



# AUO Human Rights Due Diligence Report

2024/6

**AUO**

# AUO Human Rights Policy

## » Human Rights Policy

AUO firmly believes that protection of human rights is the essential foundation for sustainable business operations. To ensure that each and every employee is treated fairly and with respect at workplace, we follow internationally recognized human rights conventions and put our commitments and policies concerning human rights in place. We also make sure that the company operations of the AUO Group do not violate or infringe human rights through a four-stage due diligence process in order to protect the rights of our employees and value chain partners.

## » Guiding Principles

- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- Global Sullivan Principles
- Responsible Business Alliance (RBA) Code of conduct
- Social Accountability 8000 International standard
- Corporate Sustainability Due Diligence Directive

## » Scope

The AUO Human Rights Policy applies to all of the group's businesses, including global employees and across our entire business activities. We require our group's subsidiaries, suppliers, contractors, subcontractors, customers, joint ventures, and other value chain partners to adhere to the same standards.

## Commitments and Policies

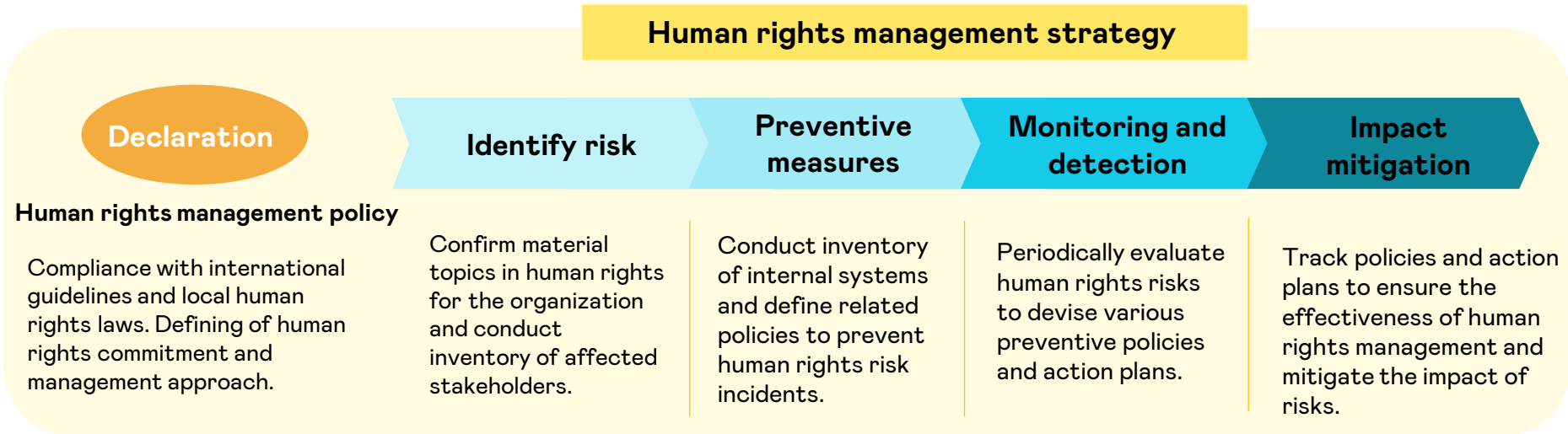
AUO is committed to complying with the human rights protection laws and guidelines in areas where we operate worldwide. We exercise due diligence to prevent human rights infringements with or to any third parties, and build a culture of equality, respect, care, and security within our company in accordance with the following principles. We also supervise our value chain partners in the protection of human rights.

- Implement Equal Employment Opportunity and equality of opportunity
- Prohibit the use of all forms of forced labor, human trafficking, and other human rights abuses.
- Prohibit the hiring of child labor or labor originated from human trafficking
- Create a work environment that is diverse, inclusive, humane, free from sexual and non-sexual harassment, and has zero tolerance for discrimination
- Providing overall compensation and benefits that comply with regulations and enable employees to lead a decent life.
- Complying with all relevant wage and working hour regulations and emphasizing pay equality.
- Ensure the safety and health of the workplace, as well as of the places where we provide meals and accommodation
- Strengthening labor rights and human rights protection for minority groups, including indigenous peoples, persons with disabilities, gender diverse individuals, migrant workers, women, contract workers, ethnic minorities, and marginalized or disadvantaged groups through the establishment of human rights systems, education, training, and advocacy activities.
- Implementing grievance channels and investigation procedures to safeguard the rights of employees and prohibiting retaliatory actions.
- Strive to protect the health of our employees
- Respecting employees' personal privacy and ensuring that the collection and use of personal data comply with relevant legal requirements.
- Ensuring that all employees have the right to freedom of association, join various types of organizations or associations, form and participate in labor unions, and engage in collective bargaining with the company through union representatives  
(Note: Employees who are not members of a labor union or not covered by a collective agreement and employees in business locations where no labor union has been established shall have their employment conditions and terms determined in accordance with local labor laws, labor contracts, work rules, or through legally mandated labor-management negotiation channels).
- Maintain positive labor relations and provide communication platforms by various means to create a culture of open communication.

# Human Rights Due Diligence

AUO is dedicated to promoting and safeguarding fundamental human rights and fundamental rights of all individuals while adhering to the laws and regulations of the respective operating locations worldwide. In order to gain a deeper understanding and effectively manage human rights issues, and to minimize the potential occurrence of human rights risks, we have implemented a four-stage human rights management cycle. This is aimed at mitigating the impact of human rights impacts on our business operations and preventing any acts that infringe upon or violate human rights.

## Human Rights Due Diligence Process



## Human rights management strategy

### Identify Risk

AUO implementation complies with international human rights laws and RBA (Responsible Business Alliance) guidelines. We conduct assessments and take measures to address human rights issues. We actively engage with employees, subsidiaries, joint ventures, Tier-1 suppliers, outsourcers, contractors, and neighboring communities, among other stakeholders, to collectively promote and protect human rights. Through interviews, human rights risk assessment surveys, RBA audits, etc., AUO grasps the stakeholders' concerns and responses to human rights risk issues in order to provide resources and assistance in terms of advocacy, Trainings for all employees on discrimination or harassment in the workplace, seminars, and other aspects of human rights governance.

#### 12 human rights issues of concern to the AUO

Privacy Protection	Protection of Labor Conditions
Health, safety and individual liberty	Employment of Child Labor/Juveniles
Occupational Safety	Prohibition of Forced Labor
Freedom of Employment	Non-discrimination, Diversity and Inclusion
Freedom of Speech and Expression	Right to Family Life
Freedom of Assembly and Association	Sexual Harassment and Workplace Discrimination



# Stakeholder Risk Assessment

To comprehensively understand and manage human rights issues, AUO conducts human rights risk assessments on stakeholders. In order to identify, prevent, and reduce the impact of human rights risks on AUO, its supply chain, and other stakeholders, a “Risk Assessment Framework” has been developed based on the RBA Code of Conduct guidelines. Suppliers are required to sign written commitments and management assurances, committing to strict adherence to and shared social responsibility. AUO has also formulated management standards for suppliers according to RBA guidelines.

AUO conducts stakeholder assessments on human rights issues. Our 2023 survey expanded beyond all employees to include risk identification for business relationships and Group subsidiaries were also incorporated into the scope of risk assessment. We also used the AUO RBA audit scope as a reference to include subsidiaries, joint venture, Tier-1 suppliers, outsourcers and contractors. Local communities were added as they may be directly affected by the production operations. In addition to the 12 human rights issues of concern to the industry, AUO wanted to take all of the potential derivative issues into account as well. Stakeholders were invited by AUO to fill out the human rights risk assessment survey and 591 responses were collected in 2023. In addition to the survey results, we also conducted a total risk assessment and analysis based on the findings of internal/external RBA audits, compliance with labor legislation, and internal complaints mechanisms. AUO’s risk calculations for material topics was used to identify the degree of risk for each human rights issue based on the two dimensions of “Likelihood” and “Scale/Scope of Impact.” All issues of concern were found to offer no material risks. Planning was subsequently carried out for prevention of secondary risks to mitigate or prevent the production of human rights risks and hazards during operations.

## Basis for Human Rights Risk Analysis: >>

- ✓ Results of human rights risk assessment questionnaire.
- ✓ Compliance with labor laws.
- ✓ RBA audit management standards and internal/external audit results.
- ✓ Internal complaint mechanism.
- ✓ Regular stakeholder interviews.

## Stakeholder Risk Matrix: >>

Assessing individual stakeholder risks based on the "likelihood of occurrence" and "impact scale/scope" in the context of human rights issues.

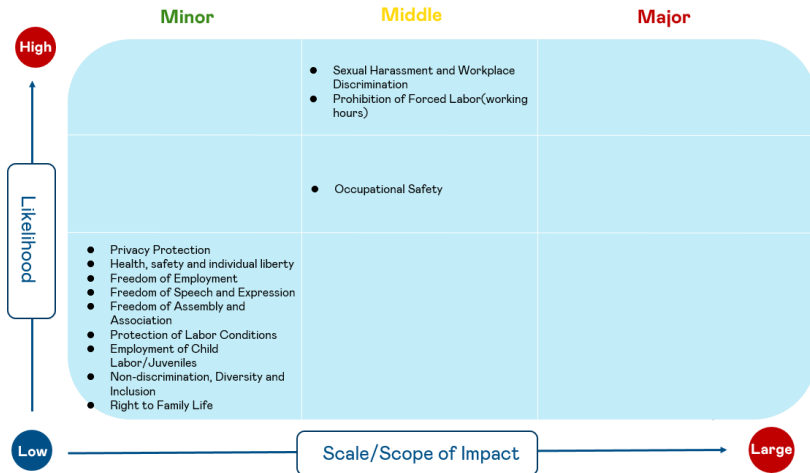
### Likelihood

- High likelihood of occurrence: More than once a year (3 points)
- Medium likelihood of occurrence: More than once every 3 years (2 points)
- Low likelihood of occurrence: More than once every 10 years (1 point)

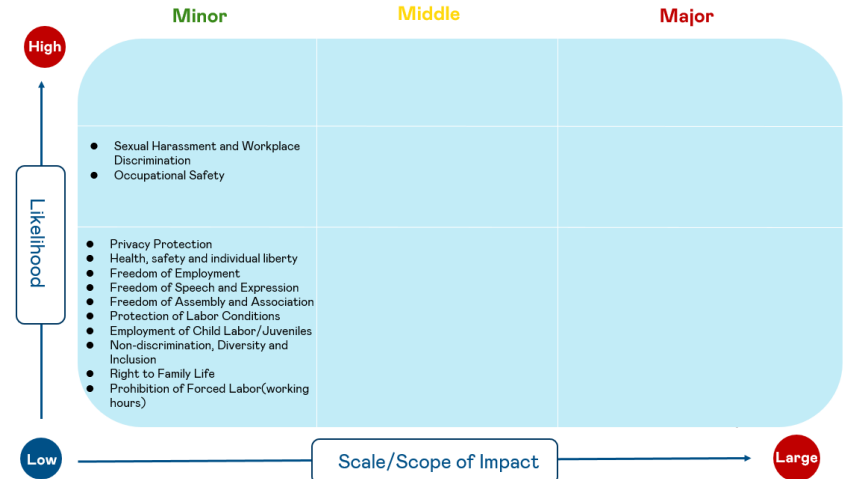
## Scale/Scope of Impact

- **Scale:** Determine based on the duration and intensity of the impact on stakeholders' benefits related to the issue.
- **Scope:** Determine based on the size of the affected region and the number of people impacted.

### ➤ Employees

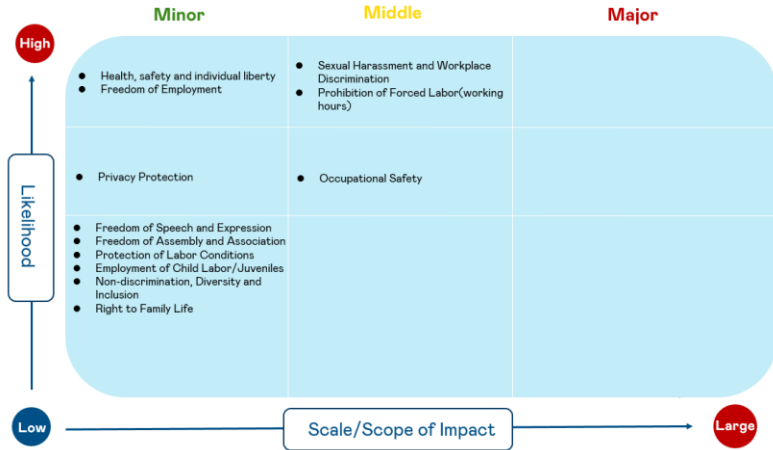


### ➤ Subsidiaries, Joint ventures

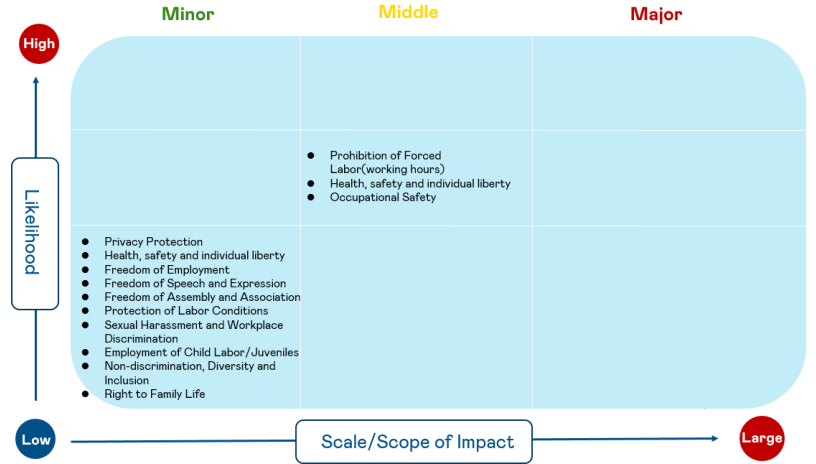




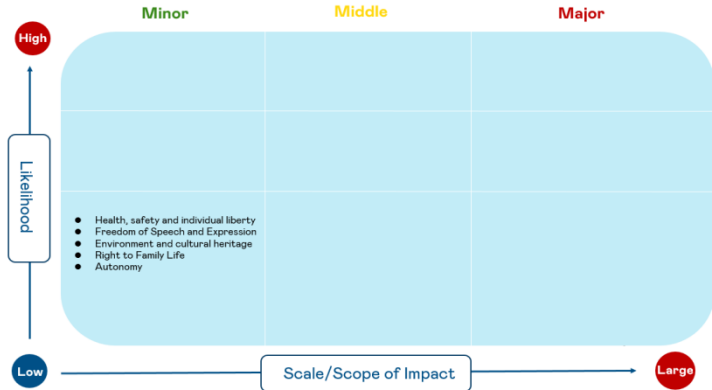
## ➤ Tier-1 suppliers



## ➤ Outsourcers, Contractors



## ➤ Neighboring communities



## Preventive Measures

Based on the stakeholder risk matrix results, AUO implemented preventive measures, risk communication, and educational training in 2023 for 3 minor risks: "Workplace misconduct and sexual harassment" and "Forced labor - working hours, occupational safety." Within the company, preventive measures were taken to prevent human rights risk events through the guidance of relevant policies, clearly defined complaint procedures, and processing protocols. For the supply chain, AUO strengthened human rights protection and implemented measures such as advocacy, training, and audits based on the RBA standard.

## Annual Education Outcomes

*For other preventive measures, see  
2023 AUO Sustainability Report: Chapter 4, Human Rights Protection*

### Human Rights Policy Advocacy

Education and training was conducted for more than 35,000 people worldwide (including courses for raising awareness on sexual harassment and workplace discrimination). The pass rate for post-course evaluation was 100%.

### Sexual Harassment And Non-sexual harassment Policy

A total of 157 training sessions and awareness seminars on workplace discrimination and sexual harassment were conducted, with 984 supervisors voluntarily completing self-assessment checks.

### Supply Chain Human Rights Management

Suppliers committed to meeting environmental and social standards and pledged to protect human rights, with a total of 75 CSR supplier audits conducted internally and externally.

## Monitor, Detection and Mitigation of Impact

AUO values the opinions and rights of our employees. A range of communication channels are used to improve labor rights such as the complaints or suggestions system, and Audit Committee's Mailbox. The freedom and confidentiality of employee feedback are also assured through the strictest possible personal information protection regulations and the "AUO Personal Information Protection Management Regulations." Labor-management meetings are regularly convened as well to guarantee employees' right to organize and collective bargaining. We promote healthy and constructive labor-management relations. To reduce the business impact of human rights risks on AUO, the supply chain, and our partners, AUO will conduct risk assessments based on the 12 key human rights issues of concern and establish appropriate risk mitigation and compensation measures. Preventive measures and improvement plans are formulated based on the degree of risk for each issue with regular follow-ups on implementation outcomes. If a human rights violation takes place, AUO employees will engage in arbitration and negotiation in accordance with internal procedures. Corrective or disciplinary action will also be taken in accordance with the work rules in case of discriminatory or harassment. Suppliers, contractors, and outsourcing businesses may have their contract/collaboration suspended or terminated. Punitive fines for breach of contract may also be imposed. In the future, AUO will maintain open channels of communication with stakeholders. We will require our supply chain and partners to follow the rules and work together to set the highest standard in human rights governance.



Human Rights Issue	Subject of Special Concern	Degree of Risk	Mitigation Measure	Compensation Measure	2023 Targets	2023 Progress	2024 Targets
Occupational Safety	Employees Group Subsidiaries Joint ventures Suppliers Contractors Outsourcing Businesses	Middle	<ul style="list-style-type: none"> <li>General labor health education and training must be conducted every year along with periodical evacuation drills; workplace monitoring is commissioned every six months.</li> <li>Promotion of the Four Labor Health Protection Plans.</li> <li>Management procedure for corrective and preventive measures was established to ensure immediate response and improvement on defects identified during inspections, problems reported by employees, and defectives found during audits by competent authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Protective hardware added based on process requirements and management plans established to enhance health and safety education for personnel.</li> <li>Strengthened education and regulations on the wearing of protective equipment by employees on the shop floor, and enforcing supervisor inspections of protective equipment worn by employees.</li> <li>The main cause of work-related injury leave is traffic accidents. Education on traffic safety precautions was strengthened to reduce traffic accidents during commutes and business trips.</li> </ul>	<ul style="list-style-type: none"> <li>100% completion rate for trans-site RBA audit.</li> <li>Annual frequency of disabling injuries &lt; 0.2.</li> </ul>	<ul style="list-style-type: none"> <li>Completed all 9 internal audits scheduled for 2023.</li> <li>2023 Frequency of Disabling Injuries 0.49 <i>For improvement measures, see 4.4.2 Safe Workplace</i></li> </ul>	<ul style="list-style-type: none"> <li>100% completion rate for trans-site RBA audit</li> <li>Annual frequency of disabling injuries &lt; 0.2</li> </ul>
Prohibition of Forced Labor	Employees Group Subsidiaries Joint ventures Suppliers Contractors Outsourcing Businesses	Middle	<ul style="list-style-type: none"> <li>Prohibition of improper requests or threats (such as confiscation of identification documents/wages, physical/psychological violence) that lead to forced or coerced labor</li> <li>Prevent involuntary overtime through regular inspection of work hours and various complaints channels</li> </ul>	<ul style="list-style-type: none"> <li>Provide compensation for overtime in accordance with internal regulations, stop involuntary overtime immediately, and restore employee rights</li> <li>Conduct RBA audit and investigation. For minor infractions, set deadline for corrective action and offer compensation</li> </ul>	Total cases of overtime and working for more than 7 consecutive days: 0 cases	In 2023 there were 3 cases of overtime that led to labor disputes. All cases are now closed	Total cases of overtime and working for more than 7 consecutive days: 0 cases

Human Rights Issue	Subject of Special Concern	Degree of Risk	Mitigation Measure	Compensation Measure	2023 Targets	2023 Progress	2024 Targets
Sexual Harassment and Workplace Discrimination in the Workplace	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Middle	<ul style="list-style-type: none"> <li>Provision of effective complaints channels (e.g. sexual harassment grievance mailbox, dedicated case worker) to protect employees against infringement at work. Protection mechanism also established to protect employees against retribution after a complaint is made</li> <li>Protective measures to protect employees from unlawful infringement such as physical, verbal, or psychological abuse and sexual harassment in the workplace</li> </ul>	Take action in accordance with "Sexual Harassment Prevention Policy" and "Workplace Violence Prevention Policy"	100% closure rate for related cases	There were 4 sexual harassment cases and 2 unlawful infringement cases. All cases are now closed	100% closure rate for related cases
Privacy Protection	Employees Suppliers	Minor	<ul style="list-style-type: none"> <li>Vulnerabilities and potential threats are assessed using the personal information protection self-assessment mechanism. Improvement plans are then drafted based on the outcomes of the assessment</li> <li>An Information Continuity Plan is devised by the Information Security Committee and related tasks carried out on schedule to ensure the normal operation and effectiveness of that mechanism. These tasks include inventory of personal information registries, privacy breach drills, self-inspection of internal controls, regular internal audits, personal information impact analysis, and validation of the personal information management system</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened education and awareness on personal information protection for employees</li> <li>In the event of a privacy breach, corrective action and compensation is carried out in accordance with the non-disclosure agreement</li> </ul>	<ul style="list-style-type: none"> <li>Hosting of information security development training</li> <li>0 information security complaints</li> </ul>	<ul style="list-style-type: none"> <li>information security education and training classes</li> <li>No information security complaints</li> </ul>	<ul style="list-style-type: none"> <li>Hosting of information security development training</li> <li>0 information security complaints</li> </ul>

Human Rights Issue	Subject of Special Concern	Degree of Risk	Mitigation Measure	Compensation Measure	2023 Targets	2023 Progress	2024 Targets
Health, safety and individual liberty	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Minor	<ul style="list-style-type: none"> <li>A health exam is conducted for all employees once every two years. For special work stations, health exams are conducted for special items at statutory frequencies</li> <li>Planning and implementation of annual health promoting activities and education seminars</li> </ul>	<ul style="list-style-type: none"> <li>Follow-ups and counseling measures are arranged based on the results of the health exam</li> <li>Employees can book consultations with on-site physicians</li> <li>Cases with high physical/mental risk are registered with the Wellness Center for continuous monitoring of employee condition</li> </ul>	<ul style="list-style-type: none"> <li>Organization of health promotion activities at each site</li> <li>Health exams for all employees</li> </ul>	Taiwanese sites organized 52 health exams that were attended by 17,542 employees for a total exam rate of 97.6%	Organization of health promotion activities at each site
Freedom of Employment	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Minor	Applicants have the right to choose what job vacancy they want during employee recruitment	Employee communication policy established to facilitate open channels of communication. Employees can provide feedback through the complaints hotline, employee suggestion box and other channels	0 cases of related complaints	0 cases of related complaints	0 cases of related complaints
Freedom of Speech and Expression	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Minor	Establishment of safe and open channels such as the complaints mailbox, labor-management meetings, and plant service hotline for employees to express their opinions	<ul style="list-style-type: none"> <li>Establishment of employee communication policy to facilitate open channels of communication</li> <li>Continue to introduce company-wide employee engagement surveys to collect employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>Conduct employee engagement survey at all global sites</li> <li>Achieve 80% employment engagement</li> </ul>	<ul style="list-style-type: none"> <li>Exceed 81% global coverage</li> <li>84% employee engagement with the Company</li> <li>Hosted 47 direct employee town halls</li> </ul>	<ul style="list-style-type: none"> <li>Conduct employee engagement survey at all global sites</li> <li>Achieve 80% employment engagement</li> </ul>

Human Rights Issue	Subject of Special Concern	Degree of Risk	Mitigation Measure	Compensation Measure	2023 Targets	2023 Progress	2024 Targets
Freedom of Assembly and Association	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Minor	<ul style="list-style-type: none"> <li>Establishment of Club Management Regulations to allow for the organizing and management of clubs</li> <li>Convening of regular labor-management meetings</li> </ul>	Managed in accordance with Work Regulations and Club Management Regulations	Convening of quarterly labor-management meetings	A total of 4 labor-management meetings were held	Convening of quarterly labor-management meetings
Protection of Labor Conditions	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses	Minor	<ul style="list-style-type: none"> <li>Establishment of risk assessment to procedure to identify all labor, ethical, and environmental health &amp; safety risks</li> <li>Establishment of employee communication procedure and channels to resolve employee issues in a timely manner</li> <li>Establishment of RBA management system to detect potential risks through internal and external audits</li> <li>Adjust shift rosters in accordance with the law to prevent excessive overtime by employees, excessively short breaks and similar problems</li> </ul>	<ul style="list-style-type: none"> <li>Control risks through periodical review and updating of company rules in accordance with the law</li> <li>Regular employee interviews to collect employee feedback and issues of concern</li> <li>Set deadlines for improvement measures based on the findings of RBA audits</li> <li>Establishment of work hour management policy and system, management and control work hours (including overtime), and issuing of system work hour alerts to remind unit supervisors to adjust the workload when necessary</li> </ul>	0 cases of losses due to labor disputes	In 2023, there were 4 cases of labor damages due to complaints over labor conditions	0 cases of losses due to labor disputes
Employment of Child Labor/Juveniles	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses Children/Juveniles	Minor	<ul style="list-style-type: none"> <li>Review of applicant details during recruitment and start of work to verify their age and nature of work</li> <li>Inclusion of relevant provisions with periodical reviews in contractor and outsourcing business contracts</li> </ul>	<ul style="list-style-type: none"> <li>Conduct RBA audit and investigation. For minor infractions, set deadline for corrective action and offer compensation</li> </ul>	No related complaints	0 complaints	No related complaints

Human Rights Issue	Subject of Special Concern	Degree of Risk	Mitigation Measure	Compensation Measure	2023 Targets	2023 Progress	2024 Targets
Non-discrimination, Diversity and Inclusion	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses Physically or Mentally Disabled Employees	Minor	<ul style="list-style-type: none"> <li>Recruitment, employment, and advancement are not restricted through conditions not related to professional skills (e.g. nationality, race, gender, age, political bias, physical disability)</li> <li>Guarantee of job quotas for the physically and mentally disabled</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced employee education on diversity, inclusion, and equity</li> <li>Strengthening of internal company software and hardware facilities to protect the rights of physically and mentally disabled employees</li> </ul>	Host at least 1 event for advocating equity	Hosted a total of 4 DEI inclusivity seminars	Host at least 1 event for advocating equity
Right to Family Life	Employees Group Subsidiaries Joint ventures Suppliers Contractors, Outsourcing Businesses Pregnant and Lactating Female Employees	Minor	<ul style="list-style-type: none"> <li>Provision of breastfeeding room and time for lactating female employees</li> <li>Employees may apply for unpaid parental leave, maternity leave, and other types of leave to look after their family or the needs of family members</li> </ul>	<ul style="list-style-type: none"> <li>Lactating employees may not work overtime or night shifts. Lists for employees that are pregnant, on maternity leave, or still lactating are used to remind unit supervisors to adjust their workload</li> <li>Establishment of breastfeeding rooms and related facilities in accordance with RBA guidelines</li> </ul>	100% completion rate for trans-site RBA audit	Completed 100% of audits with no related defects	100% completion rate for trans-site RBA audit

Note: Human rights mitigation measures are applicable to all AUO sites and Group subsidiaries. Disclosure is planned for the 2023 AUO Due Diligence Report on Human Rights.





Tap Into The Possibilities



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