834 printouts in 2022.
	Improve energy and resource efficiency	Facilities Department	Reduce the cost of energy usage	The Group is promoting several energy-saving equipment projects to improve resource efficiency, reduce energy costs, and achieve both energy savings and carbon reduction benefits.
Energy Sources	Use of renewable energy	Facilities Department	Reduce the cost of energy usage	Radiant Opto-Electronics Corporation purchased 67,000MW of renewable energy and obtained the relevant certificates in 2022, and generated 3,542MW of solar energy as of October.
Products and Services	Brightness Enhancement Technology	R&D Center	Increase in sales	Execute energy-saving and high-efficiency projects for notebook products.
	Reducing the amount of film used	R&D Center	Reduce raw material costs	Execute the narrow border BL project of notebook products.
	To meet the needs of in-vehicle customization and implement in-vehicle product quality management	Business Center	In-vehicle revenue expected to grow in 2023 compared to 2022	We are currently involved in the high-end in-vehicle high niche product market and have successfully established ourselves as a Tier 1 supplier.
	Entering the market for purchasing key components of ePaper for energy-saving products	Business Center	Increase sales with new technology and product innovation	In 2022, we successfully obtained the customer's AVL certification in 2022 and provided mass-produced products. Our goal for 2023 is to achieve successful mass production of commercial models. Moving forward, we will continue to leverage new technologies to support our strategic partners in successfully promoting their products to the end market.
	Energy saving lighting products	Digital Products Division	All of which are energy-saving products, which are expected to increase market sales	The Corporation has responded to market demand by investing in the company has invested in research and development of energy-efficient lighting products. This includes the creation of 2x2 flat panel lamps with an energy efficiency rating of 125 lm/W or higher. As of 2021, these lamps have successfully passed the US DLC Premium product efficiency certification in 2021. In the future, we will be developing energy-saving products that meet international energy efficiency certifications.
Market	Recycle packaging materials	Procurement	Material cost savings	We have reached an agreement with our customers to implement a packaging recycling mechanism and conduct regular reviews of the recycling status of each factory. This initiative aims to enhance the recycling rate of packaging materials.

Indicators and Goals

After engaging in cross-departmental discussions within the Group's Carbon Management Team, the Group established climate change performance targets. These targets include reducing greenhouse gas emissions, increasing electricity savings, promoting renewable energy use, and encouraging suppliers to take action to reduce their carbon footprint. These targets are aligned with the Group's 2025 sustainable development goals. Specifically, the Group aims to reduce the intensity of greenhouse gas emissions per unit of product by 20% compared to 2015 levels, and to lower the cost of energy use by 20% compared to 2018 levels. In 2020, we conducted an inventory of greenhouse gas categories 1 through 6 in accordance with ISO 14064-1:2018. Based on the results of the carbon inventory, we implemented carbon reduction measures and energy-saving equipment retirement projects to reduce greenhouse gas emissions, including the retirement of energy-saving equipment. We also reviewed the progress of our sustainability targets on a quarterly and annual basis at the Sustainable Development Committee on a quarterly and annual basis.

Establishing Cloud Carbon Management System for the Group

In response to the global trend towards achieving net zero carbon emissions, the Group has initiated carbon neutral operations as of 2022. The General Affairs and Environmental Safety team at Radiant Opto-Electronics Corporation has been tasked with developing a cloud-based carbon management platform to facilitate digital management and improve the accuracy and operational efficiency of temperature data. The platform includes a dedicated window for greenhouse gas inventory work, which covers all four factories of the Group and ensures that all inventory data complies with ISO 14064-1 standards. Additionally, the platform is utilized to identify carbon emission hotspots and analyze trends, enabling the Group to stay on top of the internal carbon reduction plans and enhance its net-zero carbon competitiveness.

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4.2 Greenhouse gas inventory

Since 2020, Radiant Opto-Electronics Corporation has established a cross-departmental project team to develop a standardized mechanism for greenhouse gas inventory. This mechanism is based on the latest edition of ISO 14064-1: 2018 and the inventory guidelines of both domestic and foreign institutions. To enhance our organization's sustainability efforts, we recommend expanding our carbon inventory to include both internal and external factors. In addition to tracking direct Scope 1 and 2 greenhouse gas emissions, as well as indirect greenhouse gas emissions from imported energy, we propose conducting inventory on Scope 3 emissions. This includes indirect greenhouse gas emissions from transportation, indirect greenhouse gas emissions from products used, product usage, and other sources. By including these factors in our carbon inventory, we can gain a more comprehensive understanding of our organization's environmental impact and identify areas for improvement. The greenhouse gas (GHG) emissions of both the Kaohsiung and Mainland China factories are subject to annual monitoring, encompassing all of the Group's plants, and are verified by a third-party entity. This approach enables a comprehensive understanding of GHG emissions and facilitates the implementation of carbon management strategies.

In 2021, the total greenhouse gas emissions of Radiant Opto-Electronics Corporation will be approximately 118,400 tonnes of CO₂e (Scope 1 and 2). The carbon intensity of Scope 1 and 2 will be slightly reduced by 0.5% compared to 2020 and 36% compared to 2015 (the base year of the 2025 sustainability goal). The main source of greenhouse gas emissions is the Scope 2 of indirect greenhouse gas emissions, accounting for about 97%. The inventory encompasses all facilities that fall under the operational control of the Corporation, including factories situated in both Kaohsiung and Mainland China. The greenhouse gas categories considered are Carbon Dioxide (), Methane (), Nitrous Oxide (), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Nitrogen Trifluoride () and Sulphur Hexafluoride (). The GWP preset values have been sourced from the IPCC Fourth Assessment Report of 2014, while the electricity carbon emission factor for electricity is based on the most recently released data from the location of respective factory's location. In 2022, currently all factories are currently undergoing external audits as part of the Corporation's annual planning. Any revisions to the data revision, it will be disclosed in the upcoming report.

Greenhouse Gas Inventory Base Year (Scope 1, 2)



Note 1: Self-inventory in 2022

Note 2: Unit product greenhouse gas emission intensity = Group Scope 1 & 2 greenhouse gas emissions (kg) / product plastic pellet feeding volume (kg)

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Greenhouse Gas Inventory Base Year (Scope 1, 2)

Factory	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory
Year	2020	2020	2020	2020
Emissions (tCO ₂ e)	12,064	65,071	21,946	15,764
Setting Instructions	2020 was the first year to conduct an inventory using the new version of ISO 14064-1:2018.			

EGroup Greenhouse Gas Emission Sources and Emissions (Scope 3)

Unit: tCO₂e

Factory	Source of Emissions	2020	2021
Kaohsiung Factory	Indirect emissions from transportation	1625.75	598.19
	Indirect emissions caused by products use	2597.30	2236.36
Wujiang Factory	Indirect emissions from transportation	1901.02	3,889.24
	Indirect emissions caused by products use	45764.07	92,445.62
Nanjing Factory	Indirect emissions from transportation	282.56	446.61
	Indirect emissions caused by products use	16514.64	18422.34
Guangzhou Factory	Indirect emissions from transportation	4858.74	4922.86
	Indirect emissions caused by products use	20342.85	11239.97

Self-inventory of Greenhouse Gas Emissions in 2022

Unit: tCO₂e

Category	Self-inventory of Emissions in 2022
Scope 1	3,063
Scope 2	111,871
Scope 3	130,175

4.3 Energy Resource Management

Energy Usage

Category	Item	2021	2022
Direct Energy	Natural Gas	21,387 GJ	1,079.7GJ
	Gasoline	2,464 GJ	2,095 GJ
	Diesel	48 GJ	15 GJ
Indirect Energy	Outsourced Electricity Power	616,899 GJ	586,861GJ
Total		640,798 GJ	590,050.7 GJ
Output (kg)		9,001,575	8,338,225
Energy Usage Intensity (Gj/kg)		0.071	0.070

Note 1: GJ (Gigajoule) = 10⁹ J (Joule)

Electricity Usage

The Group's total electricity consumption in 2022 amounted to approximately 163 million kWh, representing a slight decrease of 5% compared to 2021 and a significant decrease of 19.7% compared to 2015 (the benchmark year for the 2025 SDG). The primary source of consumption was from the operation of injection molding machines. Unless there has been a fluctuation in the quantity of products shipped, the impact of energy conservation initiatives implemented over the years have continued to have an effect on the Corporation's overall electricity consumption has persisted. Based on statistical data, the Corporation has achieved a total reduction of 6,839,000 kWh (equivalent to 24,622.6 gigajoules) in electricity consumption in 2022.

In addition, to decrease Scope 2 greenhouse gas emissions, factories located in Mainland China have fully installed with solar photovoltaic systems since 2018. The total power capacity of these systems is 3,562kW, with the largest capacity of 1,762kW was generated from the Wujiang Factory. The total electricity power generated in a year is approximately 3.94 million kW (14,184 gigajoules). Renewable energy, specifically solar energy, accounted for approximately 2.6% of the Group's electricity consumption in 2022. The office equipment unit of the Corporation has planned several power-saving solutions tailored to the unique production processes of each factory area. These solutions are designed to correspond with the specific characteristics of each area.

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Factory	Energy Saving Project	Energy Saved	Carbon Emission Reduction
Wujiang Factory	New air pressure pipe with the light guide plate	1.302 million kWh (4,687.2 GJ)	916tCO ₂ e
Nanjing Factory	Ingersoll Rand heat recovery and energy-saving renovation	0.035 million kWh (126.0 GJ)	33.6tCO ₂ e
Guangzhou Factory	Air-conditioning renovation project for the electric room	0.034 million kWh (122.4 GJ)	21.4tCO ₂ e
Kaohsiung Factory	Air Conditioning renovation for the Quality Lab	0.107 million kWh (385.2GJ)	54.5tCO ₂ e
Total		1.478 million kWh(5,320.8 GJ)	1025.1 tCO ₂ e

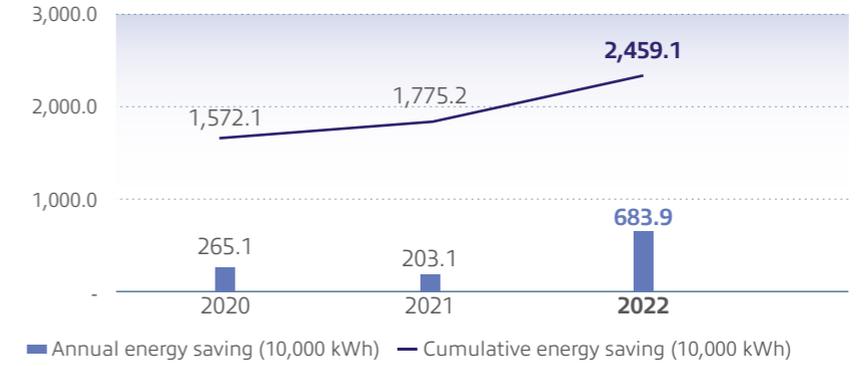
Note: Kaohsiung Factory power emission coefficient: Taiwan Energy Bureau announced the 2022 power emission coefficient of 0.509kgCO₂e/kWh
 Wujiang Factory power emission coefficient: State Grid Corporation of China Hwadong Region 2012 emission factor 0.7035kgCO₂e/kWh
 Nanjing Factory power emission coefficient: State Grid Corporation of China Hwadong Region 2012 emission factor 0.7035kgCO₂e/kWh
 Guangzhou Factory power emission coefficient: State Grid Corporation of China Hwanan Region 2012 emission factor 0.8042kgCO₂e/kWh

Electricity Intensity



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

Energy Saving of the Group



Note: The cumulative energy saving has been calculated since 2015, revealing the data of the past 3 years

Power Monitoring System of the Group

The Facilities Department team at Radiant Opto-Electronics Corporation Facilities Department coordinated the planning and implementation of the Group's carbon management strategy in 2022. This involved designing a power consumption system and building an energy management system. The team conducted plant surveys, engaged in planning and drawing, held discussions and reviews, and utilized software and hardware computing to cover all major energy-consuming equipment across the Group's four factories. By implementing the energy management system, our aim is to attain tangible benefits that will aid the company in enhancing energy efficiency, curbing energy expenses, and mitigating greenhouse gas emissions.



Schematic diagram

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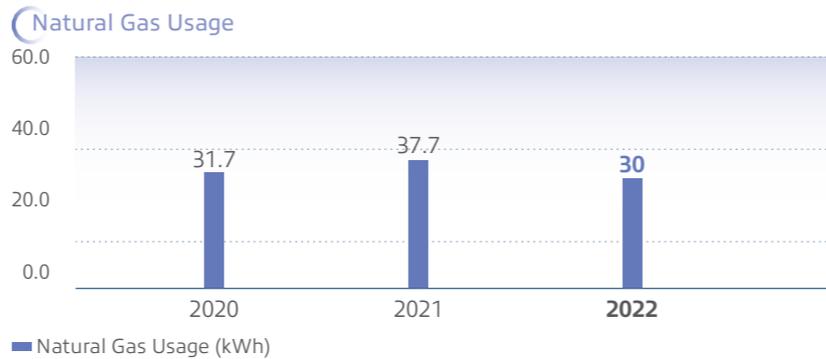
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Usage of Natural Gas

At Radiant Opto-Electronics Corporation, the Wujiang Factory is the only facility that utilizes natural gas for employees' dormitories to heat the hot water boiler in employees' dormitories. Since 2017, a heat recovery system has been implemented to recycle the waste heat produced by the air compressor. This system has the potential to save approximately 361 degrees of natural gas (14,079 Joules) per month. In 2023, we will gradually replace gas stoves with electromagnetic stoves in the Wujiang and Nanjing Factories to reduce the use of fossil fuels, with an estimated carbon reduction benefit of 378.21 tonnes of CO₂e.

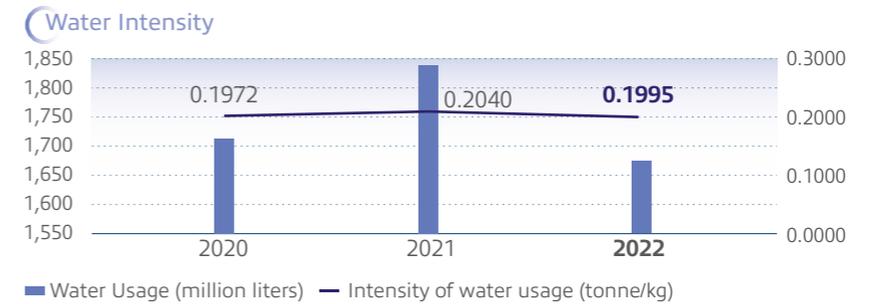


Water Resources Management

The company does not have any processes that require significant water usage. Water consumption is primarily for livelihood and air conditioning facilities. The group is situated in a processing and export area or development area, and the source of water is water from a third party (tap water). The company does not utilize surface water, groundwater, seawater, or produced water, as none of these sources are within water pressure zones. All factories under Radiant Opto-Electronics Corporation comply with local regulatory standards for effluent. Waste water is discharged into the sewerage system of the respective area for waste water treatment, resulting in no significant impacts on water sources, surrounding communities, environment, or organisms was not significant. Nonetheless, we persist in monitoring the water consumption of each factory on a monthly basis, enhancing the operational efficiency of current equipment, constructing supplementary backup units, and augmenting operational flexibility in order to mitigate the water resource risk of water scarcity caused by extreme weather conditions such as heavy rainstorms or droughts that could potentially disrupt the company's operations. In 2022, the Group's estimated third-party water (tap water) withdrawal of tap water was estimated at 1,663 million liters 34%. The Group was able to save 345 million liters of water while maintaining the same water intensity per unit (kg) of product as in 2021. This represents a reduction of approximately compared to 2015, which serves as the benchmark year for the 2025 SDG goal. In

2022, the Kaohsiung plant consumed 14.1 million liters (14.1 million cubic meters) of water, which was utilized for both industrial use and livelihood purposes.

Since 2020, the Corporation has collaborated with several renowned customers to manage water resources at production bases. This includes evaluating clean water projects and implementing water resource management systems. The specifics of this collaboration can be categorized into: water management, water conservation measures and outcomes, waste water management and reuse, multi-party participation, climate variability, and information disclosure. All customer requirements were successfully met. The Corporation continues to refine and optimize the system gradually to further enhance its water management capabilities. We recommend ongoing planning for the installation of secondary water meters in key production area and living areas to obtain more precise data on water usage. This will enable us to better analyze the water usage of these areas with more precise data.



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

Featured Case study for Water Conservation Case Study

In 2022, we implemented improvement measures for the shower faucets in the dormitory shower rooms at Nanjing Factory. We renovated the existing shower faucets to reduce the water output while still meeting the usage requirements, resulting in water conservation and energy savings. This initiative can save up to 40% of water consumption per shower session. Additionally, we installed new stainless steel showerheads to enhance employee comfort. Based on calculations for 1,000 users, it is estimated that approximately 75 tonnes of water can be saved per day. Assuming an average of 300 days of showering per year by employees, this would result in a total water savings of 22,500 tonnes per year.



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4.4 Pollution Prevention and Control

All factory areas under Radiant Opto-Electronics Corporation is proud to announce that all factory areas have successfully obtained ISO 14001: 2015 certification. Our company is committed to implementing various policy management measures that correspond to relevant environmental issues, based on our environmental management system. In accordance with the ISO 14001, we conduct regular environmental assessments and continuously monitor and control waste water, waste, air pollution, noise prevention, and potential negative impacts. We are dedicated to upholding the spirit of continuous improvement to minimize our impact on the environment and the ecosystem. Our goal is to improve the efficiency of energy and resource utilization while reducing operational risks. Radiant Opto-Electronics Corporation is compliant with all environmental laws and regulations and is not expected to incur any significant penalties in 2022. Radiant Opto-Electronics Corporation's production does not emit PFCs(Perfluorocarbons).

Air Pollution Prevention and Control

In order to prevent the impact of air pollution caused by operations, Radiant Opto-Electronics Corporation has implemented various air pollution control measures to mitigate the impact of air pollution caused by its operations. Additionally, we are committed to controlling air pollution by implementing independent management and monitoring of emission data. Radiant Opto-Electronics Corporation primarily focuses on the assembly process, which is characterized by low air pollution. Any pollutants generated during this process are discharged only after undergoing primary collection and treatment. In 2022, none of the Group's four factories will emit nitrogen oxides, sulfur oxides, or ozone-depleting substances (ODS), and all other air pollutant emissions complied with local regulations.

Unit: Tonnes

Air Pollutants	2019	2020	2021	2022
Sulfur Oxides (SOx)	0	0	0	0
Nitrogen Oxides (NOx)	0	0	0	0
Volatile Organic Compounds (VOCs)	2.2	2.4	2.6	2.8

Note: VOCs are only disclosed for the Kaohsiung Factory, and the calculation method is based on the air pollution declaration data.

Prevention and Control of Water Pollution

All factories under Radiant Opto-Electronics Corporation comply with local regulatory standards for effluent. Waste water is discharged into the sewerage system of the respective area for waste water treatment. As a result, no independent sewerage treatment system is established within the factories. In addition, effluent water is regularly tested by the Corporation to ensure that there is no impact on territorial waters. All test results in 2022 met water quality standards under the law.

Water Quality Test Results of the Kaohsiung Factory

Item	pH	COD(mg/L)	BOD(mg/L)	SS(mg/L)
Test Results	8.5	37.5	20.7	2.0
Waste Water Management Standard ^{Note 1}	5-9	600	450	450
Conformance	Conforms	Conforms	Conforms	Conforms

Note 1: Effluent standard limit for public sewage in Kaohsiung

Mainland Factory Water Quality Test Results

Item	pH	COD(mg/L)	BOD(mg/L)	SS(mg/L)
Test Results	Wujiang Factory	7.5	194	57
	Nanjing Factory	7.3	247	32
	Guangzhou Factory	7.2	410	62
Waste Water Management Standard ^{Note 1}	Wujiang Factory	6.5-9.5	500	400
	Nanjing Factory	6-9	500	400
	Guangzhou Factory	6-9	500	400
Conformance	Conforms	Conforms	Conforms	Conforms

Note 1: Effluent standard for waste water discharged to urban sewage (Wujiang Factory, Guangzhou Factory) and acceptance effluent standard for waste water discharged to sewage network in Nanjing Economic Development Zone (Nanjing Factory)

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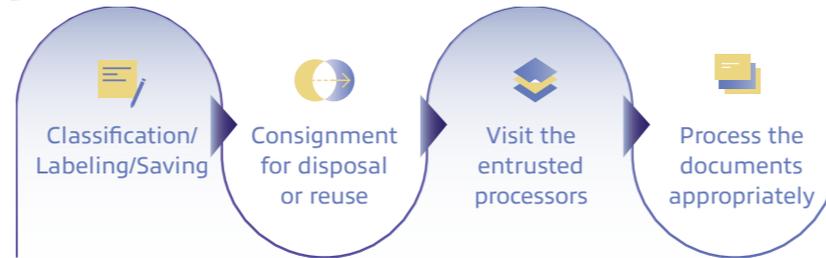
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Waste Management

The waste management of Radiant Opto-Electronics Corporation's waste management strategy is centered around three key principles: source reduction, resource separation, and recycling. Our primary objective is to control the source of business waste and minimize the production of hazardous waste. Radiant Opto-Electronics Corporation ensures that the business wastes generated from its production processes and operations is appropriately recycled or disposed of in accordance with the law. This is done to ensure that the storage, removal, and disposal of the wastes meet legal requirements of the law. The Corporation is also committed to raising employee awareness regarding the classification and management of domestic waste through internal education and training. This initiative aims to improve resources recycling and reduce waste. Radiant Opto-Electronics Corporation expects to implement UL 2799 Zero Waste to Landfill at the Guangzhou Factory and pass customer verification by 2023. The target waste conversion rate of each plant is 90%.

Waste Management Process



Radiant Opto-Electronics Corporation has appointed a specialist to manage and conduct daily inspections of the waste storage area. The specialist will also take the initiative to audit all the waste in the plant and ensure compliance of the cleaning contractor on a quarterly basis. All waste will be assigned to a qualified cleaning contractor. Additionally, we have arranged for an annual audit plan annually to manage waste removal and to audit the cleaning companies that we have cooperated with for the first time. This will verify whether all the waste is lawfully cleared by the contractor to the designated disposal facility, following the contractor's vehicle. We will also monitor the waste flow and disposable methods to fulfill our responsibility of supervising waste disposal.

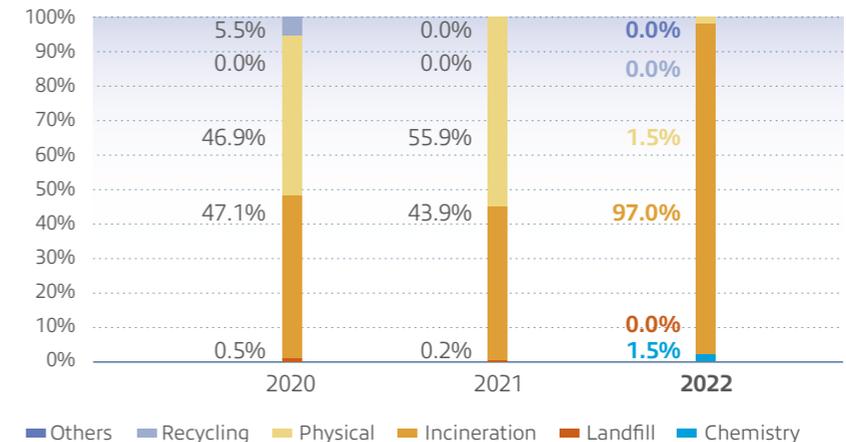
Industrial Waste Disposal

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 2022 was 5,802.31 tonnes, of which non-hazardous industrial waste was about 5,744.46 tonnes, accounting for 99%; and hazardous industrial waste was about 57.85 tonnes, accounting for 1%, which nature are considered simple.

Type of Waste	Recyclable	Non-Recyclable	Total Weight (Tonnes)
Non-hazardous waste	Process wastes (waste metals, plastics), paper, motor oil, domestic wastes	Domestic waste, process waste (plastic, rubber, waste glass), non-hazardous waste liquids	5744.46
Hazardous waste		Electronic parts waste, lamps, waste liquids, waste containers	57.85

Based on the classification of treatment methods, most of the majority of non-hazardous industrial waste was recycled, totaling 3,651.03 tonnes, which accounted for 63.56%. Landfill was the second most common method, with approximately 1,850.99 tonnes, accounting for 32.2%. Hazardous business waste was primarily disposed of through incineration, totaling approximately 14.64 tonnes, which accounted for 97.02%. Radiant Opto-Electronics Corporation has been actively promoting waste recycling of waste and the conversion of waste into useful resources. Through these efforts, not only are resources being recycled, but also reducing energy consumption and costs associated with waste disposal are also being reduced. In 2022, the amount of waste generated per unit of product was reduced by 49% compared with 2015 (2025 sustainable development goal base year).

Percentage of hazardous industrial waste treatment



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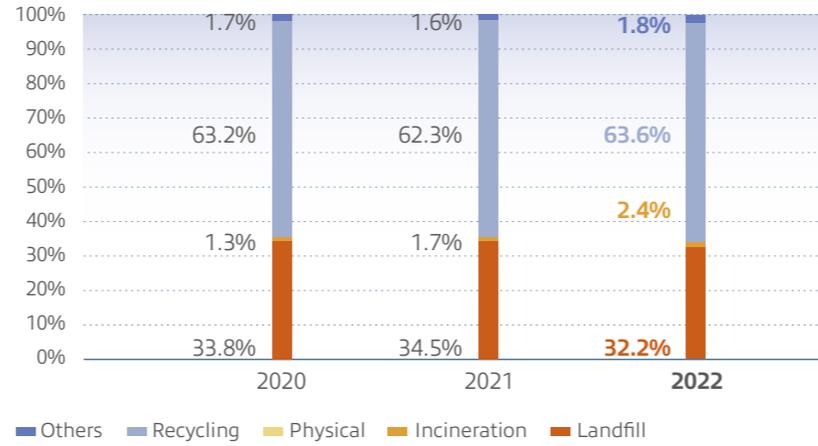
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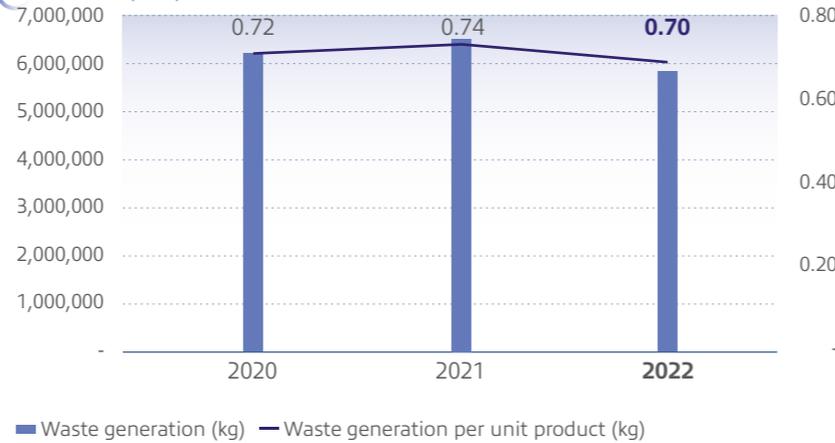
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Percentage of non-hazardous waste treatment



Waste Output per Unit Product



Waste generation per unit product: total waste generation of the Group (kg)/product plastic pellet feeding volume (kg)

Hazardous and non-hazardous waste treatment

Unit : Tonnes

Composition of waste	Hazardous waste		Non-hazardous waste	
	On-site	Off-site	On-site	Off-site
Direct Disposal				
Incineration (with energy recovery)	-	14.64	-	141.14
Incineration (without energy recovery)	-	41.49	-	0
Landfill	-	0.00	-	1,850.99
Other disposals (Hazardous include chemicals, Non-hazardous include sewage)	-	0.85	-	101.3
Physical disposal	-	0.87	-	0
Recycle and Reuse	-	0.00	-	3,651.03
Sub-total	-	57.85	-	5,744.46
Total		57.85		5,744.46
Total Sum		5,802.31		
Temporary storage in the factory				-
Total Waste				5,802.31

Note 1:Incineration: The controlled combustion of waste at high temperatures.
 Note 2:Landfill: The final disposal site for solid waste placed under or on the ground by engineering design.
 Note 3:Note Recycling: Properly disposed of by recycling vendors.
 Note 4:On-site: Radiant Opto-Electronics Corporation has no in-factory processing facilities, and all processing is outsourced.
 Note 5:Off-site: Outsourced waste disposal

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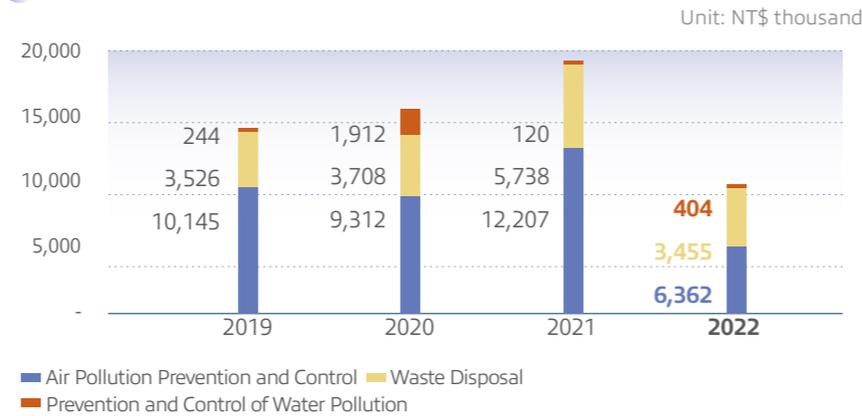
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Expenses related to environmental protection

The Corporation has established several pollution prevention and control facilities to effectively manage and control industrial waste and wastewater. At the front end of the production process, we maintain, replace, and add new equipment with the best possible solutions to reduce pollutant emissions during the manufacturing process; at the end of the process, we treat all waste properly to continuously increase the recycling rate. In 2022, approximately NT \$ 10,221,000 was invested in environmental protection, primarily for the purpose of preventing water pollution through sewage treatment fees. Of this amount, the expenses related to waste treatment and water pollution prevention and control experienced a slight decrease, while the expenses associated with air pollution control saw a slight increase.

Environmental protection expenses of the Group



4.5 Low Carbon/Green Life

Green environmental protection products

Green life is implemented in the daily operation of Radiant Opto-Electronics Corporation incorporates green practices into its daily operations. As per the Source Procurement Management Standards, when procuring non-production use chemicals, priority is given to those with low toxicity, low hazard, and low pollution. Additionally, environmental protection and ecological conservation are taken into consideration. Hence, the dishwashing liquid, hand soap, and other cleaning supplies that are presently utilized in the factory are all products that have been approved by eco-label standards.

Donation of used computers

Since 2018, the IT Department at the Kaohsiung Factory has been sending IT devices, such as computers and monitors, that have exceeded their designated use period and contain sensitive data stored in the devices are cleared by IT Department in the Kaohsiung Factory have been sent to the ASUS Foundation for recycling since 2018. The recycled electronic products will be reassembled into recycled computers and donated to schools, digital learning centers, and counseling centers both domestically and internationally. This initiative aims to assist disadvantaged groups, including young students, seniors, and physically challenged individuals, in learning computer skills and promoting information equality. Additionally, this project will provide multiple benefits, including recycling and social welfare, while also helping to bridge the digital divide. In 2022, the Corporation's computer retirement program resulted in the recycling of a total of 461 items, including 163 desktop computers, 40 monitors, 233 laptops, and 25 other electronic devices such as cell phones, TVs, projectors, tablets, and network switches. Over the years, a cumulative total of 2,806 items have been recycled through the ASUS Foundation's Computer Recycling Project, resulting in a reduction of 18.91 tonnes of CO₂e and the equivalent of 1,576 trees. (Source: ASUS Foundation's Computer Recycling Project)

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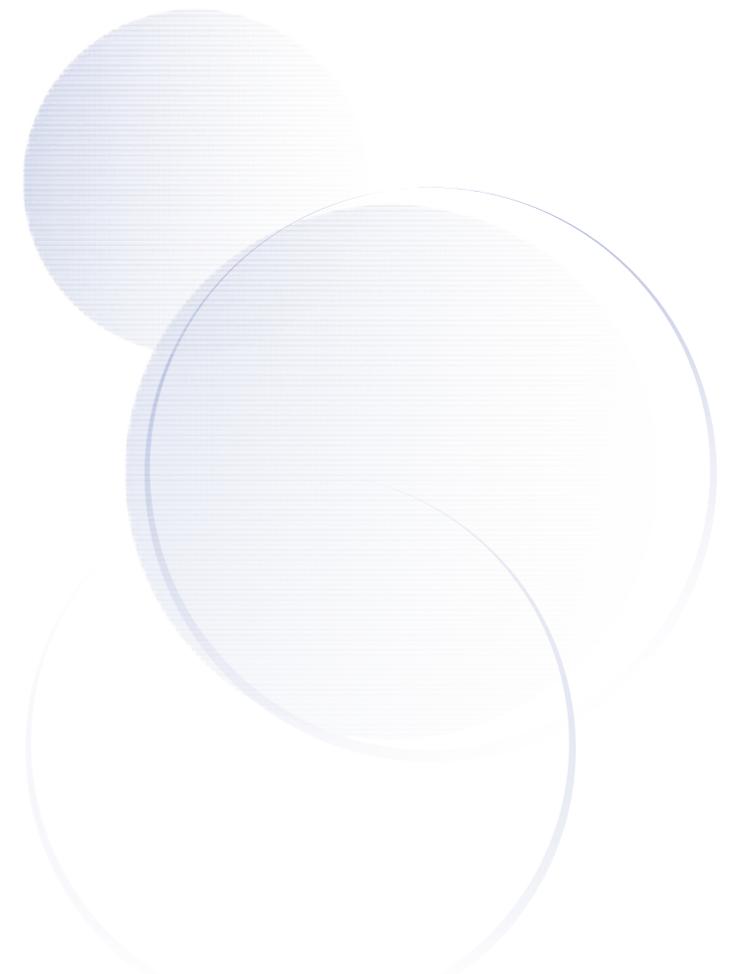
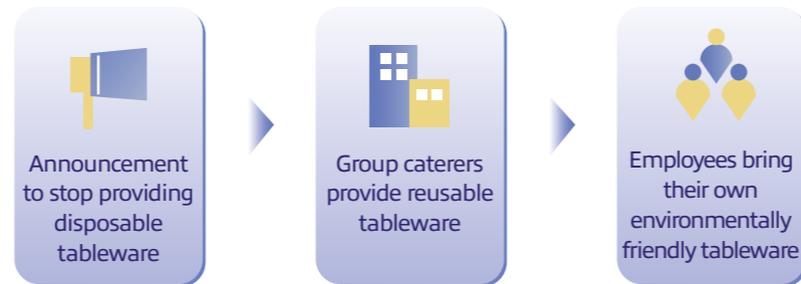
Environmental Protection Week for Manufacturing Departments

In 2022, the manufacturing department of Radiant Opto-Electronics Corporation's Kaohsiung Factory established a weekly environmental protection day on the first day of the week. On this day, employees are encouraged to commute to work using public transportation or carpooling to reduce the carbon emissions generated by their daily commutes. This initiative is estimated to result in a monthly reduction of 600 kg of CO₂e and an annual reduction of 7.2 tonnes of CO₂e. We also promote energy conservation in our daily personal lives through the use of posters and an internal sharing mechanism. This helps to reduce our carbon footprint and internalize our corporate commitment to carbon reduction DNA through physical action.



Green Restaurants: Banning the use of disposable tableware

The General Administration Department of Radiant Opto-Electronics Corporation's Kaohsiung Factory intends to collaborate with the company's group caterers to eliminate the use of disposable tableware in the factory's restaurants. By gradually promoting this initiative, the Corporation's caterers will initially offer reusable tableware to encourage the habit of using such tableware and achieve the goal of waste reduction. We will also raise awareness about environmental protection within the company and encourage employees to bring their own eco-friendly tableware to foster a new green lifestyle together.



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5.1 Human Rights Policies and Commitments

To ensure that we do not infringe upon or violate human rights, we make it clear that we treat our workers with justice, fairness, and respect. We comply with all relevant provisions of governmental laws and regulations, as well as the labor and gender equality laws and regulations in the locations where we operate. Additionally, we have formulated human rights protection and labor policies and have implemented related measures. Our corporation continues to promote human rights policies and practical principles. We have signed the Human Rights Code to ensure that all colleagues are aware of human rights and to protect freedom of association and the rights of collective bargaining. We strive to enhance our accomplishments in all aspects so that we can respond to different challenges in a reasonable manner.

Diversity, Inclusion, and Equal Opportunities

Radiant Opto-Electronics Corporation places a high value on workers' rights, and offers equal employment opportunities based on ones' professional and work-related abilities. We hire talent based solely on merit, without regard to race, nationality, gender, sexual orientation, age, physical or mental disabilities, religion, or any other characteristic protected by applicable law. One of our initiatives is to promote the employment of individuals who are physically or mentally challenged, including those who are speech or mobility impaired. This effort aligns with our goal of providing care for the disadvantaged and promoting diversity in our workforce. Furthermore, Radiant Opto-Electronics Corporation has maintained a politically neutral stance and refrained from endorsing any political activities or making political contributions in 2022.

No discrimination complaints were received at any factories in 2022. There were no incidents in related to the violation of aboriginal rights, gender, or racial discrimination at the Kaohsiung Factory. Additionally, there were also no instances of external human rights scrutiny or impact assessment. The factories located in Mainland China operate in accordance with local laws and regulations. No incidents of discrimination were reported, and labor relations are harmonious. Furthermore, no additional collective labor agreements have been signed.

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

Ratio of Female Employees (%)

Percentage Of Women by Category	2020	2021	2022
All Employees	29.2%	33.5%	32.5%
Supervisors	21.1%	22.6%	21.8%

*The statistics cover all female employees in our Taiwan and Mainland China factories.
*Definition: All employees: all female employees; Supervisors: all female supervisors.

Labor Human Rights (LHR) Commitments

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

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No Child Labor

Our company policy dictates that we do not consider applications from individuals under the age of 16 for any available positions. Furthermore, it is important to note that our organization strictly prohibits the use of child labor, as outlined in our "Management Procedures for Recruitment and Selection." As part of our standard hiring process, all applicants will undergo age and identity verification to ensure compliance with this policy and prevent any potential misuse of child labor. In 2022, nobody under the age of 16 were employed at any of our factories. Furthermore, all outsourced manpower units at each factory adhere to regulations prohibiting the employment of child labor. This includes employees participating in industry-academia/college-enterprise cooperation programs and summer internships.

Compliance with Basic Salary Levels

All employees are paid in accordance with the basic wage level stipulated by the local laws and regulations, based on the location of each plant. Additionally, we are obligated to apply for social insurance and provide insurance and welfare measures beyond those required by laws and regulations. These commitments are outlined in the "Employee Code of Conduct."

Compliance with Responsible Business Alliance Code of Conduct

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

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

Educational Training on Human Rights

Every year, all employees of Radiant Opto-Electronics Corporation arranges for all employees to attend an online training course on "RBA Provisions" and ethics & integrity (including anti-corruption). The training is considered complete only when the post-course test is passed with a standard score of 100. The course is included in the training program for newly hired employees. The course lasts approximately one hour and aims to ensure that all factory workers have a thorough understanding of the spirits and contents of RBA policy, their own interests, and the policies and practices implemented by the Corporation. In 2022, a total of 13,709 employees across the Group received the training, resulting in a 100% training ratio.

Prevention of Workplace Violence

Radiant Opto-Electronics has implemented measures to prevent workplace violence, including the establishment of provisions for "Prevention of Workplace Violence," "Regulations for Establishing Measures of Prevention of Sexual Harassment at Workplace," and "Regulations for Prevention of Discrimination and Harassment." These provisions clearly state our commitment to protecting employee rights and prohibiting improper discrimination and harassment. Additionally, we have developed a four-step procedure consisting of "Training," "Assessment," "Countermeasures," and "Outputs" to ensure that our employees and job seekers have a safe and harassment-free working environment. We also strictly prohibit sexual harassment in the workplace.

Outputs

- Post-implementation result tracking and recurrence prevention
- Conducting results report
- Future improvement initiatives

Countermeasures

- Formulation of action plan for the cause of medium to high risk
- Implementation of the action plan



Training

- Confirm guidelines version
- Update training materials updated
- Carry out annual training sessions for the entire factory

Assessment

- Hazard Identification and Risk Assessment Survey (Questionnaire + Interviews)
- Questionnaire collection and analysis
- Cause analysis for medium and high risks

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Security Practice Assessment

To maintain safety and order of the factories area, Radiant Opto-Electronics Corporation has established security personnel, including both self-organized members within the Group and outsourced personnel, to maintain safety and order in the factories area. To ensure that security personnels have a clear understanding of the Corporation's system, rules, and details, the relevant department arranges a one-hour staff education and training session on a monthly basis. The training program covers a range of topics, including an overview of security personnel duties, anti-discrimination policies, workplace violence incident response procedures, and reporting protocols. As of 2022, all security personnels have completed the required education and training, totaling 1,377 hours.

5.2 Talent Attraction and Retention

Employee Structure

In 2022, Radiant Opto-Electronics Corporation employed a total number of 12,217 individuals, which included 925 full-time and dispatch workers. Of this total, 931 employees were based in the Kaohsiung Factory, while the remaining 11,286 were located in the factories situated in Mainland China. In 2022, the total number of employees decreased by 25.9% compared to 2021. This was due to the gradual upgrade into automated production lines and adjustments in production capacity demands. The Kaohsiung Factory increased by 0.6% and the Mainland China Factories decreased by 27.5%. Based on the principle of prioritizing customers, the Group's factories in Mainland China served as the production base, accounting for approximately 92.4% of the total employees. The Kaohsiung Factory, on the other hand, serves as the R&D base, resulting in a relatively higher proportion of engineering personnel is relatively higher, accounting for 42.1% of the total employees in the Kaohsiung Factory. In regards to gender distribution, male employees make up 67.5% of the total workforce, which can be attributed to the industry's nature of the industry and the gender composition of relevant academic disciplines. As for age distribution, the majority of employees are under the age of 30, comprising 54.6% of the total workforce. The Group employs a total of 272 non-employee workforce, primarily as contractors for the daily operations within the organization.

In 2022, Radiant Opto-Electronics Corporation hired a total of 64,853 new employees, with 79.1% being male and 20.9% being female. The majority of new hires were under the age of 30 years old, accounting for approximately 73.1% of the total. The Group's upper-level management staff above the unit level is predominantly male, comprising 78.2% of the total. Locally employed management accounts for 99.3% of the Kaohsiung Factory and 64.8% of the Mainland China Factories. There were a total of 69,082 employees who resigned. In terms of turnover rate, if looking at different factories, gender, age group, etc., the Kaohsiung Factory was 1.2%, and the Mainland China Factories were 29.4%, which was slightly lower than that in 2021. The high turnover rate of factories in Mainland China can be attributed to various factors, including resignations from interns and employees with different types of labor contracts. This ultimately results in an overall leads to a higher turnover rate.

Number of Employees Within the Group

	Kaohsiung Factory	Wujiang Factory	Nanjing Factory	Guangzhou Factory	The Group
2020	959	12,076	4,506	2,711	20,252
2021	925	10,066	3,403	2,090	16,484
2022	931	6,265	3,872	1,149	12,217

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Group Manpower Distribution

	Employee Categories (Unit: Number of people)	Kaohsiung Factory		China Factories		Total		
		Male	Female	Male	Female	Male	Female	Total
By Contract	Permanent employees (Indefinite contract)	521	410	367	257	888	667	1,555
	Contract employees (Term Contract)	-	-	7,354	3,308	7,354	3,308	10,662
By Working Hours of Work	Full-time Employees (Full-time)	-	-	-	-	-	-	-
	Part-time Employees (Part-time)	-	-	-	-	-	-	-
	Employees with no guarantee of working hours (Temporary Workers)	-	-	-	-	-	-	-
Gender Total by Region		521	410	7,721	3,565	8,242	3,975	12,217

Note: The above headcount is as of December 31, 2022.

Number of New employees and Resigned Employees, and Management Structure

Category / Groups		New Employees		Resigned Employees		Management Structure	
		Numbers	Percentage of the Group	Numbers	Percentage of the Group	Numbers	Percentage of the Group
Gender	Female	13,533	20.9%	15,082	21.8%	83	21.8%
	Male	51,320	79.1%	54,000	78.2%	298	78.2%
Location	Taiwan	83	0.1%	82	0.1%	223	58.5%
	Mainland	64,770	99.9%	69,000	99.9%	158	41.5%
Age	Under 30 years old	47,406	73.1%	50,388	72.94%	1	0.26%
	Between 30-50	17,444	26.9%	18,682	27.04%	330	86.62%
	51+ years old	3	0.00%	12	0.02%	50	13.12%
Total		64,853		69,082		381	

Note: The above headcount is as of December 31, 2022.

Turnover Rate (Age)

Factory/ Gender	Age	2020	2021	2022
		Taiwan		
Male	Aged 30 and below	0.2%	0.2%	0.1%
	30~50	0.4%	0.4%	0.4%
	51 or above (inclusive)	0.1%	0.1%	0.1%
No age differentiation		0.7%	0.7%	0.7%
Female	Aged 30 and below	0.4%	0.2%	0.1%
	30~50	0.5%	0.3%	0.4%
	51 or above (inclusive)	0.2%	0.1%	0.1%
No age differentiation		1.1%	0.6%	0.7%
Total	Aged 30 and below	0.5%	0.3%	0.3%
	30~50	0.8%	0.6%	0.8%
	51 or above (inclusive)	0.3%	0.1%	0.1%
No age differentiation		1.6%	1.0%	1.2%
Mainland China				
Male	Aged 30 and below	17.1%	20.4%	19.3%
	30~50	5.7%	7.1%	8.0%
	51 or above (inclusive)	0.0%	0.0%	0.0%
No age differentiation		21.1%	25.0%	24.6%
Female	Aged 30 and below	5.2%	5.9%	6.1%
	30~50	2.1%	2.2%	2.5%
	51 or above (inclusive)	0.0%	0.0%	0.0%
No age differentiation		7.1%	7.9%	8.3%
Total	Aged 30 and below	20.7%	24.2%	23.3%
	30~50	7.6%	9.0%	10.1%
	51 or above (inclusive)	0.0%	0.0%	0.0%
No age differentiation		25.5%	29.5%	29.4%

Note 1 : The count of employees who have resigned does not encompass short-term project interns, who return to school upon the expiration of their contracts.

Note 2 : The turnover rate is calculated as the average number of monthly resignations of the local age and gender / (the average number of local employees in the current year + the average number of monthly resignations)

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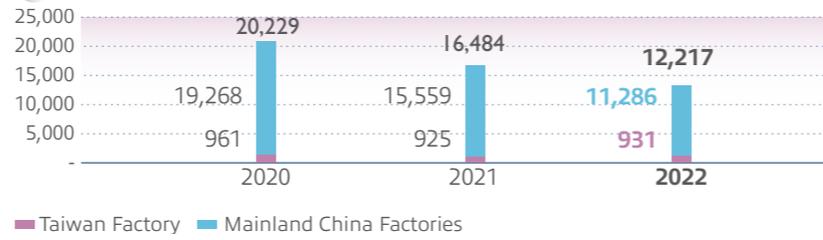
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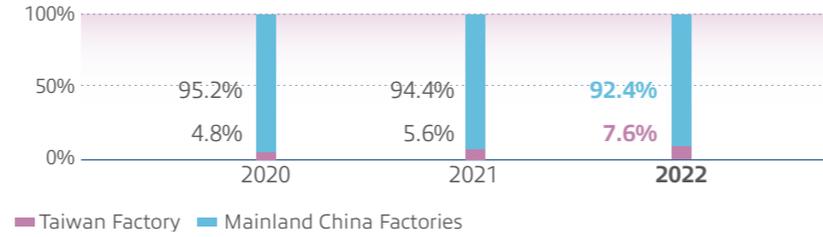
Happy Workplace Employee Care and Inclusion



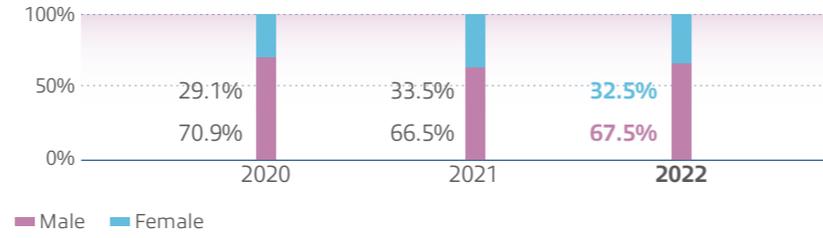
Total Number of Employees of the Group



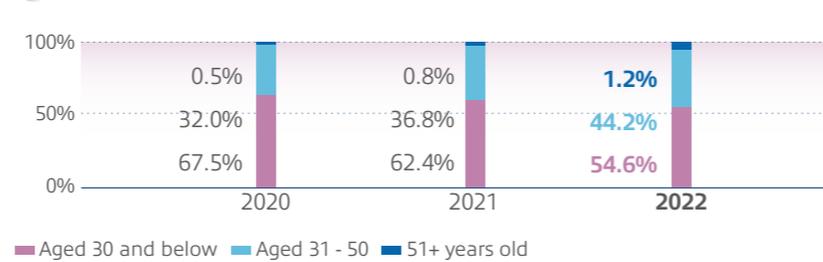
Distribution of Employees of the Group



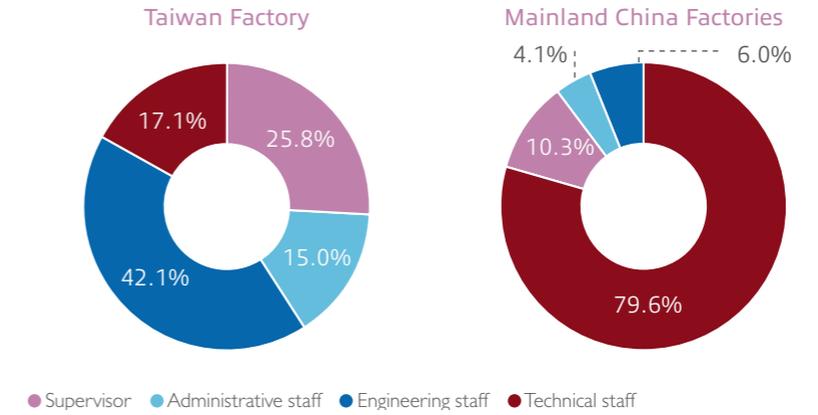
Proportion by Gender



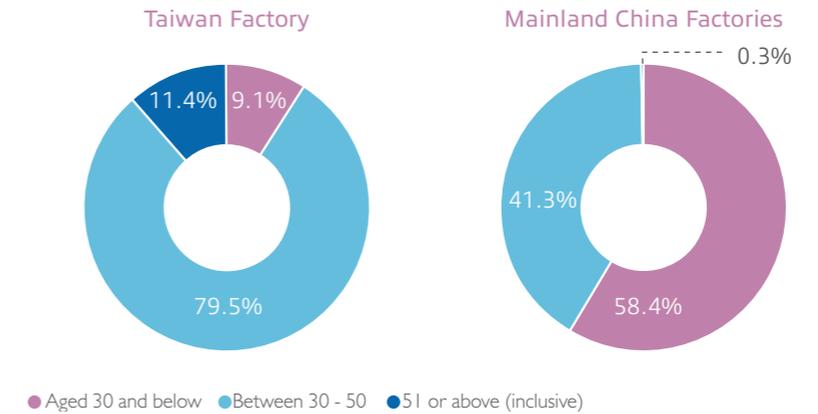
Distribution of Age of Employees



Employee structure by job category within the Group



Employee structure by age group within the Group



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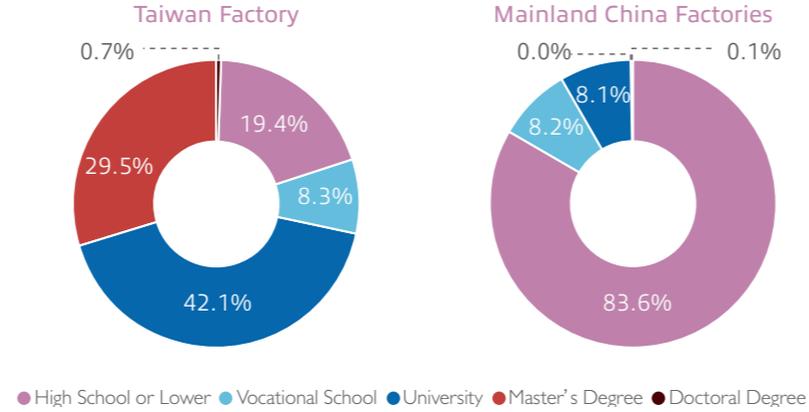
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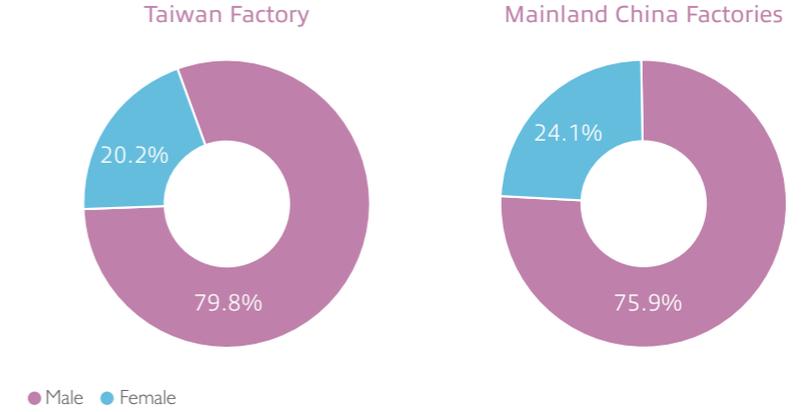
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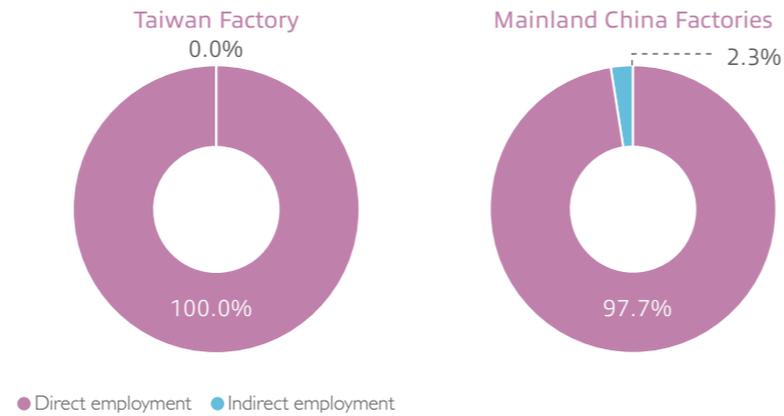
Group Employee Structure by Academic Background



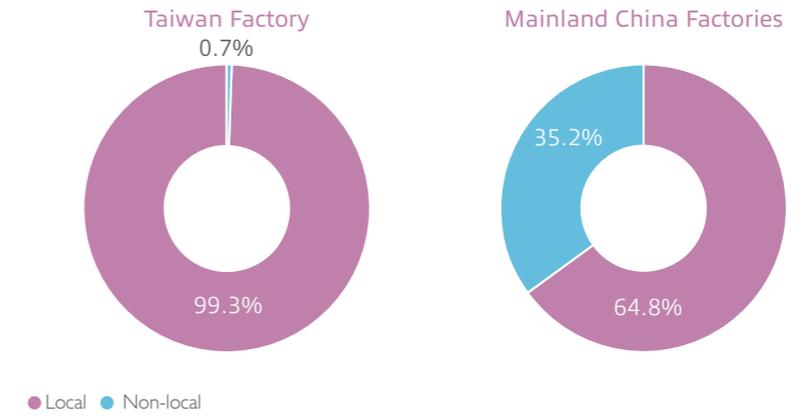
Gender Ratio at Management Level



Group Structure by Labor Force Composition



Percentage of Local Recruitment at Management Level



Note 1 : Direct employment: employee who is directly employed by Radiant Opto-Electronics Corporation
 Note 2 : Indirect employment: In Taiwan, is migrant worker ; In Mainland China, is dispatch worker and intern"

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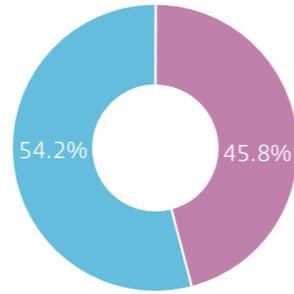
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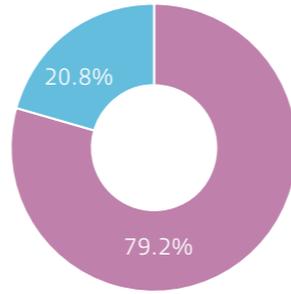


New Employees differentiated by gender

Taiwan Factory



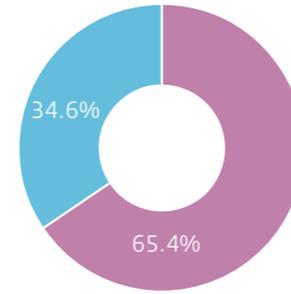
Mainland China Factories



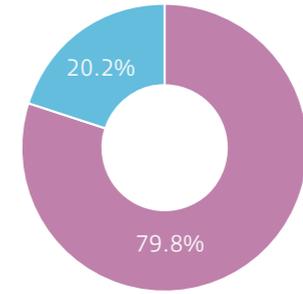
● Male ● Female

Gender Ratio of Employees by Category

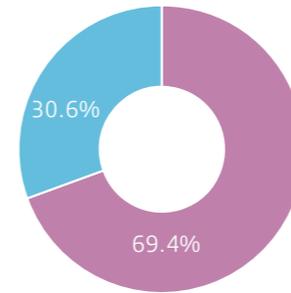
Supervisor



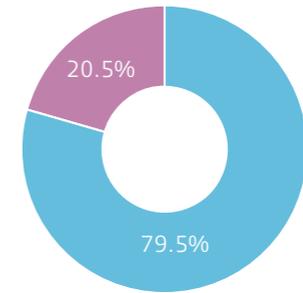
Engineering staff



Technical staff



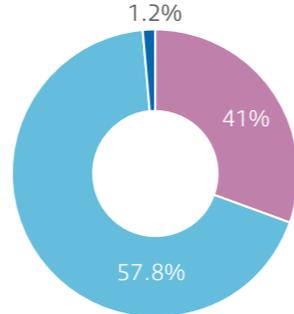
Administrative staff



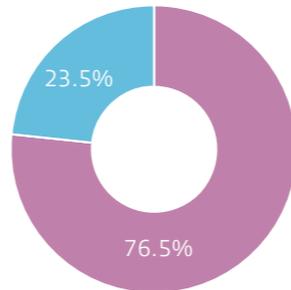
● Male ● Female

New Employees by Age

Taiwan Factory



Mainland China Factories



● Aged 30 and below ● Between 30 - 50 ● 51 or above (inclusive)

Note 1 : Gender ratio of new employees = number of new (male/female) employees/total number of new employees

Note 2 : Age ratio of new employees= number of employees at each level of age/total number of new employees

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Salaries & Benefits

Employee Remuneration

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

A robust and competitive compensation and benefits system can greatly enhance employee motivation of employees and is an essential component in fostering a positive work environment. Salary and promotion adjustments after employment are determined solely by personal ability and qualifications, without regard to age, gender, or region. Additionally, employees are eligible for bonus payments based on individual performance and the profitability of the Corporation. Furthermore, employees are entitled to have a share in the Corporation's operational profits. Currently, year-end bonuses, performance bonuses, proposal bonuses, and festival gifts are being provided. In 2022, the average salary increment of the Kaohsiung Factory was 3%. The ratio between the standard salary of newly hired entry-level employees in each factory and the local minimum wage remains 1.

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

Percentage of Employees' Annual Income in 2022

(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.)

Factory	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Kaohsiung						
Senior Supervisor (Deputy Head of Division and above)	1	1.04	1	1.08	1	1.06
Mid-level Supervisor (Deputy Manager and above)	1	1.09	1	1.10	1	1.11
Supervisor (Section Chief and below)	1	1.01	1	1.02	1	1.04
Indirect personnel	1	1.07	1	1.11	1	1.15
Direct personnel	1	0.98	1	0.97	1	0.95
Wujiang						
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	1.06	1	1.10	1	1.12
Supervisor (Section Chief and below)	1	1.05	1	1.20	1	1.04
Indirect personnel	1	1.23	1	1.26	1	1.32
Direct personnel	1	0.98	1	0.96	1	1.06
Nanjing						
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	0.85	1	0.86	1	0.99
Supervisor (Section Chief and below)	1	1.23	1	1.18	1	1.07
Indirect personnel	1	1.21	1	1.27	1	1.32
Direct personnel	1	0.97	1	0.97	1	0.96
Guangzhou						
Senior Supervisor (Deputy Head of Division and above)	NA	NA	NA	NA	NA	NA
Mid-level Supervisor (Deputy Manager and above)	1	0.80	1	0.83	1	0.83
Supervisor (Section Chief and below)	1	1.04	1	1.31	1	1.09
Indirect personnel	1	1.18	1	1.28	1	1.26
Direct personnel	1	0.97	1	0.99	1	0.83

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

Item	2020	2021	2022	Compared to 2021
Number of Full-Time Employees (Non-Supervisory)	1,020	937	898	-4.2%
Average salary of full-time, non-executive employees (NT\$/thousand)	1,064	1,195	1,445	+20.9%
Median salary of full-time, non-executive employees (NT\$/thousand)	826	919	1,043	+13.5%

Performance Review

Radiant Opto-Electronics Corporation values and respects the diversity and individual differences among our employees in each factory. The Corporation has established clear performance management systems and evaluation procedures that are free from discrimination based on gender, race, nationality, religion, age, physical disability, political affiliation, marital status, or union status. The Corporation conducts performance reviews twice a year, which includes setting targets at the beginning of the period and reviewing performance review” at the end of the period. This approach is implemented alongside daily management strategies in order to achieve a win-win situation of enhancing organizational performance and employees capabilities. In 2022, all regular employees were assessed at all factories and achieved a 100% assessment rate. In the future, we plan to design training programs that are based on functional behaviors. These programs will aim to strengthen behaviors through training, in order to achieve the Individual Development Plan (IDP) cycle. This will enable us to continuously promote the diversified development of talents, ensuring an equal workplace and implementing gender equality. Our efforts will be in line with the fifth United Nations Sustainable Development Goal, which is to "Achieve gender equality and empower all women".

Parental Leave Without Pay

ROEC provides our employees with paid leaves in accordance with local laws and regulations of their respective factories. These paid leaves include annual leave, marriage leave, compassionate leave, maternity/parental leave, pregnancy check-up leave, paternity leave, breastfeeding leave, menstruation leave, and other types of leave. These benefits are designed to help employees achieve a better work-life balance. The Kaohsiung factory provides 56 days of paid maternity leave in compliance with legal requirements. The Kaohsiung factory had a total of 28 employees eligible for parental leave in 2022, including 17 males and 11 females. The Mainland China Factories had a total of 142 employees eligible for parental leave, including 66 males and 76 females. As there are no specific regulations regarding parental leave in China's local labor laws, employees typically apply for maternity/nursing leave and then renew it for an extended period of time.

Item	Kaohsiung Factory			Mainland China Factories		
	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Parental Leave	17	11	28	66	76	142
A: Actual number of employees who applied for parental leave in 2022	2	3	5	0	2	2
B: Number of employees expected to apply for reinstatement from parental leave in 2022	1	1	2	0	1	1
C: Actual number of employees returning to work after parental leave in 2022	0	1	1	0	1	1
D: Number of employees who have worked for more than 12 months after returning from parental leave in 2021	0	3	3	0	0	0
E: Actual number of employees returning to work after parental leave in 2021	0	3	3	0	0	0
Reinstatement rate: C/B	0%	100%	50%	-	100%	100%
Retention rate: D/E	-	100%	100%	-	-	-

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Insurance Planning

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

Retirement System

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

We will continue to offer employee pension trial calculation services to assist employees in planning and evaluating their retirement. Additionally, we plan to introduce a series of lectures on retirement lectures in 2023. These lectures will enable employees to plan for their retirement life in advance, promoting continued employability and career planning. The Mainland China Factories comply with the "Social Insurance Law of the People's Republic of China" and the "Enterprise Employees Basic Old-Age Insurance" regulations of the respective local provinces by providing monthly pension insurance payments for our employees on a monthly basis.

Factory	Retirement Planning Mechanism	Pension Contribution Ratio	Extent of Employee Participation in Retirement Plan
Kaohsiung Factory	Old Pension System: Company Pension Account	Employer:2% Employees:0%	100%
	New pension system: Individual Pension Account	Employer:6% Employees:0-6%	
Mainland China Factories	Wujiang	Endowment Insurance Employer:16.85% Employees:8.5%	100%
	Nanjing	Endowment Insurance Employer:16% Employees:8%	100%
	Guangzhou	Endowment Insurance Employer:14% Employees:8%	100%

Open Communication

Radiant Opto-Electronics Corporation is committed to fostering positive employee relationships and establishing effective communication channels. To this end, we offer a range of resources, including the "New Employees Seminars," "Employees Hotline," "Employees Suggestion Box," and "On-site Consultation," to address any inquiries or concerns that our employees may have. We are dedicated to responding promptly and effectively to all feedback received through these channels, ensuring that our colleagues' concerns are addressed in a timely and efficient manner. Each factory is equipped with a dedicated employee relations officer who conducts periodic random telephone interviews from time to time to ensure the physical and mental well-being of employees. In the current year, the number of consultations at the Kaohsiung Factory was 269 cases, while the Mainland China factories had 2,367 cases, resulting in a total number of cases were 2,636 cases. Communication channels remain unimpeded, and all employee feedback and inquiries are being promptly resolved on the spot. The settlement rate for each factory was 100% in 2022, and there were no significant labor disputes.

Communication Channel	Number of Consultations	
	Kaohsiung Factory	Mainland China Factories
Employees Hotline	2	588
Employee On-Site Consultation	208	597
Employees Seminar	9	211
Employees Suggestion Box	50 (Primary channel: mail)	971 (Primary Channel: communication software)

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Employee Complaints Categorized by Issues in 2022

Factory	Kaohsiung Factory				Mainland China Factories			
	Discrimination	Leadership Management	Sexual Harassment	Labor Dispute	Discrimination	Leadership Management	Sexual Harassment	Labor Dispute
Numbers of Communications & Feedback on Problems	0	0	0	0	0	90	3	162
Solving Ratio	-	-	-	-	-	100%	100%	100%

Labor Relations Management

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

Currently, the Kaohsiung Factory has five management and labor representatives each, while the Mainland China Factories elect nine to ten labor representatives each in accordance with the relevant provisions of the All-China Federation of Trade Unions' "Regulations on the Election of Grassroots Trade Union Organizations" of the All-China Federation of Trade Unions. During the quarterly labor-management meetings, labor representatives are provided with clear updates on the Corporation's recent important operational information, manpower situation, and labor-related communication issues. This is advantageous for fostering harmonious labor-management relations and promoting cooperation between labor and management cooperation.

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

Union Participation by Factory in 2022

Factory	Number of Participants	Participating Ratio
Kaohsiung Factory	795	85.48%
Wujiang Factory	Negotiated with the local federation of trade unions to change the working law in favor of employees, so all employees become members of the trade union	
Nanjing Factory	1,931	50.87%
Guangzhou Factory	962	83.72%

Note 1 : The above number of participants is as of December 31, 2022
Note 2 : All employees below the managerial level in the Kaohsiung Factory joined the labor union.

Employee Care

The global pandemic appears to have gradually eased in 2022, and assuming proper prevention measures remain in place, internal activities will continue being resumed in a moderate manner. It is our hope that stress-relief channels to release stress can be maintained during the post-pandemic era, to promote social cohesion among colleagues. In order to achieve a healthy work-life balance, Radiant Opto-Electronics Corporation has implemented a range of exciting leisure and recreational activities, diversified stress-relieving handicraft courses, and provides a working environment that prioritizes humanistic care and physical and mental health. These initiatives are designed to enhance the overall well-being of our employees and promote a positive, happy workplace culture that is recognized and valued by our staff.

To promote artistic and cultural literacy within the Corporation, the Kaohsiung factory has extended invitations to artists and cultural groups to the factory to organize an "Arts and Culture Salon" on our premises. We are committed to enhancing the working lives of our employees by organizing a variety of diverse cultural activities. This not only helps to promote our corporate culture but also contributes to the growth of the local artistic community. Our Mainland China factories are dedicated to enabling employees to maintain a healthy work-life balance amidst their job responsibilities and duties. We have implemented a variety of welfare measures and organized various activities to meet the diverse needs of our employees. These activities include athletic events, parent-child and family activities, arts and cultural events, and departmental activities. Our goal is to promote a healthy balance between work and personal life, and to provide opportunities for stress relief, and pursuing hobbies. We hope that our employees can strike a balance between work and family and enjoy their work without having any concerns. A total of 71 events were held in 2022 with 54,654 participants.

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Kaohsiung Factory



7 sessions of stress relief handicraft course with a total of **120** participants

4 sessions of Arts and Culture Salon with a total of **106** participants

Wujiang Factory



A competition around knowledge of factory rules and regulations with a total of **500** participants

Nanjing Factory



Lunchtime games_6 sessions **1,319** participants

Guangzhou Factory



Lunchtime games_10 sessions **1,804** participants

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Company Benefits

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

Benefits/Districts	Kaohsiung Factory	Mainland China Factories
Profit Sharing	<ul style="list-style-type: none"> • Employee Bonuses and Year-End Bonuses (Based on Company Operations and Individual Performance) • R&D Patent Bonus • Senior Employee and Outstanding Employee Recognition Awards 	<ul style="list-style-type: none"> • Operating Bonus (Depending on Current Year's Operational and Personal Performance) • Elite Awards • Long Service Allowances
Diversified Benefit System	<ul style="list-style-type: none"> • Holiday Bonus / Gifts, Labor Day Bonus / Gifts • Marriage Bonus, Maternity Allowance, Birthday Bonus, Club Subsidy, Travel Subsidy, Hospital Consolation Subsidy, Arts and Cultural Activity subsidy, Emergency Subsidy, Departmental Dinner Subsidy, Meal Subsidy, Employee Proposal Bonus • Provide 4 days of annual leave in advance for new recruits in the first year • Employee Family Day, Diversified Club Activities • Staff cafeteria, steaming room, microwave oven, pantry, fitness center, aerobics classroom, table for table tennis, billiard table, coffee machine • Special store discounts for food, drinks, or games 	<ul style="list-style-type: none"> • Library, basketball court, soccer field, ping pong room, billiards room, dance room, etc. • Accommodation is provided with air-conditioning, 24-hour hot water supply and automatic washing machines • Employee cafeterias with a wide variety of food • Homebound travel ticket reimbursements at discretion
Total Employee Care	<ul style="list-style-type: none"> • Free group insurance for employees, free accident insurance for expatriates, group insurance for dependents, safety insurance for overseas business trips • Pandemic insurance for employees • Health checkups, employee health management, multi-purpose employee lounges, on-site doctor visitation • Ongoing group insurance benefits for employees who take a leave due to illnesses • Comprehensive Retirement System 	<ul style="list-style-type: none"> • There are clinics inside the factories • 5 Insurances and 1 Pension • Provide 24-hour accident insurance • Free company medical system
Maternal Employee Maternity Care	<ul style="list-style-type: none"> • Breastfeeding rooms • Designated car parking for pregnant women • Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, prenatal checkups • Special Nursery and Kindergarten 	<ul style="list-style-type: none"> • Maternity leave, paternity leave, prenatal checkups • Breastfeeding rooms • 1 hour of flexible breastfeeding leave per day

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

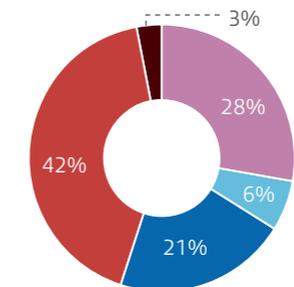
sports facilities, multi-function recreation rooms, and massage chairs. Additionally, we offer a variety of courses from various organizations to encourage employee participation.

Art and Culture Grant

The Employee Welfare Committee, in collaboration with the Radiant Education Foundation, is promoting the "Art and Culture" ticket grant. Proactively responding to the Ministry of Culture's "Arts Fun" voucher program, we actively encourage employees' dependents to increase their engagement in arts and culture consumption. By providing incentives, we aim to ensure that artistic participation remains uninterrupted despite the easing of the pandemic situation. This initiative aims to continuously accumulate artistic engagement and enrich the cultural ecology of southern Taiwan.

Employee Welfare Committee Expenses Analysis

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		
Table Tennis Club		



● Holiday Bonus ● Birthdays ● Travel Subsidy ● Club and Activity Fees ● Marriage, funeral, and maternity subsidies

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In 2022, two new clubs, namely the Hiking Club and the Table Tennis Club, were established, increasing the total number of clubs to 11. This development has contributed to the diversification of club offerings, thereby attracting more employees to participate in various activities. For the first time, a networking event was organized to encourage single employees who are single to engage and interact with other corporate partners. The event was well-received by the participants. Employees and their family members were invited to participate in the Family Day event, which included elements focused on carbon reduction and energy-saving habits. The goal was to encourage everyone to adopt good practices for reducing carbon emissions and conserving energy.

In addition to the Kaohsiung Factory, our factories in Mainland China are also a primary focus for us. Given that many of our employees work far away from their homes, Radiant Opto-Electronics Corporation places a high priority on ensuring their well-being and quality of life. We plan dormitory activities with the aim of fostering closer relationships among employees, in the hope that this will translate into increased productivity in their respective roles. In 2022, the Mainland China Factories organized 29 various labor and economic activities, attracting 36,000 attendees and establishing 6 new clubs. The Corporation places emphasis on providing employees with opportunities to relax and relieve stress while working. This approach not only fosters communication opportunities among employees but also promotes unity and teamwork, ultimately leading to departmental success and recognition.



A New Look for the Dormitory

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

New Approach to Food

Regarding food, in addition to our standard meals, we will strive to innovate and try to introduce the new practice of "Eight Cuisines" in 2023. This initiative aims to enhance the dining expectations of our employees and expand the diversity of dining options. Regarding the management of the internal restaurant environment management, we have followed the standard requirements of "Bright & Clean Kitchen" and "Energy Saving and Carbon Reduction". When replacing old hardware and equipment, we ensure that they comply with energy-saving standards to improve the quality of staff meals. Additionally, we have established a feedback channel allowing employees to provide timely feedback on their dining experience. This enables relevant departments to propose effective improvement methods accordingly. In addition to this, we are also closely monitoring food safety checks. This includes conducting drills for suspected food poisoning, testing for pesticide residue on vegetables, implementing pest elimination measures in our restaurants, and ensuring that our staff are trained in fire prevention skills. These measures are aimed at minimizing the risks associated with restaurant management risks.

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5.3 Talent Cultivation and Development

Talent Development System and Employees Training

Based on the principle that "talent is a company's most valuable asset," we have implemented various channels and platforms to strengthen employees' professional skills. As part of Radiant Opto-Electronics Co., Ltd's digital transformation strategy, all of our factories now utilize the "R+eHRD* Talent Development System Platform" to offer a range of innovative digital learning resources. Since its launch in June 2021, we have amassed 1,231 digital courses and 56 articles within our learning resources. During the pandemic, our employees worked from home and attended classes remotely. We encouraged our employees to "Never stop learning during the pandemic." To support this initiative, we provided a series of online courses that enabled our employees to continue their professional development despite the challenges posed by the pandemic. By offering these courses, we created a seamless learning experience that was not impacted by time differences or other logistical challenges.

Training Development Program	Content	Results
Corporate Human Resource Improvement Program (Kaohsiung Factory)	The Kaohsiung Factory has submitted an application for the "Corporate Human Resource Improvement Program" to the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of the Ministry of Labor's Workforce Development Agency. The objective of this application is to enhance the training benefits and consistently improve the quality of human resources. The program encompasses a range of courses, including engineering technology, professional skills, management, and other relevant topics.	A total of 25 courses were applied for in 2022, and the total number of training hours has exceeded 500 hours, with a total of 250 participants.
Highly skilled personnel training (Wujiang Factory)	Since 2013, we have successfully been approved as a pilot unit for internal evaluation of vocational skills in Suzhou City. This has helped us to build up the image of a large-scale and enterprise with backbone, to promote a culture of skill appraisal within the factory, and to enhance the technical ability of our employees. In 2019, due to a change in the supervisory unit, we reapplied and were granted internal evaluation qualifications, making us one of the first seven units in Wujiang to receive this distinction.	From 2014 to 2022, we internally evaluated 1,150 junior workers, 843 intermediate workers, 976 senior workers, 239 technicians, and 45 senior technicians.
Internal Instructors Training Program (The Group)	To ensure that our employees are at the forefront of knowledge and can effectively demonstrate their existing abilities, Radiant Opto-Electronics Corporation has implemented the Internal Instructors Training Program within our education and training system. This program produces lecturers are produced exclusively for corporate purposes, maximizing the impact of our education and training efforts. Additionally, it improves our corporate experience, culture, image, and the inheritance of professional technology. As a result, our corporate knowledge can be quickly disseminated and applied quickly and efficiently.	As of the end of 2022, Radiant College has trained a total of 199 internal instructors, with 116 instructors located in the Kaohsiung Factory and 83 in the Mainland China Factories.
Youth Employment Flagship Program (Kaohsiung Factory)	The Corporation has submitted an application for the "Youth Employment Flagship Program" to the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of the Workforce Development Agency, which operates under the Ministry of Labor. Our aim is to offer valuable workplace training to young individuals by leveraging industry resources.	There were 32 applications received in 2022, 19 attended for training, and 18 of them completed the training, and the retention rate for those who had completed training was 100%. Since 2019, we have received 161 applications, out of which 84 individuals attended the training program. Of those who attended, 81 successfully completed the training. It is noteworthy that the retention rate for those who had completed the training was 100%.
MTP Supervisor Excellence Management Development Training (Kaohsiung Factory)	The Management Training Program (MTP) developed by Radiant Opto-Electronics Corporation offers a systematic and comprehensive training program for managers. The program enables managers to understand their roles and incorporate management skills into their daily work. This, in turn, improves the management performance of each department and enhances the overall competitiveness of the Corporation.	As of the end of 2022, 95 mid-level supervisors have obtained certification.

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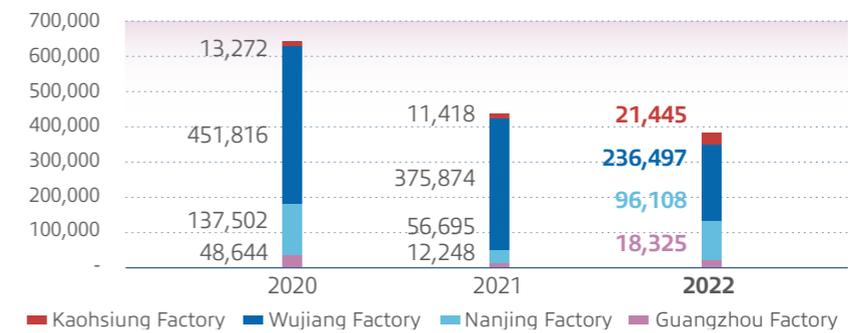
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Training Results

In 2022, the total number of training hours for education and training was 370,000 hours, with approximately 77,000 employees participating in the training program. This translates to an average of 4.8 hours of training per employee. The Kaohsiung Factory had a total of 21,445 training hours per capita, which accounts for approximately 2.5% of the total. In contrast, Mainland China had 350,930 training hours per capita, accounting for 94.2% of the total. In 2022, the COVID-19 pandemic has had a significant impact on our operations, resulting in a reduction in the number of in-person courses has reduced and shortened hours for direct training. As a result, there has been a slight decrease in the number of training hours in each factory compared to the previous year. The training hours required for managerial positions exceeded those for non-managerial positions. The supplementary training courses are specifically tailored to augment the management proficiencies of junior and mid-level supervisors. The average training hours for men in the Kaohsiung Factory are higher than those for women, mainly because the proportion of male supervisors is higher, and the number of training hours for male employees in the Kaohsiung Factory is higher than that for female employees. This is primarily due to the higher proportion of male supervisors, who receive more training hours than their female counterparts.

The mobile learning app was launched in November 2021, offering employees a flexible learning tool that is not bound by time or location. This app provides a convenient way for employees to learn during their spare time, resulting in greater efficiency and convenience and efficiency for learning. In 2022, students accumulated 20,262 logins and 4,940 hours of usage were accumulated by the students on the mobile learning app.

Total Hours of Training by Factory



Training Profile Analysis in 2022

Category	Groups	Kaohsiung Factory			Mainland China Factories			Entire Group		
		Numbers	Total Hours	Hours per Capita	Numbers	Total Hours	Hours per Capita	Numbers	Total Hours	Hours per Capita
Gender	Female	411	7,542	18.4	17,483	95,792	5.5	17,894	103,334	5.8
	Male	521	13,903	26.7	58,858	255,138	4.3	59,379	269,041	4.5
Job Category	Non-management	689	14,566	21.1	75,986	339,763	4.5	76,675	354,329	4.6
	Management	243	6,879	28.3	355	11,167	31.5	598	18,046	30.2
Total		932	21,445	23.0	76,341	350,930	4.6	77,273	372,375	4.8

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

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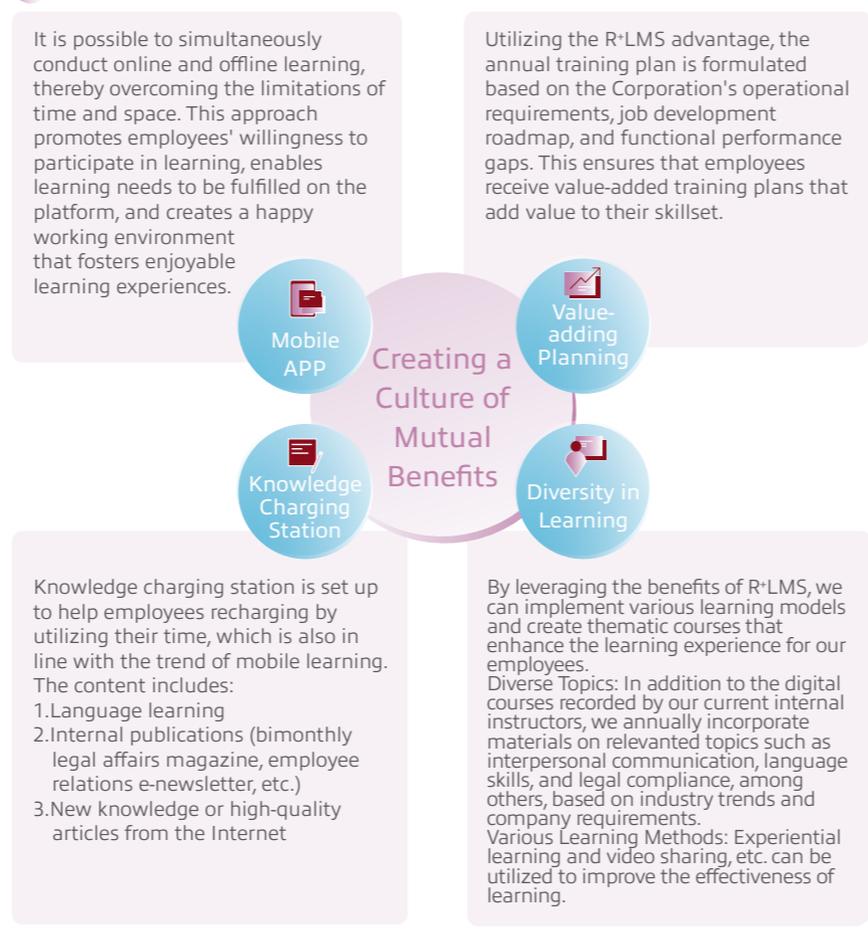
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Impacts of “Educational Training” vs R+eHRD



Education Training System

Education and training will be incorporated into the talent development plan with the aim of fostering talent growth. In line with the philosophy and principles of the Talent Quality Management System (TTQS), we utilize a SWOT (TOWS) strength and weakness crisis analysis to identify strengths and weaknesses during times of crisis. This analysis helps us to develop effective management strategies and formulate training policies. In 2022, the Corporation received the Silver Certification in the Talent Quality Management System. This achievement was made possible through a systematic approach that included needs analysis, curriculum design, training implementation, and training evaluation. The primary objective was to enhance the personnel's knowledge, skills, and attitudes of personnel. Additionally, post-training effectiveness tracking was conducted, and the creation of a learning transfer environment was established to ensure the successful application of newly acquired skills.

About the “Talent Quality Management System (TTQS)”

With the implementation of TTQS, Radiant Opto-Electronics Co., Ltd has successfully streamlined the management of training documents and consolidated procedures and training processes that were previously scattered throughout the organization. This has resulted in improved training quality and continuous enhancement of training effectiveness. Furthermore, senior supervisors have expressed their recognition, support, and evaluation of the Corporation's training and development performance, leading to the attainment of a silver certification.

Training Policies

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

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

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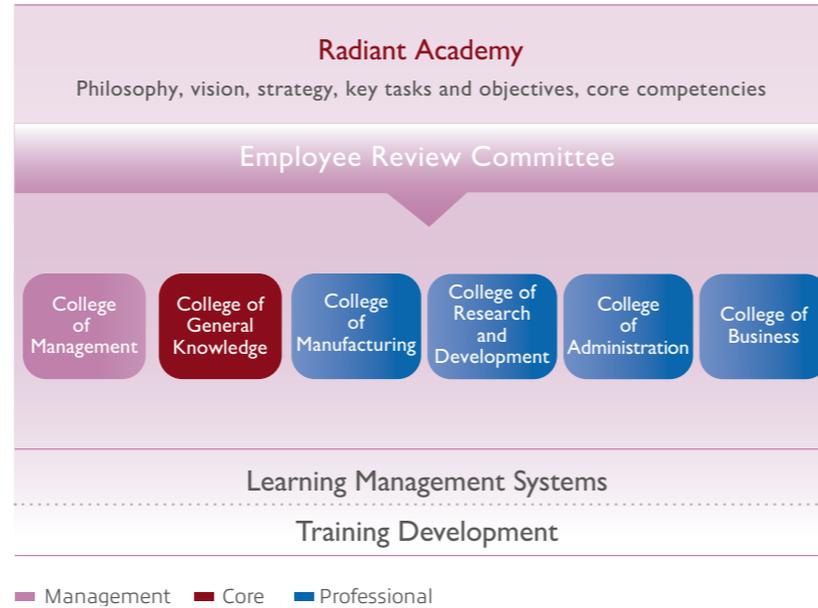
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Business Strategy × Career Map



College of Professional Skills

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

College of Management

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

College of General Knowledge

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

Radiant Opto-Electronics Corporation has implemented a one-step decision analysis approach to improve the quality of our products and services. This involves processing factual and statistical data analysis, as well as providing problem-thinking training to employees to foster consensus. These efforts have resulted in overall benefits for the Corporation. For core skill functions courses, participants are required to form working groups in connection with a particular project. The course content will be integrated with work practices, and participants will eventually obtain internal certification for the publication of results to ensure that the relevant core functions are met.

Relevant training programs will be provided to new employees upon joining Radiant Opto-Electronics Corporation. These programs are designed to help them to understand the Corporation's sustainability culture, vision, mission, business ethics, and relevant regulations, disciplines, and other policies. Additionally, the training programs aim to familiarize new employees with the work environment, and foster a sense of identity with the Corporation. Comprehensive basic courses are designed to provide new employees with a quick understanding of their job details, based on manufacturing, operations, management processes, and other relevant topics, thereby enhancing their professional knowledge.

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5.4 Occupational Safety and Health

Occupational Health and Safety Management System

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

Occupational Health and Safety Policy

Compliance with the Law, Keeping the Promise  Ensure compliance with occupational safety and health regulations and other requirements.

Safety Environment and Healthy Workplaces  To establish a workplace that is intrinsically safe, fosters a friendly atmosphere, and promotes a healthy and safe corporate culture.

Eliminating Hazards, Lowering Risks  The implementation of hazard identification and risk assessment is crucial in ensuring workplace safety. To achieve this, it is important to strengthen source management and eliminate hazards. Additionally, risks can be reduced through the implementation of engineering control or management measures.

Full Participation, Continuous Improvements  By consulting and involving workers or their representatives, we can identify the occupational safety and health requirements of the factory and enhance the occupational safety and health performance through consistent monitoring and review of performance, as well as the refinement of the management models.

Health and Safety Management

The Environmental Safety Department at Radiant Opto-Electronics Corporation's Kaohsiung plant is accountable for overseeing the safety and health management of the entire organization. As per the "Occupational Safety and Health Management Policy" of the Kaohsiung Factory, an Occupational Safety and Health Commission has been established. The commission comprises a total of 17 members, including 6

of them being the labor representatives. The "Constitution for the Occupational Safety and Health Commission" has been developed to regulate the operations of the Commission. Commission meetings will be held every three months, and after each meeting, resolutions and follow-up matters will be disseminated to all employees for their awareness and compliance. Our objective is to promote and enhance the awareness of work safety awareness among our employees. While there are no local regulations mandating the formation of an Occupational Safety and Health Commission in Mainland China, quarterly meetings on occupational safety and health are still held for China factories, with reference to the practices of the Kaohsiung Factory. The "Safety and Health Consultation Meeting Group" conducts worker consultations and the "Safety and Health Consultation Meeting" during the second quarter of each year. The purpose of these meetings is to ensure the safety and health of our employees. Feedbacks from both internal and external workers of the Corporation regarding occupational safety and health has been collected and is currently being reviewed. The results of this consultation will be presented for review during the third quarter "Occupational Safety and Health Commission Meeting."

Equipment Safety Management

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

In 2022, a total of 1,283 units were inspected across the Group's four factories. The equipment in these factories, including the EMO emergency stop switch, safety interlock protection device grille, and Interlock, were inspected by both users and environmental safety personnel. It was confirmed that all equipment was functioning properly before posting the equipment safety label was posted.

Factory	KH	WJ	NJ	GZ
Machine	246	525	252	260

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

Chemical Substance Safety Management

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

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

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

Work Protection

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

Emergency Response Mechanism

Radiant Opto-Electronics Corporation has implemented a comprehensive set of emergency response procedures to address a range of potential crises, including fires, explosions, hurricanes, earthquakes, chemical leaks, accidents during the removal of hazardous industrial waste, air pollutants leaks, biotic contamination, illegal activities, unusual individuals and accidents, and industrial safety accidents and etc. In the event of an emergency, the safety of our personnel is our top priority. In compliance with the Occupational Safety and Health Act, the individual responsible for the workplace must promptly issue an order to cease operations and direct workers retreat to a secure location when an immediate danger is present. When a worker is performing their duties and identifies an immediate danger, they must stop the operation and move to a safe location without putting other workers at risk. The worker must then promptly report the incident to their immediate supervisor. We will not cease operations or incur any penalties if workers retreat to a safe location on their own.

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

On August 25, 2022, a joint fire drill was held between Radiant Opto-Electronics Corporation and the managing unit's fire department at the Kaohsiung Factory. This drill was designed to simulate a combined disaster scenario involving an earthquake and fire, and aimed to train plant personnel in evacuation and response procedures. The local fire department and the neighboring factory, Walsin Technology Corp, provided support for the drill. The objective was to ensure that our employees were able to participate in a complete emergency response process both inside and outside the factory. The participants from different department involves in the drill, which included 20 from ROE 2nd factory, 12 from ERT, 13 from fire department, and 2 from the local health center.

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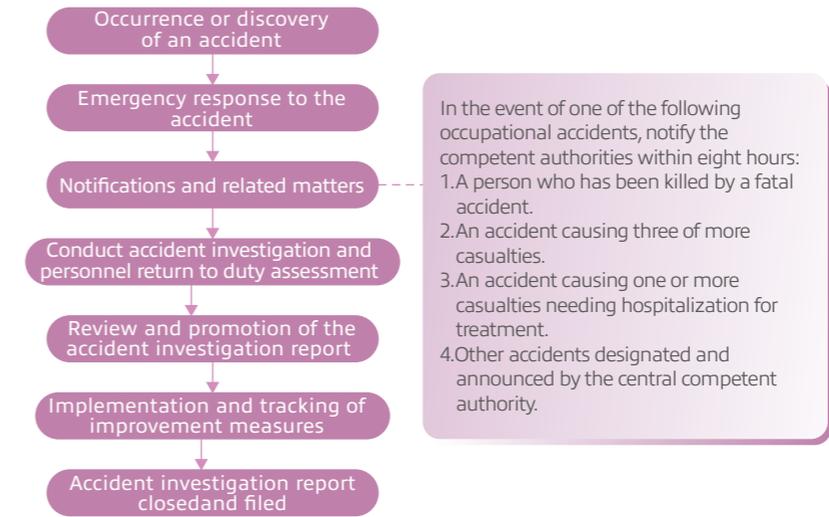
Occupational Hazards

Radiant Opto-Electronics Corporation has implemented the "Occupational Accident Investigation and Handling Procedures." This comprehensive investigation procedure enables us to efficiently investigate accidents, verify the facts and circumstances, determine the causes, and implement improvement actions in order to minimize the likelihood of recurrence. In 2022, the Group experienced a total of 20 cases of occupational injuries. These cases were categorized as follows: 4 cases of falls, 9 cases of cuts/slashes/scrapes, 2 case of falling materials, 1 case of getting hit, 2 cases of falling/rolling, and 2 cases of collision. Fortunately, there were no fatal occupational accidents. Furthermore, there have been no reported cases of occupational incidents involving contractors from 2020 to 2022.

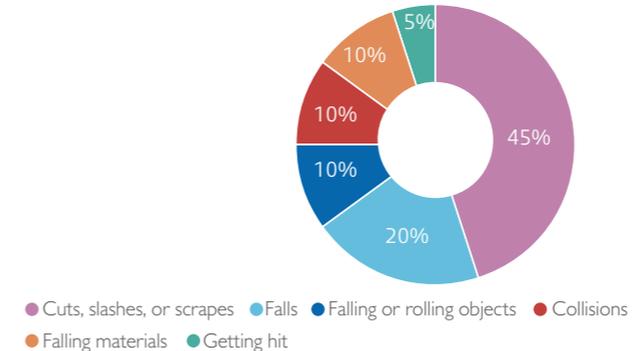
Upon further analysis of work-related accidents, it was found that there were 11 work-related injuries among employees with less than one year of experience, accounted for 55% of the Group's work-related injuries, with a total of 11 incidents. Of these incidents, 6 injuries were caused by machinery and equipment due to a lack of safety awareness and experience, representing 30% of the Group's work-related injuries. It is important to note the potential risks associated with operating machinery and equipment, particularly for those with limited experience in the workplace. ROEC has implemented measures to improve various aspects, including strengthening the education and training of new employees, providing professional education and training in the workplace,

and disclosing information about work-related accidents. Beginning in 2022, a systematic risk assessment will be conducted to identify and confirm potential risks associated with machinery. This assessment will be used to develop an action plan for risk reduction, which will include measures such as intrinsic safety, engineering controls, and management controls. The goal of this plan is to ensure the safety of users during operation, troubleshooting, and maintenance. This is aimed at enhancing the safety and efficiency of the machine, while minimizing the incidence of workplace injuries.

Occupational Accident Investigation Process



Occupational Injury Statistics



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Year	Category	Working Hours	Fatalities Number of People	Severity Number of Cases ^{Note 1}	General Number of cases ^{Note 2}	Minor Injuries Number of cases ^{Note 3}	The Mortality Rate ^{Note 4}	Rate of Serious Occupational Injuries ^{Note 5}	Recordable Injury Frequency (TRIFR) ^{Note 6}	Combined injuries Index
2020	Employees	39,451,432	0	0	11	0	0	0	0.35	0.05
	Subcontractors ^{†7}	939,040	0	0	0	0	0	0	0	0
2021	Employees	33,454,024	0	1	12	1	0	0.03	0.42	0.06
	Subcontractors	897,840	0	0	0	0	0	0	0	0
2022	Employees	30,163,168	0	1	14	5	0	0.03	0.66	0.07
	Subcontractors	961,960	0	0	0	0	0	0	0	0

Note 1: Severe cases: The number of days of recuperation for the injured worker is greater than 60 days.

Note 2: General cases: The number of days of recuperation for the injured worker is between 7 and 60 days.

Note 3: Minor cases: The number of days of recuperation for the injured worker is greater within 7 days or less.

Note 4: The mortality rate, which is the number of fatalities per million hours worked, is given by the formula: number of fatalities from occupational injuries × 1,000,000 ÷ working hours.

Note 5: The severe occupational injury rate is the number of severe injuries per million working hours, and the formula is: number of serious cases × 1,000,000 ÷ working hours.

Note 6: Total Recordable Injury Frequency Rate (TRIFR): It is the number of recordable occupational injuries that occurred in every one million working hours, including the number of fatalities, severe cases, general cases and minor injuries, and the formula is: number of recordable occupational injuries × 1,000,000 ÷ working hours.

Note 7: Subcontractor working hours are calculated based on the contractor's work application × 8 working hours per day.

Disabling Frequency Rate (F.R.)

$$\text{Disabling Frequency Rate} = \text{Total Disability Injuries} \times \text{Million Working Hours} / \text{Total Working Hours}$$

Year	2020			2021			2022		
	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	0	0.51	0.46	1.22	0	0.09	1.23	0.45	0.52
Male	0	0.30	0.29	0.93	0.54	0.56	0	0.77	0.73
Total	0	0.37	0.35	1.06	0.38	0.41	0.54	0.67	0.66

Disabling Severity Rate (S.R.)

$$\text{Disabling Severity Rate} = \frac{\text{Total Days Lost due to Disability Severity} \times \text{Million Working Hours}}{\text{Total Working Hours}}$$

Year	2020			2021			2022		
	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	0	11	10	3	0	0	7	4	4
Male	0	4	3	0	15	14	0	10	10
Total	0	11	5	2	10	10	3	8	8

Frequency Severity Indicator (FSI)

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

Year	2020			2021			2022		
	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group	Kaohsiung Factory	Mainland China Factories	Entire Group
Female	0	0.08	0.07	0.06	0	0	0.09	0.04	0.05
Male	0	0.04	0.03	0.02	0.09	0.09	0	0.09	0.09
Total	0	0.05	0.05	0.04	0.06	0.06	0.04	0.07	0.07

Absence Rate (A.R.)

$$\text{Absence Rate} = \frac{\text{Total Absence Days in the Reporting Period}}{\text{Total Working Days in the Reporting Period}} \times 100\%$$

Year	2020		2021		2022	
	Kaohsiung Factory	Mainland China Factories	Kaohsiung Factory	Mainland China Factories	Kaohsiung Factory	Mainland China Factories
Female	0.012	0.004	0.013	0.007	0.018	0.015
Male	0.006	0.001	0.003	0.003	0.005	0.007
Total	0.009	0.002	0.008	0.004	0.011	0.009

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

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Employee Health Care

The clinic at Radiant Opto-Electronics Corporation offers comprehensive healthcare services to our employees. Each year, our employees undergo health examinations at a frequency that exceeds the regulations stipulated by laws and regulatory standards. Additionally, employees stationed overseas are provided with health examinations at local hospitals. In addition to providing general medical consultations for factory workers, we also offer services such as body fat measurement and blood pressure monitoring. Furthermore, we collaborate with local health clinics to arrange cancer screenings, vaccinations, weight loss programs, and smoking cessation classes on a regular basis. The Corporation's clinic takes initiative in caring for employees' health. If an employee's medical examination reveals abnormal readings for any of the three hyperts, they will receive regular letters and doctors will be arranged to provide them with personal health guidance from doctors. The Corporation also employs professional trainers to guide physical fitness and aerobic exercises, implement workplace health promotion measures, and create a healthy working environment for employees' physical and mental well-being. As a result of these efforts, we were awarded the "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare.

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

ROEC organized CPR+AED tutorials and training regularly to encourage our employees learning CPR, aimed at improving employees' awareness and ability in providing first aid emergency during 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 to address potential physical, chemical, human-induced, ionizing radiation, and other hazards that may affect our employees, as well as special care for employees in maternity. The Corporation establishes a health protection plan, conducts hazard assessments, classifies management, and implements measures to improve the work environment improvement and prevent hazards. The factory doctor monthly visits the factory to assess potential risks at the worksite. During these visits, the doctor also conducts seminars on preventing occupational diseases, provides consultation on occupational injuries and diseases, and manages health checks for employees engaged in special health hazard operations. No employees suffered from occupational injuries or illnesses from 2020 to 2022.

The Kaohsiung Factory offers specialized physical medical examinations to new employees and those who have experienced a change in job nature. Additionally, regular check-ups are arranged every year, in accordance with regulations stated for operations that are highly hazardous for health under the "Labor Health Protection Regulations" for operations that pose a high risk to employee health. These examinations cover a range of hazards, including noise, ionizing radiation, n-hexane, dust, sodium dichromate and salts, nickel and nickel compounds, etc. In 2022, the completion rate for medical examinations was 100%. For Mainland China Factories, employees who handle dangerous operations are also provided with medical examinations to prevent occupational diseases. For employees who work in shifts, night shifts, or long working hours, as well as those who have abnormal workloads, we have developed a program called "Prevention of Abnormal Workload-Related Diseases." This program includes one-to-one tracking and management measures, such as risk assessment and hierarchical management, to prevent the occurrence of cerebrovascular diseases.

Health Promotion

The Corporation's development strategy for Workplace Health Promotion is founded on the principle of "Employee Care, Social Care". This approach encourages employees to really take concrete steps towards achieving a healthy lifestyle and creating a safe work environment. Additionally, the management actively supports and participates in health promotion activities through practical measures. In order to achieve work-life balance for our employees, we have set up sports and fitness centers in each factory in recent years, providing a variety of sports equipment for our employees to exercise and relieve stress. In 2022, a total of 1,089 individuals participated in various types of health promotion activities across the organization, with over 6,893 individuals having participated in related activities over the past three years.

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6.1 Sustainable Impact (B4SI/LBG)

Radiant Opto-Electronics Corporation firmly believes that a company should prioritize sustainability and collaboration with society for mutual benefit and prosperity. In 2016, the Kaohsiung Factory established the Radiant Education Foundation with the aim of implementing social welfare initiatives in a systematic manner and demonstrating care and commitment to the motherland through the foundation. The Radiant Education Foundation upholds the principle of "Taken from the community, and giving back to society." and remains committed to making significant contributions in four key areas: talent cultivation, community care, environmental education, and culture and arts.

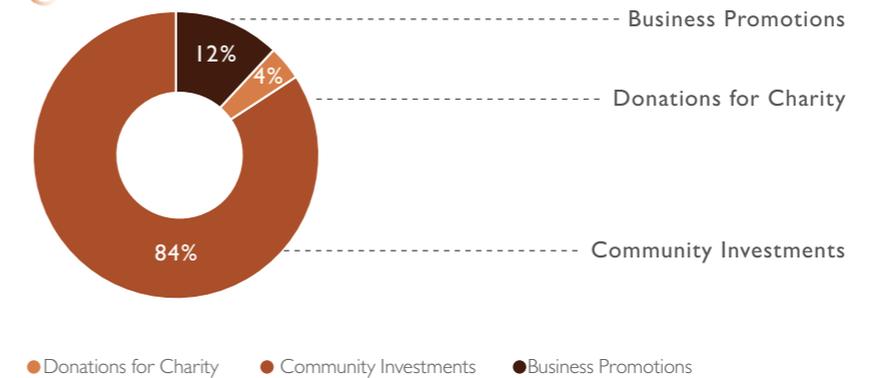
Through our partnership with the Program the World Association (PTWA), we have been able to bridge the resource gap between rural and urban areas by providing program education under the umbrella of "talent cultivation." Additionally, our "Community Care" initiative continues to operate the "Radiant Spotlights Scholarship" and has collaborated with the Taiwan Association for the Care of Children and Youth with ADHD (Attention Deficit Hyperactivity Disorder) to build a resource platform in the Kaohsiung, Pingtung, Penghu, and Taitung regions. Our goal is to become an important and supportive resource for families that require special education. Our "Environmental Education" initiative focuses on the "ocean" agenda and promotes the "Sea You Again—Infinite Love for the Sea Action Plan." This plan aims to plant the seeds of marine literacy through education. The "Culture and Arts" program is a comprehensive initiative that supports local arts and cultural groups. It provides opportunities for the public and employees' families to engage with arts and culture, promoting the idea that life and art are intertwined. We also actively promote the operation of corporate volunteerism and offer a range of service channels. As a result, we were honored to receive the "Special Service Program Award" from the Social Affairs Bureau of Kaohsiung City Government for the first time.

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

The Radiant Education Foundation will maintain its engagement with all segments of the community, harnessing the collective strength of businesses, employees,

and public welfare organizations to exert a positive corporate impact. In 2022, we took reference from the Business for Social Impact Framework (B4SI), formerly known as the London Benchmark Group (LBG) community investment evaluation model, to quantify our social impact investment. The total amount invested was NT\$22.1 million. As we look ahead to 2023, our focus remains on education. We will collaborate with partners from all sectors to establish a social welfare network. Additionally, we invite corporate volunteers to join us in our efforts to improve education in remote areas. Leveraging our company's influence, we aim to make education more practical and accessible, spreading love and happiness without physical limitations.

Community Investment Assessment



By Method of Input

Unit: NT\$

Method of input	2022	Percentage
Cash Contributions	5,997,367	27%
Time Contributions	11,398,000	51%
Material Contributions	1,283,403	6%
Management Fee	3,505,000	16%
Total	22,183,770	100%

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6.2 Radiant Education Foundation

Accompanying with light, we are laying the foundation for social welfare.

As we enter the post-pandemic era in 2022, it is important that we continue to collaborate and work together towards achieving the greater benefit of social welfare.

Radiant Opto-Electronics Corporation has been collaborating with the Radiant Education Foundation to leverage its silent light to establish a network of public welfare initiatives focused on education. Our efforts are centered around four main pillars: talent cultivation, community care, environmental education, and culture and arts. By channeling our energy and resources towards these areas, we aim to make a positive impact on society and gradually expand our reach. We are committed to taking measured steps towards achieving our goals and look forward to blossoming in the process.

Radiant Education Foundation



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Radiant Opto-Electronics Corporation is steadily implementing educational initiatives and making progress one step at a time, resulting in growth and development.

As the COVID-19 is coming to an end and the environment is entering the post pandemic draws to a close and we enter a post-pandemic period, it still remains difficult to restart in many different sectors of society are still struggling to restart. Despite these challenges, Radiant Opto-Electronics Corporation remains committed to supporting talent development, community outreach, environmental sustainability, and the promotion of artistic and cultural literacy through our lighting solutions.

Cultivation of Talents

Cultivation of Talents provides rural students with opportunities to expand their knowledge of programming knowledge, and to address the unequal distribution of resources between rural and urban areas. In 2022, the local teacher training program promoted by Radiant Opto-Electronics Corporation and PTWA continued to promote the local teacher training program to ensure the ongoing education of children's programming. Additionally, we are collaborating with HOME.tw to utilize technology literacy and showcase the beauty of their own hometown to children.

Community Care

Community Care has established the "Radiant Spotlights Scholarship" for students diagnosed with Attention Deficit and Hyperactivity Disorder (ADHD) in the Kaohsiung, Pingtung, Penghu, and Taitung regions. Our aim is to as "ADHD"). We encourage on the guidance and development of interests and expertise in these ADHD children, helping them explore their strengths and unique traits. Additionally, we have organized talks and events on parent-child education were organized to create a communication platform for ADHD families with ADHD children. Our goal is to link ADHD families in Southern Taiwan with professional resources in related fields as a crucial backup, offering warm supports to families who require special education.



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

Environmental Education

Environmental Education is centered around the topic of the ocean. This initiative not only strengthens the bond between Kaohsiung and the ocean, but also highlights the interdependence between humans and the environment. Our "Sea You Again" project takes a comprehensive approach to addressing issues such as the marine environment and biodiversity. By fostering a network with the public, we aim to educate and promote ocean conservation.

Culture and Arts

The "Culture and Arts" initiative safeguards the South's distinctive intangible cultural heritage and provides assistance to promising local arts and cultural organizations. This effort marks a new era in the preservation and promotion of the traditional performing arts, such as the "shadow puppet" art form, through the value-added function of the industry. Additionally, we proudly support the "Public Piano" project of the National Kaohsiung Center for the Arts (Weiwuying), which aims to promote cultural equality and to realize the idea that art is an integral part of life and life is art.

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Talent Cultivation 

2 Collaboration Plans
Taitung Binmao Middle School and the See Your Hometown Program

35 Courses
Programming Training, Technology, and Humanities Literacy Program

757 Participants
Students benefiting from the program



Environmental Education 

27 Sea You Again Events
Using picture books as an educational medium, we are working with kindergartens to promote 27 Sea You Again events

8 Environmental Seminars
Organizing environmental lectures to cultivate marine literacy for local teachers and students

1,303 teachers and students
Building basic ocean literacy in the preschool years to influence teachers and students

91,011 participants
Sponsored the Third Taiwan Science Festival, Increase visibility of Radiant

Community Care 

7 seminars/events
ADHD parental education talks and events, charitable blood donations

15 participants
Recipients of Radiant Spotlights Scholarships

763 people
Improve visibility of Radiant through organization of events and sponsorships

Cultural and Arts 

Equal Rights
Support the principle of equal cultural equal rights through the public piano project

25 events
Arts and Culture Sessions

990,738 people
Watch performances, see Radiant will be seen

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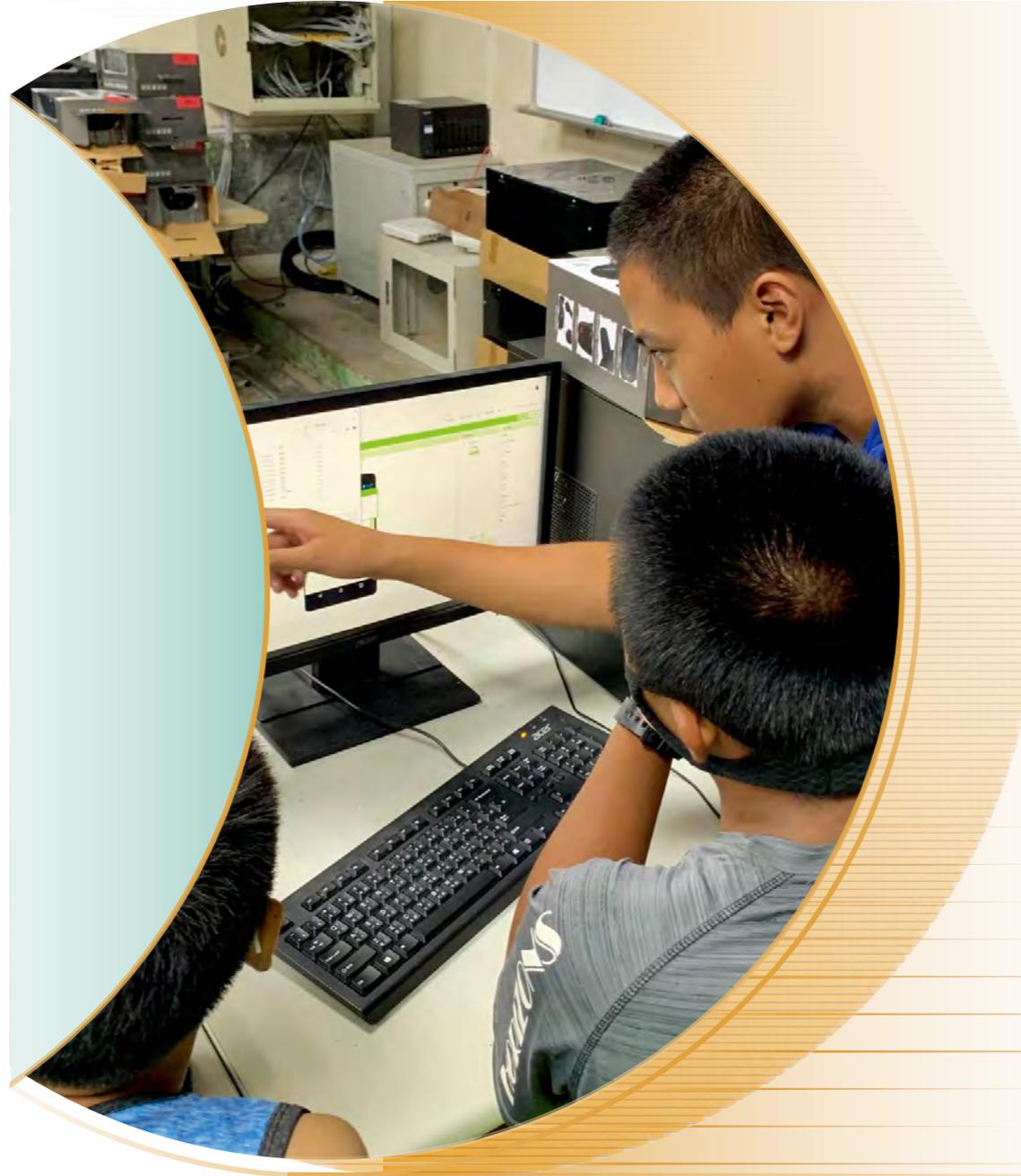
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Talent Cultivation

Using programming and technology
Shine the light of culture on children
and humanities in remote areas

We prioritize the needs and rights of children in remote areas and with special needs by utilizing "Programming Education" to overcome geographical barriers and enhance their learning experience through a programming curriculum. Additionally, our "See Your Hometown" program instills humanistic literacy into the hearts of children in remote areas, fostering a connection to their home and land for personal growth.

Radiant Education Foundation uses light to illuminate the needs of children in remote areas and with special needs. Only when their needs are seen will there be a chance to bring their achievements into the light.



TTT Program - Taitung Binmao Junior High School

Seeing Hometown - Pingtung Evergreen Lily Elementary School, Seeing Rinari

Picture is provided by PTWA

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TTT Program - Taitung Binmao Junior High School

Our organization is committed to providing stable support for programming education at Binmao Junior High School in Taitung. To achieve this goal, we have implemented the "TTT Program" (Train The Trainer) to invest in local programming courses, and simultaneously train local teachers to maintain the capacity of technology courses. Our approach begins by using programming board games to stimulate the learning momentum. We also arrange the mBot self-propelled vehicle and AI (artificial intelligence) competition activities. In addition, we teach children how to use programs to control quadcopters and complete the obstacle flight experiences. Our diverse curriculum indirectly stimulates children to learn how to use technology and programs to solve problems in their daily lives.

The TTT program at Binmao Junior High School exemplifies Radiant Education Foundation commitment to promoting local program education programs. By fostering program and technology literacy, this initiative ensures that the seeds of knowledge take root in rural areas and gradually cultivate a thriving program forest in Binmao.

15 Courses
localized
programming courses

297 participants
benefited students



Picture is provided by PTWA

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Picture is provided by PTWA



Seeing Hometown - Pingtung Evergreen Lily Elementary School, Seeing Rinari

For the third consecutive year, we have proudly supported the Seeing Hometowns project. This year, we selected Evergreen Lily Elementary School in Pingtung County, situated in Majia Township, the smallest indigenous township in Taiwan. The school is home to a group of musically talented children who exude boundless energy.

The project aims to teach children how to use video directing and editing to capture everyday music in their hometown of Rinari. Through this process, they will be able to showcase the beauty of their community in a relatable way, and use warm music as a medium to appreciate life and "enjoy Rinari."

20 Courses 460 participants
training courses benefited students

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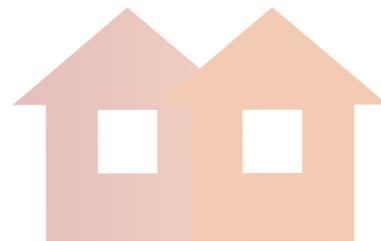
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Community Care

See the Spotlights, See the Hope.

We are proud to announce the establishment of the "Radiant Spotlights ADHD Scholarship," which aims to highlight the unique talents and abilities of ADHD children. Through guidance and development, we encourage these children to explore their interests and expertise of ADHD children, focus on their exclusive advantages and abilities, and help them to be recognized for their strengths.

Additionally, we host themed parenting seminars and activities to provide a platform for ADHD families to connect and communicate with each other. Our hope is that Radiant Education Foundation will become a valuable source of support and a welcoming haven for families in need of special education resources.



Radiant Spotlights ADHD Scholarship - See the Spotlights, See the Hope.

Radiant Seminar of Hope - Little Bakers' Magical Journey of little Bakers

Radiant Seminar of Hope - Family Day of Radiant Opto-Electronics Corporation Family Day

Living Life Living Well, Blood Donation in the Park - Join hands with partners in the Park to donate blood for the planet



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See the Spotlights See the Hope, Radiant Spotlights Scholarship

The scholarships are designed to provide encouragement to children with ADHD and related special needs. The goal is to guide and develop their interests and expertise, while exploring their unique advantages and special characteristics. This will enable them to be recognized and supported as the focus of our efforts.

This scholarship is exclusively available to students with ADHD who reside in the Kaohsiung, Pingtung, Penghu, and Taitung regions and can provide valid ADHD related supporting documents related to their condition. Our aim is to support and protect the children and their families in Southern Taiwan, providing them with the warmth and companionship they need through our scholarship program.

15 people

ADHD children's spotlights are being seen

NT\$ 102,000

in Scholarship Subsidies

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Radiant Hope for Hearts - Little Bakers' Magical Journey of little Bakers

The Radiant Education Foundation Hope for Hearts Lecture Series recently hosted its inaugural "Little Bakers' Magical Journey " parent-child activity. The event aimed to foster creativity and concentration in children with ADHD through engaging and enjoyable activities. This program not only nurtures the creativity and focus of children with ADHD but also broadens their life experiences. Additionally, parents can take advantage of this opportunity to relax. The parents and children collaborated to bake a delectable cake from scratch, resulting in a joyous atmosphere at the event. The children's beaming smiles filled the space with happiness, complementing the delightful aroma of the freshly baked cake.



63
parents, teachers, and
professionals related to ADHD

4.9/5
average satisfaction level

45.5 hours
volunteer service by Radiant's corporate volunteers

Participant Feedback:

Thanks to the Radiant Education Foundation, children now have access to a variety of positive learning opportunities and engaging activities. Parenting can really make you tired sometimes, and the children may get bored during the holidays. The Foundation has generously offered to spend their vacation time to spend time with us, demonstrating their commitment to making our children feel valued and supported. These kids have been blamed and neglected in school, but here they have the opportunity to be recognized by others and learn to have fun in a different way. The children have requested that I express my interest in participating in the painting contest with the goal of winning the award and earning the opportunity to be featured in the spotlight.

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Radiant Hope for Hearts - Family Day of Radiant Opto- Electronics Corporation Family Day

Radiant Education Foundation is excited to announce the upcoming "Radiant Opto-Electronics Corporation Family Day x ADHD Parent-child Picnic Day" event, which will feature a combination of corporate family day activities and a picnic for parents and children with ADHD. As part of the event, we will be hosting a performing arts "shadow puppet show" that incorporates the use of the company's waste materials to create one-of-a-kind puppets. Children will have the opportunity to participate in level-breaking activities and receive guidance on how to manipulate the puppets, ultimately becoming "puppet masters" for a day.

The event will bring together partners from the art and culture community, members of the ADHD parent-child group, and the staff from Radiant Opto-Electronics Corporation for an enjoyable afternoon. Our hope is that Radiant Opto-Electronics Corporation will become a welcoming family for all involved.

114
parents, teachers, and
professionals related to ADHD

5 / 5
average satisfaction level

45.5 hours
volunteer service by Radiant's corporate volunteers

Participant Feedback:

I am very grateful to the Radiant Education Foundation for organizing such a wonderful event for children with ADHD, which gave them and us a wonderful afternoon, and more importantly, made me feel that my children are special and that there are people in the community who care and accept them.

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Living Life Living Well, Blood Donation in the Kaoshiung Cianjhen Technology Industrial Park - Join hands with partner in the Park

In 2022, as the COVID-19 pandemic continued to affect Taiwan, the blood banks were severely under-stocked, and so we held two joint blood donation events. We collaborated with our corporate partners to encourage our colleagues to donate blood for charitable purposes, with the aim of spreading goodwill throughout the world can be surrounded by goodwill.

The event emphasizes the importance of promoting environmental friendliness and social welfare. Along with providing gifts that reinforce the concept of environmental friendliness, the event also aims to extend the benefits of social responsibility through blood donation activities. Furthermore, the event is collaborating once again cooperates with the Zenan Homeless Social Welfare Foundation to amplify the impact of public welfare multiplies and goodwill.

404 people 100 hours

Blood donation with rolled up their sleeves and donated blood

Number of hours of volunteer service with pay

147,750 c.c

Volume of blood donated blood in 2022



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Environmental Education

Focusing on the marine environment to achieve sustainability

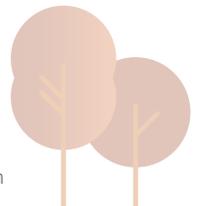
The Sea You Again project is a comprehensive initiative aimed at addressing oceanic issues, with a particular focus on the relationship between people and the ocean. Located in the city of the ocean, Radiant Education Foundation, located in a maritime city, is committed to upholding its ESG policy of "environmental coexistence" through this project. The Foundation hopes that our external partners who share the same philosophy will embrace the concept of "Love Sea" and incorporate it into practice in their daily lives.

In 2022, we utilized picture books" as a means to encourage sea-friendly behaviors among kindergarten teachers. Additionally, we collaborated with the Taiwan Environment Information Association to conduct environmental lectures at national elementary schools in the former township. Our aim was to instill basic marine literacy in the lives of children. Furthermore, we extended our support to the third annual Science Festival, which aimed to leverage science as a latitude to address environmental concerns and establish a sustainable future.

Sea You Again—Infinite Love for the Sea Action Plan

Drawing a blueprint for environmental sustainability and responding to the 3rd Taiwan Science Festival

Marine environmental education is deeply rooted in the local campuses



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Sea You Again - Infinite Love for the Sea Action Plan

In 2022, our focus remained on "marine" environmental education. For the first time, we utilized picture books as a medium to instill marine literacy in preschool education. Our hope is that through the power of children, the awareness of the need to protect the marine environment will emerge among schools and families. Together, we can work towards protecting the ocean and achieving the goal of "recreating a blue sea".

[Oceanic Picture Books Workshop]

Our goal here is to promote education and to enrich marine environment education through teacher enrichment workshops that focus on the use of picture books. Our aim is to leverage the expertise of kindergarten teachers to instill the concept of marine sustainability will be deeply rooted in early childhood education.

[Sea You Again - Infinite Love for the Sea Action Plan]

To ensure effectiveness of the workshop, the Foundation and the Little House Bookstore, a local bookstore in Kaohsiung, collaborate to select appropriate picture books suitable for children. They provide participating kindergartens with a complimentary set of the "Ocean Picture Books Selection." We hope that the trained kindergarten teachers will pass on the environmental education within the picture books and invite schools to join the Sea You Again Project, so that the picture books can lead to the sea becoming a part of daily life.

4 courses

in Marine Enrichment
Program for Teachers

27 sessions

of implementing "sea-loving
action" in daily life

1,112 teachers
and students

Building basic ocean literacy in the
preschool years to influence teachers
and students

50 hours

volunteer service by
Radiant's corporate volunteers



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Marine environmental education is deeply rooted in the local campuses

Radiant Education Foundation is making progress in addressing marine issues. In the current year, we partnered with the Taiwan Environmental Information Association (TEIA) to conduct lectures on "What's Happening in the Ocean" and "Marine Ecology and Marine Litter" at campus. The objective of these lectures was to emphasize the significance of "source management" in marine conservation.

The lecture conveyed to elementary school children the significance of reducing garbage by describing the description of the current state of the ocean, and emphasizing that such actions can begin from daily life. By being willing to make changes, small efforts can accumulate and become a powerful force.

2 courses

Campus Environment Seminar in the Qianzhen Community

191 teachers and students

participated in seminars

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"Drawing a blueprint for environmental sustainability" Responding to the 3rd Taiwan Science Festival

The National Science and Technology Museum, located in Kaohsiung, recently held its inaugural Taiwan Science Festival. The event featured 22 unique events and over 300 activities, all centered around the theme of "Drawing a Blueprint for Environmental Sustainability." Radiant Opto-Electronics Corporation participated in two main activities: "Green Building and Aboriginal Architecture" and the movie "S-Girl." These activities enabled them to learn how to continuously develop their adaptability through science, build a sustainable and happy society, and experience the joy of learning through play.



2 courses
In Science Festival
workshop

91,011 people
participated in the events

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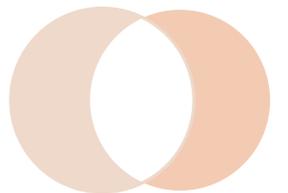
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Culture and Arts

Nurturing, Inheritance, Literacy
Illuminate art literacy of Southern Taiwan

Our goal is to promote arts and cultural activities in a more systematic manner, with a focus on providing support to local art and cultural projects, as well as arts and cultural venues, teams, and programs. Our aim is to cultivate a thriving art and literary environment in Southern Taiwan through companionship, leading to the flourishing of a beautiful art and literary scene.



- # The Shadow of Light—A New Local Drama in Shadow Theater, Establishing a Crossover Model
 - # Guarding "Cultural Equal Rights" with the Public Piano as the beautiful notes float through Weiwuying
 - # CSR x USR Lighting a light for an old community - Don't Sleep in Yancheng moving towards Northern Yancheng
 - # Accompanied by Culture and Arts—Supporting Kaohsiung's local arts and cultural potentials
- Picture is provided by the Kaohsiung Museum of Shadow Puppet

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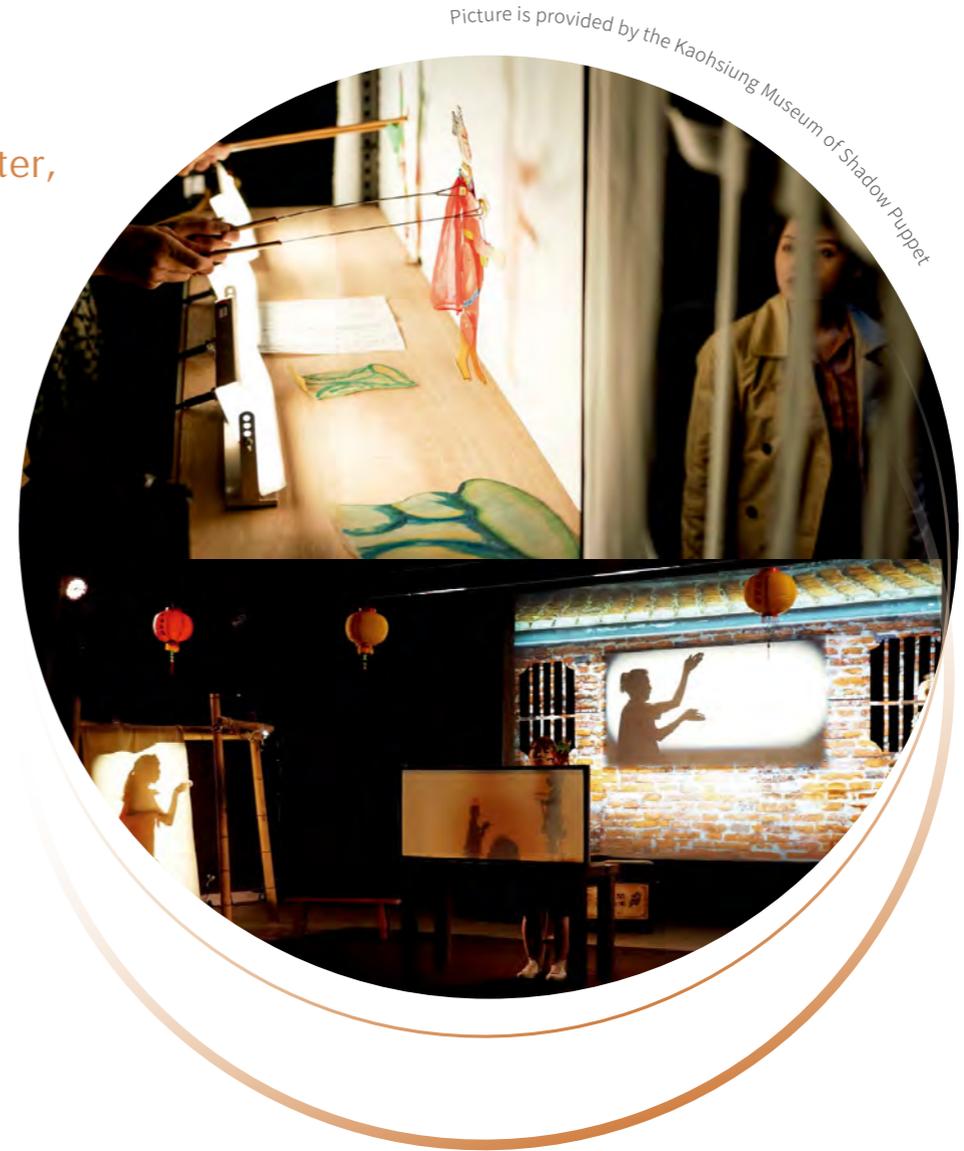
Light and Shadow - A New Local Drama in Shadow Theater, Establishing a Crossover Model

Radiant Education Foundation has successfully implemented the light and shadow project for the shadow puppets, achieving significant progress in the software aspect of the shadow puppet in 2022. As part of the project, the original play "The Way of Light" is an attempt to produce a cross-domain shadow play. The play not only brings together writers of the modern theater company Shinezone Theatre and the BIU Theatre, but also invites the traditional shadow puppet play the Yongxingle Shadow Play Troupe to join the performance and provide artistic guidance on the presentation of traditional shadow play. The play is a profound presentation of the aesthetics of traditional shadow puppet, modern theatre, and light and shadow performance, using a crossover approach to tell the story of Taiwan's shadow play.

3 Groups
Cross-border cooperation
between performing teams

100 people
of professionals participating
in the teaser performance

94%
Performance Satisfaction Rate



Picture is provided by the Kaohsiung Museum of Shadow Puppet

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Picture is provided by the National Kaohsiung Center for the Arts (Weiwuying)



Protecting "Cultural Equality" Public Piano, with beautiful notes floating through Weiwuying

For the first time, we are supporting the National Kaohsiung Center for the Arts of Weiwuying's public piano project. Our collaboration aims to promote "cultural equality" and realize the idea that "life is art and art is life."

By allowing the sound of the piano to resonate in Weiwuying's public spaces, we hope to connect people with the arts. When the keys are pressed and the music fills the air, individuals will be immersed in the beauty of artistic expression.

977,074 people

Touching Performance, Seeing Radiant will be seen

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CSR x USR Lighting a light for an old community - Don't Sleep in Yancheng moves towards North Yancheng

This year marks the inaugural collaboration between "Don't Sleep in Yancheng" and USR of National Sun Yat-sen University, as we relocate our event to the "Northern Yancheng". Our aim is to infuse the region with a fresh perspective, leveraging the success of our sustainable festival brand developed over the past few years. Additionally, we seek to harness the power of art and youthful energy to reinvigorate North Yancheng and stimulate local creativity. Let the old style of Yancheng rise again and usher in a new era of prosperity!



2 nights
of nighttime activities

7 events
Engaging the community with art

Approximately **1,264** people
participated in the event, meeting Radiant

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Picture is provided by Chill House



Accompanied by Culture and Arts - Supporting Kaohsiung's local arts and cultural potentials

Radiant Education Foundation is committed to promoting social welfare and supporting the cultural and artistic ecology in the southern region of Taiwan. To achieve this goal, we offer financial support to local, promising art and cultural groups in Kaohsiung, aiming to nurture a continuous creative energy and preserve the unique artistic and cultural talents that are not easily cultivated in the region.

Our goal is to initiate art-enterprise cooperation projects through funding and to develop diverse forms of participation in these projects, providing a channel for the staff to collaborate and contribute.

25 sessions
of performing arts events

625 employees
participate through purchasing/
collecting tickets

12,300 people
watched the performances and saw Radiant

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Volunteer Service

Volunteers who have seen all aspects of life

Radiant Volunteers plays a variety of roles in diverse activities. Specifically, the Foundation receives strong support from Radiant Opto-Electronics Corporation, enabling corporate volunteers to showcase their values and enhance their abilities without any concerns. As a result, they become a welcoming source of companionship in the various activities they participate in.

The professional volunteers at Radiant possess a diverse range of specializations and utilize their expertise in research and development, as well as their management capabilities, to successfully execute each activity. Their collaborative efforts foster a sense of camaraderie among participants and contribute to the smooth promotion of the project. Through their service, they enable mutual learning and personal growth, allowing individuals to recognize their own self-worth and gain valuable insights into various aspects of life.



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INDEPENDENT ASSURANCE OPINION STATEMENT

Radiant Opto-Electronics Corporation 2022 Sustainability Report

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

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

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

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

Scope

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

1. The assurance scope is consistent with the description of Radiant Opto-Electronics Corporation 2022 Sustainability Report.
2. The evaluation of the nature and extent of the Radiant's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

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

Opinion Statement

We conclude that the Radiant Opto-Electronics Corporation 2022 Sustainability Report provides a fair view of the Radiant sustainability programmes and performances during 2022. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the assurance, the information and data provided by the Radiant and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate Radiant's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Radiant's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) (Hardware Sustainability Accounting Standard) were fairly stated.

Methodology

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

- a top level review of issues raised by external parties that could be relevant to Radiant's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on Radiant's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview
- interview with 40 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below.

Inclusivity

In this report, it reflects that Radiant has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Radiant's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

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

Responsiveness

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

Impact

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

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Radiant and BSI have agreed upon to include in the scope. In our view, the data and information contained within Radiant Opto-Electronics Corporation 2022 Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

Radiant provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Radiant's sustainability topics.

SASB Standards

Radiant provided us with their self-declaration of in accordance with SASB Standard(s) (Hardware Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Hardware Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

This sustainability report is the responsibility of the Radiant's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



Statement No: SRA-TW-2022014
2023-04-18

For and on behalf of BSI:

Peter Pu

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.
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Appendix 2 GRI Sustainability Reporting Standards Content Index

Statement of use	Radiant Opto-Electrics Corporation has published the 2022 Sustainability Report in accordance with the GRI: 2021 guidelines. The data and information used in this report covers the period from January 1 to December 31, 2022.
GRI 1 Versions in use	GRI 1: Foundation 2021
GRI Industry Standards	None

Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/Notes	Page No.
GRI2: General Disclosures 2021				
1.The organization and its reporting practices				
2-1	Organizational details	Company Overview		05
2-2	Entities included in the organization's sustainability reporting	Reporting Scope		05
2-3	Reporting period, frequency and contact point	Report Scope, Report Distribution, Contact Information		01
2-4	Restatements of information	There have been no cases of information reprogramming reported this year.		-
2-5	External assurance	Third-party Verification		02, 128
2.Activities and Labor				
2-6	Activities, value chain, and other business relationships	Company Overview Products and Services Vendors' Sustainability Management		05 06 48-50
2-7	Employees	Employee Structure		05, 141
2-8	Workers who are not employees	Employee Structure		83
3.Governance				
2-9	Governance structure and composition	Corporate Governance Organization		33
2-10	Nomination and selection of the highest governance body	Nomination Selection of Board of Directors		34
2-11	Chair of the highest governance body	Principles of Recusal of Interest		34
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Commission		16, 38
2-13	Delegation of responsibility for managing impacts	Sustainable Development Commission		16
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Commission		01, 16

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Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/Notes	Page No.
2-15	Conflicts of interest	Principle of Recusing Oneself to Avoid Conflicts of Interest		34
2-16	Communication of critical concerns	Director	For Details, Please Refer to the Annual Report section "Information on the Operation of the Board of Directors"	
2-17	Collective knowledge of the highest governance body	Self-Enhancement of Directors and Supervisors		36
2-18	Evaluation of the performance of the highest governance body	Performance Review of the Board of Directors		35
2-19	Remuneration policies	Remuneration and Compensation Committee		38
2-20	Process to determine remuneration	Remuneration and Compensation Committee		38
2-21	Annual total compensation ratio	Remuneration Policies for Directors and Managers		38
4.Strategies, Policies, and Actions				
2-22	Statement on sustainable development strategy Message from	Chairman's Message ROEC' s Sustainability Commitment		04 12
2-23	Policy commitments	ROEC' s Sustainability Commitment Integrity Management Human Rights Policies and Commitments		12 39 81
2-24	Embedding policy commitments	ROEC' s Sustainability Commitment Integrity Management Human Rights Policies and Commitments		12 39 81
2-25	Processes to remediate negative impacts	Distribution of Reporting Channels		39
2-26	Mechanisms for seeking advice and raising concerns	Distribution of Reporting Channels		39
2-27	Compliance with laws and regulations	Legal Compliance		40
2-28	Membership associations	Participating Organizations		08
5.Stakeholders Negotiation				
2-29	Approach to stakeholder engagement	Interaction with Stakeholders		18
2-30	Collective bargaining agreements	Human Rights Policies and Commitments	No Additional Group Agreements Were Signed During the Year	
GRI 3: Material Issues 2021				
3-1	Process to determine material topics	Analysis Steps for Material Issues		21
3-2	List of material topics	Material Issue Scope and Objectives Significant Changes to Material Issues in 2022		24-27
3-3	Management of material topics	Management Policy of Significant Topics		24-27 142

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Material Issue

Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/Notes	Page No.
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Financial Performance		55
201-2	Financial implications and other risks and opportunities due to climate change	Climate Action		69
201-3	Defined benefit plan obligations and other retirement plans	Salaries & Benefits		88
201-4	Financial assistance received from government	Financial Performance		55
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy Resource Management		72
302-2	Energy consumption outside of the organization	Greenhouse Gas Inventory		72
302-3	Energy intensity	Energy Resource Management		72
302-4	Reduction of energy consumption	Energy Resource Management		72
302-5	Reductions in energy requirements of products and services	Energy Resource Management	Radiant Opto-Electrics Corporation products are not terminal products, and currently no energy statistics are carried out for products and services.	

Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/Notes	Page No.
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Climate Action		72
305-2	Energy indirect (Scope 2) GHG emissions	Climate Action		72
305-3	Other Indirect (Scope 3) GHG Emissions	Climate Action		72
305-4	Greenhouse Gas Emissions Intensity	Climate Action		72
305-5	Reduction of GHG emissions	Climate Action		72
305-6	Emissions of ozone-depleting substances (ODS)	Air Pollution Prevention and Control		75
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollution Prevention and Control		75
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Talent Attraction and Retention		83-84
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Salaries & Benefits		88
401-3	Parental leave	Parental Leave Without Pay		89
GRI 402: Labor/Management Relations 2016				
402-1	402-1 Minimum notice periods regarding operational changes	Labor Relations Management		91

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Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/ Notes	Page No.
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Directors' Introduction Employee Structure		34 85
405-2	Ratio of basic salary and remuneration of women to men	Employee Remuneration		88
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Human Rights Policies and Commitments Employee Complaints Categorized by Issues in 2022	No Related Situations	-
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Policies and Commitments	No Related Situations	-
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Policies and Commitments	No Related Situations	-
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Policies and Commitments	No Related Situations	-
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	Security Practice Assessment		83
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	Quality Control		59
417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Control	No Related Situations	-
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Risk Management Protection & Processing of Confidential Data		47-48

Self-Disclosure Items

Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/ Notes	Page No.
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Salaries & Benefits		88
202-2	Proportion of senior management hired from the local community	Employee Structure		86
GRI 203: Indirect Economic Impacts in 2016				
203-1	Infrastructure investments and services supported	Corporate Citizenship		105
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Local Procurement For Vendors		51 140
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Integrity Management		39
205-2	Communication and training about anti-corruption policies and procedures	Integrity Management Educational Training on Human Rights		39 82
205-3	Confirmed incidents of corruption and actions taken	Integrity Management	No Related Situations	-
GRI 206: Anti-competitive behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Integrity Management	No Related Situations	-
GRI 207: Tax 2019				
207-1	Approach to tax	Taxation Policies		55
207-2	Tax governance, control, and risk management	Taxation Policies		56
207-3	Stakeholder engagement and management of concerns related to tax	Taxation Policies		56
GRI 301: Materials 2016				
301-3	Reclaimed products and their packaging materials	Green Initiatives		63

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Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/ Notes	Page No.
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	Water Resources Management Prevention and Control of Water Pollution		74 75
303-2	Management of water discharge-related impacts	Prevention and Control of Water Pollution		75
303-3	Water withdrawal	Water Resources Management		75
303-5	Water consumption	Water Resources Management	Only the Kaohsiung Factory was disclosed.	75
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	Waste Management		76
306-2	Management of significant waste related impacts	Waste Management		76
306-3	Waste generated	Waste Management		76
306-4	Waste diverted from disposal	Waste Management		76
306-5	Waste directed to disposal	Waste Management		76
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Vendor Sustainability Risk Audit		50
308-2	Negative environmental impacts in the supply chain and actions taken	Vendor Sustainability Risk Audit		50
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Occupational Health and Safety Management System		99
403-2	Hazard identification, risk assessment, and incident investigation	Emergency Response Mechanism		100
403-3	Occupational health services	Employee Health Care		103
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety Management		99

Disclosure Number	Disclosure Items	Corresponding Chapters	Omitted/ Notes	Page No.
GRI 403: Occupational Health and Safety 2018				
403-5	Worker training on occupational health and safety	Emergency Response Mechanism		100
403-6	Promotion of worker health	Employee Health Care		103
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Equipment Safety Management Chemical Substance Safety Management Work Protection		99 100 100
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management System		99
403-9	Work-related injuries	Occupational Hazards		101
403-10	Work-related ill health	Special Protection		103
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Training Results		96
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Cultivation and Development Retirement System		95 90
404-3	Percentage of employees receiving regular performance and career development reviews	Salaries & Benefits		89
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights Policies and Commitments	No Related Situations	-
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Vendor Sustainability Risk Audit		50
414-2	Negative social impacts in the supply chain and actions taken	Vendor Sustainability Risk Audit		50
GRI 415: Public Policy 2016				
415-1	Political contributions	Human Rights Policies and Commitments		81

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Appendix 3 TCFD Comparison Table

	Suggested Disclosure Items	Explanation	Chapter(s) of the Report
Governance	The Board of Directors' Oversight of Climate-Related Risks and Opportunities	<ul style="list-style-type: none"> The Board of Directors regularly reviews TCFD information Sustainable Development Commission Promotes Climate Risk Management Risk Management Team executes risk management decisions Carbon management team establishes carbon reduction mechanism 	Corporate Governance Organization Risk Management Climate Action
	Management's role in assessing and managing climate-related risks and opportunities		
Strategy	Identify short-, medium-, and long-term climate-related risks and opportunities	Identify Potential Financial Impacts: <ul style="list-style-type: none"> 10 climate risks — 6 short-, 4 medium and long-term climate related risks 9 climate opportunities and resource efficiency, energy sources, products and services, markets Following the "The Paris Agreement, limiting global warming to below 2°C 	Climate Action
	Climate related risks and opportunities that impact organizations in business, strategic, and financial planning		
	Organizing for strategic resilience and considering different climate-related scenarios		
Risk Management	Identification and assessment process on climate related risks	<ul style="list-style-type: none"> The Board of Directors approves the Risk Management Policies and Procedures Setting up climate risk management steps 22 risk adjustment and response actions 	Risk Management Climate Action
	Management process on climate related risks		
Indicators and Goals	Climate-related risk identification, assessment, and management processes and overall risk management systems integrated into the organization	<ul style="list-style-type: none"> Greenhouse gas emissions intensity of per unit product decreased by 20% 20% reduction in the cost of energy costs Greenhouse Gas Inventory Scopes 1 -3 Energy resource control and propose energy saving projects annually. 	Climate Action
	Indicators used by the organization to assess climate related risks and opportunities in accordance with its strategy and risk management process		
	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and associated risks		
	Indicators used by the organization to assess climate related risks and opportunities in accordance with performance in meeting those objectives		

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Appendix 4 SASB Comparison Table

Disclosure Topic/ Indicator Code	Disclosure Indicator Description	Category	Summary	Corresponding Chapters	Page No.																		
Product Safety TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	Radiant Opto-Electronics Corporation regularly engages a third-party information security unit to conduct external system penetration tests, performs routine vulnerability scans to assess internal system vulnerabilities, implements a backup redundancy mechanism, conducts regular recovery drills, and implements MFA (multi-factor authentication) as part of its information security measures to ensure supply chain security.	Information Security Management	46																		
Employee Diversity and Inclusion TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees ²	Quantitative	<p>The Gender Composition of All Employees of Radiant Opto-Electronics Corporation is as Follows:</p> <table border="1"> <thead> <tr> <th>Type of Employees</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Supervisor</td> <td>65.4%</td> <td>34.6%</td> </tr> <tr> <td>Engineering Staff</td> <td>79.8%</td> <td>20.2%</td> </tr> <tr> <td>Technical Staff</td> <td>69.4%</td> <td>30.6%</td> </tr> <tr> <td>Administrative Staff</td> <td>20.5%</td> <td>79.5%</td> </tr> <tr> <td>All Employees</td> <td>67.5%</td> <td>32.5%</td> </tr> </tbody> </table> <p>Following the principle of equality, Radiant Opto-Electronics Corporation respects the privacy of all employees and therefore does not conduct surveys and statistics on the ethnicity of its employees.</p>	Type of Employees	Male	Female	Supervisor	65.4%	34.6%	Engineering Staff	79.8%	20.2%	Technical Staff	69.4%	30.6%	Administrative Staff	20.5%	79.5%	All Employees	67.5%	32.5%	Employee Structure	83
Type of Employees	Male	Female																					
Supervisor	65.4%	34.6%																					
Engineering Staff	79.8%	20.2%																					
Technical Staff	69.4%	30.6%																					
Administrative Staff	20.5%	79.5%																					
All Employees	67.5%	32.5%																					
Product Lifecycle Management TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances ³	Quantitative	<p>As a non-end product manufacturer, Radiant Opto-Electronics Corporation cannot provide the percentage of reportable and annual revenue in accordance with IEC 62474. However, we remain committed to strictly regulating the use of prohibited and restricted substances in accordance with RoHS and REACH. Additionally, we have implemented the QC 080000 hazardous substance process management system, and continue to expand our management scope of prohibited and restricted substances on an annual basis. The relevant information regarding prohibited and restricted substances for 2022 is provided below:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Substances of Very High Concern</td> <td>224</td> </tr> <tr> <td>Monitored Substances</td> <td>90</td> </tr> <tr> <td>Prohibited/Restricted Substances</td> <td>173</td> </tr> </tbody> </table>	Type	Quantity	Substances of Very High Concern	224	Monitored Substances	90	Prohibited/Restricted Substances	173	(1)Quality Control (2)Green Product Design and Development	59										
Type	Quantity																						
Substances of Very High Concern	224																						
Monitored Substances	90																						
Prohibited/Restricted Substances	173																						
Product Lifecycle Management TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent ⁴	Quantitative	As a non-end-product manufacturer that does not produce end-products, we are unable to directly obtain the EPEAT label. However, we remain committed to designing environmentally-friendly products that meet the demands of our customers. We are also focused on enhancing our display thinning technology, and developing a green material control platform to effectively manage the life cycle of our green products.	Green Innovation	59																		
Product Lifecycle Management TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative	The ENERGY STAR certification is not applicable to Radiant Opto-Electronics Corporation as we are not an end-use product manufacturer. Radiant Opto-Electronics Corporation is currently engaged in the design of LGF technology and products, with the aim of meeting the needs of our customers by enhancing product brightness and reducing power consumption. We have obtained the DLC energy-saving seal certification..	Green Innovation	59																		

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Disclosure Topic/ Indicator Code	Disclosure Indicator Description	Nature	Summary	Corresponding Chapters	Page No.	
Product Lifecycle Management TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Radiant Opto-Electronics Corporation categorizes waste into hazardous waste and non-hazardous waste. In 2022, the total weight of recycled non-hazardous waste amounted to 3,651.03 tons. Our plan is to adopt the UL2799 Zero Waste to Landfill initiative at the Guangzhou Factory and successfully pass customer verification. The target waste conversion rate target for each plant is set at 90%.	Pollution Prevention	75	
Supply Chain Management TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Radiant Opto-Electronics Corporation has established a "Code of Conduct for Vendors" in accordance with reference to RBA standards and conducts annual audits. In 2022, we conducted sustainability risk audits for our Tier 1 key vendors. Following a screening process, (a) 8.5% of vendors were selected for audit, and (b) 48% of high-risk vendors were audited.	Vendors' Sustainability Management	49	
Supply Chain Management TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative	2022 Tier 1 Key Vendors (1) Are Vendors That Have Been Reviewed by on-Site Audit Results and Have a 100% Pass Rate with No Immediate Risk or Significant Risk, and Therefore Do Not Require Counseling.	Vendors' Sustainability Management	49	
Material Procurement TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	The following are critical materials are: PMMA pellets, diamond lenses, LEDs, LED sets, LED light boards, metal parts, and plastic parts, etc. Radiant Opto-Electronics Corporation has developed risk management policies and countermeasures for these critical materials. Additionally, the company has established "Environmental Management Substance Management Regulations" which strictly prohibit the use of conflict minerals in its products. Furthermore, the Corporation regularly checks the source of metals used by vendors to ensure compliance with these regulations.	Quality Control	59	
Activity Indicators						
TC-HW-000.A	Number of units produced by product category	Quantitative	Unit: Thousand Pieces		Products and Services	56
			Mobile Devices (Tablets, Cell Phones)	69,301		
			IT (Laptops, Monitors)	51,465		
TC-HW-000.B	Area of manufacturing facilities	Quantitative	Kaohsiung Factory: 416,897 square feet Wujiang Factory: 1,054,863 square feet Nanjing Factory: 635,070 square feet Guangzhou Factory: 810,027.3 square feet		-	-
TC-HW-000.C	Percentage of production from owned facilities	Quantitative	Percentage of Products from Facilities That Are Owned: 100%		-	-

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Appendix 5 ISO 26000 Clause Comparison Table

	Agenda	Relevant Sections	Pages
Organizational Governance	System for Decisions Making and Implementation in Materializing Goals	Business Philosophy and Vision	06
	Regulatory Audit	Human Rights Policies and Commitments	81
Human Rights	Human Rights Risk	Human Rights Policies and Commitments	39
	Avoid Conspiracy—Direct, Benefit, and Silence Conspiracy	Integrity Management	39
	Resolve Complaints	Distribution of Reporting Channels	81
	Discrimination and Underprivileged Groups	Human Rights Policies and Commitments	81
	Civil and Political Rights	Human Rights Policies and Commitments	81
	Economic, Social, and Cultural Rights	Human Rights Policies and Commitments	81
	Fundamental Rights at Work	Human Rights Policies and Commitments	81
	Hiring and Employment Relationships	Employee Structure	83
Labor Practices	Working Conditions and Social Protection	Human Rights Policies and Commitments	81
	Social Conversations	Stakeholders Negotiation	18
	Health and Safety at Work	Occupational Health and Safety Management System	99
	Manpower Development and Training	Talent Development System and Employees Training	95
Environmental	Pollution Prevention	Pollution Prevention and Control	75
	Utilization of Sustainable Resources	Low Carbon/Green Life	78
	Climate Change Mitigation and Adaptation	TCFD Climate-Related Financial Disclosure	66
	Protection and Restoration of the Natural Environment	Biodiversity and Commitment to Zero Deforestation	12

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Agenda		Relevant Sections	Pages
Fair Business Practices	Anti-Corruption	Integrity Management	39
	Responsible Political Participation	Human Rights Policies and Commitments (No political engagements in 2022)	81
	Fair Competition	Integrity Management	39
	Social Responsibility in Promoting Value Chains	Vendors' Sustainability Management	49
Consumer Agenda	Respect for Intellectual Property Rights	Patent R&D Intellectual Property Management	64 65
	Fair Marketing, Information, and Contract Practices	Integrity Management	39
	Protecting the Health and Safety of Consumers	Green Products	59
	Sustainable Consumption	Green Products	59
	Consumer Services, Support, Complaints, and Dispute Resolution	Products and Services	56
	Consumer Data Protection and Privacy	Products and Services Information Security Management	56 46
	Provide Necessary Services	Products and Services	56
Community Engagement and Development	Education and Awareness	Products and Services	56
	Community Engagement	Sustainable Impact	105
	Education and Culture	Talent Cultivation and Development	95
	Job Creation and Technological Development	Talent Attraction and Retention	83
	Science and Technology Development	Products and Services Green Products	56 59
	Wealth and Income Creation	Business Overview	54
	Health	Employee Health Care	103
Social Investments	Sustainable Impact	105	

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Appendix 6 Comparison Table for the UN Global Compact

Category	10 Principles	Relevant Sections	Pages
Human Rights	Businesses should support and respect internationally recognized human rights	Human Rights Policies and Commitments	81
	Assurance of not being complicit in human rights abuses	Human Rights Policies and Commitments	81
Labor Standards	Business community should support freedom of association and fully recognize the right of collective bargaining	Human Rights Policies and Commitments	81
	Elimination of all forms of forced and compulsory labor	Human Rights Policies and Commitments	81
	Effective abolition of child labor	Human Rights Policies and Commitments	81
Environmental	Elimination of discrimination in employment and occupation	Human Rights Policies and Commitments	81
	Business community should support a preventive approach to environmental challenges	Climate Action Implementing Group Carbon Management	66
	Take proactive action in promoting more environmentally responsible practices	Green Products Climate Action Implementing Group Carbon Management	59 66
Anti-Corruption	Encourage the development and promotion of environmentally friendly technologies	Green Innovation	59
	Business community should strive against all forms of corruption, including extortion and bribery	Integrity Management	39

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2022 ESG Performance Summary

Key Indicators		2022	2021	2020
Financial Performance	Operating Income (NT\$ thousands)	58,700,962	56,924,059	56,093,201
	Operating Cost (NT\$ thousands)	47,021,980	46,364,505	45,420,091
	Gross Operating Profit (NT\$ thousands)	11,678,982	10,559,554	10,673,110
	Net Profit Before Tax (NT\$ thousands)	12,667,411	7,532,296	6,945,564
	Earnings Per Share (NT\$)	14.47	11.16	11.24
	Income Tax Expenses (NT\$ thousands)	5,940,437	2,342,321	1,717,899
	Attendance of Shareholders' Meeting (%)	57.98	70.91	73.13
R&D Innovation	R&D Expenses (NT\$ thousands)	2,284,541	2,083,869	1,758,213
	Number of Patents (case)	104	67	88
	Shipment Quantity (thousand sheets)	123,511	134,456	121,384
Customer Relationships	Customer Satisfaction (%)	96.6	96.7	94.6
Vendors Management	Local Procurement (%)	50.36	50.80	52.38
GHG Emissions (Estimated Figure for 2022)	Total (10,000 tCO ₂ e)	114,934	118,488	114,845
	Scope 1 (10,000 tCO ₂ e)	3,063	3157	3,195
	Scope 2 (10,000 tCO ₂ e)	111,871	115,331	111,650
Utilization of Resources	Electricity (million kWh)	162	171	165
	Natural Gas (10,000 m ³)	30	38	32
	Water (million liters)	1,491	1,837	1,712

Key Indicators		2022	2021	2020
Pollutant Management	Waste Generation (tonnes)	5765	6,642	6,218
	Volatile Organic Substance Generation (tonnes)	2.8	2.6	2.4
	Environmental Protection Expenses (NT\$ thousands)	10,221	18,065	14,932
Green Products	Number of Prohibited Substances (items)	487	424	389
	Packaging Material Recycle Rate (%)	96	>99.3	>96.7
Employee Composition	Total Number of Employees (people)	12,217	16,484	20,229
	Employees of the Kaohsiung Factory (people)	931	925	961
	Employees of Mainland Factories (people)	11,286	15,559	19,268
	Female Employees (%)	32.5	33.5	29.1
	Females in Management Positions (%)	34.6	22.6	21.5
Education Training	Employee Training Hours (hours)	370,000	456,235	651,254
Occupational Health and Safety	Disability Injury Frequency	0.66	0.41	0.35
	Incapacity Damage Severity Rate	8	10	10
Social Engagement	Combined Injuries Index	0.07	0.06	0.05
	Volunteer Service (hours)	298	208	940
	Participation in Foundation Events (participants)	1,084,572	190,000	22,699

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HR Structure 2022

Category	Groups	Male		Female		Total Number by Group	
		Numbers	Percentage of the Group	Numbers	Percentage of the Group	Numbers	Percentage of Total
Duties	Supervisor	918	65.4%	485	34.6%	1,403	11.5%
	Engineering Staff	855	79.8%	216	20.2%	1,071	8.8%
	Technical Staff	6,345	69.4%	2,793	30.6%	9,138	74.8%
	Administrative Staff	124	20.50%	481	79.50%	605	4.9%
Location	Taiwan	518	55.64%	413	44.36%	931	7.6%
	Mainland China	7,724	68.44%	3,562	31.56%	11,286	92.4%
Age	Under 30 years old	4,905	73.49%	1,769	26.51%	6,674	54.6%
	age between 30-50	3,266	60.47%	2,135	39.53%	5,401	44.2%
	51 and over	71	50.00%	71	50.00%	142	1.2%
Total Number by Gender		8,242	67.5	3,975	32.5%	12,217	100%
All Employees		12,217					

New Employees, Resigned Employees, and Management Level 2022

Category	Groups	New Employees		Resigned Employees		Management Level	
		Numbers	Percentage of the Group	Numbers	Percentage of the Group	Numbers	Percentage of the Group
Gender	Female	13,533	20.9%	15,082	21.8%	83	21.8%
	Male	51,320	79.1%	54,000	78.2%	298	78.2%
Location	Taiwan	83	0.1%	82	0.1%	223	58.5%
	Mainland China	64,770	99.9%	69,000	99.9%	158	41.5%
Age	Under 30 years old	47,406	73.1%	50,388	72.94%	1	0.26%
	age between 30-50	17,444	26.9%	18,682	27.04%	330	86.62%
	51 and over	3	0.00%	12	0.02%	50	13.12%
Total		64,853		69,082		381	

Appendix 8 Sustainable Disclosure Indicators—
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S/N	Indicators	Type of Indicator	Unit	Chapters
I.	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage	Quantify	Gigajoules (GJ), percentage (%)	Energy Resource Management
II.	Total Water Withdrawal and Total Water Consumption	Quantify	Thousand Cubic Meters (m ³)	Energy Resource Management
III.	Weight of Hazardous Waste Generated and Percentage of Recovery	Quantify	Tonnes (t), percentage (%)	Pollution Prevention and Control
IV.	Describing the Type, Number, and Rate of Occupational Disasters	Quantify	Percentage (%), Quantity	Occupational Health and Safety Management System
V.	Disclosure of the Product Life Cycle Management: Weight and Percentage of Recycled Products and Electronic Waste Included ^(Note 1)	Quantify	Tonnes (t), percentage (%)	Waste Management: Only the total amount recycled is disclosed. The backlight modules produced by our company are composed of optical-grade plastic pellets. Due to the need to maintain optimal optical qualities, the use of recycled raw materials presents a challenge.
VI.	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	Not Applicable	Risk Management Policies for Critical Materials
VII.	Total Pecuniary Loss Resulting from Legal Proceedings Related to Anti-Competitive Conduct Regulations	Quantify	Reporting Currency	No Related Situations
VIII.	Production of Major Product by Product Category	Quantify	Varies According to Product Type	Shipment Volume by Product Category

Note 1: Including the Sale of Tailings or Other Recycling Treatment, and Should Provide Relevant Instructions.

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Appendix 9 Management Policy of Significant Topics

Item	GRI Standards Corresponding Item	Explanation (Please refer to the Chapter 1.3 Material Topics Identification and Stakeholder Engagement for detailed information.)
Business Performance	GRI 201	We adopt a flexible operational approach to proactively meet the needs of our customers, expand our market share, and integrate essential components to serve customers nearby customers. Our focus is on developing innovative and valuable products, establishing a leading market position in the market, and adhering to tax laws and regulations. We also prioritize staying up-to-date with local and international tax regulations to enable early tax planning and minimize potential tax costs.
Product Responsibility and Innovation	GRI 417	We collaborate with customers on their new technology projects to provide customized designs and develop cost-effective new products. Our rich experience in the BLU field and R&D resources enable us to optimize the technical capability of backlight modules, protect them with design patents, synchronize patent deployment, and strengthen the recycling of packaging materials.
Climate Action	GRI 201-2 GRI 305	We have implemented a management mechanism and implemented measures to reduce carbon emissions. Additionally, we have established a carbon management working group and developed a carbon reduction pathway for the Group to achieve by 2030. We have also provided support to each operating unit in identifying and evaluating the financial impact of their business on climate change. Furthermore, we have enhanced the promotion of ISO 14064-1:2018, which has been independently verified by a third party.
Risk Management	Self-defined	The work item control includes departments that have identified major issues and significant risks identified in the annual audit plan, and these departments that have identified significant risks are included in the work item control and monitored by the risk management team.
Information Security Management	GRI 418	We provide information security education and training to all employees to enhance their awareness of information security risks. Additionally, we implement regular password changes, synchronize information security measures to prevent hacker intrusion, and establish a comprehensive backup mechanism.
Sustainable Strategies	Self-defined	We adapt the direction and goals of our sustainability strategy in response to reflect both internal conditions and external factors. We continuously refine the structure of our Sustainability Committee, and empower our Sustainable Development Committee to make informed decisions. Our Risk Management Group, which operates under the Sustainable Development Committee, reviews our progress towards annual achievement of targets and develops sustainability strategies that align with our core competencies and business vision. We also consider the expectations and suggestions of our stakeholders in this process.
Utilization of Resources	GRI 302	Implement an energy use monitoring system, establish energy efficiency targets, and enhance the promotion of energy conservation across all departments.
Human Rights	GRI 401, GRI 402, GRI 405, GRI 406, GRI 407, GRI 408, GRI 409, GRI 410	Radiant Opto-Electronics Corporation has established its policy direction on "Labor and Professional Ethics" in accordance with the United Nations Universal Declaration of Human Rights, Tripartite Declaration of Principles of the International Labor Organization, Code of Conducts for Responsible Business Alliances, and relevant local government regulations. The spirit of this policy is reflected in the relevant management methods.



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SUSTAINABILITY REPORT

design by  手心設計



2022