



AUO Corporation

2024 Corporate Questionnaire Response

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About CDP

CDP is a global non-profit that runs the world's only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 24,800 companies and almost 1,000 cities, states and regions disclose their environmental impacts in 2024. Financial institutions with more than a quarter of the world's institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline, CDP integrates best-practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced. Visit cdp.net or follow us @CDP to find out more.

Useful Information

In 2024, the CDP corporate questionnaires on climate change, forests, and water security were integrated into one corporate questionnaire, in addition to the launch of our SME questionnaire. Through this questionnaire, organizations can provide data on multiple environmental issues in a single disclosure, encouraging more holistic and balanced reporting. An overview of the full 2024 corporate questionnaire is available [here](#). A document identifying the environmental issues and framework alignment covered by each question can be downloaded [here](#). CDP has developed its own Activity Classification System (CDP-ACS) which allows us to allocate relevant questions relating to environmental issues and specific sectors to the companies reporting through CDP. You can read a guide to the CDP-ACS [here](#). Dates in this document are presented in the format YYYY-MM-DD. Dates reported to CDP are stored as UTC (Coordinated Universal Time). The dates in this document may differ from dates when viewed in the CDP portal, but will never deviate by more than 24 hours. Please note that in a small number of cases row labels may not be present for single row, single column questions. We recommend you read this questionnaire response in conjunction with CDP questionnaire reporting guidance available on the CDP website [here](#).

Discloser Information

CDP Org ID: 1158

Field	Value
Disclosure cycle	2024 Disclosure Cycle
Questionnaire	CDP Corporate Questionnaire 2024
Discloser name	AUO Corporation
CDP Organization Number	1158
CDP Industry classification	Manufacturing
CDP activity group	Electrical & electronic equipment
CDP activity	Electronic components
Questionnaire Pathway	Full Version
Privacy status	Public
Environmental Issues Intent to Disclose	Climate Change, Water, Biodiversity, Plastics
Commodities	
Primary Sector	General

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Responses

Q1.1 In which language are you submitting your response?

English

Q1.2 Select the currency used for all financial information disclosed throughout your response.

TWD

Q1.3 Provide an overview and introduction to your organization.

Response 1:

Organization type

Publicly traded organization

Description of organization

AUO was established in 1996, driven by technology and innovation, with display technology at its core, providing products and solutions services with advanced technology. In recent years, AUO has continued to enhance the added value of display technology (Go Premium) and deepen the application of vertical markets (Go Vertical) through a biaxial transformation. With our 'One AUO' strategy, it consolidates the group's strength, expands the international market through a single brand, and embraces the infinite possibilities of the future through the synergy of the group. It actively expands various new business areas, covering hardware, software, cloud service platforms, and solutions, etc. Not only does it provide high-quality products and extends the value chain of the ecosystem, but it also transforms the group's experience into exportable knowledge and strategic solutions, allowing the outside world to re-recognize AUO is not just a panel maker.

Taiwan is an island blessed by the bounty of nature. Innovative PV technologies have now reached maturity so generation costs are gradually coming down. PV also has many applications in everyday life so it now has a key role to play in Taiwan's energy transformation. AUO has many years of experience in running PV businesses. We've expanded beyond PV module manufacturing into power plant construction to provide total solutions for energy production, energy storage, energy conservation, and energy management. We actively build reliable and sustainable clean energy. We also work through supply chain partners and sharing of resources to construct five core competencies, four key markets, and three strategic services.

AUO Envirotech, with nearly 20 years of experience in the establishment and operation of tech factories, continually advances technology to implement the concept of a circular economy, offering solutions such as corporate carbon management, water treatment, and smart control technology.

AUO Digttech is a subsidiary of AUO corporation, providing smart manufacturing solutions and digital transformation services. It integrates people, machines, materials, methods, environment and artificial intelligence in manufacturing, offering all-in-one solutions that assist companies in their digital transformation.

The scope of climate change data disclosure for the AUO parent company primarily includes emissions from operational activities related to the production of display panel modules and solar photovoltaic modules. The main emissions are from Scope 2 energy indirect emissions, accounting for approximately 97% of the total, with the remaining coming from Scope 1 direct emissions. Regarding the disclosure scope for company climate change strategies and management structures, it also encompasses the annual report and

consolidated financial statements boundaries, detailing how the AUO group (including subsidiaries) is addressing climate change in operational and financial strategies.

Q1.4 State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

Response 1:

End date of reporting year

2023-12-30

Alignment of this reporting period with your financial reporting period

Yes

Indicate if you are providing emissions data for past reporting years

Yes

Number of past reporting years you will be providing Scope 1 emissions data for

5 years

Number of past reporting years you will be providing Scope 2 emissions data for

5 years

Number of past reporting years you will be providing Scope 3 emissions data for

3 years

Q1.4.1 What is your organization's annual revenue for the reporting period?

247960000000

Q1.5 Provide details on your reporting boundary.

Yes

Q1.6 Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Response 1: ISIN code - bond

Does your organization use this unique identifier?

No

Response 2: ISIN code - equity

Does your organization use this unique identifier?

Yes

Provide your unique identifier

TW0002409000

Response 3: CUSIP number

Does your organization use this unique identifier?

No

Response 4: Ticker symbol

Does your organization use this unique identifier?

No

Response 5: SEDOL code

Does your organization use this unique identifier?

No

Response 6: LEI number

Does your organization use this unique identifier?

No

Response 7: D-U-N-S number

Does your organization use this unique identifier?

Yes

Provide your unique identifier

657211306

Response 8: Other unique identifier

Does your organization use this unique identifier?

No

Q1.7 Select the countries/areas in which you operate.

- Singapore
- Slovakia
- Taiwan, China
- China

Q1.8 Are you able to provide geolocation data for your facilities?

Response 1:

Are you able to provide geolocation data for your facilities?

Yes, for all facilities

Q1.8.1 Please provide all available geolocation data for your facilities.

Response 1: Row 1

Identifier

HWA YA Site

Latitude

25.046937

Longitude

121.373147

Comment

The AUO display panel manufacturing factories.

Response 2: Row 2

Identifier

Longke Site

Latitude

24.877631

Longitude

121.186146

Comment

The AUO display panel manufacturing factories.

Response 3: Row 3

Identifier

Longtan Site

Latitude

24.846067

Longitude

121.18828

Comment

The AUO display panel manufacturing factories.

Response 4: Row 4

Identifier

Hsinchu Site

Latitude

24.759748

Longitude

122.020658

Comment

The AUO display panel manufacturing factories.

Response 5: Row 5

Identifier

Taichung Site

Latitude

24.206923

Longitude

120.618363

Comment

The AUO display panel module and solar module manufacturing plant site, which has a higher risk related to water resources.

Response 6: Row 6

Identifier

Houli Site

Latitude

24.295958

Longitude

120.727235

Comment

The AUO display panel module site, which has a higher risk related to water resources.

Response 7: Row 7

Identifier

Tainan Site

Latitude

23.038509

Longitude

120.146492

Comment

The AUO display panel manufacturing factories. The plant site will cease operations and be sold in 2024.

Response 8: Row 8

Identifier

Kaohsiung Site

Latitude

22.838363

Longitude

120.25905

Comment

The AUO display panel manufacturing factories.

Response 9: Row 9

Identifier

Kunshan Site

Latitude

31.386923

Longitude

121.076633

Comment

The AUO display panel manufacturing factories.

Response 10: Row 10

Identifier

Suzhou Site

Latitude

31.335389

Longitude

120.705635

Comment

The AUO display panel manufacturing factories.

Response 11: Row 11

Identifier

Xiamen Site

Latitude

24.663024

Longitude

118.210113

Comment

The AUO display panel manufacturing factories.

Response 12: Row 12

Identifier

Slovakia

Latitude

48.8861

Longitude

17.995564

Comment

The AUO display panel manufacturing factories.

Response 13: Row 13

Identifier

Singapore

Latitude

1.360574

Longitude

103.929955

Comment

The plant site ceased operations in 2023.

Q1.24 Has your organization mapped its value chain?

Response 1:

Value chain mapped

Yes, we have mapped or are currently in the process of mapping our value chain

Value chain stages covered in mapping

- Upstream value chain
- Downstream value chain

Highest supplier tier mapped

Tier 2 suppliers

Highest supplier tier known but not mapped

Tier 3 suppliers

Description of mapping process and coverage

In response to suppliers' procurement management, we have a complete ERP system to grasp the complete information of Tier 1 suppliers. In recent years, we have extended the RBA audit management and ESG score card mechanism. We also developed the new ESG platform, targeting at key suppliers, added the collection of information required for suppliers' carbon management, energy management, water resource management, and recycling economy, as well as the requirements of important GRI indicators. In addition, we require suppliers to obtain relevant certifications, including ISO 50001, ISO 14001, and ISO 14064, and from 2023, we encouraged and counseled suppliers to fill out CDP, in the hope of jointly achieving the goal of a 20% reduction in carbon emissions by suppliers by 2030. Furthermore, considering the scale and resources of suppliers, from 2018, we regularly organize supplier conferences and provide relevant training courses and energy-saving counseling, and combine with the government and banks to provide possible assistance with improvement costs, including subsidies for government counseling programs and low interest loan for performance linkages. At present, the scope of our management is still mainly in the Tier 1, but the proportion is still lower than the Tire 1 due to the extension of certain issues to the survey of Tier 2 suppliers.

To ensure the smooth shipment of products, we also have a customer management system that allows us to keep track of information such as shipment and transportation, which can help us perform downstream scope 3 carbon emission calculations. In addition, through the ESG questionnaire of both parties, we can also keep track of key ESG issues, such as the carbon footprint of products and the provision of recycled material information and cooperate the right project.

Q1.24.1 Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

Response 1:

Plastics mapping

Yes, we have mapped or are currently in the process of mapping plastics in our value chain

Value chain stages covered in mapping

- Upstream value chain
- End-of-life management
- Downstream value chain

End-of-life management pathways mapped

- Waste to Energy
- Landfill
- Recycling
- Preparation for reuse
- Incineration

Q2.1 How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Response 1: Short-term

From (years)

1

To (years)

2

How this time horizon is linked to strategic and/or financial planning

According to the definition of the climate system in climatology, short-term climate refers to the statistical characteristics of meteorological data over a period of two years. Includes periodic climatic phenomena such as El Niño, La Niña, patterns of typhoon formation caused by currents in the North Pacific and temperature changes, monsoons... Etc. These climatic phenomena help us to predict the change of temperature and rainfall patterns in Taiwan in the short term. In addition, Taiwan has been actively formulating and revising relevant regulations in response to climate change issues in recent years, including requirements for the use of renewable energy, reduction of greenhouse gas emissions... Etc. Therefore, AUO defines the short term as 0~2 years, using the climate system definition and the changing trend of Taiwan's laws and regulations. In this time frame, we use the TCFD framework to grasp the risks and opportunities posed by short-term climate change and to estimate the possible financial risks.

Response 2: Medium-term

From (years)

3

To (years)

5

How this time horizon is linked to strategic and/or financial planning

Short-term statistical predictions of regional climate are usually based on 5-year data to estimate the subsequent trend of climate change. In addition, the international response to climate change has set many medium-term carbon reduction targets, most of which are set between 2025 and 2030. Therefore, the carbon

tax, green products, environmental protection, and other related business laws and regulations will be more stringent in the next five years. In the face of such a trend, we define a medium-term time interval of 2 to 5 years to assess the physical and transformational risks brought about by climate change and to assess the related financial impact.

Response 3: Long-term

From (years)

6

Is your long-term time horizon open ended?

No

To (years)

30

How this time horizon is linked to strategic and/or financial planning

We are assessing the risk scenarios of climate change in temperature and rainfall, taking into account the impact of the United Nations IPCC on the assumption of anthropogenic greenhouse gas and air pollutant emissions over the 100-year period of the Earth's climate. We use the RCP 8.5 and IEA B2DS global warming scenarios to assess potential risks through more severe warming scenarios and plan long-term solutions to ensure AUO retains maximum resilience in the face of climate change impacts.

Q2.2 Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Response 1:

Process in place

Yes

Dependencies and/or impacts evaluated in this process

Both dependencies and impacts

Q2.2.1 Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Response 1:

Process in place

Yes

Risks and/or opportunities evaluated in this process

Both risks and opportunities

Is this process informed by the dependencies and/or impacts process?

Yes

Q2.2.2 Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Response 1: Row 1

Environmental issue

Climate change

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

- Opportunities
- Dependencies
- Impacts
- Risks

Value chain stages covered

- Upstream value chain
- Direct operations
- Downstream value chain

Coverage

Full

Supplier tiers covered

Tier 1 suppliers

Type of assessment

Qualitative and quantitative

Frequency of assessment

Annually

Time horizons covered

- Medium-term
- Long-term
- Short-term

Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

Location-specificity used

Site-specific

Tools and methods used

- Commercially/publicly available tools: WRI Aqueduct
- Enterprise Risk Management: ISO 31000 Risk Management Standard

- Commercially/publicly available tools: Biodiversity indicators for site-based impacts
- International methodologies and standards: Life Cycle Assessment
- Commercially/publicly available tools: TNFD - Taskforce on Nature-related Financial Disclosures
- Databases: Nation-specific databases, tools, or standards
- Commercially/publicly available tools: LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
- Commercially/publicly available tools: Encore tool
- Other: Materiality assessment
- Other: External consultants
- Databases: Regional government databases
- Enterprise Risk Management: Internal company methods
- Other: Scenario analysis
- Commercially/publicly available tools: WWF Water Risk Filter
- International methodologies and standards: ISO 14001 Environmental Management Standard
- Enterprise Risk Management: Enterprise Risk Management

Risk types and criteria considered

- Acute physical: Heat waves
- Technology: Transition to lower emissions technology and products
- Liability: Non-compliance with regulations
- Chronic physical: Water availability at a basin/catchment level
- Chronic physical: Sea level rise
- Chronic physical: Precipitation or hydrological variability
- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Chronic physical: Heat stress
- Chronic physical: Water stress
- Reputation: Stakeholder conflicts concerning water resources at a basin/catchment level
- Reputation: Stigmatization of sector
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Policy: Carbon pricing mechanisms
- Chronic physical: Increased severity of extreme weather events
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Reputation: Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Acute physical: Drought
- Market: Changing customer behavior
- Acute physical: Cyclones, hurricanes, typhoons
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Chronic physical: Temperature variability
- Market: Availability and/or increased cost of certified sustainable material
- Policy: Changes to national legislation

Partners and stakeholders considered

- Employees
- Water utilities at a local level
- Investors
- Regulators
- Local communities
- NGOs
- Indigenous peoples
- Customers
- Suppliers

Has this process changed since the previous reporting year?

No

Further details of process

1. AUO, in accordance with the ISO 31000 risk management standard and guidelines, implements risk management policies and risk identification procedures. The company evaluates its responses to potential risks from a sustainability perspective, including financial considerations such as market and liquidity risks, as well as non-financial risks like compliance, information security, climate protection, and social issues. The Sustainability and Risk Management Committee oversees the operations of the risk management structure.
2. The subjects of concern in risk identification involve nine key stakeholders, including suppliers, customers, and employees, spanning across upstream and downstream operations and core business activities. Risk and opportunity assessments are carried out by respective responsible unit supervisors.
3. Over 100 department heads across functions, including R&D, manufacturing, sales, finance, legal, HR, IT, and environmental safety management, are responsible for supervising risk identification throughout the company.
4. According to the company's corporate risk identification management process, the risk management system assigns specific responsibility topics based on supervisor responsibilities. Supervisors must describe the risk scenario for each risk, outlining the impact on the organization, key focal points, frequency of occurrence, level of impact, and control measures.
5. In consideration of climate scenarios under the TCFD framework, for physical risks, we assume a severe SSP5-8.5 climate change scenario. For transition risks, we consider national net-zero emissions paths and strategies, international climate regulations, stakeholder demands for net-zero commitments by 2050, and evaluate transition scenarios using SSP1-1.9 and IEA NZE 2050 scenarios.

Response 2: Row 2

Environmental issue

- Biodiversity
- Water

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

- Dependencies
- Impacts
- Risks
- Opportunities

Value chain stages covered

- Upstream value chain
- Direct operations
- Downstream value chain

Coverage

Full

Supplier tiers covered

Tier 1 suppliers

Type of assessment

Qualitative and quantitative

Frequency of assessment

Annually

Time horizons covered

- Medium-term
- Short-term
- Long-term

Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

Location-specificity used

- Local
- Site-specific

Tools and methods used

- Commercially/publicly available tools: WRI Aqueduct
- Commercially/publicly available tools: Encore tool
- Commercially/publicly available tools: LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
- Databases: Nation-specific databases, tools, or standards
- Commercially/publicly available tools: TNFD - Taskforce on Nature-related Financial Disclosures
- International methodologies and standards: ISO 14046 Environmental Management - Water Footprint
- Databases: Regional government databases
- Other: Desk-based research
- International methodologies and standards: ISO 14001 Environmental Management Standard
- Commercially/publicly available tools: WWF Water Risk Filter
- Enterprise Risk Management: Enterprise Risk Management

Risk types and criteria considered

- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Liability: Non-compliance with regulations
- Chronic physical: Water quality at a basin/catchment level
- Chronic physical: Water availability at a basin/catchment level
- Chronic physical: Precipitation or hydrological variability
- Policy: Changes to international law and bilateral agreements
- Policy: Changes to national legislation
- Chronic physical: Water stress
- Market: Availability and/or increased cost of raw materials
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Acute physical: Drought
- Policy: Regulation of discharge quality/volumes
- Policy: Increased difficulty in obtaining water withdrawals permit
- Chronic physical: Declining ecosystem services
- Policy: Increased pricing of water
- Technology: Transition to water efficient and low water intensity technologies and products
- Chronic physical: Declining water quality
- Reputation: Stakeholder conflicts concerning water resources at a basin/catchment level

Partners and stakeholders considered

- Water utilities at a local level
- Employees
- Investors
- Regulators
- Local communities
- Suppliers
- Customers

Has this process changed since the previous reporting year?

Yes

Further details of process

In 2023, AUO, in response to the TNFD announcement, began evaluating the impacts and dependencies of biodiversity (with water resources as a key issue identified) in addition to identifying water resource risks and opportunities. The evaluation results are integrated into the company's annual risk identification process for tracking and management. The assessment scope includes AUO's own operations (100% manufacturing location), upstream suppliers, and downstream customers' activities and interactions in the value chain. The evaluation process framework includes the use of TNFD and LEAP methodologies, with the Encore tool being utilized for value chain dependency and impact hotspot inventory. Analytical data and tools used for assessment include WRI Aqueduct, WWF Water Risk Filter, KBA mapping data, and national climate change scientific reports. The water resource dependence and impact of the company and key supplier operating sites and industry categories are evaluated based on the results of tools and data analysis, assessing various physical, policy, market, reputation, technology, and liability risks and opportunities. In terms of AUO's own operations, reference is made to the WWF Water Risk Filter and WRI Aqueduct data. Due to the large scale of the data, it is further combined with the Taiwan National Climate Change Science Report (mainly based on the RCP8.5 scenario for local analysis) to prioritize the review of high-risk categories in the database (such as WRI Aqueduct Water Stress: Extremely High (>80%)). This is then combined with the water resilience capacity of the plant, which includes assessments of water resource dependence, industrial water pool space, and plant output, to evaluate the level of water resource risk, dependence, and impact. In the supply chain management sector, after identifying the key impact issues of the industries to which suppliers belong through ENCORE, the supplier's operational data collected from the supplier platform system is used to evaluate the impact and dependency levels, for example, assessing whether the annually water withdrawn exceeds 100,000 million liters.

Q2.2.7 Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

Response 1:

Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Yes

Description of how interconnections are assessed

The risk identification process is carried out by AUO in the first quarter of each year. Relevant knowledge such as the Global Risks Report published by the World Economic Forum and the World Ahead from the Economist is provided in advance to more than 100 division-level factory managements at AUO units around the world to help them identify 75 types of risk (e.g. financial, human resources, sustainability, information, manufacturing, R&D, sales, supply chain, and legal affairs). The managers can use their authority to examine all of the

derivative concrete risk scenarios. We then use the identification outcomes provided by the managers to conduct a qualitative and quantitative assessment along the three axes of likelihood, magnitude of impact, and magnitude of control. Risk matrix analysis is also used to sort the risks by priority and ultimately pick out 10 risks of high concern. These risks are then tracked or reviewed by the Sustainability and ERM Executive Committee. They may also be monitored to ensure their proper control and to turn crisis into opportunity. The annual risk assessment related to climate change and water issues upon categorization on the foundation of the TCFD framework, risks identified by the organization were placed into the matrix. Based on the results of climate risk identification, business continuity process we take account of internal and external environmental changes affecting the top four risks about product carbon footprint, market and product competitiveness, and business continuity. And quantify and assess financial impacts with reference to domestic and international corporate disclosure methodology.

Climate change issues are complex and diverse, considering the risks and opportunities defined by the TCFD framework, involving varying degrees of direct and indirect impacts, and different aspects of transformation and physical risk impacts. Therefore, it is requested that all responsible managers in the aforementioned units should conduct various scenario simulations from the bottom up every year to identify climate change, environment-related risks, and use regulatory requirements, technical and economic scale feasibility, customer product standards, and other factors for interconnected assessments. For specific examples, in the past, we implemented a 100% wastewater recycling technology, taking into account the trade-offs between stakeholder expectations and economic impacts. Through diligent research and technological improvements, not only was it economically viable, but it also created business opportunities. In addition, in recent years, issues have included the use of recycled materials and renewable energy. Currently, these issues are all high-cost impact projects, but with evolving customer demand and technological/business model developments, they should have the potential to evolve from costs to business opportunities in the future.

Q2.3 Have you identified priority locations across your value chain?

Response 1:

Identification of priority locations

Yes, we have identified priority locations

Value chain stages where priority locations have been identified

- Direct operations
- Upstream value chain
- Downstream value chain

Types of priority locations identified

- Locations with substantive dependencies, impacts, risks, and/or opportunities: Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity
- Sensitive locations: Areas of importance for ecosystem service provision
- Sensitive locations: Areas important for biodiversity
- Locations with substantive dependencies, impacts, risks, and/or opportunities: Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water
- Sensitive locations: Areas of high ecosystem integrity

Description of process to identify priority locations

1. AUO own operations AUO uses the ENCORE database to create industry-level natural element hotspots. AUO further excludes asset categories with relatively lower natural impacts and dependencies, such as office buildings, and designates global production sites as priority locations for analysis and evaluation within the category of self-owned assets. AUO will evaluate the geographical coordinates of the locations and four natural-related data layers, overlaid and spatially analyzed through a geographic information system. AUO

define sensitive locations as areas where the impact or dependence level is above a certain threshold in the impact and dependence matrix, if the factory is within a distance of 10 kilometers from the KBA, and the comprehensive impact assessment of the factory's operational activities is higher than 4.5, and the average species richness index around the factory is 3 or higher. The data layers include (1) Ecoregions 2017, (2) Key Biodiversity Areas, (3) Mean Species Abundance (GLOBIO 4), and (4) Environmental Water Stress (WRI Aqueduct 4.0). Subsequently, the data at the individual factory level (considering factors such as volatile organic compounds (VOCs), sulfur oxides (SOx), nitrogen oxides (NOx) emissions, industrial waste production, water intake, and drainage) are standardized and compiled to define the relationship of each location to specific impact and dependence factors. 2. Supply Chain, AUO includes an assessment of upstream suppliers, covering the top 66% based on annual procurement amounts, considering the coverage and accessibility of data. Due to water resources being a major critical issue for AUO's main suppliers, suppliers in the ENCORE sector are classified as high-risk if their annually water withdrawn exceeds 100,000 million liters, or WRI Aqueduct Water Stress: Extremely High (>80%), or if the average species richness index around the plant is higher than 4.5. These suppliers will be considered priority sites for assessment. AUO uses the ENCORE database to establish industry-level natural element hotspots. Through a Geographic Information System for overlaying and spatial analysis, data layers include Ecoregions 2017 classification, Key Biodiversity Areas, Mean Species Abundance (GLOBIO 4), and Environmental Water Stress (WRI Aqueduct 4.0). The natural status and interface with nature of each group are weighted based on the proportion of individual procurement expenditures to reflect the impact and reliance of AUO's procurement behavior on the upstream value chain. 3. Future improvement: Currently, due to limitations in data collection factors, AUO only includes operational information from its own sites in the priority location analysis process. In the future, AUO plans to incorporate supplier activity data into the evaluation process. Additionally, considering the integrity of ecological sensitivity impact, AUO plans to evaluate incorporating mapping data such as the National Ecological Green Network

Will you be disclosing a list/spatial map of priority locations?

Yes, we will be disclosing the list/geospatial map of priority locations

Provide a list and/or spatial map of priority locations

- 2023 TNFD Report CH.pdf
- 2023 TNFD Report.pdf

Q2.4 How does your organization define substantive effects on your organization?

Response 1: Risks

Type of definition

- Qualitative
- Quantitative

Indicator used to define substantive effect

Revenue

Change to indicator

% decrease

% change to indicator

1-10

Metrics considered in definition

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

Application of definition

Our current working definition of substantive financial impact for climate, water and nature-related risks are integrated into AUO's Enterprise Risk Management (ERM) framework, we define the risk and opportunities covering our direct operations and entire value chain.

Quantitative:

(1) The substantive financial impact is defined as more than 1% (>1,500 million) of the prior year's revenue due to changes in income, operating costs, assets, and other financial indicators.

Qualitative:

(1) By matrix analysis of ERM (Enterprise Risk Management), prioritizing of the risks and opportunities are determined by the following criteria: likelihood (frequency intervals of potential occurrence), magnitude of impact, and control effectiveness on our operation.

(2) When the multiple result of likelihood and magnitude of impact is larger than 15 (shown as 2.1 and 2.2 below), the risk and opportunity will be identified as 'substantive'.

(2.1) Likelihood: Annually (score=5), 1-3 years (score=4), 3-10 years (score=3), 10-30 years (score=2), and >30 years (score=1);

(2.2) Magnitude of impact: Asset loss more than 2,000 million (score=5), 1,000-2,000 million (score=4), 300-1,000 million (score=3), 30-300 million (score=2), and less than 30 million (score=1).

Substantive as defined = scores of Likelihood and Magnitude of impact > 15

(3) We include an assessment of control effectiveness in our risk management, with indicators including the level of monitoring, internal and external audit results, and the time horizon over which the effect occurs. The risk assessment results after control serve as the basis for company strategic management, and are reported to the board of directors annually.

(3.1) Control effectiveness: zero corrective request (score=1), observation corrective request (score=2), minor corrective request (score=3), major corrective request (score=4), and priority corrective request (score=5).

Response 2: Opportunities

Type of definition

- Qualitative
- Quantitative

Indicator used to define substantive effect

Revenue

Change to indicator

% increase

% change to indicator

1-10

Metrics considered in definition

- Likelihood of effect occurring
- Time horizon over which the effect occurs

Application of definition

Our current working definition of substantive financial impact for climate, water and nature-related risks are integrated into AUO's Enterprise Risk Management (ERM) framework, we define the risk and opportunities covering our direct operations and entire value chain.

Quantitative:

(1) The substantive financial impact is defined as more than 1% (>1,500 million) of the prior year's revenue due to changes in income, operating costs, assets, and other financial indicators.

Qualitative:

(1) By matrix analysis of ERM (Enterprise Risk Management), prioritizing of the risks and opportunities are determined by the following criteria: likelihood (frequency intervals of potential occurrence), magnitude of impact, and control effectiveness on our operation.

(2) When the multiple result of likelihood and magnitude of impact is larger than 15 (shown as 2.1 and 2.2 below), the risk and opportunity will be identified as 'substantive'.

(2.1) Likelihood: Annually (score=5), 1-3 years (score=4), 3-10 years (score=3), 10-30 years (score=2), and >30 years (score=1);

(2.2) Magnitude of impact: Asset loss more than 2,000 million (score=5), 1,000-2,000 million (score=4), 300-1,000 million (score=3), 30-300 million (score=2), and less than 30 million (score=1).

Substantive as defined = scores of Likelihood and Magnitude of impact > 15

(3) We include an assessment of control effectiveness in our risk management, with indicators including the level of monitoring, internal and external audit results, and the time horizon over which the effect occurs. The risk assessment results after control serve as the basis for company strategic management, and are reported to the board of directors annually.

(3.1) Control effectiveness: zero corrective request (score=1), observation corrective request (score=2), minor corrective request (score=3), major corrective request (score=4), and priority corrective request (score=5).

Response 3: Risks

Type of definition

- Quantitative
- Qualitative

Indicator used to define substantive effect

Direct operating costs

Change to indicator

% decrease

% change to indicator

1-10

Metrics considered in definition

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

Application of definition

Our current working definition of substantive financial impact for climate, water and nature-related risks are integrated into AUO's Enterprise Risk Management (ERM) framework, we define the risk and opportunities covering our direct operations and entire value chain.

Quantitative:

(1) The substantive financial impact is defined as more than 1% (>1,500 million) of the prior year's revenue due to changes in income, operating costs, assets, and other financial indicators.

Qualitative:

(1) By matrix analysis of ERM (Enterprise Risk Management), prioritizing of the risks and opportunities are determined by the following criteria: likelihood (frequency intervals of potential occurrence), magnitude of impact, and control effectiveness on our operation.

(2) When the multiple result of likelihood and magnitude of impact is larger than 15 (shown as 2.1 and 2.2 below), the risk and opportunity will be identified as 'substantive'.

(2.1) Likelihood: Annually (score=5), 1-3 years (score=4), 3-10 years (score=3), 10-30 years (score=2), and >30 years (score=1);

(2.2) Magnitude of impact: Asset loss more than 2,000 million (score=5), 1,000-2,000 million (score=4), 300-1,000 million (score=3), 30-300 million (score=2), and less than 30 million (score=1).

Substantive as defined = scores of Likelihood and Magnitude of impact > 15

(3) We include an assessment of control effectiveness in our risk management, with indicators including the level of monitoring, internal and external audit results, and the time horizon over which the effect occurs. The risk assessment results after control serve as the basis for company strategic management, and are reported to the board of directors annually.

(3.1) Control effectiveness: zero corrective request (score=1), observation corrective request (score=2), minor corrective request (score=3), major corrective request (score=4), and priority corrective request (score=5).

Q2.5 Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

Response 1:

Identification and classification of potential water pollutants

Yes, we identify and classify our potential water pollutants

How potential water pollutants are identified and classified

Wastewater management now prioritizes sustainable recycling over traditional treatment. Economic viability and effective technical solutions are crucial in determining the status of water as pollution or a resource. AUO adheres to specific principles and standards for identification and classification:

1. Identification by pollutant type:

- Control of hazardous chemicals like HF and TMAH to prevent injuries.
- Local Regulations pollutants are identified, such as total organic compounds and heavy metals to protect water bodies.
- Treatment can extract resources for recycling, creating economic opportunities (e.g., Copper, Indium).

2. Measured by wastewater pollutant concentration (ppm or mg/M3):

- Diversion into high and low concentration units for targeted treatment.
- Resource utilization includes recycling solvents and converting sludge into fuel.
- Enhancing water circulation for higher recovery rates. AUO operates a zero-emission factory with full recycling.

3. Judging based on processing technical conditions:

- Ensuring economic viability and efficiency in treatment technology.
- Proper sequencing of processes based on wastewater characteristics.
- Prevention of biological poisoning to avoid system collapse.

Q2.5.1 Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Response 1: Row 1

Water pollutant category

Inorganic pollutants

Description of water pollutant and potential impacts

We specifically focus on copper-containing wastewater among inorganic pollutants:

In order to improve the energy consumption efficiency of the display, the aluminum manufacturing process was changed to a copper manufacturing process, thus producing copper-containing wastewater during the wet etching production process. Copper wastewater is biologically toxic to the discharged water body, so that it affects the ecology of the drainage basin. If it causes concentration accumulation in aquatic organisms (such as fish, shrimp, shellfish and oysters), it will also affect the economic value of aquatic products. Therefore, regulations are formulated Pretty stringent emission limits.

AUO uses a mature electrolytic reduction method to precipitate high-concentration copper ions in wastewater into high-purity copper plates, which can be returned to the market for application, in line with the operating model of the circular economy trend. Not only does it significantly reduce ecological risks in waters, it also reduces the carbon footprint of new copper mining at the source, while creating a win-win situation for the circular economy.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
- Reduction or phase out of hazardous substances
- Upgrading of process equipment/methods
- Beyond compliance with regulatory requirements

Please explain

The introduction of a new copper process technology in the monitor production resulted in the generation of copper-containing wastewater during wet etching processing. The high copper wastewater concentration is approximately 8,000-10,000 ppm, with a total wastewater volume of about 38 CMD in 2023. We utilize the electrolytic reduction method to treat the copper-containing wastewater, where the process precipitates high copper ion concentrations onto copper plates, resulting in the production of refined copper rods exceeding 3N, totaling 51.7 tons in 2023, demonstrating significant economic benefits. In addition to the electrolytic reduction unit, the wastewater treatment process also includes an ion exchange resin adsorption unit to effectively reduce the copper concentration in the wastewater to below 1 ppm before discharging it to the industrial wastewater treatment plant for final treatment in compliance with discharge standards.

Q3.1 Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Response 1: Climate change

Environmental risks identified

Yes, both in direct operations and upstream/downstream value chain

Response 2: Water

Environmental risks identified

Yes, both in direct operations and upstream/downstream value chain

Response 3: Plastics

Environmental risks identified

No

Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Evaluation in progress

Please explain

AUO is currently evaluating and analyzing the use of plastics throughout the entire value chain. We have obtained preliminary results and formulated strategic objectives.

Q3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Response 1: Climate change

Risk identifier

Risk1

Risk types and primary environmental risk driver

Acute physical: Heavy precipitation (rain, hail, snow/ice)

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

Taiwan, China

Organization-specific description of risk

AUO's analysis scenario considers the severe SSP5-8.5 climate deterioration and warming scenario. Based on statistical downscaled data from 25 CMIP6 models in Taiwan's TCCIP, short-term heavy rainfall intensity in Taiwan may increase by 20% by 2050, and the frequency of intense typhoons may increase by up to 100%.

Incorporating the impact of heavy rainfall brought by typhoons, under the above analysis scenario, it is expected that Taiwan will experience around 4 to 5 typhoons annually in the 21st century, decreasing to 3 to 4 in the mid-century, and further reducing to 1 to 2 by the end of the 21st century. The intensity of typhoon rainfall is projected to increase by approximately 20% in the mid-century and 40% by the end of the century, with a greater increase in the western region. Additionally, typhoon wind speeds are expected to increase by

about 8% in the mid-century and 10% by the end of the century. (Comparing with the base period of information from 1979 to 2015)

In this scenario, AUO's analysis of its operational plant sites in Taiwan indicates that the central Taiwan plant site, due to its geographical characteristics, is at a higher risk of being impacted by severe rainfall, leading to potential disruptions in production and operational activities.

Primary financial effect of the risk

Decreased revenues due to reduced production capacity

Time horizon over which the risk is anticipated to have a substantive effect on the organization

- Long-term
- Medium-term
- Short-term

Likelihood of the risk having an effect within the anticipated time horizon

Likely

Magnitude

Medium

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water is a critical resource for AUO's manufacturing activities, as an adequate and clean water supply is essential to ensure the quality of panel products. AUO believes that intense rainfall may lead to systemic issues in the regional water supply system, resulting in water shortages and interruptions to AUO's manufacturing operations.

In this scientific analysis scenario, rainfall intensity is expected to increase significantly over time, indicating that this situation is likely to occur in the short to long term.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

813150163

Anticipated financial effect figure in the short-term - maximum (currency)

2478304006

Anticipated financial effect figure in the medium-term - minimum (currency)

1626300327

Anticipated financial effect figure in the medium-term - maximum (currency)

4956608012

Anticipated financial effect figure in the long-term - minimum (currency)

2439450490

Anticipated financial effect figure in the long-term - maximum (currency)

7434912018

Explanation of financial effect figure

The financial impact in this scenario is estimated based on the production interruption time and the value of production caused by heavy rainfall at the high-risk factory site.

We evaluate that the impact of precipitation intensity on production disruption days will increase. The interruption days estimation is based on the actual production interruption days at AUO in previous years caused by heavy rainfall. Estimated stoppage is around 5 days for mild impact, 10 days for moderate impact, and 15 days for severe impact.

The revenue per square meter of product and the daily average production capacity of the central factory area (two factory areas) are estimated based on the 2023 revenue data and the production area input.

The estimated daily production value is approximately 300 million for the Taichung factory area and 150 million for the Houli factory area. The primary financial impact estimation is as follows: Loss of product value due to production interruption Daily average production capacity of the factory area (area) * Unit product value per square meter (area) * Interruption days.

In the short term, the minimum value is calculated as: 150 million(single factory area) * 5 days of interruption around 800 million in losses; the maximum value is calculated as: 450 million (two factory areas) * 5 days of interruption around 2.4 billion.

In the medium term, the minimum value is calculated as: 150 million (single factory area) * 10 days of interruption around 1.6 billion in losses; the maximum value is calculated as: 450 million (two factory areas) * 10 days of interruption around 5 billion.

In the long term, the minimum value is calculated as: 150 million (single factory area) * 15 days of interruption around 2.4 billion in losses; the maximum value is calculated as: 450 million (two factory areas) * 15 days of interruption around 7.4 billion.

Primary response to risk

Infrastructure, technology and spending : Other infrastructure, technology and spending: Store reserve water sources and keep emergency backup water supply pipelines clear for contingency purposes.

Cost of response to risk

11736847

Explanation of cost calculation

The estimated cost to respond to the situation is calculated as follows:

Response cost = Daily average water intake for the two factory areas * Cost per cubic meter for emergency dispatch * Maximum operational disruption days

With the daily average water intake for the two factory areas being 31,298.26 cubic meters, and the cost per cubic meter for emergency dispatch being 25 New Taiwan Dollars, and the maximum operational disruption days being 15, the calculation would be:

11736847 New Taiwan Dollars

Description of response

This response method is a management tool for emergency dispatch in the face of acute physical risks. Since 2021, AUO has obtained the first ISO 46001 certification in the panel industry and has implemented this water resource management method in all production sites. Under the framework of ISO 46001, AUO has established operational response measures for operational disruptions caused by acute physical risks, and has also developed corresponding Standard Operating Procedures (SOPs) for other physical risks.

Response 2: Water

Risk identifier

Risk2

Risk types and primary environmental risk driver

Chronic physical: Water stress

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

Taiwan, China

River basin where the risk occurs

Other: Dajia River

Organization-specific description of risk

In the scenario assumed by AUO, the consideration is based on the severe SSP5-8.5 climate worsening warming scenario. In this scenario, based on statistical downscaling data from Taiwan TCCIP's 25 CMIP6 models, there is a 20% increase in the intensity of heavy rains in the short term, and a 5.5% increase in consecutive rain-free days. Additionally, through the climate risk organization XDI (The Cross Dependency), over 2,600 regions globally are assessed for the damages caused by phenomena such as river and surface floods, coastal floods, droughts, extreme winds, etc., and an external risk model from 1990 to 2050 is created.

In the aforementioned scenario, the future distribution of rainfall in terms of time and space in Taiwan will become more polarized. AUO also takes into account the water resource resilience capabilities of each factory site, including water resource dependency, industrial water pool capacity, factory site output, and other internal considerations. The company's water risk assessment should pay special attention to the Taichung and Houli factory areas in Taiwan.

Primary financial effect of the risk

Decreased revenues due to reduced production capacity

Time horizon over which the risk is anticipated to have a substantive effect on the organization

- Long-term
- Medium-term

Likelihood of the risk having an effect within the anticipated time horizon

Likely

Magnitude

Medium

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

With worsening uneven rainfall, Taiwan's water supply infrastructure will face increasing challenges in coping with more pronounced and intense drought-flood alternating events. Water is a critical resource for AUO's manufacturing activities, as sufficient and clean water is needed to ensure the quality of panel products. Factory sites located in areas with water pressure issues may face interruptions in production activities due to water supply disruptions.

In recent years, certain areas in Taiwan have already implemented restrictions on domestic water use during dry spells. AUO assesses that in the future, with the increasingly uneven distribution of rainfall, this situation may have medium to long-term impacts on its operations.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the medium-term - minimum (currency)

1626300327

Anticipated financial effect figure in the medium-term - maximum (currency)

4956608012

Anticipated financial effect figure in the long-term - minimum (currency)

3252600653

Anticipated financial effect figure in the long-term - maximum (currency)

9913216024

Explanation of financial effect figure

The financial impact in this scenario at the high-risk factory site due to production disruptions caused by heavy rainfall and the value of production are considered as estimation factors. The assessment is based on the increasing intensity of rainfall and its impact on the number of days of production operation interruption.

The estimation of interruption days is based on the reference of Taiwan's water supply restrictions due to drought. It is estimated that moderate impact would result in around 10 days of production stoppage, while severe impact would lead to an estimated 20 days of stoppage.

The revenue per square meter of product and the daily average production capacity of the central factory area (both factory sites) are estimated based on the 2023 revenue data and the production area. The estimated daily production value is approximately 3 billion for the Taichung factory area and 1.5 billion for the Houli factory area.

The main financial impact estimation is as follows: Loss of product value due to production interruption = Daily average production capacity of the factory area (area) * Unit product value per square meter (area) * Interruption days.

In the medium term, the minimum value is calculated as: 150 million (single factory area) * 10 days of interruption = approximately 1.6 billion in losses; the maximum value is calculated as: 450 million (both factory areas) * 10 days of interruption = approximately 5 billion.

In the long term, the minimum value is calculated as: 150 million (single factory area) * 20 days of interruption = approximately 32 billion in losses; the maximum value is calculated as: 450 million (both factory areas) * 20 days of interruption = approximately 9.9 billion.

Primary response to risk

Infrastructure, technology and spending : Other infrastructure, technology and spending: Store reserve water sources and keep emergency backup water supply pipelines clear for contingency purposes.

Cost of response to risk

15649129

Explanation of cost calculation

The estimated cost to respond to the situation is calculated as follows:

Response cost = Daily average water intake for the two factory areas * Cost per cubic meter for emergency dispatch * Maximum operational disruption days

With the daily average water intake for the two factory areas being 31,298.26 cubic meters, and the cost per cubic meter for emergency dispatch being 25 New Taiwan Dollars, and the maximum operational disruption days being 20, the calculation would be:

15649129 New Taiwan Dollars

11736847 New Taiwan Dollars

Description of response

This response method is a management tool for emergency dispatch in the face of acute physical risks. Since 2021, AUO has obtained the first ISO 46001 certification in the panel industry and has implemented this water resource management method in all production sites. Under the framework of ISO 46001, AUO has established operational response measures for operational disruptions caused by acute physical risks, and has also developed corresponding Standard Operating Procedures (SOPs) for other physical risks.

Response 3: Plastics

Response 4: Climate change

Risk identifier

Risk3

Risk types and primary environmental risk driver

Policy: Carbon pricing mechanisms

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

Taiwan, China

Organization-specific description of risk

Taiwan has declared its goal to achieve national net-zero carbon emissions by 2050, and has issued the ' Taiwan 2050 Net Zero Emission Pathway and Strategy' and enacted the ' Climate Change Adaptation Act.' Taiwan has also announced the imposition of carbon fees on large carbon emitters. In countries where carbon taxes have been or will be imposed, companies are required to reduce carbon emissions by increasing the fee rate, leading to increased costs.

Background scenario explanation:

Taiwan has started imposing carbon fees and plans to gradually increase the carbon fee rate in the future.

Primary financial effect of the risk

Increased compliance costs

Time horizon over which the risk is anticipated to have a substantive effect on the organization

- Medium-term
- Long-term
- Short-term

Likelihood of the risk having an effect within the anticipated time horizon

Virtually certain

Magnitude

Medium-high

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Facing the global low-carbon trend, countries are implementing various carbon pricing regulations to drive momentum for carbon reduction. Evaluate the impact of Taiwan's imposition of carbon taxes and fees from 2025 to 2030.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

693000000

Anticipated financial effect figure in the short-term - maximum (currency)

1386000000

Anticipated financial effect figure in the medium-term - minimum (currency)

2310000000

Anticipated financial effect figure in the medium-term - maximum (currency)

4158000000

Anticipated financial effect figure in the long-term - minimum (currency)

5313000000

Anticipated financial effect figure in the long-term - maximum (currency)

5313000000

Explanation of financial effect figure

Financial impact estimations: Singapore will only be short-term affected by the transformation of the manufacturing plant. In Taiwan, due to the gradual increase in carbon tax rates, based on the carbon emissions in 2021, the financial impact caused by the annual increase in carbon tax of 300 to 500 NTD per ton from 2025 to 2030 is estimated as follows:

Estimated financial impact based on the carbon emissions in the baseline year (2,310,000 tons CO₂e) x carbon tax rate (300-500 NTD):

Estimated cumulative impact in 2025: 693,000,000 NTD
Estimated cumulative impact in 2025-2026: 1,386,000,000 NTD
Estimated cumulative impact in 2025-2027: 2,310,000,000 NTD
Estimated cumulative impact in 2025-2029: 4,158,000,000 NTD
Estimated cumulative impact in 2025-2030: 5,313,000,000 NTD

Primary response to risk

Compliance, monitoring and targets : Establish organization-wide targets

Cost of response to risk

2119000000

Explanation of cost calculation

Cost estimation based on the RE100 pathway for purchasing renewable energy in Taiwan. AUO aims to achieve a renewable energy share of 30% by 2030.

The total cost for estimating the purchase of renewable energy based on Taiwan's current renewable energy prices and 30% usage of electricity by the factory sites in 2023 is 2,119,000,000 NTD.

Description of response

Facing regulatory oversight and charging measures for carbon emissions, AUO has set a science-based target in alignment with the 1.5°C pathway. The company aims to achieve a 42% absolute reduction in Scope 1 and 2 emissions by 2030 and has declared a net-zero target by 2050, consistent with international and Taiwan government goals. Currently, AUO's main carbon emissions come from Scope 2, accounting for 97% of emissions, making the use of renewable energy the primary means of emission reduction. In 2022, AUO passed the RE100 audit and aims to achieve the RE30 target by 2030 and RE100 by 2050. In addition to using renewable energy, AUO has established an energy-saving project team with a goal of achieving a 30% overall energy reduction by 2030. These are the corresponding measures implemented by AUO to respond to carbon emission regulations and fees.

Response 5: Climate change

Risk identifier

Risk4

Risk types and primary environmental risk driver

Market: Changing customer behavior

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

Taiwan, China

Organization-specific description of risk

Taiwan has declared its intention to achieve national net-zero carbon emissions by 2050 and has released the '\ Taiwan 2050 Net Zero Emission Pathway and Strategy,\ ' along with the enactment of the '\ Climate Change Adaptation Act.\ ' The company evaluates the transition scenario based on the national net-zero emission pathway and strategy, international climate-related regulations, and stakeholder demands for a 2050 net-zero commitment. The company actively responds to the resilience conditions required for the transition to net-zero (SSP1-1.9) scenario, such as setting ambitious low-carbon transformation goals through initiatives like SBT and RE100.

Background scenario explanation:

Customer demands for disclosing carbon information on the product life cycle may pose competitiveness risks but also create opportunities for low-carbon business.

Customers require products to declare the use of low-carbon production, renewable energy, and recycled materials in response to related product certifications.

Long-term goals involve aligning with international trends, committing to the 2050 net-zero target and development pathway, and expanding renewable energy demand to achieve net-zero goals and compliance with laws and regulations, which may pose risks of green energy shortages in addition to operational cost impacts.

Primary financial effect of the risk

Increased direct costs

Time horizon over which the risk is anticipated to have a substantive effect on the organization

- Medium-term
- Long-term
- Short-term

Likelihood of the risk having an effect within the anticipated time horizon

Virtually certain

Magnitude

Medium-high

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

To meet the low-carbon transformation demands of customer product production in response to the global low-carbon trend, committing to international advocacy goals for the use of low-carbon energy, both in Taiwan and China regions, have pledged to invest in using 10-30% renewable energy from 2025 to 2030.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

783000000

Anticipated financial effect figure in the short-term - maximum (currency)

1566000000

Anticipated financial effect figure in the medium-term - minimum (currency)

1164000000

Anticipated financial effect figure in the medium-term - maximum (currency)

1164000000

Anticipated financial effect figure in the long-term - minimum (currency)

2119000000

Anticipated financial effect figure in the long-term - maximum (currency)

2119000000

Explanation of financial effect figure

The financial impact estimation involves AUO using the pathway towards achieving the yearly targets of RE100 as a reference. This pathway requires the total volume of various green energy sources to achieve the targets, considering the green energy premiums in different regions (the price difference between green energy and conventional energy).

The main financial impact estimation is as follows:

Direct operating costs of purchasing green energy = Green energy demand volume x (Green energy unit price - Local conventional energy price).

Primary response to risk

Infrastructure, technology and spending : Other infrastructure, technology and spending: Establish a dedicated team for green energy procurement and energy conservation.

Cost of response to risk

120000000

Explanation of cost calculation

The company has allocated resources to establish a green energy procurement team, comprising legal, financial, procurement, sustainability, operations, and business units. Additionally, the company has developed a contract management system and a green energy quantity and certificate management system. This includes the organizational costs related to manpower as well as system development costs.

Description of response

For the renewable energy procurement strategy, AUO has established a project team consisting of legal, financial, procurement, sustainability, operations, and business units. This team is responsible for promptly responding to renewable energy procurement strategies for Taiwan and overseas facilities and has developed a renewable energy management system to ensure the quality of renewable energy and the achievement of goals. Additionally, for energy conservation, AUO has implemented ISO 50001 and IPMVP energy verification systems across all factory areas to ensure that production processes use electricity in the most efficient manner.

Q3.1.2 Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Response 1: Climate change

Financial metric

Revenue

Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

12000000000

% of total financial metric vulnerable to transition risks for this environmental issue

1-10%

Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

7400000000

% of total financial metric vulnerable to physical risks for this environmental issue

1-10%

Explanation of financial figures

For the assessment of transformation risks affecting revenue, assuming that if AUO's products cannot meet customer demand for low-carbon products, leading to a reduction in the quantity of AUO's products ordered by customers. Based on the revenue of customers who have already prepared to establish relevant specifications as the basis of estimation, it is expected to impact 5% of operating income.

For the assessment of physical risks, as mentioned in the previous scenario, we estimate that the impact of physical risks leading to operational disruptions and revenue loss will be approximately 3% of operating income, calculated based on the estimated daily production capacity at high-risk factory areas (two factory areas).

Response 2: Water

Financial metric

Revenue

Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

500000000

% of total financial metric vulnerable to transition risks for this environmental issue

Less than 1%

Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

9900000000

% of total financial metric vulnerable to physical risks for this environmental issue

1-10%

Explanation of financial figures

For the assessment of water risk on operating income, in terms of transformation risk, we use the revenue of AUO's subsidiary specializing in water resource solutions as a benchmark. If the subsidiary is unable to enhance its technological capabilities in water resource solutions, it may lead to a decrease in overall revenue. In terms of physical risk, we assess the impact on AUO of operational interruptions due to water pressure risks reducing production capacity and affecting operating income. As mentioned earlier, we estimate a 4% loss in operating income based on the estimated daily production capacity at the two factory areas in water pressure regions multiplied by the number of days of operational interruption (20 days).

Response 3: Climate change

Financial metric

OPEX

Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

7432000000

% of total financial metric vulnerable to transition risks for this environmental issue

21-30%

Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

% of total financial metric vulnerable to physical risks for this environmental issue

Less than 1%

Explanation of financial figures

For the impact of climate change on operating expenses, the main estimation involves the impact of transformation risks. This impact includes the payment of carbon fees and the operational costs of using renewable energy. Over the mid to long term (by 2030), we estimate that by that year, a total of 5.3 billion NTD will be needed to pay carbon fees, while the cost of transitioning to renewable energy and other energy management costs will amount to approximately 2.1 billion NTD. The total impact of transformation risks on Opex is estimated to be around 7.4 billion NTD.

Q3.2 Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Response 1: Row 1

Country/Area & River basin

Taiwan, China: Other: Da'an River and Dajia River

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

2

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

1-25%

% organization's total global revenue that could be affected

1-10%

Please explain

The financial impact in this scenario at the high-risk factory site due to production disruptions caused by heavy rainfall and the value of production are considered as estimation factors. The assessment is based on the increasing intensity of rainfall and its impact on the number of days of production operation interruption.

The estimation of interruption days is based on the reference of Taiwan's water supply restrictions due to drought. It is estimated that moderate impact would result in around 10 days of production stoppage, while severe impact would lead to an estimated 20 days of stoppage.

The revenue per square meter of product and the daily average production capacity of the central factory area (both factory sites) are estimated based on the 2023 revenue data and the production area. The estimated daily production value is approximately 3 billion for the Taichung factory area and 1.5 billion for the Houli factory area.

The main financial impact estimation is as follows: Loss of product value due to production interruption = Daily average production capacity of the factory area (area) * Unit product value per square meter (area) * Interruption days.

In the medium term, the minimum value is calculated as: 1.5 billion (single factory area) * 10 days of interruption = approximately 16 billion in losses; the maximum value is calculated as: 4.5 billion (both factory areas) * 10 days of interruption = approximately 50 billion.

In the long term, the minimum value is calculated as: 1.5 billion (single factory area) * 20 days of interruption = approximately 32 billion in losses; the maximum value is calculated as: 4.5 billion (both factory areas) * 20 days of interruption = approximately 99 billion.

Q3.3 In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Response 1:

Water-related regulatory violations

No

Q3.5 Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

Q3.5.1 Select the carbon pricing regulation(s) which impact your operations.

Q3.5.4 What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

AUO has demonstrated its long-term support by continuously communicating and engaging with the government. This involvement includes participating in public hearings and providing suggestions for the 'Carbon Credit Distribution' methodology within Taiwan's Emission Trading Scheme (ETS) plan. As far as we know, the Taiwanese government plans to announce a carbon fee levy method in 2024, with implementation expected to start in 2026.

Additionally, since 2013, AUO has acquired a total of 9.56 million tons of carbon credits by participating in Taiwan EPA's 'GHG Early Action Project' for PFCs reduction. These credits have predominantly been used to advance carbon neutrality efforts. Since 2017, AUO has also engaged in pilot carbon credit trading, with approximately 5 million tons of carbon credits traded through Taiwan EPA's domestic carbon trading platform. Furthermore, in 2019, AUO continued to enhance F-GHG reduction management and applied for offset projects, converting the company's carbon reduction endeavors into carbon assets. In 2023, AUO successfully acquired Taiwan government's first-phase carbon offset rights, and by following the ISO 14068 standard, achieved carbon neutrality at its headquarters in 2023.

Q3.6 Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Environmental opportunities identified	
Climate change	Yes, we have identified opportunities, and some/all are being realized
Water	Yes, we have identified opportunities, and some/all are being realized

Q3.6.1 Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Response 1: Climate change

Opportunity identifier

Opp1

Opportunity type and primary environmental opportunity driver

Products and services: Increased sales of existing products and services

Value chain stage where the opportunity occurs

Direct operations

Country/area where the opportunity occurs

Taiwan, China

Organization specific description

In 2022, the Taiwan government declared its determination to achieve net-zero emissions by 2050 and introduced twelve key policy guidelines in alignment with this goal. The development of solar energy is one of these twelve key policies, with plans to install solar photovoltaic systems in Taiwan reaching 30 GW by 2030 and 40-80 GW by 2050.

AUO, leveraging its years of experience in the solar energy industry, has transitioned from solar module hardware to the construction of solar power plants. The company provides comprehensive solutions for renewable energy, energy storage, energy efficiency, and energy management, actively working to create reliable and sustainable clean energy. AUO's energy business encompasses three main service areas: diversified energy system materials, comprehensive plant construction and operation, and smart energy management.

Primary financial effect of the opportunity

Increased revenues resulting from increased demand for products and services

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

- Medium-term
- Long-term

Likelihood of the opportunity having an effect within the anticipated time horizon

Very likely (90-100%)

Magnitude

Medium-high

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Taiwanese government expects the installed capacity to reach 30 GW by 2030 and 40-80 GW by 2050, with the reported total installed capacity in Taiwan being around 12 GW in 2023. Following the targets set by the Taiwanese government, there is still room for growth in the domestic solar photovoltaic market. AUO is currently one of the top three companies in Taiwan in terms of shipments of panel modules. We believe that AUO's solar energy business will continue to grow in the medium to long term.

Are you able to quantify the financial effects of the opportunity?

Yes

Anticipated financial effect figure in the medium-term - minimum (currency)

52500000000

Anticipated financial effect figure in the medium-term - maximum (currency)

105000000000

Anticipated financial effect figure in the long-term - minimum (currency)

131250000000

Anticipated financial effect figure in the long-term - maximum (currency)

183750000000

Explanation of financial effect figures

Based on the Renewable Energy Act in Taiwan, the installed capacity of solar energy generation is expected to reach 30 gigawatts by 2030. Assuming AUO accounts for approximately 20% of all photovoltaic module shipments in Taiwan and possesses expertise in high-efficiency photovoltaic modules and electricity infrastructure construction, providing comprehensive station construction services based on operational service platforms.

The estimated data is as follows:

AUO Solar accounts for 20% of the photovoltaic module shipments in Taiwan. Based on the assumption, the potential annual revenue is estimated at 26.25 billion NTD. This includes estimates for market share, project costs and profits, maintenance profits, and other data calculations. The long-term financial opportunity estimation is projected until 2030.

Mid-term (2025-2028) cumulative revenue opportunity = 262.5 billion * 2-4 years = 525 billion to 1,050 billion
Long-term (2025-2030) cumulative revenue opportunity = 262.5 billion * 5-7 years = 1,312 billion to 1,837 billion

Cost to realize opportunity

67550000000

Explanation of cost calculation

In the 2023 AUO energy business financial annual report, the total operating cost for the energy business is NT\$9,650,000,000. Estimated over a long-term period (seven years), the total investment cost would be:
 $NT\$9,650,000,000 * 7 = NT\$67,550,000,000$

Strategy to realize opportunity

With the maturation and cost reduction of solar photovoltaic technology in Taiwan, solar energy has become widely utilized in daily life and a key player in Taiwan's energy transition. Leveraging years of experience in the solar energy industry, AUO has expanded its operations from solar module hardware to the construction of solar power plants. The company provides comprehensive solutions for generation, energy storage, energy efficiency, and energy management, actively promoting reliable and sustainable clean energy. AUO plans to expand its investment in renewable energy development and gradually increase the scale of its external renewable energy power plant business. In addition to power plant operations, AUO has also developed a solar energy software monitoring and maintenance system to enhance smart management, reduce

manpower requirements, and maximize power generation efficiency.

Response 2: Water

Opportunity identifier

Opp2

Opportunity type and primary environmental opportunity driver

Products and services: Ability to diversify business activities

Value chain stage where the opportunity occurs

Direct operations

Country/area where the opportunity occurs

- China
- Taiwan, China

River basin where the opportunity occurs

Unknown

Organization specific description

With AUO's water treatment technology for many years, we have realized the zero-emission vision of the high-tech industry and made it an economically viable, environmentally friendly solution. In 2015, we exposed the key technologies of the project and promoted them. In 2017, our engineering team formally established a new company - AUO Envirotech, which serves domestic and international industries where environmental wastewater and water-saving engineering services who needed, and contribute to AUO group income.

Primary financial effect of the opportunity

Increased revenues through access to new and emerging markets

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

- Short-term
- The opportunity has already had a substantive effect on our organization in the reporting year
- Medium-term

Likelihood of the opportunity having an effect within the anticipated time horizon

Likely (66-100%)

Magnitude

Medium

Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

AUO Envirotech reported operating income of 1,141,045,000 New Taiwan Dollars in the reporting year, representing a growth of approximately 54% compared to the previous year.

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

AUO has seen the international trend, especially in China, which has become stricter environmental policy, so we started our environmental management business. This is an important milestone for AUO to enter green business opportunities from green manufacturing. Since then, AUO has collaborated with its subsidiary AUO Envirotech Inc. to make further progress in the area of environmental sustainability. Through AUO's solid experience in sustainable development and water resource management and practical project integration. In addition to creating sustainable business opportunities, AUO Envirotech also offers AUO's supply chain reliable sustainability consulting services, which improve AUO's supply chain resilience and sustainable competitiveness.

Are you able to quantify the financial effects of the opportunity?

Yes

Financial effect figure in the reporting year (currency)

1141045000

Anticipated financial effect figure in the short-term - minimum (currency)

1255149500

Anticipated financial effect figure in the short-term - maximum (currency)

1369254000

Anticipated financial effect figure in the medium-term - minimum (currency)

1380664450

Anticipated financial effect figure in the medium-term - maximum (currency)

2839285094

Explanation of financial effect figures

AUO operates primarily in China and Taiwan with manufacturing facilities, and foresees a growing demand for environmental management services as climate change and environmental regulations become more stringent in these regions. In response to this trend, AUO plans to expand its environmental management solutions not only in Taiwan but also in China.

Based on the revenue situation in 2023, we estimate a growth in revenue of 10-20% annually for AUO as the basis for evaluating short-term and medium-term financial opportunities.

For the reporting year, AUO Envirotech's revenue is NT\$1,141,045,000.

For short-term growth (1 year), the estimated value is:
 $NT\$1,141,045,000 * (1.1 \sim 1.2) = NT\$1,255,149,500$ to $NT\$1,369,254,000$.

For mid-term growth (2 to 5 years), the minimum estimate is:
 $NT\$1,141,045,000 * 1.1 * 1.1 = NT\$1,380,664,450$;
and the maximum estimate is:
 $NT\$1,141,045,000 * 1.2^5 = NT\$2,839,285,094$.

Cost to realize opportunity

5500000000

Explanation of cost calculation

To calculate the operating costs for AUO Envirotech in 2023 amounting to approximately 1,100,000,000 NTD over a medium-term period of 5 years until 2028, we would multiply the annual operating costs by the number of years in the medium-term period.

$1,100,000,000 \text{ NTD} * 5 \text{ years} = 5,500,000,000 \text{ NTD}$

Therefore, the estimated operating costs for AUO Envirotech for the medium-term period until 2028 would be approximately 5,500,000,000 NTD.

Strategy to realize opportunity

AUO Envirotech service business includes comprehensive water treatment, zero discharge of process water, energy efficiency enhancement, operations engineering integration, and intelligent energy management. In 2023, AUO Envirotech revenue reach NTD 1141045000, which is 54% increase than 2022 (NTD 766,433,000). As the sustainable trend grows, the business is expected to grow sustainably in the future.

Response 3: Climate change

Opportunity identifier

Opp3

Opportunity type and primary environmental opportunity driver

Products and services: Ability to diversify business activities

Value chain stage where the opportunity occurs

Direct operations

Country/area where the opportunity occurs

Taiwan, China

Organization specific description

AUO leverages its years of manufacturing experience to continuously develop energy monitoring technologies and has extended this expertise by establishing AUO Digitech, a subsidiary that provides smart manufacturing solutions and digital transformation services. By integrating people, machinery, materials, methods, environment, and artificial intelligence in manufacturing, AUO offers integrated solutions to assist businesses in their digital transformation efforts.

Primary financial effect of the opportunity

Increased revenues through access to new and emerging markets

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

- Medium-term
- The opportunity has already had a substantive effect on our organization in the reporting year
- Short-term

Likelihood of the opportunity having an effect within the anticipated time horizon

Likely (66-100%)

Magnitude

Low

Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

AUO Digitech reported operating income of 170,414,000 New Taiwan Dollars in the reporting year, representing a growth of approximately 75% compared to the previous year.

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the trend towards achieving net-zero emissions, improving energy efficiency in production and manufacturing has become a necessary means for enhancing a company's resilience to climate risks. Leveraging its deep manufacturing expertise, AUO has developed the AUO Digitech Smart Energy Management System, which uses one-to-many edge power collection devices to provide a cost-effective solution, reducing the significant deployment costs required for smart factory implementations. The system meets the data and management analysis needs for various usage scenarios, enhancing decision support and energy management efficiency.

A key feature of the system is the use of proactive power consumption data analytics to identify consumption hotspots, facilitating quick decisions to accelerate energy improvement activities. Lastly, the system integrates indicators and target achievement levels to meet the requirements of ISO 50001 Energy Management System verification, facilitating energy-saving initiatives and generating energy reports with just a click of a button.

Are you able to quantify the financial effects of the opportunity?

Yes

Financial effect figure in the reporting year (currency)

170414000

Anticipated financial effect figure in the short-term - minimum (currency)

187455400

Anticipated financial effect figure in the short-term - maximum (currency)

204496800

Anticipated financial effect figure in the medium-term - minimum (currency)

206200940

Anticipated financial effect figure in the medium-term - maximum (currency)

424044564

Explanation of financial effect figures

We estimate that AUO digitech business will see annual revenue growth of 10%-20% based on the revenue situation in 2023, to assess the financial opportunities in the short-term and medium-term periods.

For the reporting year, AUO Digitech's revenue is NT\$170,414,000.

For short-term growth (1 year), the estimated value is:
 $NT\$170,414,000 * (1.1 \sim 1.2) = NT\$187,455,400$ to $NT\$204,496,800$.

For mid-term growth (2 to 5 years), the minimum estimate is:
 $NT\$170,414,000 * 1.1 * 1.1 = NT\$206,200,940$;
and the maximum estimate is:
 $NT\$170,414,000 * 1.2^5 = NT\$424,044,564$.

Cost to realize opportunity

850000000

Explanation of cost calculation

To calculate the operating costs for AUO Digitech in 2023, amounting to approximately 170,000,000 NTD over a medium-term period of 5 years until 2028, we would multiply the annual operating costs by the number of years in the medium-term period.

$170,000,000 \text{ NTD} * 5 \text{ years} = 850,000,000 \text{ NTD}$

Therefore, the estimated operating costs for AUO Digitech for the medium-term period until 2028 would be approximately 850,000,000 NTD.

Strategy to realize opportunity

AUO Digitech is a subsidiary of AUO providing smart manufacturing solutions and digital transformation services. It integrates people, machines, materials, methods, environment and artificial intelligence in manufacturing, offering all in-one solutions that assist companies in their digital transformation.

We will leverage the experience of the parent company in smart manufacturing to utilize AUO Digitech to assist manufacturing peers in collectively enhancing resilience in the face of climate change.

Q3.6.2 Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Response 1: Climate change

Financial metric

Revenue

Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

180000000000

% of total financial metric aligned with opportunities for this environmental issue

11-20%

Explanation of financial figures

Based on the Renewable Energy Act in Taiwan, the installed capacity of solar energy generation is expected to reach 30 gigawatts by 2030. Assuming AUO accounts for approximately 20% of all photovoltaic module shipments in Taiwan and possesses expertise in high-efficiency photovoltaic modules and electricity infrastructure construction, providing comprehensive station construction services based on operational service platforms.

The estimated data is as follows:

AUO Solar accounts for 20% of the photovoltaic module shipments in Taiwan. Based on the assumption, the potential annual revenue is estimated at 26.25 billion NTD. This includes estimates for market share, project costs and profits, maintenance profits, and other data calculations. The long-term financial opportunity estimation is projected until 2030.

Long-term (2025-2030) cumulative revenue opportunity = 26.25 billion * 5-7 years = 131.2 billion to 183.7 billion

The long-term cumulative revenue is expected to reach NT\$180 billion, which would account for 16% of the company's total revenue. This estimation is based on market growth, with the potential for an annual revenue of NT\$50 billion by 2030.

Response 2: Water

Financial metric

Revenue

Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2800000000

% of total financial metric aligned with opportunities for this environmental issue

1-10%

Explanation of financial figures

AUO operates primarily in China and Taiwan with manufacturing facilities, and foresees a growing demand for environmental management services as climate change and environmental regulations become more stringent in these regions. In response to this trend, AUO plans to expand its environmental management solutions not only in Taiwan but also in China.

Based on the revenue situation in 2023, we estimate a growth in revenue of 10-20% annually for AUO Envirotech as the basis for evaluating short-term and medium-term financial opportunities.

The estimated annual revenue for that year is expected to reach 2.8 billion NT dollars by 2028.

The estimated annual revenue for that year is expected to reach 2.8 billion NT dollars by 2030.

Therefore, based on the operational income of AUO Envirotech in 2023, we estimate that by 2030, there will be the opportunity to accumulate 2.8 billion NT dollars in revenue.

Q4.1 Does your organization have a board of directors or an equivalent governing body?

Response 1:

Board of directors or equivalent governing body

Yes

Frequency with which the board or equivalent meets

Half-yearly

Types of directors your board or equivalent is comprised of

Independent non-executive directors or equivalent

Board diversity and inclusion policy

Yes, and it is publicly available

Briefly describe what the policy covers

The Board of Directors of AUO is responsible for guiding the company's strategy, supervising the management team, overseeing the operation and arrangement of the company's governance system, being accountable to the shareholders' meeting, and exercising its powers in accordance with laws, regulations, and the company's articles of association. The company's Board of Directors is composed of experienced professionals from the industry and academic experts, all of whom possess professional knowledge and extensive industry or management experience. We have established a diversity policy for the Board of Directors, considering not only their professional qualifications and various necessary conditions, but also the company's future development needs and management objectives. For example, whether they have expertise and experience in ESG, the extent of involvement in the company's operations, and whether they prioritize the sustainability of the company. It is hoped that the members of the Board of Directors can align with the industry characteristics, leverage their core competencies, and effectively fulfill their responsibilities. For more details about the Board of Directors, please refer to pages 6 to 16 of AUO's 2023 annual report and pages 19 to 21 of the sustainability report.

Attach the policy (optional)

- 2023_Annual_Report_EN.pdf
- Organizational_Charter_for_Sustainability_and_ERM_Committee_EN.pdf

Q4.1.1 Is there board-level oversight of environmental issues within your organization?

Response 1: Climate change

Board-level oversight of this environmental issue

Yes

Response 2: Water

Board-level oversight of this environmental issue

Yes

Response 3: Biodiversity

Board-level oversight of this environmental issue

Yes

Q4.1.2 Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Response 1: Climate change

Positions of individuals or committees with accountability for this environmental issue

- Director on board
- Board-level committee
- Board chair

Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions' accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

Governance mechanisms into which this environmental issue is integrated

- Overseeing and guiding scenario analysis
- Monitoring progress towards corporate targets
- Monitoring the implementation of the business strategy
- Overseeing and guiding the development of a business strategy
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Monitoring the implementation of a climate transition plan
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding acquisitions, mergers, and divestitures
- Reviewing and guiding innovation/R&D priorities
- Reviewing and guiding annual budgets
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing the setting of corporate targets
- Monitoring compliance with corporate policies and/or commitments
- Monitoring supplier compliance with organizational requirements

Please explain

The AUO Board exercises relevant powers in accordance with the Corporate Governance Guidelines and includes four functional committees. The oversight of environmental issues related to climate change, water, biodiversity, and plastics is conducted by the ' Sustainability and Risk Management Committee.' This committee consists of 3 members, with the Chairman and 2 independent directors, and their responsibilities are clearly defined in the ' Organization Regulations of the Sustainability and Risk Management Committee,' covering two main themes: sustainability and risk governance. The responsibilities related to sustainability include: 1. Establishing the company's sustainability guidelines; 2. Supervising the development and implementation of sustainability policies, systems, or related management policies, making

significant decisions on sustainability issues, including technological applications, product value, energy development, green manufacturing, value chain management, corporate responsibility, risk management, circular economy, and carbon energy operations; 3. Strengthening communication with stakeholders and focusing on issues they value; 4. Ensuring the timeliness and accuracy of disclosure of sustainability-related information; 5. Supervising other sustainability-related work items as resolved by the Board of Directors. The main responsibilities related to risk governance include: 1. Reviewing risk management policies, procedures, and frameworks, assessing the effectiveness of risk strategies; 2. Defining qualitative and quantitative risk tolerance, allocating resources most effectively; 3. Implementing Board of Directors' risk management decisions, overseeing the company's various risk management mechanisms, determining the priorities of risk control; 4. Reviewing the implementation of risk management and making necessary improvement recommendations. Through this mechanism, all outcomes of environmental issue implementations will be directly reported to the Board, ensuring Board members can provide comprehensive oversight on AUO's sustainability and risk management.

In 2023, the 'Sustainability and Risk Management Committee' held two strategic meetings for directors, where the CSO reported on various topics including amendments to sustainability guidelines, progress on AUO's sustainability goals, analysis of sustainability material issue, achievement of sustainability material issue, content of risk management reports, biodiversity policy, and establishment of the plastic working group. During the meetings, the committee approved the formulation of sustainability guidelines and biodiversity policy, confirmed AUO's sustainability goals and progress on material issue objectives through the content of the risk management reports and results of the analysis of sustainability material issues, and provided specific action directives and short, medium, and long-term management policies for risks and opportunities.

Response 2: Water

Positions of individuals or committees with accountability for this environmental issue

- Director on board
- Board chair
- Board-level committee

Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions' accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

Governance mechanisms into which this environmental issue is integrated

- Overseeing and guiding the development of a business strategy
- Overseeing and guiding public policy engagement
- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing reporting, audit, and verification processes
- Reviewing and guiding innovation/R&D priorities
- Overseeing and guiding major capital expenditures
- Approving and/or overseeing employee incentives
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Overseeing and guiding scenario analysis

- Monitoring progress towards corporate targets
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Monitoring the implementation of the business strategy
- Reviewing and guiding annual budgets
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing the setting of corporate targets
- Monitoring the implementation of a climate transition plan
- Approving corporate policies and/or commitments

Please explain

The AUO Board exercises relevant powers in accordance with the Corporate Governance Guidelines and includes four functional committees. The oversight of environmental issues related to climate change, water, biodiversity, and plastics is conducted by the \ Sustainability and Risk Management Committee.\ This committee consists of 3 members, with the Chairman and 2 independent directors, and their responsibilities are clearly defined in the \ Organization Regulations of the Sustainability and Risk Management Committee,\ covering two main themes: sustainability and risk governance. The responsibilities related to sustainability include: 1. Establishing the company's sustainability guidelines; 2. Supervising the development and implementation of sustainability policies, systems, or related management policies, making significant decisions on sustainability issues, including technological applications, product value, energy development, green manufacturing, value chain management, corporate responsibility, risk management, circular economy, and carbon energy operations; 3. Strengthening communication with stakeholders and focusing on issues they value; 4. Ensuring the timeliness and accuracy of disclosure of sustainability-related information; 5. Supervising other sustainability-related work items as resolved by the Board of Directors. The main responsibilities related to risk governance include: 1. Reviewing risk management policies, procedures, and frameworks, assessing the effectiveness of risk strategies; 2. Defining qualitative and quantitative risk tolerance, allocating resources most effectively; 3. Implementing Board of Directors' risk management decisions, overseeing the company's various risk management mechanisms, determining the priorities of risk control; 4. Reviewing the implementation of risk management and making necessary improvement recommendations. Through this mechanism, all outcomes of environmental issue implementations will be directly reported to the Board, ensuring Board members can provide comprehensive oversight on AUO's sustainability and risk management.

In 2023, the \ Sustainability and Risk Management Committee\ held two strategic meetings, where the sustainability officer presented reports on various topics to the committee members. The reports covered amendments to sustainability guidelines, progress in AUO's sustainability goals, analysis of significant sustainability issues, achievement status of sustainability goals, risk management reports, biodiversity policy, and the establishment and objectives of the plastics working group, among others. During the meetings in the reporting year, the committee members approved funding for the subsidiary managing water resources (AUO Envirotech) and a loan for AUO's own water resource management equipment.

Response 3: Biodiversity

Positions of individuals or committees with accountability for this environmental issue

- Director on board
- Board chair
- Board-level committee

Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions' accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

Governance mechanisms into which this environmental issue is integrated

- Monitoring the implementation of the business strategy
- Overseeing and guiding scenario analysis
- Monitoring progress towards corporate targets
- Overseeing and guiding the development of a business strategy
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Reviewing and guiding annual budgets
- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Monitoring the implementation of a climate transition plan
- Approving corporate policies and/or commitments
- Overseeing the setting of corporate targets

Please explain

The AUO Board exercises relevant powers in accordance with the Corporate Governance Guidelines and includes four functional committees. The oversight of environmental issues related to climate change, water, biodiversity, and plastics is conducted by the Sustainability and Risk Management Committee. This committee consists of 3 members, with the Chairman and 2 independent directors, and their responsibilities are clearly defined in the Organization Regulations of the Sustainability and Risk Management Committee, covering two main themes: sustainability and risk governance. The responsibilities related to sustainability include: 1. Establishing the company's sustainability guidelines; 2. Supervising the development and implementation of sustainability policies, systems, or related management policies, making significant decisions on sustainability issues, including technological applications, product value, energy development, green manufacturing, value chain management, corporate responsibility, risk management, circular economy, and carbon energy operations; 3. Strengthening communication with stakeholders and focusing on issues they value; 4. Ensuring the timeliness and accuracy of disclosure of sustainability-related information; 5. Supervising other sustainability-related work items as resolved by the Board of Directors. The main responsibilities related to risk governance include: 1. Reviewing risk management policies, procedures, and frameworks, assessing the effectiveness of risk strategies; 2. Defining qualitative and quantitative risk tolerance, allocating resources most effectively; 3. Implementing Board of Directors' risk management decisions, overseeing the company's various risk management mechanisms, determining the priorities of risk control; 4. Reviewing the implementation of risk management and making necessary improvement recommendations. Through this mechanism, all outcomes of environmental issue implementations will be directly reported to the Board, ensuring Board members can provide comprehensive oversight on AUO's sustainability and risk management.

Q4.2 Does your organization's board have competency on environmental issues?

Response 1: Climate change

Board-level competency on this environmental issue

Yes

Mechanisms to maintain an environmentally competent board

- Integrating knowledge of environmental issues into board nominating process
- Having at least one board member with expertise on this environmental issue
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues

Environmental expertise of the board member

- Additional training: Training in an environmental subject by a certified organization: 中華公司治理協會TCFD訓練
- Experience: Management-level experience in a role focused on environmental issues
- Experience: Executive-level experience in a role focused on environmental issues
- Experience: Experience in an academic role focused on environmental issues
- Experience: Active member of an environmental committee or organization

Response 2: Water

Board-level competency on this environmental issue

Yes

Mechanisms to maintain an environmentally competent board

- Consulting regularly with an internal, permanent, subject-expert working group
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue
- Integrating knowledge of environmental issues into board nominating process
- Engaging regularly with external stakeholders and experts on environmental issues

Environmental expertise of the board member

- Additional training: Training in an environmental subject by a certified organization: 中華公司治理協會TCFD訓練
- Experience: Management-level experience in a role focused on environmental issues
- Experience: Executive-level experience in a role focused on environmental issues
- Experience: Experience in an academic role focused on environmental issues
- Experience: Active member of an environmental committee or organization

Q4.3 Is there management-level responsibility for environmental issues within your organization?

Response 1: Climate change

Management-level responsibility for this environmental issue

Yes

Response 2: Water

Management-level responsibility for this environmental issue

Yes

Response 3: Biodiversity

Management-level responsibility for this environmental issue

Yes

Q4.3.1 Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Response 1: Climate change

Position of individual or committee with responsibility

Executive level: Chief Sustainability Officer (CSO)

Environmental responsibilities of this position

- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Engagement: Managing supplier compliance with environmental requirements
- Engagement: Managing public policy engagement related to environmental issues
- Strategy and financial planning: Conducting environmental scenario analysis
- Engagement: Managing value chain engagement related to environmental issues
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Other: Providing employee incentives related to environmental performance
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Policies, commitments, and targets: Setting corporate environmental targets
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

CSO serves as the executive secretary of the Sustainability and Risk Management Committee and is the top executive of the Sustainability and Risk Execution Committee under it. The operations and responsibilities of each subcommittee under the Sustainability and Risk Execution Committee will be jointly participated by the CSO. CSO oversees the evaluation and management of AUO's environmental dependence, impacts, risks, and opportunities through dedicated units. Additionally, CSO act as the company's representative in negotiating with the Taiwan government on environmental policy issues. CSO is responsible for collecting external and internal sustainability trends to set and manage AUO's sustainability policies, commitments, and goals. CSO involved in the company's sustainability operational strategy planning, which includes the development and implementation of climate transition plans, strategic planning for considering environmental issues in existing businesses, as well as reviewing and verifying sustainability-related reports and linking sustainability performance with reward mechanisms. The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the Sustainability and Risk Execution Committee and semi-annual meetings of the Sustainability and Risk Management Committee.

Response 2: Water

Position of individual or committee with responsibility

Executive level: Chief Sustainability Officer (CSO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Other: Providing employee incentives related to environmental performance
- Engagement: Managing supplier compliance with environmental requirements
- Engagement: Managing public policy engagement related to environmental issues
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Policies, commitments, and targets: Setting corporate environmental targets
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Engagement: Managing value chain engagement related to environmental issues
- Strategy and financial planning: Conducting environmental scenario analysis
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets

- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

CSO serves as the executive secretary of the ' Sustainability and Risk Management Committee' and is the top executive of the ' Sustainability and Risk Execution Committee' under it. The operations and responsibilities of each subcommittee under the ' Sustainability and Risk Execution Committee' will be jointly participated by the CSO. CSO oversees the evaluation and management of AUO's environmental dependence, impacts, risks, and opportunities through dedicated units. Additionally, CSO act as the company's representative in negotiating with the Taiwan government on environmental policy issues. CSO is responsible for collecting external and internal sustainability trends to set and manage AUO's sustainability policies, commitments, and goals. CSO involved in the company's sustainability operational strategy planning, which includes the development and implementation of climate transition plans, strategic planning for considering environmental issues in existing businesses, as well as reviewing and verifying sustainability-related reports and linking sustainability performance with reward mechanisms.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the ' Sustainability and Risk Execution Committee' and semi-annual meetings of the ' Sustainability and Risk Management Committee.'

Response 3: Biodiversity

Position of individual or committee with responsibility

Executive level: Chief Sustainability Officer (CSO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Engagement: Managing public policy engagement related to environmental issues
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Strategy and financial planning: Conducting environmental scenario analysis
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Other: Providing employee incentives related to environmental performance
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Policies, commitments, and targets: Setting corporate environmental targets
- Strategy and financial planning: Implementing a climate transition plan

- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The sustainability officer serves as the executive secretary of the ' Sustainability and Risk Management Committee' and is the top executive of the ' Sustainability and Risk Execution Committee' under it. The sustainability officer oversees the evaluation and management of AUO's environmental dependence, impacts, risks, and opportunities through dedicated units. Additionally, they act as the company's representative in negotiating with the Taiwan government on environmental policy issues. The sustainability officer is responsible for collecting external and internal sustainability trends to set and manage AUO's sustainability policies, commitments, and goals. They are involved in the company's sustainability operational strategy planning, which includes the development and implementation of climate transition plans, strategic planning for considering environmental issues in existing businesses, as well as reviewing and verifying sustainability-related reports and linking sustainability performance with reward mechanisms.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the ' Sustainability and Risk Execution Committee' and semi-annual meetings of the ' Sustainability and Risk Management Committee.'

Response 4: Climate change

Position of individual or committee with responsibility

Executive level: Chief Technology Officer (CTO)

Environmental responsibilities of this position

- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Implementing a climate transition plan

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Chief Technology Officer (CTO) serves as the top management executive of the Sustainability Technology Subcommittee, which is subordinate to the Sustainability and Risk Execution Committee. The CTO is responsible for evaluating the environmental dependence, impacts, risks, and future product technology development opportunities of the company's existing products. This includes product innovation for sustainability and research and development of products with low environmental impact. In addition, the CTO participates in the development and implementation of climate transition plans to ensure that the company provides environmentally friendly products and service technologies.

The CTO also oversees a Circular Economy Task Force which actively conducts discussions on circular economic models and integrates them into the company's sustainability and climate transition strategies. These achievements are reported to the chairman and the board of directors through quarterly meetings of the Sustainability and Risk Execution Committee and semi-annual meetings of the Sustainability and Risk Management Committee.

Response 5: Water

Position of individual or committee with responsibility

Executive level: Chief Technology Officer (CTO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Implementing a climate transition plan
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Chief Technology Officer (CTO) serves as the top management executive of the Sustainability Technology Subcommittee, which is subordinate to the Sustainability and Risk Execution Committee. The CTO is responsible for evaluating the environmental dependence, impacts, risks, and future product technology development opportunities of the company's existing products. This includes product innovation for sustainability and research and development of products with low environmental impact. In addition, the CTO participates in the development and implementation of climate transition plans to ensure that the company provides environmentally friendly products and service technologies.

The CTO also oversees a Circular Economy Task Force which actively conducts discussions on circular economic models and integrates them into the company's sustainability and climate transition strategies. These achievements are reported to the chairman and the board of directors through quarterly meetings of the Sustainability and Risk Execution Committee and semi-annual meetings of the Sustainability and Risk Management Committee.

Response 6: Climate change

Position of individual or committee with responsibility

Executive level: Chief Financial Officer (CFO)

Environmental responsibilities of this position

- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Chief Financial Officer (CFO) serves as the top management executive of the Risk Governance Subcommittee, which is under the Sustainability and Risk Execution Committee. The CFO is responsible for conducting financial assessments and management of the company's environmental dependence, impacts, risks, and opportunities. The CFO also plays a role in the development and execution of the company's climate transition plan, ensuring budgetary, capital, and operational expenses needed for implementing the climate transition plan, as well as necessary acquisitions, mergers, and divestitures.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the Sustainability and Risk Execution Committee and semi-annual meetings of the Sustainability and Risk Management Committee.

Response 7: Water

Position of individual or committee with responsibility

Executive level: Chief Financial Officer (CFO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Chief Financial Officer (CFO) serves as the top management executive of the \ ' Risk Governance Subcommittee,\ ' which is under the \ ' Sustainability and Risk Execution Committee.\ ' The CFO is responsible for conducting financial assessments and management of the company' s environmental dependence, impacts, risks, and opportunities. The CFO also plays a role in the development and execution of the company' s climate transition plan, ensuring budgetary, capital, and operational expenses needed for implementing the climate transition plan, as well as necessary acquisitions, mergers, and divestitures.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the \ ' Sustainability and Risk Execution Committee\ ' and semi-annual meetings of the \ ' Sustainability and Risk Management Committee.\ '

Response 8: Climate change

Position of individual or committee with responsibility

Executive level: Chief Procurement Officer (CPO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Engagement: Managing supplier compliance with environmental requirements
- Engagement: Managing value chain engagement related to environmental issues
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of the Supply Chain serves as the top management executive of the \ Sustainable Supply Chain Subcommittee\ under the \ Sustainability and Risk Execution Committee.\ They are responsible for assessing and managing the environmental dependence, impacts, risks, and opportunities of the company's supply chain. By setting environmental guidelines for the supply chain and establishing environmental audit and verification processes, they manage the environmental aspects of the supply chain. Additionally, they collaborate with the value chain to develop solutions related to environmental issues, and organize an annual Sustainable Prosperity Conference for suppliers to communicate AUO's environmental strategy goals. Through the Sustainable Prosperity Program, they share AUO's relevant environmental impact reduction techniques.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the \ Sustainability and Risk Execution Committee\ and semi-annual meetings of the \ Sustainability and Risk Management Committee.\

Response 9: Water

Position of individual or committee with responsibility

Executive level: Chief Procurement Officer (CPO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Engagement: Managing supplier compliance with environmental requirements
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Engagement: Managing value chain engagement related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of the Supply Chain serves as the top management executive of the \ Sustainable Supply Chain Subcommittee\ under the \ Sustainability and Risk Execution Committee.\ They are responsible for assessing and managing the environmental dependence, impacts, risks, and opportunities of the company's supply chain. By setting environmental guidelines for the supply chain and establishing environmental audit and verification processes, they manage the environmental aspects of the supply chain.

Additionally, they collaborate with the value chain to develop solutions related to environmental issues, and organize an annual Sustainable Prosperity Conference for suppliers to communicate AUO's environmental strategy goals. Through the Sustainable Prosperity Program, they share AUO's relevant environmental impact reduction techniques.

The outcomes of these efforts are reported to the chairman and the board of directors through quarterly meetings of the \ Sustainability and Risk Execution Committee\ and semi-annual meetings of the \ Sustainability and Risk Management Committee.\

Response 10: Climate change

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Manufacturing

Environmental responsibilities of this position

- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Implementing a climate transition plan
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of Production and Manufacturing serves as the top management executive of the \ Sustainable Manufacturing Subcommittee\ under the \ Sustainability and Risk Execution Committee.\ As a high energy-consuming industry with significant carbon and water usage, the company focuses on improving resource efficiency, reducing pollution load, increasing circular production, and enhancing operational resilience in manufacturing. Both environmental sustainability considerations and operational risk assessments are key areas of

Response 11: Water

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Manufacturing

Environmental responsibilities of this position

- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing a climate transition plan
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of Production and Manufacturing serves as the top management executive of the ' Sustainable Manufacturing Subcommittee' under the ' Sustainability and Risk Execution Committee.' As a high energy-consuming industry with significant carbon and water usage, the company focuses on improving resource efficiency, reducing pollution load, increasing circular production, and enhancing operational resilience in manufacturing. Both environmental sustainability considerations and operational risk assessments are key areas of

Response 12: Climate change

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Sales

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Implementing a climate transition plan
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of Strategic Business serves as the top executive in charge of the Sustainability Business Subcommittee under the Sustainability and Risk Executive Committee. As the primary unit responsible for interfacing with customers, they continuously receive inquiries from customers regarding strategies and measures for transitioning and addressing physical risks in response to climate change. Consequently, the company is driving more aggressive SBT carbon reduction targets and participation in the international RE100 initiative, continuously exploring ways to create a win-win situation for the company and customers in the low-carbon transition. The company actively promotes Go Premium design at the source to enhance the low-carbon sustainable value of products, focusing on low energy consumption and high circularity products, delivering highly identifiable sustainable products to customers. These achievements are reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 13: Water

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Sales

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of Strategic Business serves as the top executive in charge of the Sustainability Business Subcommittee under the Sustainability and Risk Executive Committee. As the primary unit responsible for interfacing with customers, they continuously receive inquiries from customers regarding strategies and measures for transitioning and addressing physical risks in response to climate change. Consequently, the company is driving more aggressive SBT carbon reduction targets and participation in the international RE100 initiative, continuously exploring ways to create a win-win situation for the company and customers in the low-carbon transition. The company actively promotes Go Premium design at the source to enhance the low-carbon sustainable value of products, focusing on low energy consumption and high circularity products,

delivering highly identifiable sustainable products to customers. These achievements are reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 14: Climate change

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Energy Business

Environmental responsibilities of this position

- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Implementing a climate transition plan

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Vice President of Energy Business serves as the top executive in charge of the Sustainable Energy Subcommittee under the Sustainability and Risk Executive Committee. Recognizing the inevitable global energy transition, the company established the energy business as a separate business group over a decade ago. Through years of operation, the company has gradually developed expertise in EPC projects for power plants. Today, the professional team not only helps the company seek economically viable contracts to ensure the achievement of renewable energy development goals but also contributes to the company's financial benefits in renewable energy development through initiatives such as generation and storage, as well as power plant operation and maintenance management. In response to renewable energy becoming a scarce resource in Taiwan, the achievements of the renewable energy project team for the company are reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 15: Climate change

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Human Resources

Environmental responsibilities of this position

- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments

- Other: Providing employee incentives related to environmental performance
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Assistant Manager of Human Resources serves as the top executive in charge of the Corporate Care Subcommittee under the Sustainability and Risk Executive Committee. As the human resources department closely connected to colleagues around the world, they disseminate information on sustainable practices to employees through every corner of the workplace, encouraging them to engage in sustainable behaviors. For example, providing electric vehicle-friendly parking spaces, introducing green dining concepts and low-carbon diets, offering vegetarian meal options at the cafeteria, hosting local farmer's markets to promote the use of local ingredients, and advocating for reducing food miles. The Human Resources Center has also embarked on energy conservation and carbon reduction initiatives at the company's GRC headquarters building, such as implementing 24-hour green electricity, becoming the first corporate headquarters building in Taiwan to be verified under ISO 14068-1:2023. These achievements are reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 16: Water

Position of individual or committee with responsibility

Executive level: Other C-Suite Officer: Vice President of Human Resources

Environmental responsibilities of this position

- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Other: Providing employee incentives related to environmental performance
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Assistant Manager of Human Resources serves as the top executive in charge of the Corporate Care Subcommittee under the Sustainability and Risk Executive Committee. As the human resources department closely connected to colleagues around the world, they disseminate information on sustainable practices to employees through every corner of the workplace, encouraging them to engage in sustainable behaviors. For example, providing electric vehicle-friendly parking spaces, introducing green dining concepts and low-carbon diets, offering vegetarian meal options at the cafeteria, hosting local farmer's markets to promote the use of local ingredients, and advocating for reducing food miles. The Human Resources Center

has also embarked on energy conservation and carbon reduction initiatives at the company's GRC headquarters building, such as implementing 24-hour green electricity, becoming the first corporate headquarters building in Taiwan to be verified under ISO 14068-1:2023. These achievements are reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 17: Climate change

Position of individual or committee with responsibility

Executive level: Chief Executive Officer (CEO)

Environmental responsibilities of this position

- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Engagement: Managing public policy engagement related to environmental issues
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

CEO serves as the top executive in charge of the Stakeholder Relations Subcommittee under the Sustainability and Risk Executive Committee. In response to the governance and actions of the company on climate issues as perceived by the nine major stakeholders, an annual survey on key issues is conducted to converge on ESG development topics that stakeholders are concerned about. Climate change, energy management, and circular and clean production are all highly prioritized issues. Various departments within the company also engage in in-depth discussions with relevant stakeholders, and after close communication interviews, key issues related to significant themes are identified in alignment with the company's ESG development blueprint, leading to the formulation of three-year management goals and action plans. The progress of these initiatives is reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 18: Water

Position of individual or committee with responsibility

Executive level: Chief Executive Officer (CEO)

Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Engagement: Managing public policy engagement related to environmental issues
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing annual budgets related to environmental issues

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

CEO serves as the top executive in charge of the Stakeholder Relations Subcommittee under the Sustainability and Risk Executive Committee. In response to the governance and actions of the company on climate issues as perceived by the nine major stakeholders, an annual survey on key issues is conducted to converge on ESG development topics that stakeholders are concerned about. Climate change, energy management, and circular and clean production are all highly prioritized issues. Various departments within the company also engage in in-depth discussions with relevant stakeholders, and after close communication interviews, key issues related to significant themes are identified in alignment with the company's ESG development blueprint, leading to the formulation of three-year management goals and action plans. The progress of these initiatives is reported to the Chairman and the Board of Directors through quarterly Sustainability and Risk Executive Committee meetings and biannual Sustainability and Risk Management Committee meetings.

Response 19: Climate change

Position of individual or committee with responsibility

Committee: Sustainability committee

Environmental responsibilities of this position

- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Other: Providing employee incentives related to environmental performance
- Engagement: Managing public policy engagement related to environmental issues
- Engagement: Managing supplier compliance with environmental requirements
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Policies, commitments, and targets: Setting corporate environmental targets
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Strategy and financial planning: Conducting environmental scenario analysis
- Engagement: Managing value chain engagement related to environmental issues
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Strategy and financial planning: Implementing a climate transition plan
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Sustainability and Risk Executive Committee is an executive committee subordinate to the Sustainability and Risk Management Committee, with the Chief Sustainability Officer serving as the top executive in charge. This committee consists of eight subcommittees: Sustainable Technology, Sustainable Business, Sustainable Energy, Sustainable Manufacturing, Sustainable Supply Chain, Corporate Care, Risk Governance, and Stakeholder Relations. Each subcommittee is led by a senior executive, such as a Vice President, who oversees the operations and cross-functional cooperation of the subcommittee. Each subcommittee focuses on assessing the dependency, impacts, risks, and opportunities related to environmental issues within their respective business scope, and translates the vision blueprint into specific goals and strategies. They report to the Chairman quarterly on significant issues for decision-making, and annually (twice) report to the Board of Directors on operational effectiveness in compliance with the corporate sustainability guidelines.

Response 20: Water

Position of individual or committee with responsibility

Committee: Sustainability committee

Environmental responsibilities of this position

- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Engagement: Managing public policy engagement related to environmental issues
- Engagement: Managing supplier compliance with environmental requirements
- Policies, commitments, and targets: Measuring progress towards environmental science-based targets
- Strategy and financial planning: Conducting environmental scenario analysis
- Engagement: Managing value chain engagement related to environmental issues
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Other: Providing employee incentives related to environmental performance
- Policies, commitments, and targets: Setting corporate environmental targets
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Strategy and financial planning: Implementing a climate transition plan
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

Quarterly

Please explain

The Sustainability and Risk Executive Committee is an executive committee subordinate to the Sustainability and Risk Management Committee, with the Chief Sustainability Officer serving as the top executive in charge. This committee consists of eight subcommittees: Sustainable Technology, Sustainable Business, Sustainable Energy, Sustainable Manufacturing, Sustainable Supply Chain, Corporate Care, Risk Governance, and Stakeholder Relations. Each subcommittee is led by a senior executive, such as a Vice President, who oversees the operations and cross-functional cooperation of the subcommittee. Each subcommittee focuses on assessing the dependency, impacts, risks, and opportunities related to environmental issues within their respective business scope, and translates the vision blueprint into specific goals and strategies. They report to the Chairman quarterly on significant issues for decision-making, and annually (twice) report to the Board of

Directors on operational effectiveness in compliance with the corporate sustainability guidelines.

Q4.5 Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Response 1: Climate change

Provision of monetary incentives related to this environmental issue

Yes

% of total C-suite and board-level monetary incentives linked to the management of this environmental issue

70

Please explain

Based on the principles of the 'Executive Compensation Policy' established by the Compensation Committee and the Board of Directors, the annual remuneration for executives is reviewed by the Compensation Committee and submitted to the Board of Directors for approval. The company also collaborates with external professional advisory teams to ensure that executive compensation policies and payment levels are aligned with market trends. The remuneration of executives is tied to the company's operational performance, comprising of overall compensation through salary, short-term and long-term variable bonuses, and profit distribution to employees. The variable bonuses are determined based on operational performance, accounting for 70% to 90% of the total compensation depending on job position and performance. Additionally, there is a long-term incentive plan for executives with a performance evaluation period of 3 years, where stock-based incentives account for over 50% and include clawback

Response 2: Water

Provision of monetary incentives related to this environmental issue

Yes

% of total C-suite and board-level monetary incentives linked to the management of this environmental issue

70

Please explain

Based on the principles of the 'Executive Compensation Policy' established by the Compensation Committee and the Board of Directors, the annual remuneration for executives is reviewed by the Compensation Committee and submitted to the Board of Directors for approval. The company also collaborates with external professional advisory teams to ensure that executive compensation policies and payment levels are aligned with market trends. The remuneration of executives is tied to the company's operational performance, comprising of overall compensation through salary, short-term and long-term variable bonuses, and profit distribution to employees. The variable bonuses are determined based on operational performance, accounting for 70% to 90% of the total compensation depending on job position and performance. Additionally, there is a long-term incentive plan for executives with a performance evaluation period of 3 years, where stock-based incentives account for over 50% and include clawback

Q4.5.1 Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Response 1: Climate change

Position entitled to monetary incentive

Board or executive level: Board Chair

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability

reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 2: Water

Position entitled to monetary incentive

Board or executive level: Board Chair

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Emission reduction: Implementation of an emissions reduction initiative
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Increased supplier compliance with environmental requirements
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period

long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digttech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable

and Risk Management Committee. We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 3: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Executive Officer (CEO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Emission reduction: Implementation of an emissions reduction initiative
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Policies and commitments: Increased supplier compliance with environmental requirements
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term

sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digttech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors

through the quarterly \ Sustainable and Risk Execution Committee\ and the semi-annual \ Sustainable and Risk Management Committee.\ We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 4: Water

Position entitled to monetary incentive

Board or executive level: Chief Executive Officer (CEO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Policies and commitments: Increased supplier compliance with environmental requirements
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digttech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 5: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Financial Officer (CFO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Emission reduction: Implementation of an emissions reduction initiative
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 6: Water

Position entitled to monetary incentive

Board or executive level: Chief Financial Officer (CFO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Emission reduction: Implementation of an emissions reduction initiative
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Policies and commitments: Increased supplier compliance with environmental requirements
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 7: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Procurement Officer (CPO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Emission reduction: Implementation of an emissions reduction initiative
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Policies and commitments: Increased supplier compliance with environmental requirements
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 8: Water

Position entitled to monetary incentive

Board or executive level: Chief Procurement Officer (CPO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 9: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Sustainability Officer (CSO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Emission reduction: Implementation of an emissions reduction initiative
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Increased supplier compliance with environmental requirements
- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 10: Water

Position entitled to monetary incentive

Board or executive level: Chief Sustainability Officer (CSO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Policies and commitments: Increased supplier compliance with environmental requirements
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 11: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Technology Officer (CTO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Emission reduction: Implementation of an emissions reduction initiative
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Policies and commitments: Increased supplier compliance with environmental requirements
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 12: Water

Position entitled to monetary incentive

Board or executive level: Chief Technology Officer (CTO)

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 13: Climate change

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Manufacturing

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Emission reduction: Implementation of an emissions reduction initiative
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 14: Water

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Manufacturing

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Emission reduction: Implementation of an emissions reduction initiative
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Increased supplier compliance with environmental requirements
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

Sustainable performance and compensation rewards for the Chairman and all C-Suite Officers are interconnected, irrespective of their roles within the Sustainable and Risk Management Committee.

Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

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- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
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- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
5. Leveraging the market position in the display business to accelerate the electronic component circular economy and reduce single-use plastic usage.
6. Reducing environmental impacts in the product manufacturing process, including impacts on water resources, waste, and biodiversity.
7. Consideration of environmental and biodiversity impacts in energy business site development, and

engaging in thorough discussions with local residents (including Indigenous peoples).

Setting sustainable goals and indicators (as previously discussed), we link them to the performance and rewards of the senior executive team. We report on execution effectiveness directly to the Board of Directors through the quarterly 'Sustainable and Risk Execution Committee' and the semi-annual 'Sustainable and Risk Management Committee.' We utilize official channels such as the company website, sustainability reports, etc., to publicly disclose execution progress to stakeholders, ensuring the timely completion of the climate transition plan and international initiatives. For example, verifying compliance with the RE100 commitment on renewable energy usage percentage and achieving absolute emission reduction targets set by SBTi.

Response 15: Climate change

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Sales

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Emission reduction: Implementation of an emissions reduction initiative
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Targets: Reduction in absolute emissions in line with net-zero target
- Policies and commitments: Increased supplier compliance with environmental requirements
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

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Short-term sustainable performance aligns with the current year's compensation rewards, with long-term sustainable performance evaluating the yearly progress during a specific 3-year period and post-period long-term goal achievement to incentivize sustained sustainability performance.

Metrics measuring long-term sustainability (beyond 3 years) include:

- Attaining RE 100 targets to reach RE 30 by 2030, reflecting advancements in environmental goals and increasing renewable energy's share in total energy consumption.
- Reaching SBTi targets for a 42% absolute reduction in Scope 1 & 2 emissions by 2030, embodying net-zero emission pursuits, environmental goal achievements, emission abatement initiatives, and absolute emissions reduction.
- Implementing climate transition strategies, aligning business models with upcoming net-zero carbon emissions, boosting revenues from eco-conscious products and services, bolstering investments and revenues in energy and water resource solution subsidiaries, and expanding revenues from low-energy panel modules for customers.
- Lowering energy consumption by 30% and enhancing efficiency by 2030.
- Setting targets for value chain water reduction to collectively save 100,000 CMD by 2025.
- Targeting a 25% decrease in Scope 3 emissions by 2030.

Metrics gauging short-term sustainability (within 3 years) entail the annual development of AUO's short-term sustainability performance through risk elucidation and significant sustainability issue analysis. These short-term benchmarks are concretized based on long-term sustainability performance goals, shaping a pathway for short-term sustainability measurement, which includes:

- Achieving annual renewable energy usage and energy saving targets as laid out by RE100 and the 2030 30% energy saving objective.
- Meeting specific targets encompassing ensuring tap water usage attaining water recycling rates, and optimizing water intensity in production processes.
- Maintaining yearly compliance with pollution emission regulations.
- Reaching targets for reducing greenhouse gas emissions and curbing water resource usage in the supply chain.
- Providing quarterly updates on stakeholder engagement to the committee.
- Reporting internal communications and environmental initiatives to the committee for assessment.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

1. Achieving organizational net-zero carbon emissions by 2050.
2. Reaching the RE100 target by 2050.
3. Continuously expanding the energy business, water resource management, carbon management (AUO Envirotech), smart manufacturing (AUO Digitech), and other ESG-related subsidiaries to account for one-third of revenue.
4. Extending the core business of displays to assist in electrification and provide customers with low environmental footprint panel products.
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Response 16: Water

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Sales

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Policies and commitments: Increased supplier compliance with environmental requirements

Incentive plan the incentives are linked to

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Response 17: Climate change

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Energy Business

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Emission reduction: Implementation of an emissions reduction initiative
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Engagement: Increased engagement with suppliers on environmental issues
- Resource use and efficiency: Reduction in total energy consumption
- Strategy and financial planning: Board approval of climate transition plan
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Strategy and financial planning: Achievement of climate transition plan
- Resource use and efficiency: Energy efficiency improvement
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Policies and commitments: Increased supplier compliance with environmental requirements
- Targets: Achievement of environmental targets

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

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Response 18: Water

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Energy Business

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Emission reduction: Implementation of an emissions reduction initiative
- Targets: Reduction in absolute emissions in line with net-zero target
- Pollution: Increase in discharge treatment compliance and meeting regulatory requirements - direct operations
- Strategy and financial planning: Increased proportion of revenue from low environmental impact products or services
- Targets: Progress towards environmental targets
- Policies and commitments: Increased supplier compliance with environmental requirements
- Resource use and efficiency: Energy efficiency improvement
- Strategy and financial planning: Achievement of climate transition plan
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
- Emission reduction: Reduction in absolute emissions
- Resource use and efficiency: Reduction of water withdrawals - direct operations
- Policies and commitments: Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)
- Engagement: Increased engagement with customers on environmental issues
- Emission reduction: Increased share of renewable energy in total energy consumption
- Strategy and financial planning: Shift to a business model compatible with a net-zero carbon future
- Resource use and efficiency: Improvements in water efficiency - direct operations

Incentive plan the incentives are linked to

Both Short-Term and Long-Term Incentive Plan, or equivalent

Further details of incentives

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How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The AUO Climate Transition Plan aligns with the goal of achieving net-zero carbon emissions by 2050 and focuses on several key pillars:

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Response 19: Climate change

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Human Resources

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Strategy and financial planning: Board approval of climate transition plan
- Resource use and efficiency: Reduction in total energy consumption
- Engagement: Increased engagement with suppliers on environmental issues
- Targets: Progress towards environmental targets
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- Emission reduction: Reduction in absolute emissions
- Engagement: Implementation of employee awareness campaign or training program on environmental issues
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Incentive plan the incentives are linked to

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How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

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Response 20: Water

Position entitled to monetary incentive

Board or executive level: Other C-Suite Officer: Vice President of Human Resources

Incentives

- Bonus - % of salary
- Shares

Performance metrics

- Targets: Achievement of environmental targets
- Targets: Progress towards environmental targets
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- Emission reduction: Increased share of renewable energy in total energy consumption
- Engagement: Increased engagement with customers on environmental issues
- Resource use and efficiency: Reduction of water withdrawal and/or consumption volumes - upstream value chain (excluding direct operations)

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Q4.6 Does your organization have an environmental policy that addresses environmental issues?

Yes

Q4.6.1 Provide details of your environmental policies.

Response 1: Row 1

Environmental issues covered

- Biodiversity
- Water
- Climate change

Level of coverage

Organization-wide

Value chain stages covered

Direct operations

Explain the coverage

Company's policy applies to the entire company, including all operational activities. While actively engaging in business operations, the company is committed to practicing sustainable development in line with international trends. Through corporate citizenship, Group company aims to enhance its contribution to the national economy, improve the quality of life for employees, communities, and society, and position sustainable development as a competitive advantage for the company.

Environmental policy content

- Environmental commitments: Commitment to a circular economy strategy
- Environmental commitments: Commitment to respect legally designated protected areas
- Environmental commitments: Commitment to No Net Loss
- Environmental commitments: Commitment to Net Positive Gain
- Environmental commitments: Commitment to take environmental action beyond regulatory compliance
- Environmental commitments: Commitment to comply with regulations and mandatory standards

Indicate whether your environmental policy is in line with global environmental treaties or policy goals

- Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation
- Yes, in line with the Paris Agreement

Public availability

Publicly available

Attach the policy

AUO Sustainability Policy Overview.pdf

Q4.10 Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Response 1:

Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Yes

Collaborative framework or initiative

- Global Reporting Initiative (GRI) Community Member
- RE100
- Task Force on Nature-related Financial Disclosures (TNFD)
- Science-Based Targets Initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)

Describe your organization's role within each framework or initiative

GRI

Since 2006, AUO has been utilizing the GRI framework for sustainability reporting disclosure and is also a sponsor of the GRI organization, having assisted in translating the new GRI guidelines into Traditional Chinese.

RE 100

AUO joined the RE100 in early 2022, making it the first global display panel manufacturer to commit to using 100% renewable energy by 2050. In responding to our customers' demand, we will expand the use of renewable energy, aiming to attain the medium and long-term targets of using 30% by 2030 and 100% by 2050.

SBTi

We are aware that SBT reduction goals can be challenging but the most direct and effective actions to take in response to the climate emergency. Under the 1.5C scenario, we are committed to progressively achieve absolute carbon reduction of 42% by 2030, using 2021 as the base year and under the condition of constantly increasing production capacity.

TCFD

The breadth and depth of the impact of climate change on the organization's operations have reached a time of great urgency. In signing support for TCFD, the Chairman of AUO specifically mentioned in the statement that '\ Facing climate emergency, the greatest challenge of sustainable development, AUO is proud to support climate-related financial disclosures and transparency, and strengthen stakeholder trust for the Company's sustainable development. That is why we would like to play a part in the low carbon economy, respond to the opportunities and the challenges of the energy transition by developing a solar energy business, and applying our core technologies to improve the resilience of the human lifestyle and value chain creation.\' Therefore, the Company specifically integrates the climate adaptation topics into the Company's sustainable development goals and establishes a management basis for climate risk opportunities and a PDCA cycle, to become an important issue for long-term and continuous advancement.

TNFD

AUO Corporation recognizes and aligns with the globally shared vision of achieving nature positive. Following the release of the TNFD v1.0 framework in September 2023, we have committed to acting as a TNFD Adopter, and start making disclosures aligned with the TNFD Recommendations in our corporate reporting by financial year 2024 (or earlier) through identifying, assessing, and disclosing nature-related dependencies, impacts, risks, and opportunities.

Taiwan Climate Partnership

We team up with 7 enterprises to form the Taiwan Climate Partnership. AUO and our suppliers jointly announced our determination in promoting energy conservation and carbon reduction, hoping to lead by example and facilitate green procurement that conforms to international standards with the suppliers in the industry chain. The ultimate objective is to achieve the goals of RE100 and EV100.

Q4.11 In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

Response 1:

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation
- Yes, we engaged directly with policy makers

Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

Global environmental treaties or policy goals in line with public commitment or position statement

- Sustainable Development Goal 6 on Clean Water and Sanitation
- Paris Agreement

Attach commitment or position statement

Taiwan' s Panel Industry Carbon Reduction Strategy Report..pdf

Indicate whether your organization is registered on a transparency register

No

Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

AUO conducts consultations and engagement regarding environmental policies and laws through several channels. Firstly, as a member of the Taiwan Panel & Solution Association, where the CTO serves as the Vice Chairman and the CEO acts as the Chairman, AUO engages with the government on environmental regulatory issues through the association. In 2023, the company participated in public hearings for various climate-related laws, such as the Climate Change Response Act and carbon pricing legislation, in response to Taiwan' s 2050 net-zero strategy. Additionally, AUO published a low-carbon transition strategy book for the

Taiwanese panel industry through the association, declaring the industry's strategic planning for the net-zero transition.

Secondly, through the Stakeholder Engagement Group led by the CEO within the Sustainable and Risk Execution Committee, AUO engages externally by collecting feedback on environmental issues from various stakeholders, including local communities, indigenous groups, etc. The company evaluates external trends, risks, opportunities, and other environmental issues through this group.

Internally, AUO communicates its climate transition goals and plans through various subcommittees within the Sustainable and Risk Execution Committee. Actions to be implemented are then conveyed to overseas factories to ensure alignment with the climate change transition goals and plans set by the Taiwan headquarters.

Lastly, the company has established a communication platform for cross-group (including subsidiaries) discussions on ESG-related topics, fostering quarterly exchanges on environmental, social, and governance issues.

Q4.11.1 On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Response 1: Row 1

Specify the policy, law, or regulation on which your organization is engaging with policy makers

AUO participates in public hearings on various climate-related regulations, such as the Climate Change Response Act, Carbon Pricing Regulations, Voluntary Emission Reduction Program Management Regulations, Greenhouse Gas Reduction Targets for Carbon Pricing, Renewable Energy Development Act, and Resource Circulation Promotion Act, representing the panel industry through associations.

Environmental issues the policy, law, or regulation relates to

- Water
- Climate change

Focus area of policy, law, or regulation that may impact the environment

Other: Climate transition plans

Geographic coverage of policy, law, or regulation

National

Country/area/region the policy, law, or regulation applies to

Taiwan, China

Your organization's position on the policy, law, or regulation

Support with no exceptions

Type of direct engagement with policy makers on this policy, law, or regulation

- Participation in working groups organized by policy makers
- Responding to consultations

Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

In 2021, the Taiwanese government announced its goal of achieving net zero emissions by 2050 and promptly began issuing corresponding regulations. Within Taiwan's industrial structure, the manufacturing sector accounts for over 50% of the country's total carbon emissions, with the electronic manufacturing industry ranking among the top three. Consequently, climate response laws and related subsidiary regulations (including the Carbon Pricing Act, Voluntary Emission Reduction Program Management Regulations, Greenhouse Gas Reduction Targets for Carbon Pricing, Renewable Energy Development Act, and Resource Recycling Promotion Act) have prioritized regulations specifically for the electronic manufacturing sector.

AUO has actively participated in public hearings related to these regulations and has expressed its views through the Display Association, supporting the government's established goals while advocating for more aggressive carbon reduction and renewable energy usage targets through international standards. Additionally, AUO is actively involved in government-initiated programs stemming from the net zero goal. The government expects large enterprises to lead carbon reduction efforts among companies in the value chain that have lower capabilities. As one of Taiwan's large enterprises, AUO was among the first to participate in this initiative, utilizing its expertise in smart manufacturing and water resource management to promote water conservation and carbon reduction within the value chain.

Furthermore, with the government promoting initiatives such as technical carbon credit applications, carbon trading, and carbon neutrality activities, AUO has directly participated in these efforts. Starting from early carbon credit reduction programs in 2014 to subsequent carbon credit exchanges, AUO has cooperated with the government and utilized the carbon credits obtained for its corporate activities aimed at achieving carbon neutrality. In 2024, AUO obtained ISO 14068 certification and plans to use the carbon credits acquired to offset the emissions from its headquarters operations in 2023.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Q4.11.2 Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Response 1: Row 1

Type of indirect engagement

Indirect engagement via a trade association

Trade association

Asia and Pacific: Other trade association in Asia and Pacific: Taiwan Panel & Solution Association

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

- Climate change
- Water

Indicate whether your organization's position is consistent with the organization or individual you engage with

Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The CTO of AUO serves as the vice chairman of the association, while the CEO is the chairman of the board of supervisors. AUO supports the Taiwanese government's net zero transformation plan through the association, publishing a strategy document for the net zero transformation of Taiwan's display industry and publicly endorsing the government's carbon reduction target for 2030. The association has set a carbon reduction target of 24.8% for the display industry by 2030, anticipating a reduction of 1.46 million tons of CO₂e. AUO, as a leading enterprise, has committed to an absolute reduction of 42% by 2030.

Additionally, AUO has collaborated with association members to publish guidelines such as the 'Carbon Footprint Calculation Method for Panel Industry Products' and the 'Classification Standards for Display Module Products,' providing standardized carbon footprint information for products in the value chain.

Through its influence within the association, AUO helps maintain alignment with the government's net zero transformation goals. Moreover, AUO regularly engages with the International Display Association to discuss sustainability-related issues, responding to domestic regulations while also supporting international initiatives.

Funding figure your organization provided to this organization or individual in the reporting year (currency)

130000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

AUO provides funding to maintain the operations of the association, which primarily focuses on developing smart display applications, system integration solutions, connecting the industry ecosystem, standardizing technologies, and addressing workplace safety and environmental issues. The association organizes relevant meetings and activities, including research related to sustainability and environmental topics, while actively engaging in exchanges and visits with international organizations. This aims to provide industry information, resolve international business and trade disputes, and promote the healthy development of the industrial system, fulfilling the association's founding purpose.

AUO also collects and discusses opinions related to sustainability and environmental issues from industry peers through the association, supporting government policies on climate change response.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Q4.12 Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Yes

Q4.12.1 Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Response 1: Row 1

Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

Standard or framework the report is in line with

- GRI
- TCFD

Environmental issues covered in publication

- Water
- Climate change

Status of the publication

Complete

Content elements

- Emissions figures
- Risks & Opportunities
- Public policy engagement
- Strategy
- Emission targets
- Content of environmental policies
- Water pollution indicators
- Dependencies & Impacts
- Water accounting figures
- Value chain engagement
- Governance
- Biodiversity indicators

Page/section reference

Chapter One: Governance, Dependencies & Impacts, Risks & Opportunities

Chapter Two: Strategy, Value chain engagement, Governance, Public policy engagement

Chapter Three: Dependencies & Impacts, Emission targets, Biodiversity indicators, Emissions figures, Public policy engagement, Risks & Opportunities, Water accounting figures, Water pollution indicators, Content of environmental policies

Chapter Five:

Showcases innovative products for the low-carbon net zero transformation and the performance

Attach the relevant publication

AUO 2023 Sustainability Report_10 MB.pdf

Comment

NA

Response 2: Row 2

Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

Standard or framework the report is in line with

TCFD

Environmental issues covered in publication

- Water
- Climate change

Status of the publication

Complete

Content elements

- Emissions figures
- Strategy
- Risks & Opportunities
- Emission targets
- Content of environmental policies
- Governance
- Dependencies & Impacts

Page/section reference

P.34 Strategy

P.14~15 Dependencies & Impacts

P.8~12 Governance

P.19~23 Content of environmental policies

P.19 Emission targets

P.20 Emissions figures
P.27~33 Risks & Opportunities

Attach the relevant publication

2023TCFD_EN_Final_compressed.pdf

Comment

NA

Response 3: Row 3

Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

Standard or framework the report is in line with

TNFD

Environmental issues covered in publication

Biodiversity

Status of the publication

Complete

Content elements

- Emissions figures
- Risks & Opportunities
- Strategy
- Emission targets
- Content of environmental policies
- Biodiversity indicators
- Dependencies & Impacts
- Water pollution indicators
- Water accounting figures
- Governance

Page/section reference

P.6~7 Strategy
P.8~17 Dependencies & Impacts, Biodiversity indicators, Risks & Opportunities
P.3~4 Governance, Content of environmental policies
P.22~24 Risks & Opportunities
P.20~21 Emission targets, Water accounting figures, Emissions figures, Water pollution indicators

Attach the relevant publication

AUO TNFD Report 2023_final.pdf

Comment

NA

Response 4: Row 4

Publication

In mainstream reports

Environmental issues covered in publication

- Water
- Climate change
- Biodiversity

Status of the publication

Complete

Content elements

- Emissions figures
- Strategy
- Risks & Opportunities
- Emission targets
- Content of environmental policies
- Governance
- Water accounting figures

Page/section reference

Page 11-13: Board of Directors Members and Capabilities
 Page 24: Board of Directors and Senior Management Compensation Policy
 Pages 34-35: Operation of the Sustainability and Risk Management Committee
 Pages 44-47: Implementation of Climate-Related Information
 Pages 55-56: Key Decisions of the Board of Directors
 Chapter 7: Review of Financial Conditions, Operating Results, and Risk Management
 Chapter 8: Corporate Sustainability

Attach the relevant publication

2023_Annual_Report_EN.pdf

Comment

NA

Q5.1 Does your organization use scenario analysis to identify environmental outcomes?

	Use of scenario analysis	Frequency of analysis
Climate change	Yes	Annually
Water	Yes	Annually

Q5.1.1 Provide details of the scenarios used in your organization's scenario analysis.

Response 1: Climate change

Scenario used

Climate transition scenarios: IEA NZE 2050

Approach to scenario

Qualitative and quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Policy
- Market
- Reputation

Temperature alignment of scenario

1.5°C or lower

Reference year

2021

Timeframes covered

- 2030
- 2050

Driving forces in scenario

- Regulators, legal and policy regimes : Global targets
- Regulators, legal and policy regimes : Methodologies and expectations for science-based targets
- Local ecosystem asset interactions, dependencies and impacts : Climate change (one of five drivers of nature change)
- Stakeholder and customer demands: Other stakeholder and customer demands driving forces: Customers are demanding that companies provide products with low environmental impact, with a focus on compliance and even net zero carbon emissions.
- Finance and insurance: Cost of capital
- Macro and microeconomy : Domestic growth

Assumptions, uncertainties and constraints in scenario

The Taiwanese government declared in 2021 that it aims to achieve net-zero emissions by 2050 and later released the 2050 Net Zero Emissions Pathway Strategy Guidance, which aligns with the scenarios for greenhouse gas emissions and renewable energy in the IEA NZE 2050 scenario. The NZE scenario indicates that global solar PV and wind power deployment needs to double, and attention should be paid to the economic energy intensity, which should decrease by over 4% annually from 2020 to 2030. In this context, the Taiwanese government also evaluated that Taiwan's solar PV installations should reach 30GW by 2030, while wind power should reach 13GW, with long-term goals being 40-80GW for solar PV and 40-55GW for wind power. It shows that Taiwan's renewable energy market and energy usage structure will undergo significant changes in the future. In this scenario, AUO assumes that corporate renewable energy usage and energy efficiency will be a focus, and the growth of the renewable energy market may bring opportunities.

\tUnder these assumptions, AUO will have several driving forces in this scenario, including changes in capital

expenditure strategies, customer demands for products with low environmental footprints, alignment with international goals, setting scientific goals to meet the 2050 net-zero target, and the growth of the renewable energy market. The detailed explanations of the driving forces are as follows:

1.Changes in capital expenditure strategies drive AUO to invest capital in improving or eliminating low energy efficiency equipment to enhance production efficiency, and set a target of 30% energy efficiency improvement by 2030. Under these assumptions and goal settings, AUO expects the medium to long-term impact on organizational capital to fall within 1-10%, with approximately 2% of annual capital expenditure used for improving energy efficiency.

2.Customer demand for products with low environmental footprints and alignment with international goals will drive AUO to increase the proportion of renewable energy used in manufacturing products as customer demands for low environmental footprint products become incorporated into product standards and specifications.

3.Setting scientific goals through advocacy of RE100 and establishing SBTi targets will drive AUO to reach RE30 by 2030 and RE100 by 2050 for renewable energy, with additional SBTi targets set for achieving a 25% absolute reduction by 2025 (Base 2018) and a 42% absolute reduction by 2030 (

Rationale for choice of scenario

Electricity is the primary and crucial source of energy in AUO' s panel manufacturing process. Due to AUO' s involvement in the energy business, we have chosen IEA NZE 2050 as the context for organizational business strategy and energy resilience-related analysis. Through this context, we evaluate the global energy development pathways and Taiwan' s energy structure development pathway under the 2050 net-zero target to understand the capital investment required to enhance energy efficiency in alignment with the context, the potential cost increase of using renewable energy, and the estimation of revenue growth in the energy business.

When assessing the impacts of climate change at AUO, the primary concern is addressing the operational impact brought by the use of renewable energy. According to the organization' s carbon emission analysis, Scope 2 is the main emission source, accounting for over 90% of the organization' s emissions. To meet Taiwan' s net-zero target, AUO will adhere to renewable energy and climate change mitigation regulations, implementing relevant regulations and carbon taxes for enterprises with high electricity consumption in Taiwan. Additionally, AUO' s customers will be influenced by international environmental regulations, demanding products with a low environmental footprint. Therefore, through the context set by IEA NZE 2050, we aim to address the changing market and regulatory landscape. AUO also follows and meets the requirements of SBTi 1.5 targets and adheres to the international standards set by RE100 in this scenario.

Response 2: Water

Scenario used

Physical climate scenarios: RCP 8.5

Scenario used SSPs used in conjunction with scenario

SSP5

Approach to scenario

Qualitative and quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Acute physical
- Chronic physical

Temperature alignment of scenario

4.0°C and above

Reference year

2020

Timeframes covered

- 2030
- 2100
- 2050

Driving forces in scenario

- Local ecosystem asset interactions, dependencies and impacts : Climate change (one of five drivers of nature change)
- Local ecosystem asset interactions, dependencies and impacts : Speed of change (to state of nature and/or ecosystem services)

Assumptions, uncertainties and constraints in scenario

In the context of high temperatures, AUO focuses on assessing the physical risks associated with short-term weather variations and long-term climate changes. We assume the severe SSP5-8.5 climate deterioration scenario and utilize statistical downscaling data from Taiwan TCCIP' s 25 CMIP6 models. The qualitative and quantitative climate-related scenarios for 2050 are as follows:

The average annual temperature is projected to increase by 1.8°C, with extreme high-temperature days lasting 8.5 days longer than the average.

Day length in summer will gradually increase, while winter days will decrease or even disappear.

Short-term heavy rainfall intensity will increase by 20%, and the number of consecutive rainless days will increase by 5.5%.

The number of strong typhoons is expected to increase by up to 100%.

In this scenario, AUO' s analysis suggests that heavy rainfall may lead to flooding in low-lying factory areas, causing operational disruptions. Uneven rainfall patterns could disrupt production activities and lead to increased water usage, potentially resulting in production interruptions or cost escalation. Additionally, climate warming-induced instability in the power grid could also lead to disruptions in production activities. Therefore, AUO will also consider the following drivers of physical risks:

Changes in rainfall patterns: Taiwan' s water supply infrastructure may struggle to cope with increasingly significant and intense drought-flood events, exacerbating water supply crises. This could lead to temporary interruptions in production due to factors such as instant heavy rainfall causing upstream water turbidity and floods disrupting transportation networks. Long-term climate change-induced uneven rainfall distribution may also pose risks of operational disruptions due to water shortages.

Climate warming: Extended periods without precipitation can lead to heat accumulation in urban areas, exacerbating the urban heat island effect and putting pressure on the electricity supply. This situation could result in production interruptions at AUO due to unstable power supply affecting the production process.

When analyzing this scenario, AUO considers the primary uncertainty to be the resilience of Taiwan' s electricity and water supply systems. Taiwan' s electricity and water supply systems are maintained by government-owned enterprises, which are influenced by government policies. This makes it difficult for AUO

to control the maintenance, scheduling, and

Rationale for choice of scenario

AUO's product manufacturing relies on electricity and water resources, both of which are significantly impacted by climate change in Taiwan. Therefore, we have chosen to consider the most severe SSP5-8.5 climate deterioration scenario and combine it with Taiwan's own literature (TCCIP's 25 CMIP6 models) to assess the physical risks that AUO may face under extreme climate conditions. Through this scenario analysis, AUO can evaluate the effects of short-term drastic changes on electricity, water resources, and the surrounding production areas, and assess the potential number of production days that could be interrupted and the impact of operational disruptions. This enables the establishment of precise emergency response measures to enhance operational resilience in the face of short-term impacts, such as emergency scheduling of water resources and the deployment of emergency power capital to prevent power outages. Furthermore, it also allows for the analysis of the impacts of long-term climate change and the assessment of the capital investment required to enhance production resilience in long-term operational strategies, as well as the management strategies needed to address the speed of climate change, such as the implementation of ISO 46001 management standards and aligning with Taiwan's energy and water supply policies.

Response 3: Climate change

Scenario used

Physical climate scenarios: RCP 8.5

Scenario used SSPs used in conjunction with scenario

SSP5

Approach to scenario

Qualitative and quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Acute physical
- Chronic physical

Temperature alignment of scenario

4.0°C and above

Reference year

2020

Timeframes covered

- 2030
- 2100
- 2050

Driving forces in scenario

- Local ecosystem asset interactions, dependencies and impacts : Speed of change (to state of nature and/or ecosystem services)
- Local ecosystem asset interactions, dependencies and impacts : Climate change (one of five drivers of nature change)

Assumptions, uncertainties and constraints in scenario

In the context of high temperatures, AUO focuses on assessing the physical risks associated with short-term weather variations and long-term climate changes. We assume the severe SSP5-8.5 climate deterioration scenario and utilize statistical downscaling data from Taiwan TCCIP' s 25 CMIP6 models. The qualitative and quantitative climate-related scenarios for 2050 are as follows:

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Day length in summer will gradually increase, while winter days will decrease or even disappear.

Short-term heavy rainfall intensity will increase by 20%, and the number of consecutive rainless days will increase by 5.5%.

The number of strong typhoons is expected to increase by up to 100%.

In this scenario, AUO' s analysis suggests that heavy rainfall may lead to flooding in low-lying factory areas, causing operational disruptions. Uneven rainfall patterns could disrupt production activities and lead to increased water usage, potentially resulting in production interruptions or cost escalation. Additionally, climate warming-induced instability in the power grid could also lead to disruptions in production activities. Therefore, AUO will also consider the following drivers of physical risks:

Changes in rainfall patterns: Taiwan' s water supply infrastructure may struggle to cope with increasingly significant and intense drought-flood events, exacerbating water supply crises. This could lead to temporary interruptions in production due to factors such as instant heavy rainfall causing upstream water turbidity and floods disrupting transportation networks. Long-term climate change-induced uneven rainfall distribution may also pose risks of operational disruptions due to water shortages.

Climate warming: Extended periods without precipitation can lead to heat accumulation in urban areas, exacerbating the urban heat island effect and putting pressure on the electricity supply. This situation could result in production interruptions at AUO due to unstable power supply affecting the production process. When analyzing this scenario, AUO considers the primary uncertainty to be the resilience of Taiwan' s electricity and water supply systems. Taiwan' s electricity and water supply systems are maintained by government-owned enterprises, which are influenced by government policies. This makes it difficult for AUO to control the maintenance, scheduling, and

Rationale for choice of scenario

AUO' s product manufacturing relies on electricity and water resources, both of which are significantly impacted by climate change in Taiwan. Therefore, we have chosen to consider the most severe SSP5-8.5 climate deterioration scenario and combine it with Taiwan' s own literature (TCCIP' s 25 CMIP6 models) to assess the physical risks that AUO may face under extreme climate conditions. Through this scenario analysis, AUO can evaluate the effects of short-term drastic changes on electricity, water resources, and the surrounding production areas, and assess the potential number of production days that could be interrupted and the impact of operational disruptions. This enables the establishment of precise emergency response measures to enhance operational resilience in the face of short-term impacts, such as emergency scheduling of water resources and the deployment of emergency power capital to prevent power outages. Furthermore, it also allows for the analysis of the impacts of long-term climate change and the assessment of the capital investment required to enhance production resilience in long-term operational strategies, as well as the management strategies needed to address the speed of climate change, such as the implementation of ISO 46001 management standards and aligning with Taiwan' s energy and water supply policies.

Q5.1.2 Provide details of the outcomes of your organization's scenario analysis.

Response 1: Climate change

Business processes influenced by your analysis of the reported scenarios

- Resilience of business model and strategy
- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Target setting and transition planning
- Capacity building

Coverage of analysis

Organization-wide

Summarize the outcomes of the scenario analysis and any implications for other environmental issues

AUO utilizes the IEA NZE 2050 scenario to analyze the risks and opportunities associated with the transition to net zero emissions. Through this analysis, AUO evaluates operational strategies and financial planning to adjust its business model and strategies in order to understand the capabilities required to achieve the transformation goals. In this scenario, AUO assesses a long-term strategic blueprint, setting targets for 2030 under the premise of achieving net zero emissions by 2050. These targets include a 30% renewable energy (RE) target and an absolute reduction of 42% in SBTi Scope 1&2 emissions. This response is in line with relevant regulations, international initiatives, and customer demands, aiming to reduce the impacts such as carbon pricing and ensure operational resilience against climate change.

Additionally, AUO establishes blueprints for energy, water, and carbon management subsidiaries, smart manufacturing solution subsidiaries, and other ESG-related subsidiaries as one of the three core pillars of its operations. By estimating market demands and combining operational data from the Business Group, AUO aims to achieve a revenue of 100 billion by 2030.

Furthermore, AUO also uses the SSP 5-8.5 scenario to analyze the physical risks posed by climate change to its operations. In this scenario, AUO evaluates how to enhance resilience capital, the impact on operational expenses, and the revenue effects. Short-term operational disruptions due to extreme weather and long-term climate change could lead to significant impacts, with potential 10-day disruptions in the short term and up to 20 days in the long term, resulting in a possible 5% revenue impact.

In assessing business strategies and models, AUO will focus on setting clear goals, mapping transformation blueprints, and evaluating the resources needed to address physical and transformational risks and opportunities. Collaboration with external stakeholders, setting clear goals and pathways, and engaging with investors through roadshows have been key strategies to enhance investor confidence and secure financing agreements. These efforts aim to strengthen AUO's resilience in managing climate change mitigation and adaptation, ensuring that business strategies and models align closely with AUO's climate transition strategy.

Response 2: Water

Business processes influenced by your analysis of the reported scenarios

- Resilience of business model and strategy
- Capacity building
- Target setting and transition planning
- Strategy and financial planning
- Risk and opportunities identification, assessment and management

Coverage of analysis

Organization-wide

Summarize the outcomes of the scenario analysis and any implications for other environmental issues

AUO utilizes the IEA NZE 2050 scenario to analyze the risks and opportunities associated with the transition to net zero emissions. Through this analysis, AUO evaluates operational strategies and financial planning to adjust its business model and strategies in order to understand the capabilities required to achieve the transformation goals. In this scenario, AUO assesses a long-term strategic blueprint, setting targets for 2030 under the premise of achieving net zero emissions by 2050. These targets include a 30% renewable energy (RE) target and an absolute reduction of 42% in SBTi Scope 1&2 emissions. This response is in line with relevant regulations, international initiatives, and customer demands, aiming to reduce the impacts such as carbon pricing and ensure operational resilience against climate change.

Additionally, AUO establishes blueprints for energy, water, and carbon management subsidiaries, smart manufacturing solution subsidiaries, and other ESG-related subsidiaries as one of the three core pillars of its operations. By estimating market demands and combining operational data from the Business Group, AUO aims to achieve a revenue of 100 billion by 2030.

Furthermore, AUO also uses the SSP 5-8.5 scenario to analyze the physical risks posed by climate change to its operations. In this scenario, AUO evaluates how to enhance resilience capital, the impact on operational expenses, and the revenue effects. Short-term operational disruptions due to extreme weather and long-term climate change could lead to significant impacts, with potential 10-day disruptions in the short term and up to 20 days in the long term, resulting in a possible 5% revenue impact.

In assessing business strategies and models, AUO will focus on setting clear goals, mapping transformation blueprints, and evaluating the resources needed to address physical and transformational risks and opportunities. Collaboration with external stakeholders, setting clear goals and pathways, and engaging with investors through roadshows have been key strategies to enhance investor confidence and secure financing agreements. These efforts aim to strengthen AUO's resilience in managing climate change mitigation and adaptation, ensuring that business strategies and models align closely with AUO's climate transition strategy.

Q5.2 Does your organization's strategy include a climate transition plan?

Response 1:

Transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Yes

Description of activities included in commitment and implementation of commitment

AUO's climate transition plan primarily consists of:

1. 2050 Net Zero Emission Commitment: AUO announced its commitment to net zero emissions in 2022 and passed SBTi's 1.5-degree emission reduction target in 2023. The plan aims to achieve a 42% absolute reduction in Scope 1 & 2 emissions and a 25% absolute reduction in Scope 3 emissions by 2030.

2. Increasing the proportion of renewable energy in product production to reduce reliance on fossil fuels: The energy mainly used in the product manufacturing process is electricity. We pledge to develop a renewable energy transition plan and obtain certification through the RE100 initiative. The target is to achieve a 30% renewable energy usage rate by 2030 and reach RE100 by 2050.

3. Reducing the use of single-use plastics in the production process: AUO is committed to reducing the environmental footprint of its products and has incorporated this into its transition strategy, including reducing the use of single-use plastics in the manufacturing process. AUO pledges that by 2030, all indirect plastic materials used in the production process should be completely non-single-use plastics.

4. Increasing investments in energy-related businesses and environmental-related subsidiary companies to assist peers in enhancing climate resilience: AUO has energy business departments, water resources and carbon management technology subsidiaries, and smart manufacturing technology subsidiaries. AUO has decided to expand investments in these business departments in the future to assist in the transformation of Taiwan's power structure and enhance climate resilience in the manufacturing industry. Resolutions were passed at the annual board meetings to establish renewable energy sales businesses under the energy sector and increase capital for water resources management subsidiaries.

These transformation strategies and commitments make it easier for us to comply with domestic and international regulatory requirements related to climate change. They help customers achieve their goals to enhance the competitiveness of our products, improve AUO's climate resilience, reduce climate risks, and seek opportunities. AUO oversees and reviews the transition plan through the board of directors, dynamically adjusting the climate transition plan annually based on market conditions, and reviewing goal achievement statuses. This information is disclosed in the company's board meeting records for shareholders and other stakeholders to review.

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

AUO's climate-related transformation plan resolutions are announced through press releases and the company's official website, providing a public platform for shareholders and stakeholders to give feedback. Channels such as shareholder mailboxes, CSR mailboxes, audit committee mailboxes, etc., are set up for this purpose. In addition, AUO also communicates directly with institutional investors through physical meetings and RoadShows. In the fiscal year 2023, the Chairman, Chief Sustainability Officer, and representatives from AUO conducted more than 5 physical meetings with institutional investors, where they detailed AUO's climate transition strategy and current progress.

Frequency of feedback collection

More frequently than annually

Description of key assumptions and dependencies on which the transition plan relies

Our plan assumption:

1.Regulations on international and domestic net-zero carbon emission trends: With the international net-zero carbon emission initiatives, corresponding regulations and initiatives have been announced internationally, such as the Plastic Pact, EU CBAM, the U.S. Clean Act, etc. Taiwan has also introduced climate change adaptation laws that require companies to conduct carbon audits and disclose emissions, as well as

implement carbon taxes. Given that AUO's customers are international brand clients, they may be subject to international regulations and initiatives, necessitating the consideration of global trends in the transformation plan to provide clients and other stakeholders with low environmental impact products. Under Taiwan's net-zero strategy, AUO is a primary target of climate-related regulations regarding renewable energy and carbon emissions. Therefore, in this scenario, AUO utilizes international initiatives like RE100 and SBTi as transformation strategy goals.

2. Growth in markets related to net-zero emission goals: With the global trend towards net-zero emissions, the demand for enhancing energy efficiency, water resource management, renewable energy, and carbon emission audits and disclosures has significantly increased both domestically and internationally. Therefore, AUO views this as an opportunity to extend its core technological capabilities and develop a climate transition strategy. This includes expanding investments in existing energy businesses, water resource and carbon management solution subsidiaries, and smart manufacturing solution subsidiaries to assist in Taiwan's power structure transformation and enhance climate resilience in the manufacturing industry. Resolutions were passed at the annual board meeting to increase capital for energy businesses and water resource management subsidiaries, and through extending investments from core panel manufacturing businesses to climate change adaptation solution subsidiaries.

Description of progress against transition plan disclosed in current or previous reporting period

In the reporting year of 2023, AUO achieved a 16.8% absolute reduction in Scope 1&2 emissions compared to the baseline year of 2021, driven by the implementation of ISO 50001 energy management system and the promotion of energy-saving projects through the 3030 cross-organizational platform. The increase in the proportion of green electricity also contributed to the absolute reduction. However, due to market restrictions, the green electricity proportion was 2.2% in 2023. During the reporting year, AUO increased the capacity of rooftop solar power installations at its facilities in China to 52.71MW. Additionally, in 2024, AUO achieved carbon neutrality for its corporate office headquarters through the use of carbon credits issued by the Taiwanese government, completing the carbon neutrality for the headquarters' operations in 2023.

In the reporting year, AUO participated in government initiatives related to achieving net-zero carbon emissions and addressing climate change. The goal of this program is to assist companies subject to regulations but lacking the necessary capabilities in carbon audits, verification, and energy-saving technologies by leveraging the expertise of established enterprises. By adopting a mentorship approach, Taiwan-based businesses can enhance their resilience to climate change. This program has generated approximately 27 million New Taiwan Dollars in revenue for subsidiary companies. Additionally, in terms of investments in the energy sector, AUO has emerged as one of the top three manufacturers of solar photovoltaic modules in Taiwan. In the reporting year, AUO also obtained approval for the establishment of electricity sales as part of its energy business, expanding its offerings from solar module manufacturing to plant operation and electricity provision. This comprehensive renewable energy solution aims to accelerate Taiwan's power structure transformation.

Attach any relevant documents which detail your climate transition plan (optional)

AUO 2023 Sustainability Report_10 MB.pdf

Other environmental issues that your climate transition plan considers

- Water
- Plastics
- Biodiversity

Explain how the other environmental issues are considered in your climate transition plan

In AUO's transformation plan, we have conducted comprehensive assessments on water resources, plastics, and biodiversity issues. For biodiversity, we have utilized the TNFD framework for analysis and conducted environmental analyses for each manufacturing base. Additionally, for energy business plant development,

we have conducted analyses through environmental impact assessments. In the panel business, water resources and plastics are natural resources and raw materials used in our production processes. AUO has set specific goals for these two issues. Concerning water resources, we strive for continuous improvement internally through the ISO 46001 standard, aiming to enhance process water circulation and have started to introduce recycled water to reduce water consumption. As for plastics, we respond to the global Plastic Pact initiative with the goal of eliminating the use of single-use plastics (excluding optical-grade plastics used in products) in the plastic consumables used in the manufacturing process by 2030. AUO has also established a policy direction to collaborate with suppliers to develop and incorporate the use of recycled plastics in our products. These issues have all entered the analysis and evaluation stages, with corresponding policies incorporated into the climate transition plan, and clearer goals and more proactive climate transition strategies will be established in the future.

Q5.3 Have environmental risks and opportunities affected your strategy and/or financial planning?

Response 1:

Environmental risks and/or opportunities have affected your strategy and/or financial planning

Yes, both strategy and financial planning

Business areas where environmental risks and/or opportunities have affected your strategy

- Investment in R&D
- Products and services
- Upstream/downstream value chain
- Operations

Q5.3.1 Describe where and how environmental risks and opportunities have affected your strategy.

Response 1: Products and services

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Climate change
- Water

Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate: Customers purchasing AUO panel products are mostly international brand giants who are subject to international climate regulations. Providing products with low environmental footprints presents both risks and opportunities for our product competitiveness, directly impacting AUO's revenue. Meeting or exceeding international regulations can lead to more product orders. Currently, AUO has received requests from numerous customers for product environmental footprint disclosure within the short term (within one year). We anticipate mandatory requirements in the mid to long term (two years and beyond). Therefore, AUO has begun developing an automated carbon calculation project internally to meet customers' and regulatory agencies' product carbon footprint estimation needs. In addition to core panel module products, AUO also includes a solar energy business to address the growth in the renewable energy market driven by climate change. Growth in the short term is expected to drive the expansion of AUO's solar energy business, as

approved by the board of directors during the reporting year for the establishment of electricity sales within the solar energy business.

Water: AUO's subsidiary, AUO Environtech, provides water resource management services, assisting manufacturing industries in implementing water resource management and related technologies to enhance water resource resilience. This includes technologies such as water recycling for manufacturing use, zero wastewater discharge, guidance on water resource management systems implementation, and water purification technologies. This expansion is expected to develop in the mid to long term. The board of directors approved the capital increase for the subsidiary during the reporting year.

Response 2: Upstream/downstream value chain

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate: In terms of transformation risks, greenhouse gas emissions and the collection of carbon pricing will bring risks to AUO's value chain. Increasingly stringent regulations and the transition to a low-carbon economy will extend to the upstream value chain and the regulation of carbon emissions in products by downstream brand customers. Managing upstream supplier emissions and meeting downstream customer demand for low-carbon products will pose risks to the value chain. We anticipate that this risk will impact AUO's value chain in the mid to long term, such as the requirements of Carbon Border Adjustment Mechanism (CBAM). In terms of physical risks, extreme weather patterns could result in supply chain disruption risks, such as disruptions in supplier production or transportation due to heavy rainfall. We believe this may occur in the mid to long term. In terms of opportunities, carbon management within the value chain will help reduce the environmental footprint of products throughout their lifecycle. Suppliers are expected to enhance resilience to climate change and reduce costs associated with regulatory requirements. For AUO, this can enhance product competitiveness and indirectly impact revenue. AUO has already set carbon reduction targets for suppliers and provided technical assistance for energy efficiency improvements as a management measure to address climate risks.

Water: In terms of physical risks, uneven precipitation caused by extreme weather patterns in Taiwan may affect local suppliers due to water scarcity, leading to risks of production and operation interruptions. This physical risk may also impact suppliers and AUO in the mid to long term. Therefore, AUO has established water management goals within the supply chain and advocates for reducing water consumption in collaboration with suppliers.

Response 3: Investment in R&D

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate / Water:

In response to the growing international demand for products with low environmental footprints, AUO is continuously improving and increasing investments in manufacturing process technologies and product research and development. In terms of manufacturing technology, efforts are focused on energy management and water resource management by replacing or upgrading inefficient machinery. The integration of AI for precise resource allocation control and analyzing resource consumption hotspots in the production process are being implemented. Additionally, AUO is investing in digital carbon emission calculations within the production process. These enhancements in manufacturing technology are extended to two subsidiary companies to provide climate resilience solutions for the manufacturing industry.

Regarding the use of raw materials in products, AUO is investing in the integration of recycled materials and continuing to focus on reducing energy consumption during the usage phase.

In the energy business sector, AUO is expanding investments to provide high-quality and efficient solar modules. This includes involvement in solar energy plant development and renewable energy sales services, offering customers comprehensive renewable energy solutions.

Response 4: Operations

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Climate change
- Water

Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate / Water: In terms of transformation risks, the impact of domestic and international climate change initiatives and regulations has necessitated reducing organizational emissions, increasing the use of renewable energy, and providing low-carbon product services as operational risks. In Taiwan, carbon pricing regulations will begin in 2026, impacting operational costs. While the short-term rate has not caused significant disruption, failure to implement organizational emission reductions may lead to increased production costs with future rate adjustments. In addition to domestic regulations, norms from customers and international standards can also create challenges. Inability to provide low environmental footprint products could result in loss of competitiveness and revenue impact. Therefore, AUO needs to assess these risks on the operational front, enhance low environmental load production capabilities, and increase investments in enhancing these capabilities.

Regarding physical risks, facing extreme weather patterns may bring operational interruption risks. Taiwan is prone to extreme climate conditions with uneven rainfall distribution, intensified precipitation, and although the probability of typhoons may decrease, their intensity is on the rise. Uneven precipitation may lead to water scarcity and heavy rainfall could damage assets, potentially causing operational disruptions and revenue decrease. Thus, on the operational front, AUO needs to evaluate the impacts of physical risks, strengthen flood prevention hardware at facilities, and establish predictive and emergency response management measures.

Q5.3.2 Describe where and how environmental risks and opportunities have affected your financial planning.

Response 1: Row 1

Financial planning elements that have been affected

- Direct costs
- Revenues

Effect type

Risks

Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

- Climate change
- Water

Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate

For the assessment of transformation risks affecting revenue, assuming that if AUO's products cannot meet customer demand for low-carbon products, leading to a reduction in the quantity of AUO's products ordered by customers. Based on the revenue of customers who have already prepared to establish relevant specifications as the basis of estimation, it is expected to impact 5% of operating income.

For the assessment of physical risks, as mentioned in the previous scenario, we estimate that the impact of physical risks leading to operational disruptions and revenue loss will be approximately 3% of operating income, calculated based on the estimated daily production capacity at high-risk factory areas (two factory areas).

For the impact of climate change on operating expenses, the main estimation involves the impact of transformation risks. This impact includes the payment of carbon fees and the operational costs of using renewable energy. Over the mid to long term (by 2030), we estimate that by that year, a total of 5.3 billion NTD will be needed to pay carbon fees, while the cost of transitioning to renewable energy and other energy management costs will amount to approximately 2.1 billion NTD. The total impact of transformation risks on Opex is estimated to be around 7.4 billion NTD.

Water

For the assessment of water risk on operating income, in terms of transformation risk, we use the revenue of AUO's subsidiary specializing in water resource solutions as a benchmark. If the subsidiary is unable to enhance its technological capabilities in water resource solutions, it may lead to a decrease in overall revenue. In terms of physical risk, we assess the impact on AUO of operational interruptions due to water pressure risks reducing production capacity and affecting operating income. As mentioned earlier, we estimate a 4% loss in operating income based on the estimated daily production capacity at the two factory areas in water pressure regions multiplied by the number of days of operational interruption (20 days).

Response 2: Row 2

Financial planning elements that have been affected

Revenues

Effect type

Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate

Based on the Renewable Energy Act in Taiwan, the installed capacity of solar energy generation is expected to reach 30 gigawatts by 2030. Assuming AUO accounts for approximately 20% of all photovoltaic module shipments in Taiwan and possesses expertise in high-efficiency photovoltaic modules and electricity infrastructure construction, providing comprehensive station construction services based on operational service platforms.

Based on this assumption, we estimate that in the Taiwanese solar photovoltaic market by 2030, we will have the opportunity to accumulate revenues of 150-180 billion NT dollars.

Water

AUO primarily operates manufacturing facilities in China and Taiwan, and foresees a growing demand for environmental management services as climate change and environmental regulations become more stringent in these regions. In response to this trend, AUO plans to expand its environmental management solutions, not only in Taiwan but also in China. Therefore, based on the operational income of AUO Envirotech in 2023, we estimate that by 2030, there will be the opportunity to accumulate 2.8 billion NT dollars in revenue.

Q5.4 In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

Response 1:

Identification of spending/revenue that is aligned with your organization's climate transition

Yes

Methodology or framework used to assess alignment with your organization's climate transition

Other methodology or framework

Q5.4.1 Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Response 1: Row 1

Methodology or framework used to assess alignment

Other: SBTi & RE100

Financial metric

OPEX

Amount of selected financial metric that is aligned in the reporting year (currency)

1127244927

Percentage share of selected financial metric aligned in the reporting year (%)

4

Percentage share of selected financial metric planned to align in 2025 (%)

19

Percentage share of selected financial metric planned to align in 2030 (%)

35

Details of the methodology or framework used to assess alignment with your organization's climate transition

The most important and primary project in AUO's transformation plan is to increase the proportion of renewable energy to meet the commitment of RE100, while reducing carbon emissions in production to align with the SBTi 1.5-degree target pathway. Under this goal, the expenditure on renewable energy electricity and investments in energy-saving projects will significantly impact OPEX.

Based on AUO's OPEX expenditure estimation for the year 2023, we need to achieve the RE100 goal and a 25% absolute reduction in SBTi in the short term by 2025. We anticipate that expenditures on renewable energy (growing by 15 times) and investments in energy-saving projects (growing by 10%) will increase, leading to OPEX accounting for 19%. By 2030, the overall OPEX ratio will reach 35% compared to the full OPEX in 2023.

Both of these commitments from AUO have been approved by the RE100 organization and SBTi.

Q5.9 What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Response 1:

Water-related CAPEX (+/- % change)

-70.62

Anticipated forward trend for CAPEX (+/- % change)

200

Water-related OPEX (+/- % change)

2.36

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

The main calculation is based on environmental accounting figures.

In the reporting year, AUO reduced capital expenditures for water resources compared to the previous year due to the following reasons:

No expansion of assets during the reporting year

Closure of the production plant in Singapore (operated until November 2023, Therefore, operations at the plant will be conducted with minimal costs.)

Downturn in the end-market, leading to reduced CAPEX due to policy constraints

Operating expenses, however, increased due to:

Management costs associated with ISO 46001 compliance

Slight increase in water prices

Looking ahead at the future trends in the display market and the establishment of the Vietnam plant, we anticipate that CAPEX may increase, but OPEX will remain stable.

Q5.10 Does your organization use an internal price on environmental externalities?

Response 1:

Use of internal pricing of environmental externalities

Yes

Environmental externality priced

- Carbon
- Water

Q5.10.1 Provide details of your organization's internal price on carbon.

Response 1: Row 1

Type of pricing scheme

Implicit price

Objectives for implementing internal price

- Identify and seize low-carbon opportunities
- Drive low-carbon investment
- Conduct cost-benefit analysis
- Influence strategy and/or financial planning
- Drive energy efficiency

Factors considered when determining the price

- Cost of required measures to achieve climate-related targets
- Scenario analysis
- Price/cost of renewable energy procurement
- Alignment to scientific guidance

Calculation methodology and assumptions made in determining the price

AUO's internal carbon pricing estimation process is as follows:

Estimate the cost of purchasing renewable energy by using Taiwan's energy structure and renewable energy electricity prices. The formula is: $[(\text{solar price} * \text{solar proportion}) + (\text{wind price} * \text{wind proportion})] * \text{market expected volatility}$.

Combine the market price of non-renewable energy and the expected government-imposed carbon fee price (500 NTD) to estimate the carbon pricing. The formula for carbon pricing estimation is: $[(\text{cost of emitting carbon for each ton of grey electricity} + \text{carbon fee}) * \text{grey electricity usage rate}] + \text{cost of reducing carbon emissions per ton required for green electricity} * \text{green electricity usage rate}$.

The estimated carbon pricing for AUO in 2023 is approximately 6242 NTD.

Scopes covered

Scope 2

Pricing approach used - spatial variance

Uniform

Pricing approach used - temporal variance

Evolutionary

Indicate how you expect the price to change over time

In the short to medium term (1-5 years) in the Taiwan green energy market, green energy prices are expected to increase due to supply and demand relationships. Our estimation factors also include carbon pricing, and we anticipate that the government-imposed carbon fee prices will also increase within this timeframe. Therefore, we project that internal carbon pricing will increase over time in the future.

Minimum actual price used (currency per metric ton CO2e)

6236

Maximum actual price used (currency per metric ton CO2e)

6242

Business decision-making processes the internal price is applied to

- Operations
- Capital expenditure
- Opportunity management
- Risk management

Internal price is mandatory within business decision-making processes

Yes, for some decision-making processes: AUO continues to apply this carbon price for the benefit assessment of its green manufacturing energy-saving investment schemes, allowing us to more accurately consider the cost of carbon reduction under future net-zero manufacturing activities.

% total emissions in the reporting year in selected scopes this internal price covers

100

Pricing approach is monitored and evaluated to achieve objectives

Yes

Details of how the pricing approach is monitored and evaluated to achieve your objectives

AUO aims to leverage carbon pricing as a tool to accurately assess the costs associated with AUO's climate transition, taking into account factors such as the utilization of renewable energy and the implications of carbon pricing. By utilizing internal carbon pricing, AUO seeks to enhance energy efficiency within its facilities and expedite the integration of renewable energy, with the goal of achieving significant reductions in emissions and enhancing the utilization of green electricity.

AUO updates its internal carbon pricing annually based on Taiwan's renewable energy electricity cost information and announces it twice. Before the announcement, relevant details are reported to the Board of Directors. Subsequently, this information is provided to production units for evaluating the benefits of energy-saving investment schemes, enabling AUO to realistically assess the carbon reduction costs associated with manufacturing activities in the future net-zero pathway. Additionally, since the internal carbon pricing includes estimates of the carbon fee imposed by the Taiwan government, based on information available to AUO, carbon fee collection is anticipated to begin in 2026, starting at a price range of approximately 300-500 NTD, with prices expected to reach 1200-1500 NTD after 2030.

Q5.10.2 Provide details of your organization's internal price on water.

Response 1: Row 1

Type of pricing scheme

Shadow price

Objectives for implementing internal price

- Stress test investments
- Conduct cost-benefit analysis
- Drive water efficiency
- Incentivize consideration of water-related issues in risk assessment
- Drive water-related investment

Factors beyond current market price are considered in the price

Yes

Factors considered when determining the price

- Scenario analysis
- Existing water tariffs
- Costs of treating water

Calculation methodology and assumptions made in determining the price

Due to the large amount of water required for production and operation activities, AUO faced a water shortage crisis as a result of Taiwan experiencing its most severe drought in half a century in 2020, with no typhoons passing through. This prompted AUO to actively seek ways to reduce internal water usage and increase recycling efficiency, while also exploring external sources such as reclaimed water and desalinated water. With maturity and transparency of reclaimed water technology, AUO assesses and promotes the use of reclaimed water at a certain percentage in its plants. The average value of the reclaimed water price data from the Water Resources Agency is used as AUO's internal price on water (minimum price). As desalinated water

technology develop continuously, AUO uses technical and construction costs as one of the sources for internal price on water (maximum price).

Stages of the value chain covered

Direct operations

Pricing approach used - spatial variance

Uniform

Pricing approach used - temporal variance

Evolutionary

Indicate how you expect the price to change over time

When AUO sets its internal price on water, it not only takes into account current prices and the impact of inflation, but also considers changes in construction costs of desalination and reclamation plants due to technological advancements and changes in the times. Additionally, it factors in fluctuations in prices due to regulatory amendments, institutional promotions, and preferential measures in different regions, and makes corresponding adjustments accordingly.

Minimum actual price used (currency per cubic meter)

23.05

Maximum actual price used (currency per cubic meter)

30

Business decision-making processes the internal water price is applied to

- Risk management
- Operations
- Capital expenditure

Internal price is mandatory within business decision-making processes

Yes, for some decision-making processes: Improve water efficiency (e.g. install effluent water recycling systems, wastewater ROR-R recovery systems, as well as expand membrane bio-reactor and reverse osmosis treatment facilities to introduce recycled water for process reuse.)

Pricing approach is monitored and evaluated to achieve objectives

Yes

Details of how the pricing approach is monitored and evaluated to achieve your objectives

Internal water price is important for AUO in terms of water resource investment. To ensure that the internal water price set by AUO contributes effectively to the water resource management goals and in-house process water recycling and reuse technologies relevance. Actively collecting new knowledge on external water resources and tracking public announcements of water prices by government agencies, as well as researching reports and trends in news, are key steps in this process. Additionally, by integrating the ISO 46001 management system into the Green Production team operation, AUO has established a hydrological center platform across factories to implement the setting of water conservation targets, classification of material water usage, water use review, routine management, performance management, water conservation action plans and other management measures. In line with the spirit of SDG 6 - Clean Water and Sanitation, \

conservation and innovation\’ have been included as one of the CSR EPS 2025 goals. A water conservation and creation target of “Work with the value chain to combat the threat of water shortages and conserve up to 100,000 CMD in tap water” was set for 2018 ~ 2025. In 2023, AUO exceeded the target ahead of schedule with cumulative water savings of 230,000 CMD.

Q5.11 Do you engage with your value chain on environmental issues?

Response 1: Suppliers

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water
- Plastics

Response 2: Customers

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water

Response 3: Investors and shareholders

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water

Response 4: Other value chain stakeholders

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water

Q5.11.1 Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Response 1: Climate change

Assessment of supplier dependencies and/or impacts on the environment

Yes, we assess the dependencies and/or impacts of our suppliers

Criteria for assessing supplier dependencies and/or impacts on the environment

- Dependence on ecosystem services/environmental assets
- Contribution to supplier-related Scope 3 emissions

% Tier 1 suppliers assessed

100%

Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

1. Scope 3 emissions: AUO collect and monitor the suppliers' GHG information through the SCM CSR Portal. AUO defines the top 80% of procurement spending or key material suppliers and annual GHG emission more than 5,000 ton CO₂e as key contributor.

2. Dependence on ecosystem: AUO uses Nature Needs Half and ENCORE data as references, defining suppliers with high impact and high dependence based on the top 80% of procurement spending, and with annually water withdrawn exceeds 100 million m³

% Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

51-75%

Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

44

Response 2: Water

Assessment of supplier dependencies and/or impacts on the environment

Yes, we assess the dependencies and/or impacts of our suppliers

Criteria for assessing supplier dependencies and/or impacts on the environment

- Impact on water availability
- Dependence on ecosystem services/environmental assets
- Dependence on water

% Tier 1 suppliers assessed

100%

Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

1. Dependence: AUO uses Nature Needs Half and ENCORE data as references, defining suppliers with high dependence based on the top 80% of procurement spending and being classified as high dependence, and with the annually water withdrawn exceeds 600,000 m³. 2. Impact: AUO uses WRI Aqueduct 4.0 and ENCORE as reference, defining suppliers with high impact based on the top 80% of procurement spending and being classified as high impact or water stress in both data (such as WRI >80%)

% Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1-25%

Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

9

Response 3: Plastics

Assessment of supplier dependencies and/or impacts on the environment

Yes, we assess the dependencies and/or impacts of our suppliers

Criteria for assessing supplier dependencies and/or impacts on the environment

Impact on plastic waste and pollution

% Tier 1 suppliers assessed

100%

Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Based on the plastic packaging waste collected and classified internally, AUO classifies suppliers with a plastic packaging waste production of over 50% as having a plastic waste pollution impact.

% Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1-25%

Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

5

Q5.11.2 Does your organization prioritize which suppliers to engage with on environmental issues?

Response 1: Climate change

Supplier engagement prioritization on this environmental issue

Yes, we prioritize which suppliers to engage with on this environmental issue

Criteria informing which suppliers are prioritized for engagement on this environmental issue

- Supplier performance improvement
- Material sourcing
- Strategic status of suppliers
- Vulnerability of suppliers
- Procurement spend
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts

relating to climate change
• Business risk mitigation

Please explain

Under AUO's climate transition plan, which would like to achieve 2050 Net Zero emission for long term, and 2030 42% absolute reduction in Scope 1 & 2 emissions and a 25% absolute reduction in Scope 3 emissions. In addition, with internal emission analysis, the products and services provided by AUO suppliers are hotspots of our Scope 3 upstream emission. Thus, in order to balance manageability and maximize AUO's climate influence, AUO prioritize suppliers engagement after defines the top 80% of procurement spending and key material suppliers as key contributor and prioritized engage target of Scope 3 emissions, which cover 80% upstream product and services action. With their organization emission reduction, AUO's Scope 3 emissions could decline and achieved our Scope 3 reduction target and reduce our value chain's climate impact. Also, suppliers with higher impact or dependency in the Nature Needs Half and ENCORE data are classified as priority partner suppliers. AUO further classifies suppliers into four categories (Critical partner, Ability construction, Process/material RD, Risk assessment) based on their carbon reduction capability, environmental impact, dependency, and AUO's reliance on the materials provided by them. Differential agreements and management are implemented based on the different nature of supplier categories.

Response 2: Water

Supplier engagement prioritization on this environmental issue

Yes, we prioritize which suppliers to engage with on this environmental issue

Criteria informing which suppliers are prioritized for engagement on this environmental issue

- Material sourcing
- Strategic status of suppliers
- Vulnerability of suppliers
- Procurement spend
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

Please explain

AUO prioritize Suppliers engagement after defines the top 80% of procurement spending, which cover 80% upstream product and services action, and with high impact or dependence in WRI Aqueduct 4.0 and ENCORE data. In addition, suppliers who voluntarily participate in AUO's water conservation sharing and activities will also be included in the negotiation and management process.

Response 3: Plastics

Supplier engagement prioritization on this environmental issue

Yes, we prioritize which suppliers to engage with on this environmental issue

Criteria informing which suppliers are prioritized for engagement on this environmental issue

- Strategic status of suppliers
- Vulnerability of suppliers
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics

Please explain

AUO classifies suppliers with plastic packaging waste production of over 50%, based on internally collected and categorized data, as plastic issue negotiation targets. Furthermore, they prioritize negotiation based on the type of plastic packaging material, recycling technology, and supplier cooperation capabilities.

Q5.11.5 Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Response 1: Climate change

Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

Policy in place for addressing supplier non-compliance

Yes, we have a policy in place for addressing non-compliance

Comment

AUO conducts Quarterly Business Reviews with suppliers each quarter to ensure continuous improvement and refinement. The QBR evaluation includes environmental and social aspects related to climate change, water resources, and plastic issues, aiming to encourage suppliers to continuously improve and comply with AUO's Supplier Code of Conduct and collaborate on climate change, water resources, and plastic issues. Suppliers who do not meet the standards in the QBR evaluation will participate in a review meeting with senior executives from both parties, where decisions may be made to suspend the introduction of new products, adjust procurement quantities, or even remove them from the list of approved suppliers.

Response 2: Water

Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

Policy in place for addressing supplier non-compliance

Yes, we have a policy in place for addressing non-compliance

Comment

AUO conducts Quarterly Business Reviews with suppliers each quarter to ensure continuous improvement and refinement. The QBR evaluation includes environmental and social aspects related to climate change, water resources, and plastic issues, aiming to encourage suppliers to continuously improve and comply with AUO's Supplier Code of Conduct and collaborate on climate change, water resources, and plastic issues. Suppliers who do not meet the standards in the QBR evaluation will participate in a review meeting with senior executives from both parties, where decisions may be made to suspend the introduction of new products, adjust procurement quantities, or even remove them from the list of approved suppliers.

Q5.11.6 Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Response 1: Climate change

Environmental requirement

Disclosure of GHG emissions to your organization (Scope 1 and 2)

Mechanisms for monitoring compliance with this environmental requirement

- Supplier self-assessment
- Fines and penalties
- Grievance mechanism/ Whistleblowing hotline
- Supplier scorecard or rating
- Certification
- On-site third-party audit

% tier 1 suppliers by procurement spend required to comply with this environmental requirement

100%

% tier 1 suppliers by procurement spend in compliance with this environmental requirement

100%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

100%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

100%

Response to supplier non-compliance with this environmental requirement

Suspend and engage

% of non-compliant suppliers engaged

100%

Procedures to engage non-compliant suppliers

- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance
- Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

Response 2: Water

Environmental requirement

Setting and monitoring withdrawal reduction targets

Mechanisms for monitoring compliance with this environmental requirement

- Community-based monitoring
- Second-party verification

- Grievance mechanism/ Whistleblowing hotline
- Fines and penalties
- Certification
- Supplier scorecard or rating
- On-site third-party audit

% tier 1 suppliers by procurement spend required to comply with this environmental requirement

100%

% tier 1 suppliers by procurement spend in compliance with this environmental requirement

100%

% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

100%

% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

100%

Response to supplier non-compliance with this environmental requirement

Suspend and engage

% of non-compliant suppliers engaged

100%

Procedures to engage non-compliant suppliers

- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance
- Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

Q5.11.7 Provide further details of your organization's supplier engagement on environmental issues.

Response 1: Climate change

Action driven by supplier engagement

Emissions reduction

Type and details of engagement

- Financial incentives: Provide financial incentives for environmental performance
- Capacity building: Provide training, support and best practices on how to measure GHG emissions
- Financial incentives: Provide financial incentives for suppliers with a climate transition plan
- Information collection: Collect targets information at least annually from suppliers

- Information collection: Collect GHG emissions data at least annually from suppliers
- Capacity building: Develop or distribute resources on how to map upstream value chain
- Innovation and collaboration: Engage with suppliers to advocate for policy or regulatory change to address environmental challenges
- Capacity building: Provide training, support and best practices on how to make credible renewable energy usage claims
- Information collection: Collect climate transition plan information at least annually from suppliers
- Financial incentives: Provide financial incentives for suppliers increasing renewable energy use
- Capacity building: Support suppliers to develop public time-bound action plans with clear milestones
- Innovation and collaboration: Facilitate adoption of a unified climate transition approach with suppliers
- Capacity building: Support suppliers to set their own environmental commitments across their operations
- Innovation and collaboration: Collaborate with suppliers on innovations to reduce environmental impacts in products and services
- Innovation and collaboration: Run a campaign to encourage innovation to reduce environmental impacts on products and services
- Information collection: Collect environmental risk and opportunity information at least annually from suppliers
- Capacity building: Provide training, support and best practices on how to mitigate environmental impact
- Financial incentives: Feature environmental performance in supplier awards scheme

Upstream value chain coverage

- Tier 1 suppliers
- Tier 2 suppliers

% of tier 1 suppliers by procurement spend covered by engagement

76-99%

% of tier 1 supplier-related scope 3 emissions covered by engagement

51-75%

Number of tier 2+ suppliers engaged

5

Describe the engagement and explain the effect of your engagement on the selected environmental action

As part of AUO Green Solutions, AUO not only continue to push our own standards but also hope to set an example for the rest of the industry by extending the influence of our environmental sustainability initiatives to our value chain as well. AUO and prioritized engagement suppliers have jointly committed to achieving an absolute reduction of 20% by 2030 based on the 2021 baseline. To achieve this goal, AUO encourages prioritized engagement suppliers to adopt ISO 14064 greenhouse gas inventory and ISO 50001 energy management systems to reduce environmental impact and lower upstream procurement emissions of raw materials and services for AUO Scope 3. As of 2023, 60 suppliers have obtained ISO 14064 certification, and 18 high electricity-consuming suppliers have obtained ISO 50001 energy management systems, accounting for 54.54% of all high electricity-consuming suppliers. In accordance with the reduction pathway, suppliers are expected to achieve a 2% reduction in emissions by 2023 compared to the 2021 baseline. Due to market demand dynamics, actual emissions decreased by 27.6% in 2023, exceeding the annual reduction target of 2%.

Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Other: The AUO Facilities team conduct in-depth technical support programs regular on-site exchanges with suppliers to support carbon reduction initiatives in the supply chain.

Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

Response 2: Water

Action driven by supplier engagement

Total water withdrawal volumes reduction

Type and details of engagement

- Information collection: Collect environmental risk and opportunity information at least annually from suppliers
- Capacity building: Support suppliers to set their own environmental commitments across their operations
- Information collection: Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)
- Innovation and collaboration: Engage with suppliers to advocate for policy or regulatory change to address environmental challenges
- Information collection: Collect targets information at least annually from suppliers
- Information collection: Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)
- Financial incentives: Provide financial incentives to encourage progress against water withdrawal targets
- Innovation and collaboration: Incentivize collaborative sustainable water management in river basins
- Financial incentives: Provide financial incentives to encourage progress against water pollution targets
- Financial incentives: Provide financial incentives for environmental performance
- Financial incentives: Feature environmental performance in supplier awards scheme
- Information collection: Collect WASH information at least annually from suppliers

Upstream value chain coverage

Tier 1 suppliers

% of tier 1 suppliers by procurement spend covered by engagement

76-99%

% tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

51-75%

Describe the engagement and explain the effect of your engagement on the selected environmental action

To reduce the dependence and impact of water and environmental resources in the value chain, AUO encourages suppliers to set their own environmental commitments across their operations. Every year, through the SCM Portal, AUO collects suppliers' water withdrawal, discharge, consumption, recycling rate, reduction target, and information on major pollution incidents. AUO assists prioritized engagement suppliers in improving water efficiency through on-site experience sharing, co-prosperity courses, on-site guidance, and other methods. Outstanding suppliers who have made environmental benefits improvements are awarded at the supplier conference to encourage other suppliers. In 2023, the annual water savings amounted to 14,031 cubic meters per day. In addition, AUO also invites suppliers to participate in tree-planting and beach-cleaning activities to enhance local sustainable environmental management.

Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Other: ESG Scorecard requires suppliers to adhere to environment standards which is including water management topic, AUO uses ESG Scorecard to promote water management and further reduction of operating risks in the supply chain.

Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

Response 3: Plastics

Action driven by supplier engagement

Circular economy

Type and details of engagement

- Innovation and collaboration: Collaborate with suppliers on innovations to reduce environmental impacts in products and services
- Capacity building: Provide training, support and best practices on how to mitigate environmental impact

Upstream value chain coverage

Tier 1 suppliers

% of tier 1 suppliers by procurement spend covered by engagement

1-25%

Describe the engagement and explain the effect of your engagement on the selected environmental action

AUO collaborates with plastic issue negotiation partners on discussing plastic packaging recycling and reprocessing methods to reduce plastic waste production and create new value from plastic waste.

Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

No

Q5.11.9 Provide details of any environmental engagement activity with other stakeholders in the value chain.

Response 1: Climate change

Type of stakeholder

Customers

Type and details of engagement

- Education/Information sharing: Share information about your products and relevant certification schemes
- Innovation and collaboration: Align your organization's goals to support customers' targets and

ambitions

- Innovation and collaboration: Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Education/Information sharing: Share information on environmental initiatives, progress and achievements

% of stakeholder type engaged

51-75%

% stakeholder-associated scope 3 emissions

100%

Rationale for engaging these stakeholders and scope of engagement

AUO engages in periodic technical exchange meetings with customers, discussing climate-related risks, opportunities, and management measures. These meetings also cover aligning climate action goals, collaborating on low-carbon product development, and introducing low-carbon materials and renewable energy. Among these, discussions with IT(DT, NB) customers on sustainable product requirements, design development, and climate goal alignment account for over 40% of AUO's annual revenue, while discussions with MS customers account for over 13%, totaling more than 53% of AUO's annual revenue.

As DT customers are AUO's focus customers type, this year's AUO Scope 3 Category 11 inventory is based on our all DT products. All customers of DT products are included in the aforementioned engaged targets, hence stakeholder-associated Scope 3 emissions account for 100%.

Effect of engagement and measures of success

Under customer exchanges and collaborations, AUO completed the setting of its 2030 SBT targets in 2024. In 2023, through meetings and discussions with customers to understand their needs and goals, AUO provided custom low-carbon solutions. In 2023, a total of 111 green technology products were communicated, covering the use of recycled materials, low-energy consumption technologies, and the introduction of renewable energy. Through continuous research and development of low-carbon technologies and material applications, AUO aims to reduce product energy consumption, thereby lowering carbon emissions during the product use phase for both AUO and its customers. In 2023, 18.55 million energy-efficient products were shipped, resulting in a 10% decrease in greenhouse gas intensity per unit area during the product use phase.

Response 2: Water

Type of stakeholder

Investors and shareholders

Type and details of engagement

- Education/Information sharing: Share information on environmental initiatives, progress and achievements
- Innovation and collaboration: Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

% of stakeholder type engaged

100%

Rationale for engaging these stakeholders and scope of engagement

AUO regularly conducts roadshows and communicates with investors through sustainability reports, sustainable websites, sustainability ratings, and interactive platforms to exchange information on AUO's mitigation and management measures related to water issues. The disclosed and communicated information covers all operational scopes of AUO.

Effect of engagement and measures of success

In addition to information sharing and communication, starting in 2022, AUO will collaborate with banks on blue loans, where investors provide operational funds for AUO's procurement and upgrading of water resource recovery and purification equipment, aimed at reducing AUO's water resource consumption, dependency, and impact.

Response 3: Climate change

Type of stakeholder

Other value chain stakeholder: employee

Type and details of engagement

- Education/Information sharing: Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- Education/Information sharing: Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- Other: Other: Carbon reduction awareness training

% of stakeholder type engaged

76-99%

% stakeholder-associated scope 3 emissions

76-99%

Rationale for engaging these stakeholders and scope of engagement

To enhance AUO's carbon reduction development and climate action capabilities, AUO plans and promotes various sustainability courses to cultivate employees' ESG knowledge. The courses include climate sustainability information for all employees, such as promoting low-carbon travel and commuting, as well as department-specific professional capabilities, such as supplier sustainability management training to enhance AUO's implementation and promotion of sustainable procurement based on supplier code of conduct, supply chain carbon management, and RBA management. Improving sustainability management expertise in various departments will contribute to AUO's low-carbon product development, construction of low-carbon supply chains, with its impact reaching 95% within Scope 3 emissions.

Effect of engagement and measures of success

In 2023, AUO Sustainability Academy organized a total of 34 courses including ESG short lectures, ESG sharing sessions, master lectures, workshops, etc., to promote sustainability for all employees, reaching a total of 29,980 participants.

Response 4: Climate change

Type of stakeholder

Investors and shareholders

Type and details of engagement

- Education/Information sharing: Share information on environmental initiatives, progress and achievements
- Innovation and collaboration: Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- Education/Information sharing: Share information about your products and relevant certification schemes

% of stakeholder type engaged

1-25%

% stakeholder-associated scope 3 emissions

51-75%

Rationale for engaging these stakeholders and scope of engagement

AUO regularly conducts roadshows and communicates with investors through sustainability reports, sustainable websites, sustainability ratings, and interactive platforms to exchange information on AUO's climate-related risks, opportunities, and relevant management measures. The disclosed and communicated information covers not only direct emissions from AUO factory operations and indirect emissions from electricity use, but also downstream product-related carbon emissions and upstream raw material-related carbon emissions, totaling over 60% of AUO's Scope 3 emissions.

Effect of engagement and measures of success

In addition to information sharing and communication, starting in 2022, AUO will collaborate with banks on green credit facilities, where investors provide funds for AUO to engage in green research and development, manufacturing, and operational activities, as well as climate actions related to sustainability certifications, patented technology, and others. AUO will utilize green credit financing to support the company's expansion of green energy adoption and investments in renewable energy power plant projects, enhancing the company's carbon reduction efforts and seizing climate-related opportunities.

Q5.13 Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

Response 1:

Environmental initiatives implemented due to CDP Supply Chain member engagement

Yes

Q6.1 Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Response 1: Climate change

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

In principle, for subsequent data disclosure boundaries, AUO adopts operational control and includes all of its global manufacturing production sites in the analysis scope. The latitude and longitude of the disclosed sites

by Topic Group One may be consulted, with further adjustments made following relevant guidelines for specific issues.

Based on the Greenhouse Gas Protocol and ISO 14064 guidelines regarding operational control, AUO defines its disclosure boundary for climate-related data. Furthermore, in conducting financial impact analysis, the company follows the regulations of the Financial Supervisory Commission of Taiwan, using the boundary of consolidated financial statements for data assessment.

Response 2: Water

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

In principle, for subsequent data disclosure boundaries, AUO adopts operational control and includes all of its global manufacturing production sites in the analysis scope. The latitude and longitude of the disclosed sites by Topic Group One may be consulted, with further adjustments made following relevant guidelines for specific issues.

Based on the Greenhouse Gas Protocol and ISO 14064 guidelines regarding operational control, AUO defines its disclosure boundary for climate-related data. Furthermore, in conducting financial impact analysis, the company follows the regulations of the Financial Supervisory Commission of Taiwan, using the boundary of consolidated financial statements for data assessment.

Response 3: Plastics

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

In principle, for subsequent data disclosure boundaries, AUO adopts operational control and includes all of its global manufacturing production sites in the analysis scope. The latitude and longitude of the disclosed sites by Topic Group One may be consulted, with further adjustments made following relevant guidelines for specific issues.

In order to identify, evaluate and assess the nature-related dependencies, impacts, risks, and opportunities in relation to AUO's business, AUO has adopted an overarching approach to review the nature-related issues that are relevant to AUO's own operations and value chain.

The overall approach covers internal data gathering with different AUO executive and operations departments, for the purpose of scoping, screening and prioritization of material nature-related locations and aspects. Subsequently, the identification and assessment of nature-related impacts, dependencies, risks and opportunities are conducted. Lastly, actions in responding to nature-related impacts and dependencies are framed with the AR3T framework, and metrics are determined for action tracking. T

Response 4: Biodiversity

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

In order to identify, evaluate and assess the nature-related dependencies, impacts, risks, and opportunities in relation to AUO's business, AUO has adopted an overarching approach to review the nature-related issues that are relevant to AUO's own operations and value chain.

The overall approach covers internal data gathering with different AUO executive and operations departments, for the purpose of scoping, screening and prioritization of material nature-related locations and aspects. Subsequently, the identification and assessment of nature-related impacts, dependencies, risks and opportunities are conducted. Lastly, actions in responding to nature-related impacts and dependencies are framed with the AR3T framework, and metrics are determined for action tracking. T

Q7.1 Is this your first year of reporting emissions data to CDP?

No

Q7.1.1 Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

No

Q7.1.2 Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

No

Q7.2 Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- ISO 14064-1
- Taiwan - GHG Reduction Act

Q7.3 Describe your organization's approach to reporting Scope 2 emissions.

Response 1:

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

The Scope 2 emissions include GHG emissions from consumption of purchased electricity & steam. So far no market-based activity has occurred to the region that our factories are location-based.

The Scope 2 emissions include GHG emissions from consumption of purchased electricity & steam. So far no location-based activity has occurred to the region that our factories are market-based.

Q7.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

Q7.5 Provide your base year and base year emissions.

Response 1: Scope 1

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

79186.29

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 2: Scope 2 (location-based)

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

2841287.55

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 3: Scope 2 (market-based)

Base year end

2018-12-30

Base year emissions (metric tons CO2e)

2841287.55

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5
Emission factor: Based on government databases or Simapro database

Response 4: Scope 3 category 1: Purchased goods and services

Base year end

2021-12-30

Base year emissions (metric tons CO₂e)

1151435

Methodological details

Using previous product carbon footprint inventory conducted by AUO as the basis to calculate the materials needed during production, main carbon emissions from the product raw materials stage are used as the reference for calculating this item. The item includes glass substrate, liquid crystal, photoresist, developer, etchant, array stripper and thinner, etc.

This item was reevaluated during the reporting year to comply with SBTi application requirements and was approved by SBTi. However, it was not disclosed or verified in previous reports. The disclosed numbers in subsequent reports will be based on the figures verified under ISO for that year.

The values disclosed in this item represent estimates made during the application for SBT 1.5 targets in 2023, which were approved through the SBT review. These values differ from those disclosed in section 7.8.1. The figures in 7.8.1 were the results of ISO 14064 verification at that time, and the discrepancies arise from data limitations, calculation scope, and methodology differences between 2021 and the SBT target application (in 2023).

AUO continues to refine the calculation of Scope 3, expanding both the scope and the accuracy of the calculations.

Response 5: Scope 3 category 2: Capital goods

Base year end

2021-12-30

Base year emissions (metric tons CO₂e)

163844.79

Methodological details

Emissions Source Definition: Carbon emissions from the cradle to gate for items that can be included in the asset number calculation. Calculation Item: AUO reports the annual carbon emissions for purchased items that are included in the asset number, including equipment, software, etc.

This item was reevaluated during the reporting year to comply with SBTi application requirements and was approved by SBTi. However, it was not disclosed or verified in previous reports. The disclosed numbers in subsequent reports will be based on the figures verified under ISO for that year.

Response 6: Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

479272

Methodological details

Emission source definition: Calculate the emissions from the cradle to the gate of energy resources consumed by AUO. Calculation items: Including diesel, liquefied petroleum gas, natural gas, electricity, and calculating the related emissions of fuel energy using the cradle-to-gate coefficient announced by the Environmental Protection Agency for energy resources.

Response 7: Scope 3 category 4: Upstream transportation and distribution

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

7972

Methodological details

AUO calculates the greenhouse gas emissions caused by transportation of direct materials purchased for production use from the supplier's shipment location (actual address or representative factory selected from the website) to the company's receiving plant, excluding transportation between company plants. For the scope three improvement calculation at AUO, there have been changes in the calculation scope this year. The scope of upstream transportation calculations has been revised for the current fiscal year. Previously, the scope of calculations only included some materials, but from this fiscal year onwards, AUO has included all materials in the upstream transportation information. As a result, the emissions have increased significantly compared to last year.

Response 8: Scope 3 category 5: Waste generated in operations

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

25660.99

Methodological details

Emission source definition: Calculate the greenhouse gas emissions generated during the final transportation and disposal process in Taiwan factories. Calculation items: Including main items such as sludge, waste solvents, glass, acid, dust ash, empty barrels, and hardware. If the aforementioned items do not reach 80% of the actual transportation volume, additional calculation items will be added in sequence.

Response 9: Scope 3 category 6: Business travel

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

869.04

Methodological details

Emission source definition: Calculate the greenhouse gas emissions of AUO colleagues during business travel through the travel system. Calculation items: According to the transportation tools applied for reimbursement, including airplanes, high-speed rail, rental cars, private cars, taxis, etc., individual emission calculations are carried out.

Response 10: Scope 3 category 7: Employee commuting

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

38732.73

Methodological details

Emission source definition: Calculate the emissions generated by commuting of all AUO colleagues in Taiwan's factories. Calculation items: Including direct and indirect employees, greenhouse gas emissions from commuting to and from work and factory transportation vehicles; emissions from commuting vehicles for foreign employees are also included in the calculation.

Response 11: Scope 3 category 8: Upstream leased assets

Base year end

2021-12-31

Base year emissions (metric tons CO2e)

168.63

Methodological details

AUO inventories the types of leased office contracts domestically and internationally. The energy consumption of office contracts is independently calculated from the rent. Therefore, based on operational control, energy consumption in overseas offices should be classified as Scope 1 and 2, and this item is not applicable to AUO.

Response 12: Scope 3 category 9: Downstream transportation and distribution

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

67284.9

Methodological details

Emission source definition: Calculate the emissions for shipped products from all factories, including outsourced OEM factories, in the current year, but excluding the transportation of front-end products to the OEM factories. Calculation items: Greenhouse gas emissions from road transportation to ports or airports, or from sea/air transportation to destination ports/airports, but excluding transportation between factory areas and OEM factories.

Response 13: Scope 3 category 10: Processing of sold products

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

0

Methodological details

AUO is a B to B based operating manufacturing industry, some of end products and semi-finished products need to be produced through OEMs before they can be shipped to brand customers. Therefore, the demand of the foundry must be specified by the customer, and the overall assisted foundry objects are quite diversified. At present, it is not possible to grasp the fixed cooperative relationship in operation.

Response 14: Scope 3 category 11: Use of sold products

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

3131690

Methodological details

AUO operates as a B2B company, and its products are not end products. In this project, AUO recognizes that the main carbon emissions from the products come from the energy consumption of display modules. Therefore, the company has voluntarily estimated these emissions, provided them for stakeholders' reference, and included them in the SBTi Scope 3 targets as a key area for carbon reduction. This item selected desktop monitors as the endpoint product for estimation and estimated the carbon emissions during the product lifecycle stage when AUO's panel modules are used in desktop monitors.

This item was reevaluated during the reporting year to comply with SBTi application requirements and was approved by SBTi. However, it was not disclosed or verified in previous reports. The disclosed numbers in subsequent reports will be based on the figures verified under ISO for that year.

Response 15: Scope 3 category 12: End of life treatment of sold products

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

0

Methodological details

AUO is not a terminal product manufacturer and is not applicable to this item. Therefore, it is excluded according to the indirect emission significance criterion.

Response 16: Scope 3 category 13: Downstream leased assets

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

166001.35

Methodological details

Emissions Source Definition: Carbon emissions generated from the leased property within the country and other units. / Calculation Item: Carbon emissions generated from the energy consumption of the leased property provided by AUO to other units, all of which are building spaces.

This item was reevaluated during the reporting year to comply with SBTi application requirements and was approved by SBTi. However, it was not disclosed or verified in previous reports. The disclosed numbers in subsequent reports will be based on the figures verified under ISO for that year.

Response 17: Scope 3 category 14: Franchises

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

0

Methodological details

AUO does not have any franchised operations, so it is excluded according to the indirect emission significance criterion.

Response 18: Scope 3 category 15: Investments

Base year end

2021-12-31

Base year emissions (metric tons CO2e)

49729.2

Methodological details

The boundary is set for the 100% owned subsidiary of AUO Group that is engaged in manufacturing and production (AUO Crystal).

Response 19: Scope 3: Other (upstream)

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

0

Methodological details

Not Applicable.

Response 20: Scope 3: Other (downstream)

Base year end

2021-12-30

Base year emissions (metric tons CO2e)

0

Methodological details

Not Applicable.

Q7.6 What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Response 1: Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

66809.19

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 2: Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

69745.35

End date

2022-12-30

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 3: Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

79186.29

End date

2021-12-30

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory

GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 4: Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

102217.5

End date

2020-12-30

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory

GWP: AR5

Emission factor: Based on government databases or Simapro database

Response 5: Past year 4

Gross global Scope 1 emissions (metric tons CO2e)

986593.16

End date

2019-12-30

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory

GWP: AR4

Emission factor: Based on government databases or Simapro database

Response 6: Past year 5

Gross global Scope 1 emissions (metric tons CO2e)

316138.17

End date

2018-12-30

Methodological details

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR4
Emission factor: Based on government databases or Simapro database

Q7.7 What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Response 1: Reporting year

Gross global Scope 2, location-based emissions (metric tons CO2e)

2361055.73

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2361055.73

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 2: Past year 1

Gross global Scope 2, location-based emissions (metric tons CO2e)

2396609.69

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2373369.69

End date

2022-12-30

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 3: Past year 2

Gross global Scope 2, location-based emissions (metric tons CO2e)

2841287.55

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2841287.55

End date

2021-12-30

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 4: Past year 3

Gross global Scope 2, location-based emissions (metric tons CO2e)

2909307.96

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

2909307.96

End date

2020-12-30

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR5
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 5: Past year 4

Gross global Scope 2, location-based emissions (metric tons CO2e)

3045910.85

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

3045910.85

End date

2019-12-30

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR4
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 6: Past year 5

Gross global Scope 2, location-based emissions (metric tons CO2e)

3252649.3

Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

3252649.3

End date

2018-12-30

Methodological details

Activity data: Actual use of petrochemical fuels, refrigerants, greenhouse gases, and electricity at the factory
GWP: AR4
Emission factor: Based on government databases or Simapro database

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Q7.8 Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Response 1: Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

825778.96

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Using previous product carbon footprint inventory conducted by AUO as the basis to calculate the materials needed during production, main carbon emissions from the product raw materials stage are used as the reference for calculating this item. Calculation items include glass substrate, metal backlight, liquid crystal, photoresist, developing solution, etching solution, Array Stripper stripping solution, and process diluent used in manufacturing. AUO continues to improve its Scope 3 calculations, and this year we have added emissions calculations for upstream emissions of three key raw materials compared to last year.

Response 2: Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

163597.9

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions Source Definition: Carbon emissions from the cradle to gate for items that can be included in the asset number calculation. Calculation Item: AUO reports the annual carbon emissions for purchased items that are included in the asset number, including equipment, software, etc.

Response 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

447726.93

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

90

Please explain

Emission source definition: Calculate the emissions from the cradle to the gate of energy resources consumed by AUO. Calculation items: Including diesel, liquefied petroleum gas, natural gas, electricity, and calculating the related emissions of fuel energy using the cradle-to-gate coefficient announced by the Environmental

Protection Agency for energy resources.

Response 4: Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

639882

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

AUO calculates the greenhouse gas emissions caused by transportation of direct materials purchased for production use from the supplier's shipment location (actual address or representative factory selected from the website) to the company's receiving plant, excluding transportation between company plants. For the scope three improvement calculation at AUO, there have been changes in the calculation scope this year. The scope of upstream transportation calculations has been revised for the current fiscal year. Previously, the scope of calculations only included some materials, but from this fiscal year onwards, AUO has included all materials in the upstream transportation information. As a result, the emissions have increased significantly compared to last year.

Response 5: Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1687.1

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

70

Please explain

Emission source definition: Calculate the greenhouse gas emissions generated during the final transportation and disposal process in Taiwan factories. Calculation items: Including main items such as sludge, waste solvents, glass, acid, dust ash, empty barrels, and hardware. If the aforementioned items do not reach 80% of the actual transportation volume, additional calculation items will be added in sequence.

Response 6: Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

978.92

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emission source definition: Calculate the greenhouse gas emissions of AUO colleagues during business travel through the travel system. Calculation items: According to the transportation tools applied for reimbursement, including airplanes, high-speed rail, rental cars, private cars, taxis, etc., individual emission calculations are carried out.

Response 7: Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

13342.18

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emission source definition: Calculate the emissions generated by commuting of all AUO colleagues in Taiwan's factories. Calculation items: Including direct and indirect employees, greenhouse gas emissions from commuting to and from work and factory transportation vehicles; emissions from commuting vehicles for foreign employees are also included in the calculation.

Response 8: Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

AUO inventories the types of leased office contracts domestically and internationally. The energy consumption of office contracts is independently calculated from the rent. Therefore, based on operational control, energy consumption in overseas offices should be classified as Scope 1 and 2. Therefore, the result of the assessment for this item during the reporting year is zero.

Response 9: Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

25539.61

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

Emission source definition: Calculate the emissions for shipped products from all factories, including outsourced OEM factories, in the current year, but excluding the transportation of front-end products to the OEM factories. Calculation items: Greenhouse gas emissions from road transportation to ports or airports, or from sea/air transportation to destination ports/airports, but excluding transportation between factory areas and OEM factories.

Response 10: Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

AUO is applicable to this item, but due to the lack of an established methodology and information collection platform, it is excluded according to the indirect emission significance criterion.

Response 11: Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2742763

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

AUO operates as a B2B company, and its products are not end products. AUO recognizes that the main carbon emissions from the products come from the energy consumption of display modules. Therefore, the company has voluntarily estimated these emissions, provided them for stakeholders' reference, and included them in the SBT Scope 3 targets as a key area for carbon reduction. This item selected desktop monitors as the endpoint product for estimation and estimated the carbon emissions during the product lifecycle stage when AUO's panel modules are used in desktop monitors.

Response 12: End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

AUO is not a terminal product manufacturer and is not applicable to this item. Therefore, it is excluded according to the indirect emission significance criterion.

Response 13: Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

14873.54

Emissions calculation methodology

Lessor-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions Source Definition: Carbon emissions generated from the leased property within the country and other units. Calculation Item: Carbon emissions generated from the energy consumption of the leased property provided by AUO to other units, all of which are building spaces.

Response 14: Franchises

Evaluation status

Not relevant, explanation provided

Please explain

AUO does not have any franchised operations, so it is excluded according to the indirect emission significance criterion.

Response 15: Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

37174.04

Emissions calculation methodology

Investment-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The boundary is set for the 100% owned subsidiary of AUO Group that is engaged in manufacturing and production (AUO Crystal).

Response 16: Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not Applicable

Response 17: Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not Applicable

Q7.8.1 Disclose or restate your Scope 3 emissions data for previous years.

Response 1: Past year 1

End date

2022-12-30

Scope 3: Purchased goods and services (metric tons CO2e)

472378.32

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

402996.91

Scope 3: Upstream transportation and distribution (metric tons CO2e)

3092.71

Scope 3: Waste generated in operations (metric tons CO2e)

18126.84

Scope 3: Business travel (metric tons CO2e)

1051.32

Scope 3: Employee commuting (metric tons CO2e)

21764.02

Scope 3: Upstream leased assets (metric tons CO2e)

242.72

Scope 3: Downstream transportation and distribution (metric tons CO2e)

31004.97

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

53828.04

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 2: Past year 2

End date

2021-12-30

Scope 3: Purchased goods and services (metric tons CO2e)

616395.1

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

479272.02

Scope 3: Upstream transportation and distribution (metric tons CO2e)

7972

Scope 3: Waste generated in operations (metric tons CO2e)

25660.99

Scope 3: Business travel (metric tons CO2e)

869.04

Scope 3: Employee commuting (metric tons CO2e)

38732.73

Scope 3: Upstream leased assets (metric tons CO2e)

168.63

Scope 3: Downstream transportation and distribution (metric tons CO2e)

67284.9

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

49729.23

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 3: Past year 3

End date

2020-12-30

Scope 3: Purchased goods and services (metric tons CO2e)

721696.53

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

572489.11

Scope 3: Upstream transportation and distribution (metric tons CO2e)

18665.52

Scope 3: Waste generated in operations (metric tons CO2e)

19703.02

Scope 3: Business travel (metric tons CO2e)

8362.84

Scope 3: Employee commuting (metric tons CO2e)

47932.54

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

51853.97

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

38578.99

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

The data were calculated in accordance with ISO 14064-1: 2018 and is confirmed by DNV through the ISO 14064-3 verification standard.

Response 4: Past year 4

Q7.9 Indicate the verification/assurance status that applies to your reported emissions.

Verification/assurance status	
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

Q7.9.1 Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Response 1: Row 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

2023_ISO 14064.pdf

Page/section reference

P.1/Verification Opinion

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.9.2 Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Response 1: Row 1

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

2023_ISO 14064.pdf

Page/ section reference

P.1/Verification Opinion

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.9.3 Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Response 1: Row 1

Scope 3 category

- Scope 3: Waste generated in operations
- Scope 3: Investments
- Scope 3: Employee commuting
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Capital goods
- Scope 3: Use of sold products
- Scope 3: Purchased goods and services
- Scope 3: Upstream transportation and distribution
- Scope 3: Upstream leased assets
- Scope 3: Downstream transportation and distribution
- Scope 3: Downstream leased assets
- Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

2023_ISO 14064.pdf

Page/section reference

P.1/Verification Opinion

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.10 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

Q7.10.1 Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Response 1: Change in renewable energy consumption

Change in emissions (metric tons CO2e)

38773.57

Direction of change in emissions

Decreased

Emissions value (percentage)

1.57

Please explain calculation

The Kunshan & Xiamen & Suzhou Factory used self-generation power of 56,005,740 kWh. $56,005,740 \text{ (kWh)} \times 0.5703 \text{ (KgCO}_2\text{/kWh)} / 1000 = 31,940.07 \text{ metric tons CO}_2\text{e}$.

In Taiwan's manufacturing plant, self-consumed and externally purchased renewable energy amounts to approximately 13,832.99 MWh. Multiplying this by the carbon dioxide emissions factor of 0.494 (KgCO₂/kWh) the carbon emissions are estimated to be 6,833.50 metric tons of CO₂e.

$[\text{Emissions reduction activities in 2023 } (-38,773.57 \text{ tCO}_2\text{e}) \div \text{Scope 1+2 emissions in 2022 } (2,466,355.04)] \times 100\% = -1.57\%$

Response 2: Other emissions reduction activities

Change in emissions (metric tons CO2e)

68903.198

Direction of change in emissions

Decreased

Emissions value (percentage)

2.79

Please explain calculation

Besides raising the ratio of renewable energy used, AUO's manufacturing and operating units have also invested NTD \$880 million in energy conservation budgets to replace obsolete and energy-hungry equipment year by year to increase overall energy efficiency. In 2023, AUO implemented over 1180 energy-saving projects, saving 137 million Kwh of electricity. The annual energy-saving rate reached 3.3%, a record high, far exceeding the 1% average annual energy-saving rate stipulated by energy regulations for specific energy users.

Of these achievements, 54% were attributed to fine-tuning and improvements in manufacturing processes, with the remainder resulting from investments in equipment upgrades. As for measurement verification, a significant 71% of the data was obtained through enhanced precision measurements and estimative calculations. Consequently, a total of 68903.20 metric tons of CO₂e emissions were successfully averted in 2023.

$[Emissions\ reduction\ activities\ in\ 2023\ (-68903.20\ tCO_2e) \div Scope\ 1+2\ emissions\ in\ 2022\ (2,466,355.04)] \times 100\% = -2.79\%$

Response 3: Divestment

Change in emissions (metric tons CO₂e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 4: Acquisitions

Change in emissions (metric tons CO₂e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 5: Mergers

Change in emissions (metric tons CO2e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 6: Change in output

Change in emissions (metric tons CO2e)

147740

Direction of change in emissions

Increased

Emissions value (percentage)

6.05

Please explain calculation

The emissions increased in 2023 compared to 2022 due to the growth in panel shipments.

[Change in output increasing in 2023 (147740 tCO2e) ÷ Scope 1+2 emissions in 2022 (2,466,355.04)] X 100 = 6.05%

Response 7: Change in methodology

Change in emissions (metric tons CO2e)

55313.6

Direction of change in emissions

Decreased

Emissions value (percentage)

2.24

Please explain calculation

The adjustment of Taiwan's power coefficient of carbon emission was decreased from 0.509 to 0.494 KgCO2/kWh. And AUO Taiwan's total electricity consumption in 2023 was 3,687,573.21 MWh. Therefore, carbon emission reduction due to power factor decreasing = 3,687,573.21 MWh x (0.509 - 0.494 KgCO2/kWh) = 55,313.60 tCO2e 【Change in methodology decreasing in 2023】 (55,313.60 tCO2e) ÷ Scope 1+2 emissions in

2022 (2,466,355.04)] X 100% =2.24 %

Response 8: Change in boundary

Change in emissions (metric tons CO2e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 9: Change in physical operating conditions

Change in emissions (metric tons CO2e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 10: Unidentified

Change in emissions (metric tons CO2e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Response 11: Other

Change in emissions (metric tons CO2e)

0

Direction of change in emissions

No change

Emissions value (percentage)

0

Please explain calculation

NA

Q7.10.2 Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

Q7.12 Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

Q7.15 Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

Q7.15.1 Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

	Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
Row 1	CO2	48784.556	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 2	CH4	4175.355	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 3	N2O	291.36	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 4	HFCs	4789.172	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 5	PFCs	3701.794	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 6	SF6	4277.439	IPCC Fifth Assessment Report (AR5 - 100 year)
Row 7	NF3	789.518	IPCC Fifth Assessment Report (AR5 - 100 year)

Q7.16 Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Afghanistan			
Åland Islands			
Albania			
Algeria			
American Samoa			
Andorra			
Angola			
Anguilla			
Antarctica			
Antigua and Barbuda			
Argentina			
Armenia			
Aruba			
Australia			
Austria			
Azerbaijan			
Bahamas			
Bahrain			
Bangladesh			
Barbados			
Belarus			
Belgium			
Belize			
Benin			
Bermuda			
Bhutan			
Bolivia (Plurinational State of)			
Bonaire, Sint Eustatius and Saba			
Bosnia & Herzegovina			
Botswana			
Bouvet Island			
Brazil			
British Indian Ocean Territory			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
British Virgin Islands			
Brunei Darussalam			
Bulgaria			
Burkina Faso			
Burundi			
Cabo Verde			
Cambodia			
Cameroon			
Canada			
Cayman Islands			
Central African Republic			
Chad			
Chile			
China	12675.55	367900.13	367900.13
China, Macao Special Administrative Region			
Christmas Island			
Cocos (Keeling) Islands			
Colombia			
Comoros			
Congo			
Cook Islands			
Costa Rica			
Côte d' Ivoire			
Croatia			
Cuba			
Curaçao			
Cyprus			
Czechia			
Democratic People' s Republic of Korea			
Democratic Republic of the Congo			
Denmark			
Djibouti			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Dominica			
Dominican Republic			
Ecuador			
Egypt			
El Salvador			
Equatorial Guinea			
Eritrea			
Estonia			
Eswatini			
Ethiopia			
Falkland Islands (Malvinas)			
Faroe Islands			
Fiji			
Finland			
France			
French Guiana			
French Polynesia			
French Southern Territories			
Gabon			
Gambia			
Georgia			
Germany			
Ghana			
Gibraltar			
Greece			
Greenland			
Grenada			
Guadeloupe			
Guam			
Guatemala			
Guernsey			
Guinea			
Guinea-Bissau			
Guyana			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Haiti			
Heard Island and McDonald Islands			
Holy See			
Honduras			
Hong Kong SAR, China			
Hungary			
Iceland			
India			
Indonesia			
Iran (Islamic Republic of)			
Iraq			
Ireland			
Isle of Man			
Israel			
Italy			
Jamaica			
Japan			
Jersey			
Jordan			
Kazakhstan			
Kenya			
Kiribati			
Kuwait			
Kyrgyzstan			
Lao People's Democratic Republic			
Latvia			
Lebanon			
Lesotho			
Liberia			
Libya			
Liechtenstein			
Lithuania			
Luxembourg			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Madagascar			
Malawi			
Malaysia			
Maldives			
Mali			
Malta			
Marshall Islands			
Martinique			
Mauritania			
Mauritius			
Mayotte			
Mexico			
Micronesia (Federated States of)			
Monaco			
Mongolia			
Montenegro			
Montserrat			
Morocco			
Mozambique			
Myanmar			
Namibia			
Nauru			
Nepal			
Netherlands			
New Caledonia			
New Zealand			
Nicaragua			
Niger			
Nigeria			
Niue			
Norfolk Island			
North Macedonia			
Northern Mariana Islands			
Norway			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Oman			
Pakistan			
Palau			
Panama			
Papua New Guinea			
Paraguay			
Peru			
Philippines			
Pitcairn			
Poland			
Portugal			
Puerto Rico			
Qatar			
Republic of Korea			
Republic of Moldova			
Réunion			
Romania			
Russian Federation			
Rwanda			
Saint Barthélemy			
Saint Helena			
Saint Kitts and Nevis			
Saint Lucia			
Saint Martin (French part)			
Saint Pierre and Miquelon			
Saint Vincent and the Grenadines			
Samoa			
San Marino			
Sao Tome and Principe			
Saudi Arabia			
Senegal			
Serbia			
Seychelles			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Sierra Leone			
Singapore	2691.61	67541.26	67541.26
Sint Maarten (Dutch part)			
Slovakia	91.58	43.22	43.22
Slovenia			
Solomon Islands			
Somalia			
South Africa			
South Georgia and the South Sandwich Islands			
South Sudan			
Spain			
Sri Lanka			
State of Palestine			
Sudan			
Suriname			
Svalbard and Jan Mayen Islands			
Sweden			
Switzerland			
Syrian Arab Republic			
Taiwan, China	51350.45	1925571.12	1925571.12
Tajikistan			
Thailand			
Timor-Leste			
Togo			
Tokelau			
Tonga			
Trinidad and Tobago			
Tunisia			
Turkey			
Turkmenistan			
Turks and Caicos Islands			
Tuvalu			
Uganda			

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Ukraine			
United Arab Emirates			
United Kingdom of Great Britain and Northern Ireland			
United Republic of Tanzania			
United States Minor Outlying Islands			
United States of America			
United States Virgin Islands			
Uruguay			
Uzbekistan			
Vanuatu			
Venezuela (Bolivarian Republic of)			
Viet Nam			
Wallis and Futuna Islands			
Western Sahara			
Yemen			
Zambia			
Zimbabwe			

Q7.17 Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By activity
- By facility

Q7.17.1 Break down your total gross global Scope 1 emissions by business division.

Response 1: Row 1

Business division

Display Solution

Scope 1 emissions (metric ton CO2e)

61770.19

Response 2: Row 2

Business division

Solar Solution

Scope 1 emissions (metric ton CO2e)

5039

Q7.17.2 Break down your total gross global Scope 1 emissions by business facility.

Response 1: Row 1

Facility

Hsinchu

Scope 1 emissions (metric tons CO2e)

1945.75

Latitude

24.759748

Longitude

121.020658

Response 2: Row 2

Facility

Hwaya

Scope 1 emissions (metric tons CO2e)

7307.54

Latitude

25.046937

Longitude

121.373147

Response 3: Row 3

Facility

Lungtan

Scope 1 emissions (metric tons CO2e)

8159.33

Latitude

24.846067

Longitude

121.18828

Response 4: Row 4

Facility

Lungke

Scope 1 emissions (metric tons CO2e)

7562.68

Latitude

24.877631

Longitude

121.186146

Response 5: Row 5

Facility

Taichung

Scope 1 emissions (metric tons CO2e)

19097.41

Latitude

24.206923

Longitude

120.618363

Response 6: Row 6

Facility

Holi

Scope 1 emissions (metric tons CO2e)

6916.58

Latitude

24.295958

Longitude

120.727235

Response 7: Row 7

Facility

Tainan

Scope 1 emissions (metric tons CO2e)

217.71

Latitude

23.038509

Longitude

120.146492

Response 8: Row 8

Facility

Kaohsong

Scope 1 emissions (metric tons CO2e)

143.45

Latitude

22.838363

Longitude

120.25905

Response 9: Row 9

Facility

Suzhou

Scope 1 emissions (metric tons CO2e)

2608.2

Latitude

31.335389

Longitude

120.705635

Response 10: Row 10

Facility

Xiamen

Scope 1 emissions (metric tons CO2e)

1931.96

Latitude

24.663024

Longitude

118.210113

Response 11: Row 11

Facility

Kunshan

Scope 1 emissions (metric tons CO2e)

8135.39

Latitude

31.386923

Longitude

121.076633

Response 12: Row 12

Facility

Singapore

Scope 1 emissions (metric tons CO2e)

2691.61

Latitude

1.360574

Longitude

103.929955

Response 13: Row 13

Facility

Slovakia

Scope 1 emissions (metric tons CO2e)

91.58

Latitude

48.8861

Longitude

17.995564

Response 14: Row 14

Facility

Shenzhen (office)

Scope 1 emissions (metric tons CO2e)

0

Latitude

22.628114

Longitude

114.075182

Q7.17.3 Break down your total gross global Scope 1 emissions by business activity.

Response 1: Row 1

Activity

Process Activities

Scope 1 emissions (metric tons CO2e)

9147.695

Response 2: Row 2

Activity

Combustion

Scope 1 emissions (metric tons CO2e)

41399.397

Response 3: Row 3

Activity

Mobile Combustion

Scope 1 emissions (metric tons CO2e)

100.409

Response 4: Row 4

Activity

Septic tank

Scope 1 emissions (metric tons CO2e)

2812.382

Response 5: Row 5

Activity

CO2 Process gas

Scope 1 emissions (metric tons CO2e)

2146.592

Response 6: Row 6

Activity

Fugitive

Scope 1 emissions (metric tons CO2e)

11202.721

Q7.20 Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By business division
- By facility
- By activity

Q7.20.1 Break down your total gross global Scope 2 emissions by business division.

Response 1: Row 1

Business division

Display Solution

Scope 2, location-based (metric tons CO2e)

2182976.15

Scope 2, market-based (metric tons CO2e)

2182976.15

Response 2: Row 2

Business division

Solar Solution

Scope 2, location-based (metric tons CO2e)

178079.58

Scope 2, market-based (metric tons CO2e)

178079.58

Q7.20.2 Break down your total gross global Scope 2 emissions by business facility.

Response 1: Row 1

Facility

Hsinchu

Scope 2, location-based (metric tons CO2e)

45457.33

Scope 2, market-based (metric tons CO2e)

45457.33

Response 2: Row 2

Facility

Hwaya

Scope 2, location-based (metric tons CO2e)

230683.71

Scope 2, market-based (metric tons CO2e)

230683.71

Response 3: Row 3

Facility

Lungtan

Scope 2, location-based (metric tons CO2e)

172134.14

Scope 2, market-based (metric tons CO2e)

172134.14

Response 4: Row 4

Facility

Lungke

Scope 2, location-based (metric tons CO2e)

233102.34

Scope 2, market-based (metric tons CO2e)

233102.34

Response 5: Row 5

Facility

Taichung

Scope 2, location-based (metric tons CO2e)

847846.82

Scope 2, market-based (metric tons CO2e)

847846.82

Response 6: Row 6

Facility

Holi

Scope 2, location-based (metric tons CO2e)

345932.76

Scope 2, market-based (metric tons CO2e)

345932.76

Response 7: Row 7

Facility

Tainan

Scope 2, location-based (metric tons CO2e)

24360.93

Scope 2, market-based (metric tons CO2e)

24360.93

Response 8: Row 8

Facility

Kaohsong

Scope 2, location-based (metric tons CO2e)

26053.09

Scope 2, market-based (metric tons CO2e)

26053.09

Response 9: Row 9

Facility

Suzhou

Scope 2, location-based (metric tons CO2e)

79704.15

Scope 2, market-based (metric tons CO2e)

79704.15

Response 10: Row 10

Facility

Xiamen

Scope 2, location-based (metric tons CO2e)

57660.76

Scope 2, market-based (metric tons CO2e)

57660.76

Response 11: Row 11

Facility

Kunshan

Scope 2, location-based (metric tons CO2e)

230490.37

Scope 2, market-based (metric tons CO2e)

230490.37

Response 12: Row 12

Facility

Singapore

Scope 2, location-based (metric tons CO2e)

67541.26

Scope 2, market-based (metric tons CO2e)

67541.26

Response 13: Row 13

Facility

Slovakia

Scope 2, location-based (metric tons CO2e)

43.22

Scope 2, market-based (metric tons CO2e)

43.22

Response 14: Row 14

Facility

Shenzhen (office)

Scope 2, location-based (metric tons CO2e)

44.85

Scope 2, market-based (metric tons CO2e)

44.85

Q7.20.3 Break down your total gross global Scope 2 emissions by business activity.

Response 1: Row 1

Activity

Electricity

Scope 2, location-based (metric tons CO2e)

2356894.205

Scope 2, market-based (metric tons CO2e)

2356894.205

Response 2: Row 2

Activity

steam

Scope 2, location-based (metric tons CO2e)

4161.52

Scope 2, market-based (metric tons CO2e)

4161.52

Q7.22 Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Response 1: Consolidated accounting group

Scope 1 emissions (metric tons CO2e)

66925.76

Scope 2, location-based emissions (metric tons CO2e)

2398086.19

Scope 2, market-based emissions (metric tons CO2e)

2398086.19

Please explain

AUO Crystal Corporation is a wholly-owned subsidiary of AU Optronics and its financial figures are disclosed in AUO's consolidated financial statements. Additionally, AUO Crystal Corporation, being a company in the product manufacturing sector, has significantly higher emissions compared to sales businesses, thus it is included in the comprehensive accounting group category. This entity includes the annual reports of both AUO and AUO Crystal Corporation.

Response 2: All other entities

Scope 1 emissions (metric tons CO2e)

0

Scope 2, location-based emissions (metric tons CO2e)

14873.54

Scope 2, market-based emissions (metric tons CO2e)

14873.54

Please explain

AUO leases some of its manufacturing facilities to other manufacturing peers. The emissions generated from these leased facilities should be attributed to AUO under operational control, but within the physical boundary scope, they fall under this project. AUO includes the emissions allocated from downstream leases in this project for disclosure.

Q7.23 Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

Q7.23.1 Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Response 1: Row 1

Subsidiary name

AUO Crystal Corp

Primary activity

Energy services & equipment

Select the unique identifier you are able to provide for this subsidiary

No unique identifier

Scope 1 emissions (metric tons CO2e)

116.57

Scope 2, location-based emissions (metric tons CO2e)

37030.47

Scope 2, market-based emissions (metric tons CO2e)

37030.47

Comment

AUO Crystal Corp. is a wholly-owned manufacturing subsidiary of AUO. Since it conducts GHG inventory every year, its emissions are included in the calculations

Q7.27 What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Response 1: Row 1

Allocation challenges

Doing so would require we disclose business sensitive/proprietary information

Please explain what would help you overcome these challenges

To communicate with the financial department to support the confidential information about the market value, we calculate the percentage stands for different business units, that produce the product of interest by the customer, to avoid the disclosure of sensitivity selling price.

Response 2: Row 2

Allocation challenges

Diversity of product lines makes accurately accounting for each product/product line cost ineffective

Please explain what would help you overcome these challenges

Because of the great quantity of product code in our manufacturing database, these are not easy to identify the process of product type to collect in the reporting year. We normalized the GHG emissions into the EEI (eco-efficiency Index) with the denominator square meter (m²) of substrate area. Thus, we could further collect the areas of product units been manufactured to calculate the GHG emissions allocated to customers.

Q7.28 Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Response 1:

Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

Describe how you plan to develop your capabilities

Perfecting the Carbon Footprint Profile of Our Products 0. AUO began calculating product carbon footprints in 2008, determining individual product emissions based on a manufacturing database reference production percentage. We now have the capacity to provide customers with product carbon footprint information based on an allocation logic. In the future, a digitized management approach will provide customers with more accurate product carbon footprint profiles. 1. Digitized product carbon footprint calculations connect information including raw material transportation, production inputs, energy consumption in production, and waste output. 2. In collaboration with suppliers, we aim to transition from using public database content to primary data provided by the suppliers for raw material data. 3. By working with downstream customers, we aim to collect more comprehensive product usage scenarios to estimate carbon emissions during the usage stage. Furthermore, we're establishing an internal process for measuring actual energy consumption, making carbon emissions during the product usage stage an essential product specification.

Q7.29 What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

Q7.30 Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

Q7.30.1 Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	216180.64	216180.64
Consumption of purchased or acquired electricity	LHV (lower heating value)	13704.99	4487728.83	4501433.82
Consumption of purchased or acquired steam	LHV (lower heating value)	0	10767.36	10767.36
Consumption of self-generated non-fuel renewable energy	LHV (lower heating value)	56133.74		56133.74
Total energy consumption	LHV (lower heating value)	69838.72	4714676.83	4784515.56

Q7.30.6 Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

Q7.30.7 State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Response 1: Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

AUO does not use this type of fuel.

Response 2: Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

AUO does not use this type of fuel.

Response 3: Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

AUO does not use this type of fuel.

Response 4: Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

AUO does not use this type of fuel.

Response 5: Oil

Heating value

LHV

Total fuel MWh consumed by the organization

21411.1

MWh fuel consumed for self-generation of electricity

14961.81

MWh fuel consumed for self-generation of heat

6449.29

Comment

Including liquefied petroleum gas, diesel oil, gasoline.

liquefied petroleum gas: Heat generated from kitchen usage.

Diesel oil: Generator usage.

gasoline : Use of official vehicles.

Response 6: Gas

Heating value

LHV

Total fuel MWh consumed by the organization

194769.54

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

194769.54

Comment

Used for combustion in machinery and heat generated from kitchen usage.

Response 7: Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

AUO does not use this type of fuel.

Response 8: Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

216180.64

MWh fuel consumed for self-generation of electricity

14961.81

MWh fuel consumed for self-generation of heat

201218.83

Comment

AUO fuel is mainly used in production equipment, environmental treatment equipment and transportation equipment.

Q7.30.9 Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	123392.48	71095.55	108430.67	56133.74
Heat	201218.83	201218.83	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

Q7.30.16 Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

- Response 1: Afghanistan
- Response 2: Åland Islands
- Response 3: Albania
- Response 4: Algeria
- Response 5: American Samoa
- Response 6: Andorra
- Response 7: Angola
- Response 8: Anguilla
- Response 9: Antarctica
- Response 10: Antigua and Barbuda
- Response 11: Argentina
- Response 12: Armenia
- Response 13: Aruba
- Response 14: Australia
- Response 15: Austria
- Response 16: Azerbaijan
- Response 17: Bahamas
- Response 18: Bahrain
- Response 19: Bangladesh

Response 20: Barbados

Response 21: Belarus

Response 22: China

Consumption of purchased electricity (MWh)

637803.67

Consumption of self-generated electricity (MWh)

56005.74

Is some or all of this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

10507.64

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total electricity/heat/steam/cooling energy consumption (MWh)

704317.05

Provide details of the electricity consumption excluded

No exclusions.

Response 23: Singapore

Consumption of purchased electricity (MWh)

161969.45

Consumption of self-generated electricity (MWh)

0

Is some or all of this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total electricity/heat/steam/cooling energy consumption (MWh)

161969.45

Provide details of the electricity consumption excluded

No exclusions.

Response 24: Slovakia

Consumption of purchased electricity (MWh)

382.5

Consumption of self-generated electricity (MWh)

0

Is some or all of this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total electricity/heat/steam/cooling energy consumption (MWh)

382.50

Provide details of the electricity consumption excluded

No exclusions.

Response 25: Taiwan, China

Consumption of purchased electricity (MWh)

3701278.2

Consumption of self-generated electricity (MWh)

128

Is some or all of this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

259.72

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total electricity/heat/steam/cooling energy consumption (MWh)

3701665.92

Provide details of the electricity consumption excluded

No exclusions.

Response 26: Viet Nam

Q7.30.17 Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Response 1: Row 1

Country/area of consumption of purchased renewable electricity

China

Sourcing method

Default delivered renewable electricity from the grid in a market with 95% or more renewable electricity capacity and where there is no mechanism for specifically allocating renewable electricity

Renewable electricity technology type

Solar

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

30000

Tracking instrument used

GEC

Country/area of origin (generation) of purchased renewable electricity

China

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

Vintage of the renewable energy/attribute (i.e. year of generation)

2023

Supply arrangement start year

2022

Ecolabel associated with purchased renewable electricity

No additional, voluntary label

Q7.30.18 Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area.

Response 1: Row 1

Sourcing method

None (no purchases of low-carbon heat, steam, or cooling)

Q7.30.19 Provide details of your organization's renewable electricity generation by country/area in the reporting year.

Response 1: Row 1

Country/area of generation

Taiwan, China

Renewable electricity technology type

Solar

Facility capacity (MW)

42

Total renewable electricity generated by this facility in the reporting year (MWh)

52296.93

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

0

Energy attribute certificates issued for this generation

No

Comment

All AUO factories in Taiwan have installed solar power generating facilities on their rooftops, and the electricity generated is sold to Taiwan Power Company.

Response 2: Row 2

Country/area of generation

China

Renewable electricity technology type

Solar

Facility capacity (MW)

52.71

Total renewable electricity generated by this facility in the reporting year (MWh)

56005.74

Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

56005.74

Energy attribute certificates issued for this generation

No

Comment

AUO expanded the capacity of rooftop solar installations in its Chinese factories from an original capacity of 43MW to 52.71MW in 2023.

Q7.30.20 Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

Taiwan's renewable energy supply and demand imbalance in the market before 2025. The Taiwan government plans to increase solar power capacity from the planned 20GW (gigawatts) in 2025 to 30GW in 2030. The 2025 target for offshore wind power is 5.6GW. The government is currently undergoing the third stage of area development, aiming to add an additional 15GW before 2035. In the medium and long term, AUO are targeting 3GW of offshore renewable energy from 2026 to 2027, and are currently in the process of negotiating CPPA. Prior to that, we will terminate the solar FIT contract with TaiPower through our joint venture power plant energy company and further enter into the CPPA-Taipower transfer contract with AUO. In addition to solar renewable energy, we are also evaluating other terrestrial wind or hydro sources on the market to increase the mix of different energy types. In the mainland, in addition to 52.71MW rooftop solar, we will also purchase renewable energy certificates in the mainland.

Q7.30.21 In the reporting year, has your organization faced barriers or challenges to sourcing renewable electricity?

Yes, in specific countries/areas in which we operate

Q7.30.22 Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

Response 1: Row 1

Country/area

Taiwan, China

Reason why it was challenging to source renewable electricity within selected country/area

Limited supply of renewable electricity in the market

Provide additional details of the barriers faced within this country/area

At present, the renewable energy capacity in Taiwan is insufficient, which is purchased by a single enterprise, resulting in the imbalance between supply and demand. On the other hand, the amount of renewable energy developed by the government cannot meet the needs of enterprises due to the limited land resources,

delayed environmental assessment and other factors. In addition, in the large-scale offshore wind power renewable energy development, due to the credit rating of bank financing, some enterprises are questioned about their 20-year payment ability when signing CPPA, so they cannot complete the effective contract.

Response 2: Row 2

Country/area

China

Reason why it was challenging to source renewable electricity within selected country/area

Lack of electricity market structure supporting bilateral PPAs

Provide additional details of the barriers faced within this country/area

Due to the restriction of the law, the CPPA cannot be carried out for the time being, so the purchase of renewable energy certificates can only be given priority.

Q7.45 Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Response 1: Row 1

Intensity figure

0.0000098

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2427864.92

Metric denominator

unit total revenue

Metric denominator: Unit total

247964437000

Scope 2 figure used

Market-based

% change from previous year

14

Direction of change

Decreased

Reasons for change

- Other emissions reduction activities
- Change in output
- Change in physical operating conditions

Please explain

AUO's global GHG emissions in 2023 totaled 2.42 million tons of CO₂e, mainly consisting of indirect power consumption emissions, accounting for of the Company's total 97.25%. This is followed by direct emissions (2.75%) generated by the production processes using PFCs and fuel emissions from utility systems, accounting for. In 2023, the GHG emission per input sheet substrate area was 44.06 kgCO₂e/m². Due to the market has not fully recovered in 2023, there is an decrease of 14% compared to last year (The emission intensity in 2022 was 51.46 kgCO₂e/m²). In 2023, AUO achieved annual energy decreased power consumption and greatly increased power savings. Energy savings for the year amounted to 3.30%, resulting in a reduction in intensity indicators.

Q7.52 Provide any additional climate-related metrics relevant to your business.

Response 1: Row 1

Description

Other: Electricity saving rate

Metric value

3.3

Metric numerator

electricity saving

Metric denominator (intensity metric only)

electricity saving + total electricity consumption

% change from previous year

28

Direction of change

Increased

Please explain

The law stipulates that energy users must achieve an energy saving of more than 1% annually. Since AUO has switched to intelligent manufacturing, we have increased our self-demand and set the internal goal of saving 1.5% annually.

In 2023, AUO implemented over 1100 energy-saving projects, saving 137 million Kwh of electricity. The annual energy-saving rate reached 3.3%, a record high, far exceeding the 1% average annual energy-saving rate stipulated by energy regulations for specific energy users.

Of these achievements, 54% were attributed to fine-tuning and improvements in manufacturing processes, with the remainder resulting from investments in equipment upgrades. As for measurement verification, a significant 71% of the data was obtained through enhanced precision measurements and estimative calculations. Consequently, a total of 68903.19857,977.57 metric tons of CO₂e emissions were successfully averted in 2023.

Response 2: Row 2

Description

Other: Water withdrawals

Metric value

0.33

Metric numerator

Total net freshwater consumption (M3)

Metric denominator (intensity metric only)

Input Sheet Area (m2)

% change from previous year

4.56

Direction of change

Decreased

Please explain

The market has not fully recovered in 2023 and the slowing down of capacity utilization in 2023 led to an decrease in water use intensity.

Q7.53 Did you have an emissions target that was active in the reporting year?

Absolute target

Q7.53.1 Provide details of your absolute emissions targets and progress made against those targets.

Response 1: Row 1

Target reference number

Abs 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Science Based Targets initiative official validation letter

AUO 2023 SBTi 1.5 target Approval letter.pdf

Target ambition

1.5°C aligned

Date target was set

2024-04-30

Target coverage

Organization-wide

Greenhouse gases covered by target

- Hydrofluorocarbons (HFCs)
- Methane (CH₄)
- Carbon dioxide (CO₂)
- Nitrogen trifluoride (NF₃)
- Sulphur hexafluoride (SF₆)
- Nitrous oxide (N₂O)
- Perfluorocarbons (PFCs)

Scopes

- Scope 2
- Scope 1

Scope 2 accounting method

Location-based

End date of base year

2021-12-30

Base year Scope 1 emissions covered by target (metric tons CO₂e)

79186.29

Base year Scope 2 emissions covered by target (metric tons CO₂e)

2841287.55

Base year total Scope 3 emissions covered by target (metric tons CO₂e)

0.000

Total base year emissions covered by target in all selected Scopes (metric tons CO₂e)

2920473.840

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

End date of target

2030-12-30

Targeted reduction from base year (%)

42

Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1693874.827

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

66809.19

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

2361055.73

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

2427864.920

Land-related emissions covered by target

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year

40.16

Target status in reporting year

Underway

Explain target coverage and identify any exclusions

The scope of the organization's absolute carbon emission reduction is based on the greenhouse gas inventory of ISO 14064-1, with the SBT method as the basic tool, 2021 as the base year as the internal target, and the path of absolute emissions and carbon emission reduction by 2030. The target covers manufacturing sites directly operated by AUO worldwide and was SBTi certified in May 2024.

Target objective

- Improve energy efficiency
- Use of renewable energy

Plan for achieving target, and progress made to the end of the reporting year

AUO's global GHG emissions in 2023 totaled 2.43 million tons of CO2e, mainly consisting of indirect power consumption emissions, accounting for of the Company's total 97.25%. This is followed by direct emissions (2.75%) generated by the production processes using PFCs and fuel emissions from utility systems, accounting for. The main reduction achievements include: Besides increasing the efficiency of the plant utility systems through the ISO 50001 energy management system, the Company has promoted smart manufacturing, while the smart monitoring and management of plant equipment have also significantly improved production efficiency. As part of the process for realizing RE100 targets, AUO followed RE100's recommendations by prioritizing self-generation and self-use for meeting organizational needs, followed by the signing of Corporate Renewable Power Purchase Agreements (CPPA). Purchase of I-REC is only used if land constraints, policy environment or other conditions make self-generation/self-consumption or electricity trading impossible. Current market conditions under the existing regulatory regime means that CPPA is mostly used by our Taiwanese sites. The contracts were carefully assessed and took multiple factors into account including the contract installed capacity, electricity supply time-line, electricity rates, and related contract fulfillment conditions. As of 2023, AUO has signed contracts for 18.39 MW of solar power that are now being progressively connected to the grid and used wheeling in accordance with the terms of their contract. In 2023, AUO used

13,710 MWh of green electricity. At the same time, the China sites expanded their development of rooftop solar power for self-generation and self-consumption to an installed capacity of 52.71 MW. A total of 56,010 MWh in green electricity was self-generated and self-consumed in 2023. AUO also went on to purchase 30000 kWh in green electricity certificates (GECs) verified by China's National Renewable Energy Information Center. Generally speaking, AUO's total green electricity consumption amount to nearly 100,000 MWh, equivalent to a renewable energy ratio of 2.2%.

Target derived using a sectoral decarbonization approach

No

Response 2: Row 2

Target reference number

Abs 2

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Science Based Targets initiative official validation letter

AUO 2023 SBTi 1.5 target Approval letter.pdf

Target ambition

Well-below 2°C aligned

Date target was set

2024-04-30

Target coverage

Organization-wide

Greenhouse gases covered by target

- Nitrous oxide (N₂O)
- Nitrogen trifluoride (NF₃)
- Methane (CH₄)
- Carbon dioxide (CO₂)
- Sulphur hexafluoride (SF₆)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)

Scopes

Scope 3

Scope 3 categories

- Scope 3, Category 4 - Upstream transportation and distribution
- Scope 3, Category 15 - Investments
- Scope 3, Category 6 - Business travel
- Scope 3, Category 9 - Downstream transportation and distribution
- Scope 3, Category 8 - Upstream leased assets

- Scope 3, Category 7 - Employee commuting
- Scope 3, Category 1 - Purchased goods and services
- Scope 3, Category 5 - Waste generated in operations
- Scope 3, Category 3 - Fuel- and energy- related activities (not included in Scope 1 or 2)

End date of base year

2021-12-30

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

616395.1

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

479272.02

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

7972

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

25660.99

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

869.04

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

38732.73

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

168.63

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

67284.9

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

49729.23

Base year total Scope 3 emissions covered by target (metric tons CO2e)

1286084.640

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1286084.640

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100.0

End date of target

2030-12-30

Targeted reduction from base year (%)

25

Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

964563.480

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

825778.96

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

447726.93

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

639882

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

1687.1

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

978.92

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

13342.18

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

25539.61

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

37147.04

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1992082.740

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1992082.740

Land-related emissions covered by target

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year

-219.58

Target status in reporting year

Underway

Explain target coverage and identify any exclusions

The scope of the organization's absolute carbon emission reduction is based on the greenhouse gas inventory of ISO 14064-1, with the SBT method as the basic tool, 2021 as the base year as the internal target, and the path of absolute emissions and carbon emission reduction by 2030. The target covers manufacturing sites directly operated by AUO worldwide and was SBTi certified in May 2024.

Target objective

●Carbon reduction for raw materials ●Carbon reduction for raw combustibles ●Product energy consumption during use

Plan for achieving target, and progress made to the end of the reporting year

●Continuously expanding the supply chain to collectively participate in energy saving and carbon reduction, reducing carbon by 98,000 tons annually. ●Improve manufacturing efficiency through smart material network, reduced carbon emissions by 170,000 tons compared to the base year through raw material. ●Reduced carbon emissions by 1.83 million tons annually through product shipping combinations and energy-saving design.

Target derived using a sectoral decarbonization approach

No

Q7.54 Did you have any other climate-related targets that were active in the reporting year?

- Targets to increase or maintain low-carbon energy consumption or production
- Net-zero targets

Q7.54.1 Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Response 1: Row 1

Target reference number

Low 1

Date target was set

2021-12-30

Target coverage

Organization-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

End date of base year

2021-12-30

Consumption or production of selected energy carrier in base year (MWh)

5078956.86

% share of low-carbon or renewable energy in base year

0.1

End date of target

2050-12-30

% share of low-carbon or renewable energy at end date of target

100

% share of low-carbon or renewable energy in reporting year

2.2

% of target achieved relative to base year

2.10

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is related to the SBTi (Ab1 and Ab2).

Is this target part of an overarching initiative?

RE100

Explain target coverage and identify any exclusions

In 2021, AUO announced our commitment to achieving net-zero emissions by 2050. The main source of greenhouse gas (GHG) emissions in the panel industry comes from indirect energy emissions stemming from electricity usage, which accounts for over 95% of the company's total emissions. Therefore, the use of renewable energy is crucial in our strategy to achieve the 2050 net-zero target. AUO considered factors such as the National Energy Transition Blueprint, Taiwan's green electricity market, and international renewable energy sources to analyze our renewable energy adoption path. After submitting our plan to the RE100 for review, we officially received approval and joined the RE100 initiative in 2022.

Target objective

30% use of renewable energy by 2030 and 100% use of renewable energy by 2050.

Plan for achieving target, and progress made to the end of the reporting year

In early 2022, AUO officially joined the RE100 International Initiative, becoming the first global display manufacturer to commit to using 100% renewable energy by 2050. In response to customer demand, we have ramped up our use of renewable energy, setting ambitious medium to long-term objectives of utilizing 30% renewable energy by 2030 and fully transitioning to 100% renewable energy by 2050. As part of the process for realizing RE100 targets, AUO followed RE100's recommendations by prioritizing self-generation and self-use for meeting organizational needs, followed by the signing of Corporate Renewable Power Purchase Agreements (CPPA). Purchase of I-REC is only used if land constraints, policy environment or other conditions make self-generation/self-consumption or electricity trading impossible. Current market conditions under the existing regulatory regime means that CPPA is mostly used by our Taiwanese sites. The contracts were carefully assessed and took multiple factors into account including the contract installed capacity, electricity supply time-line, electricity rates, and related contract fulfillment conditions. As of 2023, AUO has signed contracts for 18.39 MW of solar power that are now being progressively connected to the grid and used wheeling in accordance with the terms of their contract. In 2023, AUO used 13,710 MWh of green electricity. At the same time, the China sites expanded their development of rooftop solar power for self-generation and self-consumption to an installed capacity of 52.14 MW. A total of 56,010 MWh in green electricity was self-generated and self-consumed in 2023. AUO also went on to purchase 30000 kWh in green electricity certificates (GECs) verified by China's National Renewable Energy Information Center. Generally speaking, AUO's total green electricity consumption amount to nearly 100,000 MWh, equivalent to a renewable energy ratio of 2.2%.

Q7.54.3 Provide details of your net-zero target(s).

Response 1: Row 1

Target reference number

NZ1

Date target was set

2022-03-20

Target Coverage

Organization-wide

Targets linked to this net zero target

- Abs2
- Abs1

End date of target for achieving net zero

2050-12-30

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Science Based Targets initiative official validation letter

AUO 2023 SBTi 1.5 target Approval letter.pdf

Scopes

- Scope 2
- Scope 1

Greenhouse gases covered by target

- Nitrous oxide (N2O)
- Methane (CH4)
- Nitrogen trifluoride (NF3)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Carbon dioxide (CO2)
- Sulphur hexafluoride (SF6)

Explain target coverage and identify any exclusions

This objective is a public commitment of AUO's Chairman, which covers AUO's global operation. AUO launched a two-axis transformation in 2021 in the hope of letting the world know that we are more than just a display panel manufacturer. Faced with global climate change, we will also align our sustainability strategy with the Company's development strategy; while developing high-quality products, we also strive to achieve the objective of 'Advancing towards Net Zero and low-carbon transformation'. In response to the global carbon reduction trend's impact on AUO's operations, we should adopt a total upgrade strategy involving business transformations and profit transformation; and we believe business opportunities for green display solutions are ubiquitous. AUO's climate strategy is centered on 6 major dimensions as the cornerstone. The Board of Directors and the ESG and Climate Committee form the key decision center for responsible governance. Supported by a sound financial system, AUO can realize a science-based, international initiative recognized zero-carbon development approach and capitalize on low carbon opportunities. We have also founded the Sustainability Academy to cultivate talents. Digitization is the key to transformation, so we have deployed the carbonization digital database to synchronize carbon footprint data, which in turn serves as a tangible reference for managing the decision-making process across all levels of the Company. Through various action plans, AUO will continue to improve the resilience of our corporate operations, turning climate risks into low carbon opportunities.

Target objective

●Develop advanced technology for low-carbon operations and business opportunities ●Create an ESG data stream integration and application mechanism ●Advanced deploy for climate and low-carbon business opportunities than trend of the laws and regulations ●Reinforce the operational resilience of the value chain' s low-carbon transition

Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Yes

Do you plan to mitigate emissions beyond your value chain?

Yes, and we have already acted on this in the reporting year

Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

Planned milestones and/or near-term investments for neutralization at the end of the target

AUO envisages three main approaches to achieving net zero by 2050. Short-term goals to increase production efficiency and reduce the use of fossil fuels; In the medium term, a large amount of renewable energy use; The long-term goal is to achieve net zero carbon emissions by developing carbon-negative technologies or carbon credits. Phase 1 –Low-energy consumption technology/process –Equipment upgrade –Zero-emission fuel Phase 2 –Self-generate renewal energy –Green energy PPA(wind –Renewable energy certificates purchase Phase 3 –Negative emissions technology (capture/storage) –Carbon credit

Describe the actions to mitigate emissions beyond your value chain

AUO understands that in addition to operations in the organizational value chain, the formation of individual low-carbon awareness and knowledge is at the heart of achieving net-zero goal. In 2022, we established the AUO Sustainability College, with the vision of net-zero carbon emissions. The college systematically enhances employees' ESG knowledge and professionalism, gradually creating a low-carbon working environment and atmosphere. We aim to encourage employees to implement the vision of net-zero in their daily lives and work.

Target status in reporting year

Underway

Process for reviewing target

The Sustainability and ERM Committee charter provides for 3 committee members made up of the Chairperson (convener) and 2 independent directors. The committee is also to meet at least 2 times a year.

Q7.55 Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

Q7.55.1 Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented	615	31479.73
Implementation commenced	477	61491.11
Implemented	1106	107676.77
Not to be implemented	0	

Q7.55.2 Provide details on the initiatives implemented in the reporting year in the table below.

Response 1: Row 1

Initiative category & Initiative type

Energy efficiency in production processes: Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

17566

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

106676133

Investment required (unit currency - as specified in C0.4)

141903727

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

In 2023, we successfully improved 376 proposals in the realm of smart manufacturing. The improvements include aspects such as: implementing an interlock control system for water chiller units and the Compressed Dry Air (CDA) system, leveraging big data regression analysis for optimizing system operation points, and

equipping the system with an energy monitoring setup for real-time feedback on crucial operational parameters like speed, temperature, pressure, and more.

Response 2: Row 2

Initiative category & Initiative type

Energy efficiency in production processes: Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)

49.67

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

301628

Investment required (unit currency - as specified in C0.4)

218500

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Refrigeration equipment in factories, such as freezing or cold storage equipment. The company also introduced 6 improvement projects in 2023.

Response 3: Row 3

Initiative category & Initiative type

Energy efficiency in production processes: Reuse of water

Estimated annual CO2e savings (metric tonnes CO2e)

1339.13

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

8132343

Investment required (unit currency - as specified in C0.4)

9313746

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

In 2023, we put in motion a total of 22 action plans aimed at water recovery and the enhancement of equipment investment for water recycling. These improvement measures entail the installation of more efficient vacuum motor equipment and the replacement of new RO membranes, to reduce pressure loss and energy consumption. This approach has yielded dual benefits — enhancing water conservation while saving energy.

Response 4: Row 4

Initiative category & Initiative type

Energy efficiency in buildings: Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

12782.02

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

77623634

Investment required (unit currency - as specified in C0.4)

49627819

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

We focused on enhancing the efficiency of power-intensive air-conditioning system components, such as chilling machines and cooling towers, implementing a total of 149 engineering improvement measures in 2023. This year, we have undertaken projects to optimize high-temperature chillers via an operation optimization and predictive modeling approach, aimed at increasing operational efficiency.

Response 5: Row 5

Initiative category & Initiative type

Energy efficiency in production processes: Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)

20062.03

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

121834201

Investment required (unit currency - as specified in C0.4)

422466509

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The compressed air system is the company's largest energy-consuming system, and ensuring its optimal operation is a necessary task. In 2023, a total of 135 projects were implemented to improve the air compressor system. Through intelligent solutions, the operation data of the compressor, including compression, purification, drying, and so on, were analyzed for their interrelationships at various stages, and the optimal operating mode was calculated.

Response 6: Row 6

Initiative category & Initiative type

Energy efficiency in production processes: Electrification

Estimated annual CO2e savings (metric tonnes CO2e)

5361.04

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

32556946

Investment required (unit currency - as specified in C0.4)

15118646

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

In 2023, we successfully implemented a total of 107 projects geared towards enhancing our power system, encompassing transformers and other power supply-related equipment. Historically, contract capacity was subject to fluctuations influenced by seasonal variations and production capability, necessitating adjustments based on the hands-on experience of our personnel.

Response 7: Row 7

Initiative category & Initiative type

Energy efficiency in production processes: Reuse of steam

Estimated annual CO2e savings (metric tonnes CO2e)

173.99

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

1056626

Investment required (unit currency - as specified in C0.4)

110000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

In 2023, we executed a total of 25 enhancement projects investing in heat recovery from boilers and the renewal of insulation materials.

Response 8: Row 8

Initiative category & Initiative type

Energy efficiency in production processes: Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

10039.52

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

60968771

Investment required (unit currency - as specified in C0.4)

236545790

Payback period

4-10 years

Estimated lifetime of the initiative

3-5 years

Comment

In high-tech factories, equipment is required to generate a vacuum environment and operate hydraulic and air pumping lines. Consequently, there is a substantial amount of high-energy rotational hardware in operation, functioning continuously. Thus, regular maintenance of these tools and investing in their replacement is crucial to enhance the overall operational efficiency of the entire plant. In 2023, we initiated a total of 229 programs designed to achieve this improvement.

Response 9: Row 9

Initiative category & Initiative type

Energy efficiency in buildings: Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

1529.78

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

9290191

Investment required (unit currency - as specified in C0.4)

7175052

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

In 2023, we made significant strides in enhancing our lighting system, totaling 56 improvements through measures such as equipment replacement and spatial adjustments. This year, we broadened the application of image technology to optimize the timing and efficiency of light switching.

Response 10: Row 10

Initiative category & Initiative type

Low-carbon energy consumption: Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

38773.57

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in C0.4)

133815932

Investment required (unit currency - as specified in C0.4)

178792618

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

In 2023, three manufacturing plants in China purchased 56,005 MWh of green electricity, which is estimated to save approximately 31,940.07 tons of carbon emissions (calculated based on a unrenewable electricity coefficient of 0.57).

The manufacturing plant in Taiwan self-consumed and externally purchased approximately 13,832.99 MWh of renewable energy. Calculating with a carbon dioxide emissions factor of 0.494 KgCO₂/kWh and dividing by 1000, the carbon emissions are estimated to be 6,833.50 metric tons of CO₂e.

The use of renewable energy in energy structure transformation will not have payback.

Q7.55.3 What methods do you use to drive investment in emissions reduction activities?

Response 1: Row 1

Method

Internal incentives/recognition programs

Comment

As of 2008, AUO's green manufacturing team GP (Green Production) has worked tirelessly on energy/water conservation, environmental indicators, and raw material reduction. Moreover, teams from various factories are encouraged to participate in proposal competitions. More than 5,000 proposals have been received since 2015. The proposal competition encourages each factory to propose optimization proposals for the three dimensions of innovative energy-saving technology, innovative energy-saving management, and innovative water-saving management. Colleagues from various factories evaluated each other and fostered the exchange of innovative ideas. The supervisor of the manufacturing unit selected the winning proposal for commendation at the annual meeting. AUO also incorporated sustainability thinking into the incentives; in collaboration with the renewable energy project platform Sunnyfounder, the Company donated solar panels to the winning team of each dimension to endow rewards with more meaning through green energy. In 2022, 16 factories selected three representative proposals based on the above three dimensions, resulting in a total of 48 submissions for the annual competition.

Response 2: Row 2

Method

Employee engagement

Comment

Earth Day - Turn O Lights To Love The Earth AUO voluntarily supported Earth Hour 60+ Turn o Lights to Love the Earth, the world' s largest voluntary carbon reduction campaign, and turned o non-essential lights in the factories from 20:30 to 21:30 on March 26. Meanwhile, the Vegetable Lunch campaign was launched to encourage colleagues to adopt a low-carbon diet. The initiative was supported by 11,359 people. AUO' s overseas factories also urged colleagues to form teams and check-in on social media. They must select a simple green action daily and check in for 21 straight days through the WeChat app, making small changes daily and keeping green, low-carbon habits. Nearly 500 people checked in to support the activity. World Environment Day - Participate In Energy Creation & Conservation AUO invited its long-term partner and Taiwan' s largest community renewable energy project platform Sunnyfounder to launch the rst solar panel experience event. A total of 572 colleagues participated in the green power generation investment plan, and some of them also contributed funds to support investments in green power. In addition, the Company also organized a one-month Shut Down After Leaving the Oce On Friday event to encourage colleagues to practice energy conservation by taking action. Nearly 1,500 people supported the activity. Smart Manufacturing Exhibition AUO has hosted a smart manufacturing exhibition annually since 2018. In 2022, the Smart Sustainability - Strive Towards Net Zero exhibition area was inspired by the theme of climate sustainability, smart sustainability, and circular sustainability, and the concept of the life cycle (including water management, smart manufacturing, and waste recycling) and water recycling solutions, etc., to showcase the Company' s climate-related actions to colleagues and partners, as well as provide innovative solutions for the industry.

Response 3: Row 3

Method

Internal price on carbon

Comment

AUO began to implement the carbon pricing mechanism when the Paris Agreement came into effect in 2016 and the annual carbon prices announced are used as a reference for internalizing the Company' s external costs. In 2022, besides referring to the abovementioned pricing mechanism, carbon pricing stipulated by the draft of Taiwan' s Greenhouse Gas Reduction and Management Act was also incorporated to announce the internal carbon price at NTD 1,258 per tons (an increase of 14% compared to last year), equivalent to a saving of NTD 0.64 per kWh. Carbon pricing can also be applied to the carbon emission costs of our colleagues' business travel, allowing them to recognize the external costs of their activities and that of the Company. Additionally, the carbon price trend over the recent years is also provided to let the public appreciate the Company' s carbon management expectations and intensifying control standards

Response 4: Row 4

Method

Dedicated budget for low-carbon product R&D

Comment

For products with low energy consumption and low power, the Company' s R&D team complies with ES energy consumption specifications and invests nearly NT\$10 billion in research and development costs each year. Through product material improvement, photomask research and development, and various designs of light sources, it maintains its R&D energy devoted to low energy consumption product research. As early as 2017, the Company joined brand manufacturers in deciding to cooperate on the development of ultra-low power (1W) displays in response to market demand for low-energy notebook computers, and they engaged in commercialization of this market. The Company is investing in low-energy-consumption products with outstanding technical capabilities, and has already exceeded the requirements of international regulations. AUO has engaged in product carbon footprint verification since 2009. In response to the increasing global attention on carbon footprint in recent years, the Company has launched a more detailed investigation

on product carbon footprint calculation. AUO has complied with the principle of ISO 14067, to review its methodological framework. It has also formulated a reasonable calculation methodology for each stage of the product life cycle, including raw materials, manufacturing, use, distribution, and disposal. The methodology was completed in 2022. In terms of the value chain, AUO collects key supplier information and the carbon emission coefficient of relevant materials. Concerning AUO's manufacturing, the Company has employed smart meter systems in each factory to collect and estimate the power consumption and carbon emission of product manufacturing based on the product process and production capacity. In 2022, the trial calculation of 22 selected products was completed. AUO will continue to review the hot spots of product carbon footprint and the feasibility of improvement.

Response 5: Row 5

Method

Partnering with governments on technology development

Comment

The government encourages enterprises to actively implement energy saving and carbon reduction, especially for systems and organizations with mature technology. In its equipment replacement subsidy policy, enterprises are encouraged to change out their air conditioning, air compressors, rotating equipment, and so on, so that high-energy-consuming facilities have the opportunity to be replaced with high-efficiency equipment. The Company has long been concerned with government subsidies, and with the professional assistance of the Company's ESCO energy-saving service team, it shall obtain more government funding.

Q7.73 Are you providing product level data for your organization's goods or services?

No, I am not providing data

Q7.73.1 Give the overall percentage of total emissions, for all Scopes, that are covered by these products.

Q7.73.5 Have any of the initiatives described in 7.73.4 been driven by requesting CDP Supply Chain members?

Q7.74 Do you classify any of your existing goods and/or services as low-carbon products?

Yes

Q7.74.1 Provide details of your products and/or services that you classify as low-carbon products.

Response 1: Row 1

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other: AUO panel products are in line with or better than Energy Star specifications, and compare whether the Energy consumption of AUO products has improved before and after generation, if so, we will also include them in the low carbon products.

Type of product(s) or service(s)

Power: Other: Low carbon cycle panel products

Description of product(s) or service(s)

In display product, AUO committe to reduce GHG emission and material, the accomplishments include LTPS, raw material reduction, circular production and recycled materials use. LTPS (Low Temperature Poly-Silicon) TFT-LCD can integrate the driver IC directly onto the glass substrate, thus it requires fewer external signal connections, reducing the number of module parts and reduced product size. As the module becomes smaller, the displays can also be made lighter and thinner. Which contribute AUO 21.07% of total revenue. Also, AUO launched the solar division in 2008 by building upon our core competency in panel manufacturing. From solar modules we expanded into power plant construction and the integration of software-hardware services to provide total solutions. In addition, AUO' s solar panel manufactory have obtain LEED gold certification, which have lower energy consumption and make lower carbon footprint during manufacturing phase, and contribute AUO 7.54% of total revenue.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

The carbon emissions of panel-related products in the use stage are mainly estimated by product energy consumption, including TV, Notebook, OLED... And the source of use context is from relevant Product Category Rules (PCR) at home and abroad.

Reference product/service or baseline scenario used

The baseline scenario is set to The Energy consumption of the product does not meet the Energy Star specification or In 2023 as the base year, the energy consumption of each Product (By Product) in that year and the subsequent measurement results.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

180149

Explain your calculation of avoided emissions, including any assumptions

The detailed calculation process is as follows: 1. Compare the energy consumption of each shipped product in 2023 with that of the generation before 2022 2. Select the products with improved energy consumption, and

calculate the difference of carbon emission per hour of product use based on the difference of energy consumption and Taiwan's published electric power carbon emission coefficient of 0.494 kgCO₂e/kWh 3. The carbon emission reduction was estimated based on the product use scenarios of the International (EPD-PCR) and Taiwan (CF-PCR) specifications. 4. The life cycle of AUO products ranges from 3600 to 50000 hours

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

28.61

Response 2: Row 2

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

The IEA Energy Technology Perspectives Clean Energy Technology Guide

Type of product(s) or service(s)

Power: Solar PV

Description of product(s) or service(s)

1. Through continuous R&D investment in energy-saving products, we have reduced energy consumption and greenhouse gas emissions in the use stage. AUO's display products comply with the latest Energy Star 9.0, reducing energy consumption and greenhouse gas emissions in the use stage. The product with Energy Star spec or products have lower power consumption than previous generation model's contribute 37.93% of total revenue. 2. AUO provides total solutions that encompass an energy generation, energy storage, and energy management. Through deployed approximately 515MW in installed capacity of power plants throughout Taiwan so far. Installations for factory workshops with demanding specifications, livestock industry and covered car parks have imbued land with new value through multi-purposing, and contribute AUO 7.54% of total revenue.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

The emissions avoided by replacing the non-renewable energy in Taiwan with the output of renewable energy were calculated based on the number of installations in all AUO solar projects that have been connected to the grid and converted to the avoided carbon emissions by the published carbon emission coefficient of Taiwan

Reference product/service or baseline scenario used

1.Since 2011, AUO's solar business has been extended from photovoltaic module products to power plant installation services. Since that year, the cumulative amount of installations that have been integrated into the power grid has been calculated as emission reduction.2.According to the renewable energy factor announced by the Taiwan Energy Bureau, a 1kW solar installation can generate 1250kWh of electricity a year

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

2160273

Explain your calculation of avoided emissions, including any assumptions

Calculation hypothesis:According to the renewable energy capacity factor announced by the Taiwan Energy Administration, the annual solar capacity of 1kW is about 1250kWhAs of the reporting year (2022), the cumulative EPC capacity of AU solar business integrated into the power grid reached 285MWThe amount of electricity generated by all the installations connected to the grid in the reporting year is calculated, and the carbon emissions from avoiding non-renewable energy sources are calculated using the Taiwan power factor of 0.495 kgCO2e/kWh. The detailed formula is as follows: $285,000 \text{ (kW)} * 1250 \text{ (kWh)} * 0.495 \text{ (kgCO}_2\text{e/kWh)} / 1,000 = 176,343.75 \text{ metric tons}$

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

45.47

Q7.79 Has your organization canceled any project-based carbon credits within the reporting year?

No

Q9.1 Are there any exclusions from your disclosure of water-related data?

No

Q9.2 Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Response 1: Water withdrawals - total volumes

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meters on a daily/monthly basis and water bills on a monthly basis.

Please explain

Water withdrawals, discharges, water consumption, recycling water, and WASH are monitored at a rate of 100%. Regulatory agencies charge fees each quarter based on different water quality and discharge volumes, so drainage has complete monitoring of quantity and water quality by daily. Outsourced testing is conducted once every six months, and reporting is completed.

Our water facilities used both production manufacturing and daily living needs. Therefore, at our major production sites, we conduct timely and necessary monitoring and testing for water withdrawals, discharge, and water quality considerations to provide a basis for quarterly reporting data.

Response 2: Water withdrawals - volumes by source

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meters on a daily/monthly basis and water bills on a monthly basis.

Please explain

The AUO currently has four sources of water withdrawals, including tap water, groundwater, rainwater, and third-party reclaimed. The total water withdrawals in 2023 is 23,809.58 thousand cubic meters, with the proportion of third-party reclaimed water usage increasing year by year, reducing reliance on natural water sources and lowering environmental impact.

Response 3: Water withdrawals quality

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water quality meters in real-time record.

Please explain

All water sources are equipped with flow meters to measure the withdrawals water flow, and there are real-time on-line monitoring instruments for analyzing withdrawals water quality, such as conductivity and TOC, to maintain the quality and quantity of the withdrawals water.

Response 4: Water discharges - total volumes

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meters on a daily/monthly basis.

Please explain

The discharge water and water quality of each AUO plant meet the local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, we strengthens its management by recording daily discharge water quantity and automatically monitoring the quality of the discharged water continuously.

Response 5: Water discharges - volumes by destination

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meters on a daily basis, and water treatment bills on a monthly basis.

Please explain

- 1.The discharge water and water quality of each AUO plant comply with local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, we autonomously strengthens the daily recording of discharge water quantity and continuous monitoring of discharged water quality.
- 2.In accordance with local regulatory requirements, each AUO plant properly processes process wastewater from the plant through on-site wastewater treatment facilities and discharges it to a third-party facility (e.g., public sewage treatment plant).
- 3.If there is no third-party available for treatment, the process wastewater from the plant is properly treated at the on-site wastewater treatment plant and discharged into surface water bodies after meeting local regulatory standards.

Response 6: Water discharges - volumes by treatment method

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meters on a daily/monthly basis.

Please explain

- 1.The discharge water and water quality of each AUO plant comply with local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, the company autonomously strengthens the daily recording of discharge water quantity and continuous monitoring of discharged water quality.

2.Each AUO plant has independently installed a three-level wastewater treatment plant on-site to properly treat factory wastewater from the entire plant area.

Response 7: Water discharge quality - by standard effluent parameters

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through third party testing on a quarterly basis.

Please explain

- 1.The discharge water and water quality of each AUO plant comply with local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, the company autonomously strengthens the daily recording of discharge water quantity and continuous monitoring of discharged water quality.
- 2.Each AUO plant, as required by local regulatory authorities, discharges its effluent to a third-party facility (public sewage treatment plant). The third-party treatment unit samples and tests the discharged water monthly to ensure that the water quality from AUO plants meets the standards accepted by the third-party treatment unit.
- 3.The discharge water quality from each AUO plant meets the requirements of local regulatory authorities and complies with the standards accepted by the third-party treatment units.

Response 8: Water discharge quality - emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Through water meter on a daily/monthly basis and 3rd party testing on a quarterly basis.

Please explain

- 1.The discharge water and water quality of each AUO plant comply with local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, the company autonomously strengthens the daily recording of discharge water quantity and continuous monitoring of discharged water quality.
- 2.Each AUO plant discharges its effluent to a third-party facility (public sewage treatment plant) as required by local regulatory authorities. The third-party treatment unit conducts monthly sampling and testing of the discharged water to ensure that the water quality from AUO plants meets the standards accepted by the third-party treatment unit.
- 3.Each AUO plant conducts testing for Ammonia nitrogen, inorganic salts including fluoride ions, sulfate ions,

phosphate ions, heavy metals such as copper ions, total organic compounds, and pH value, and other priority substances as required by local regulations.

4.The discharge water testing data from each AUO pla

Response 9: Water discharge quality - temperature

% of sites/facilities/operations

100%

Frequency of measurement

Monthly

Method of measurement

Through water temperature meters on quarterly basis.

Please explain

- 1.The discharge water and water quality of each AUO plant comply with local regulatory requirements, and third-party testing is conducted regularly as required by regulations. At the same time, the company autonomously strengthens the daily recording of discharge water quantity and continuous monitoring of discharged water quality.
- 2.Each AUO plant discharges its effluent to a third-party facility (public sewage treatment plant) as required by local regulatory authorities. The third-party treatment unit conducts monthly sampling and testing of the discharged water to ensure that the water quality from AUO plants meets the standards accepted by the third-party treatment unit.
- 3.Each AUO plant conducts testing for temperature as required by local regulations.
- 4.The discharge water testing data from each AUO plant meets the standards set by local regulations.

Response 10: Water consumption - total volume

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Calculated with withdrawals and discharge amount data.

Please explain

We calculate water consumption by subtracting total discharge from total water intake. Monitoring is conducted daily within the plant, while reporting to regulatory authorities is done on a monthly basis with aggregated data.

AUO' s water consumption in 2023 is 6865.32 thousand cubic meters, which is almost the same as in 2022.

Response 11: Water recycled/reused

% of sites/facilities/operations

100%

Frequency of measurement

Daily

Method of measurement

Each facility is equipped with a water recycling system and real-time water quantity monitoring data. Reporting to regulatory authorities is done on a monthly basis with aggregated data. All recycled and reused water sources are equipped with flow meters and monitoring instruments to ensure the quantity and quality of recycled water.

Please explain

AUO aims to achieve a water recycling rate of over 95% in 2023, and continuously introduces new technologies to improve the recycling rate and maximize the reuse of water to reduce the impact on water resources.

Response 12: The provision of fully-functioning, safely managed WASH services to all workers

% of sites/facilities/operations

100%

Frequency of measurement

Monthly

Method of measurement

Through third party testing on a monthly basis.

Please explain

1. Each AUO plant has an independent water source for drinking water to ensure no groundwater or recycled water is used. The water undergoes quality optimization through a drinking water treatment system before supplying to the plant's drinking water facilities, ensuring the safety of water used by employees.
2. AUO conducts monthly third-party testing on the quality of drinking water for employees to confirm that it meets drinking water standards.
3. AUO provides comprehensive domestic water services, including office, dormitory, kitchen, gym, and domestic water usage. All of these services comply with local regulations and relevant standards to ensure the quality of water used by employees.

Q9.2.2 What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Response 1: Total withdrawals

Volume (megaliters/year)

23809.58

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

(1) Comparison with previous reporting years: In 2023, total withdrawals was 23,809.58 megaliters, which was an increase by 10.50% (2,262.72 megaliters) compared to 21,546.86 megaliters in 2022. Due to a 15.8% increase in production capacity in 2023 compared to the previous year, there was a rise in water consumption. Despite this increase, AUO continues to develop water-saving technologies, enhance water management practices, and improve process water recycling rates. The annual water efficiency has improved compared to the previous year (5.7%, from 0.35 to 0.33 m³/input-area), and the process water recycling rate has increased by 0.02% (from 95% to 95.02%).

(2) Forecast reason: AUO continually focus on investing in the acceleration of our biaxial transformation and on value creation in our core competitiveness reducing the cyclical impact from panel business on operations and making AUO's operations more stable. Although AUO's water recycling performance keep growth, with business activity recover we estimated total withdrawals will about the same than 2023.

(3) The actual use of recycled water in 2023 increased by 16.7% compared to the previous year, resulting in a reduction in water resource usage.

(4) In 2024, the Taichung plant is planning to introduce third-party recycled water, which is expected to reduce the reliance on tap water daily and decrease the usage of natural water resources.

(5) Significantly higher: over 20%, Higher: 5~20%, Roughly the same: -5~5%, Lower: -20~-5%, significantly lower: below -20%.

Response 2: Total discharges

Volume (megaliters/year)

16944.26

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

(1) According to the 2023 report, the total discharges from AUO's various sites amounted to 16.94426 trillion liters, an increase of 2.08987 trillion liters (an increase of 14.07%) compared to 14.85439 trillion liters in 2022.

(2) The increase in discharges in 2023 is attributed to the increase in production capacity compared to the previous year.

(3) AUO continues to focus on accelerating dual-axis transformation and enhancing the value creation of core competitiveness to reduce the cyclical impact of panel business operations and make AUO's operations more stable. Despite the growth in AUO's water recycling performance with the recovery of business activities, it is anticipated that the overall emissions will be about the same than in 2023.

(4) Significantly higher: over 20%, Higher: 5~20%, Roughly the same: -5~5%, Lower: -20~-5%, significantly lower: below -20%.

Response 3: Total consumption

Volume (megaliters/year)

6865.32

Comparison with previous reporting year

About the same

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

(1) Comparison with previous reporting years: In 2023, total consumption was 6,865.32 megaliters, which was an increase by 2.58% (172.9 megaliters) compared to 6,692.42 megaliters in 2022. Due to a 15.8% increase in production capacity in 2023 compared to the previous year.

(2) Forecast reason: AUO continually focus on investing in the acceleration of our biaxial transformation and on value creation in our core competitiveness reducing the cyclical impact from panel business on operations and making AUO's operations more stable. Although AUO's water recycling performance keep growth, with business activity recover we estimated consumption will about the same than 2023.

(3) Significantly higher: over 20%, Higher: 5~20%, Roughly the same: -5~5%, Lower: -20~-5%, significantly lower: below -20%.

Q9.2.4 Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

Response 1:

Withdrawals are from areas with water stress

Yes

Volume withdrawn from areas with water stress (megaliters)

15808.1

Comparison with previous reporting year

About the same

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

% of total withdrawals that are withdrawn from areas with water stress

66.39

Identification tool

- WRI Aqueduct
- WWF Water Risk Filter

Please explain

(1)Water stress assessment: According to the WWF and WRI Water Risk Filter, AUO's factories in Taiwan have been rated as having a low risk of water scarcity. However, due to the smaller industrial water reservoirs in the Taichung and Houli plant still define as areas with water stress risk this year. Next year, the Taichung plant will introduce over 9400 CMD of recycled water and will exclude it from the water-stressed regions.

(2)In 2023, the water withdrawn in water-scarce regions amounted to 15,808.1 thousand cubic meters, accounting for 66.39% of the total water withdrawn (23,809.58 thousand cubic meters). Compared to the previous year, this represents an increase of 19.7%.

(3)As the increase is 19.7%, we consider it higher than the previous year. (Significantly higher: over 20%, Higher: 5~20%, Roughly the same: -5~5%, Lower: -20~-5%, significantly lower: below -20%)

Q9.2.7 Provide total water withdrawal data by source.

Response 1: Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

Relevance

Relevant

Volume (megaliters/year)

9.18

Comparison with previous reporting year

Much lower

Primary reason for comparison with previous reporting year

Other: There will be less rainfall in Taiwan in 2023 than in 2022.

Please explain

In 2023, there was less rainfall in Taiwan compared to 2022.

(The water withdrawals values are the actual measured volume from the flow meters.)

The water sources used by AUO are from municipal water, rainwater, groundwater and reclaimed water, with no use of seawater. Regarding the water usage of tap water in the plant area, considering the lower and more stable load on the pure water system, the use of tap water is higher, resulting in a relatively lower usage of groundwater.

Response 2: Brackish surface water/Seawater

Relevance

Not relevant

Please explain

The water sources used by AUO come from municipal water, rainwater, groundwater, and third-party water sources, with no use of seawater as a water source.

Response 3: Groundwater - renewable

Relevance

Relevant

Volume (megaliters/year)

198.59

Comparison with previous reporting year

Much lower

Primary reason for comparison with previous reporting year

Other: There will be less rainfall in Taiwan in 2023 than in 2022.

Please explain

In 2023, there was less rainfall in non-water-stress areas in Taiwan compared to 2022.

In Taiwan, not all plants can access groundwater. A water rights permit approved by the government is required to withdraw water during times of water scarcity. Water usage is monitored using water meters, which serve as the basis for pricing and reporting. The lower groundwater usage last year was due to the relatively sufficient supply of tap water in the plants reliant on groundwater.

Response 4: Groundwater - non-renewable

Relevance

Not relevant

Please explain

The water sources used by AUO come from municipal water, rainwater, groundwater, and third-party water sources. Surface water is not used as a water source.

Response 5: Produced/Entrained water

Relevance

Not relevant

Please explain

The water sources used by AUO come from municipal water, rainwater, groundwater, and third-party water sources. Surface water is not used as a water source.

Response 6: Third party sources

Relevance

Relevant

Volume (megaliters/year)

23601.81

Comparison with previous reporting year

Much lower

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Please explain

- (1) Comparison with previous reporting years: In 2023, third party sources water withdrawals was 23,601.81 megaliters, which was an decrease by 10.91% (2,321.83 megaliters) compared to 21,279.98 megaliters in 2022. Due to a 15.8% increase in production capacity in 2023 compared to the previous year.
- (2) Third party sources water include tap water and reclaimed water, which are the is the main source of AUO water withdrawals. This also cause production capacity and water withdrawals much higher than last year.
- (3) Since increase is over 10%, we consider its higher than last year. (Significantly higher: over 20%, Higher: 5~20%, Roughly the same: -5~5%, Lower: -20~-5%, significantly lower: below -20%)

Q9.2.8 Provide total water discharge data by destination.

Response 1: Fresh surface water

Relevance

Relevant

Volume (megaliters/year)

2046.46

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Please explain

1. Due to increased production and water withdrawals in 2023, the volume of wastewater from the plant has risen. Each plant's discharge volume and water quality comply with local regulations, and third-party testing is regularly conducted. The company also enhances daily recording and continuous monitoring of discharge quality.
2. Plants include discharge water in third-party treatment as required. If no third party is available, the plant ensures proper treatment to meet regulatory standards before discharging it into surface water.
3. By collecting and analyzing water resource data, each plant enhances wastewater treatment efficiency, boosts internal water recycling, and aims to reduce discharged water and pollutant emissions annually.

Response 2: Brackish surface water/seawater

Relevance

Not relevant

Please explain

The plant will treat the discharged water to meet regulatory standards before discharging it into surface water bodies, according to the requirements of local regulatory authorities. If there is no third party available for treatment, the plant will ensure proper treatment of the discharged water to comply with regulations before releasing it into surface water bodies. There is no discharge of plant wastewater into brackish surface water or seawater.

Response 3: Groundwater

Relevance

Not relevant

Please explain

The plant will send the discharged water to third-party treatment as required by local regulatory authorities. If there is no third party available for treatment, the plant will treat the discharged water properly to meet regulatory standards before discharging it into surface water bodies. There is no discharge of plant wastewater into groundwater.

Response 4: Third-party destinations

Relevance

Relevant

Volume (megaliters/year)

14897.8

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Please explain

1. Increased production and water withdrawals in 2023 have led to higher wastewater discharge from the plant.

2. Each plant's discharge and water quality comply with local regulations, with regular third-party testing. The company also enhances daily recording and continuous monitoring of discharge quality.
3. Plants include discharge water in third-party treatments as per regulations. If unavailable, plants treat the water to meet standards before discharging it into surface waters.
4. By collecting and analyzing water data, each plant improves wastewater treatment and internal recycling efficiency, aiming to reduce discharged water volume and pollutants annually.

Q9.2.9 Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Response 1: Tertiary treatment

Relevance of treatment level to discharge

Relevant

Volume (megaliters/year)

16944.26

Comparison of treated volume with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

% of your sites/facilities/operations this volume applies to

100%

Please explain

- (1) Three-stage treatment: Wastewater Treatment (WWT) → Secondary Wastewater Treatment (OWWT) → Membrane Bioreactor (MBR) → Reverse Osmosis (RO) → Effluent discharge.
- (2) Voluntary adoption of three-stage treatment + Zero Discharge Plant: Wastewater Treatment (WWT) → Second(OWWT/OWWR) → Membrane Bioreactor (MBR) → Reverse Osmosis (RO) → Electro-Deionization (EDR) → ElectroVortex Process (EVP) for Zero Discharge.

1. Each plant collects and analyzes water resource data, divides the process wastewater based on its characteristics, and introduces a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards.
2. The plant autonomously enhances the efficiency of the three-stage wastewater treatment system, with the LT plant already achieving the goal of zero wastewater discharge.
3. Continuous efforts are made to increase the efficiency of water resource recycling within the factory and reduce the generation of process wastewater, aiming to achieve a yearly reduction in discharged water volume and water pollutant emissions.

Response 2: Secondary treatment

Relevance of treatment level to discharge

Not relevant

Please explain

The company requires each plant to collect and analyze water resource data, divide process wastewater based on its characteristics, and implement a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards.

Response 3: Primary treatment only

Relevance of treatment level to discharge

Not relevant

Please explain

The company requires each plant to collect and analyze water resource data, divide process wastewater based on its characteristics, and implement a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards.

Response 4: Discharge to the natural environment without treatment

Relevance of treatment level to discharge

Not relevant

Please explain

The company requires each plant to collect and analyze water resource data, divide process wastewater based on its characteristics, and implement a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards.

Response 5: Discharge to a third party without treatment

Relevance of treatment level to discharge

Not relevant

Please explain

1. The company requires each plant to collect and analyze water resource data, divide process wastewater based on its characteristics, and implement a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards.
2. The plant includes the discharge water in third-party treatment as required by local regulatory authorities. If there is no third party available for treatment, the plant will treat the discharged water properly to meet regulatory standards before discharging it into surface water bodies.

Response 6: Other

Relevance of treatment level to discharge

Not relevant

Please explain

The company requires each plant to collect and analyze water resource data, divide process wastewater based on its characteristics, and implement a three-stage treatment process to ensure that the discharged water quality meets the local regulatory standards. The plant includes the discharge water in third-party treatment as required by local regulatory authorities. If there is no third party available for treatment, the plant will treat the discharged water properly to meet regulatory standards before discharging it into surface

water bodies.

Q9.2.10 Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

Response 1:

Emissions to water in the reporting year (metric tons)

56.59

Categories of substances included

Nitrates

Please explain

AUO's wastewater is primarily treated by a third-party sewage treatment plant in the science park. AUO requests testing data from the treatment plant as a standard for calculations. The average nitrate testing data from the sewage treatment plant is approximately 3.34 mg/L. When multiplied by AUO's wastewater volume of 16,944.26 thousand cubic meters for 2023, the resulting data is 56.59 metric tons.

Calculation:

$16,944.26 * 3.34 / 1000 = 56.59$ metric tons.

Q9.3 In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Response 1: Direct operations

Identification of facilities in the value chain stage

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

Total number of facilities identified

2

% of facilities in direct operations that this represents

100%

Please explain

According to the water-stressed areas evaluated in section 9.2.4, we prioritize the Water Risk Filter from internationally recognized organizations such as WWF and WRI. We also take into account the climatic conditions of the facility's location and the operational resilience of the basic facilities within the plant as key assessment factors.

AUO's analysis scenario considers the severe SSP5-8.5 climate deterioration and warming scenario. Based on statistical downscaled data from 25 CMIP6 models in Taiwan's TCCIP, short-term heavy rainfall intensity in Taiwan may increase by 20% by 2050, and the frequency of intense typhoons may increase by up to 100%. In this scenario, AUO's analysis of its operational plant sites in Taiwan indicates that the central Taiwan plant site, due to its geographical characteristics, is at a higher risk of being impacted by severe rainfall, leading to

potential disruptions in production and operational activities.

Water is a critical resource for AUO's manufacturing activities, as an adequate and clean water supply is essential to ensure the quality of panel products. AUO believes that intense rainfall may lead to systemic issues in the regional water supply system, resulting in water shortages and interruptions to AUO's manufacturing operations. In this scientific analysis scenario, rainfall intensity is expected to increase significantly over time, indicating that this situation is likely to occur in the short to long term.

Response 2: Upstream value chain

Identification of facilities in the value chain stage

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

Total number of facilities identified

2

Please explain

In the supply chain management sector, after identifying the key impact issues of the industries to which suppliers belong through ENCORE, the supplier's operational data collected from the supplier platform system is used to evaluate the impact and dependency levels, for example, assessing whether the annually water withdrawn exceeds 100,000 million liters.

Under this identification process, 2 suppliers have been identified as having high water impact and dependency. Due to their higher water withdrawals, they pose a risk of impacting the available water volume in the basin and operational risks in case of unstable water supply in the region due to climate change. Therefore, AUO actively collaborates with these suppliers, requesting them to set water-saving goals and providing information on water-saving solutions to gradually reduce their water consumption. This initiative aims to decrease the water-related risks and dependency level of the suppliers

Q9.3.1 For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Response 1: Row 1

Facility reference number

Facility 1

Facility name (optional)

Taichung Site

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

- Opportunities
- Risks
- Dependencies

Withdrawals or discharges in the reporting year

Yes, withdrawals and discharges

Country/Area & River basin

Taiwan, China: Other: Daan Creek and Dajia Creek

Latitude

24.206923

Longitude

120.618363

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters)

9448.52

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.13

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

9448.39

Total water discharges at this facility (megaliters)

7363.47

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

7363.47

Total water consumption at this facility (megaliters)

2085.03

Comparison of total consumption with previous reporting year

About the same

Please explain

We calculate water consumption by subtracting total discharge from total water withdrawals. Therefore, water consumption is related to the evapotranspiration of atmospheric conditions.. The water consumption is almost the same as in 2022.

Response 2: Row 7

Facility reference number

Facility 2

Facility name (optional)

Houli site

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

- Dependencies
- Opportunities
- Risks

Withdrawals or discharges in the reporting year

Yes, withdrawals and discharges

Country/Area & River basin

Taiwan, China: Other: Dajia River

Latitude

24.295958

Longitude

120.727235

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters)

3057.81

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

3057.81

Total water discharges at this facility (megaliters)

2204.49

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

2204.49

Total water consumption at this facility (megaliters)

853.32

Comparison of total consumption with previous reporting year

About the same

Please explain

The production capacity in 2023 has increased compared to 2022, thus resulting in higher water consumption.

Q9.3.2 For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Response 1: Water withdrawals - total volumes

% verified

76-100

Verification standard used

The total volumes of water withdrawals information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard.

Response 2: Water withdrawals - volume by source

% verified

76-100

Verification standard used

The volume by the source of water withdrawals information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard. And all the collected data from different sites are separated and verified independently.

Response 3: Water withdrawals - quality by standard water quality parameters

% verified

76-100

Verification standard used

For all water sources, we have an immediate monitoring system that monitors the impact of critical water quality on manufacturing, including VOC, SS, COD, turbidity, etc. In addition, we also confirm the stability of water quality conditions through regular external third-party sampling and monitoring instrument calibration. However, water quality testing data information is not in the GRI Standard' s disclosure guidelines, so the proportion of this data validation is relatively low.

Response 4: Water discharges - total volumes

% verified

76-100

Verification standard used

The total volumes of water discharge information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard. Not only above, but the environmental protection agencies also require factories to regularly report self-monitoring and third-party testing data on water quality and quantity. Even some of the plant areas meet the regulatory requirements, and an automatic continuous monitoring system is set up, and the monitoring data is also publicly disclosed on the network simultaneously.

Response 5: Water discharges - volume by destination

% verified

76-100

Verification standard used

The volume by the source of water discharges information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard. Not only above, but the environmental protection agencies also require factories to regularly report self-monitoring and third-party testing data on water quality and quantity. Even some of the plant areas meet the regulatory requirements, and an automatic continuous monitoring system is set up, and the monitoring data is also publicly disclosed on the network simultaneously.

Response 6: Water discharges - volume by final treatment level

% verified

76-100

Verification standard used

The volume by final treatment level of water discharges information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard. The volume by treatment method for water discharges is certified by ISO14001. The 3rd party checks the efficiency and performance of pollution treatment systems and units for legal compliance.

Response 7: Water discharges - quality by standard water quality parameters

% verified

76-100

Verification standard used

The quality by standard water quality parameters of water discharges information in the CDP Water questionnaires are all disclosure from the 2023 Sustainability Report and have been verified by KPMG using the methodology of ISAE 3000 standard. Not only above, but the environmental protection agencies also require factories to regularly report self-monitoring and third-party testing data on water quality and quantity. Even some of the plant areas meet the regulatory requirements, and an automatic continuous monitoring system is set up, and the monitoring data is also publicly disclosed on the network simultaneously.

Response 8: Water consumption - total volume

% verified

76-100

Verification standard used

The total volume of water consumption information in the CDP Water questionnaires is all disclosure from the 2023 Sustainability Report and has been verified by KPMG using the methodology of ISAE 3000 standard.

Q9.4 Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Yes, CDP supply chain members buy goods or services from facilities listed in 9.3.1

Q9.5 Provide a figure for your organization's total water withdrawal efficiency.

Response 1:

Revenue (currency)

247960000000

Total water withdrawal efficiency

10414295.42

Anticipated forward trend

Due to a 15.8% increase in production capacity compared to the previous year in 2023, AUO has seen a continuous increase in water usage, which has also led to a rise in overall water consumption. As a result, revenue in 2023 increased compared to 2022. As the production capacity was not fully utilized in 2023, it is estimated that it will increase again in 2024.

Q9.12 Provide any available water intensity values for your organization's products or services.

Response 1: Row 1

Product name

TFT-LCD manufacturing step

Water intensity value

0.33

Numerator: Water aspect

Other: Process water consumption per unit

Denominator

Glass area of input sheet (square meter)

Comment

Production water use intensity = production water/input sheet substrate area m2

Q9.13 Do any of your products contain substances classified as hazardous by a regulatory authority?

Response 1:

Products contain hazardous substances

No

Comment

AUO adjusts the ' Hazardous Substances Management Regulations for Green Products' every year in accordance with international laws and regulations, environmental protection trends, and customer requirements for hazardous substances to ensure that green products with low environmental impact are provided. In 2023, the 24rd revision of management regulations was conducted according to international regulations and customer requirements, and it will be implemented in 2024. The number of hazardous substances under control has reached 147, encompassing all the declared substances listed in IEC 62474 and key customer regulations.

Q9.14 Do you classify any of your current products and/or services as low water impact?

Response 1:

Products and/or services classified as low water impact

Yes

Definition used to classify low water impact

AUO's Longtan plant uses high-level treatment technology developed and integrated in-house to achieve zero wastewater discharge and eliminate the environmental burden on waterways. Therefore, the products produced in the Longtan plant have no/zero impact on the environment due to the discharge during the production stage.

Please explain

Our product, TFT, LCD, didn't consume water resources during the use phase. The water resource usage and consumption during the manufacturing phase have been managed and improved water usage efficiency to reduce the impact, which complies with government requirements. Also, we regularly engage with the stakeholder to minimize water impact. Although all of the AUO plant's discharges have been through tertiary treatment and discharged into the environment after being re-treated in a wastewater treatment plant to minimize discharge impact, AUO's Longtan plant use high-level treatment technology developed and integrated in-house to achieve zero wastewater discharge and eliminate the environmental burden on waterways. Therefore, the products produced in the Longtan plant have no/zero impact on the environment due to the discharge during the production stage.

Q9.15 Do you have any water-related targets?

Yes

Q9.15.1 Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Response 1: Water pollution

Target set in this category

Yes

Response 2: Water withdrawals

Target set in this category

Yes

Response 3: Water, Sanitation, and Hygiene (WASH) services

Target set in this category

Yes

Response 4: Other

Target set in this category

Yes

Q9.15.2 Provide details of your water-related targets and the progress made.

Response 1: Row 1

Target reference number

Target 1

Target coverage

Organization-wide (including suppliers)

Category of target & Quantitative metric

Water withdrawals: Reduction in total water withdrawals

Date target was set

2023-12-30

End date of base year

2021-12-30

Base year figure

68471

End date of target year

2025-12-30

Target year figure

64800

Reporting year figure

65232

Target status in reporting year

Achieved

% of target achieved relative to base year

88

Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Sustainable Development Goal 6

Explain target coverage and identify any exclusions

This target encompasses the total water withdrawals from tap water, rainwater, groundwater, and reclaimed water from city's domestic sewage plant, with no exclusions.

Actions which contributed most to achieving or maintaining this target

AUO continuously sets annual targets for improving water resource consumption through Green Production (GP) and utilizes a standardized PDCA process for ongoing refinement. In 2019, we became the first company in Taiwan to introduce the ISO 46001 Water Resource Efficiency Management System, building on years of digital transformation. We establish water performance goals, action plans, performance indicators, benchmarks, monitoring, and regular reviews to ensure effective management. Our aims include a 2% annual reduction in tap water usage and a monthly recovery rate of over 90%. We actively promote our Green Manufacturing Team to reduce water usage and enhance environmental indicators. Through proposal competitions, we encourage various plant teams to participate, resulting in 60 innovative water-saving management proposals submitted from 2019 to the present.

Further details of target

Targets set by the GP team are combined with digital tools to upgrade performance per unit of water. A comprehensive water resource risk management mechanism is also used to ensure water security. In keeping with the spirit of treasuring natural resources, AUO strives our reliance on natural water supplies and increase our process water recycling rate so that we can make the best use of water resources. In terms of process water recycle rate, AUO has maintained a development trend of reaching new highs every year until 2023 by expanding factory recycle equipment and breaking through recycle bottlenecks. This laying a solid foundation for the goal of saving tap water consumption.

AUO implements a circular economy approach, considering opportunities to enhance water efficiency at every stage, from source to end. In line with this, the Green Manufacturing Team has developed a 6R strategy focused on water circulation pathways, encompassing the entire process from water intake, usage, and recycling to discharge, aiming to identify more opportunities for water conservation and reuse. The 6R strategy and its meanings are as follows:

Reduce: Improve process water usage efficiency.

Reuse: Resource allocation and direct reuse of water.

Repair: Upgrade water regeneration systems.

Redesign: Modify equipment design to increase the frequency of pure water usage.

Recycle: Enhance the recovery rate of plant wastewater.

Recovery: Focus on the recovery of plant wastewater.

Response 2: Row 2

Target reference number

Target 2

Target coverage

Organization-wide (direct operations only)

Category of target & Quantitative metric

Monitoring of water use : Increase in the proportion of sites monitoring water withdrawals total volumes

Date target was set

2023-12-30

End date of base year

2021-12-30

Base year figure

99

End date of target year

2025-12-30

Target year figure

100

Reporting year figure

100

Target status in reporting year

Achieved

% of target achieved relative to base year

100

Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Sustainable Development Goal 6

Explain target coverage and identify any exclusions

All global facilities are included in the provision of safe drinking water, requiring monitoring and testing to ensure that all results meet drinking water standards, with no exclusions.

Actions which contributed most to achieving or maintaining this target

1.Each AUO plant has an independent water source for drinking water to ensure no groundwater or recycled water is used. The water undergoes quality optimization through a drinking water treatment system before supplying to the plant's drinking water facilities, ensuring the safety of water used by employees. 2.AUO conducts monthly third-party testing on the quality of drinking water for employees to confirm that it meets drinking water standards. 3.AUO provides comprehensive domestic water services, including office, dormitory, kitchen, gym, and domestic water usage. All of these services comply with local regulations and relevant standards to ensure the quality of water used by employees.

Further details of target

Here are the operational management practices to ensure that the targets are effectively achieved:

- 1.\tA comprehensive drinking water monitoring and testing program.
- 2.\tRegular testing conducted reliably by a third-party service provider.
- 3.\tEnsuring the proper functioning of the water supply system.
- 4.\tUltimately ensuring that regular testing results achieve a 100% compliance rate.

Response 3: Row 3

Target reference number

Target 3

Target coverage

Organization-wide (direct operations only)

Category of target & Quantitative metric

Other: Other: We define comprehensive indicators of wastewater discharge in accordance with regulations, including suspended solids, SS.

Date target was set

2023-12-30

End date of base year

2021-12-30

Base year figure

111662

End date of target year

2025-12-30

Target year figure

114048

Reporting year figure

89954

Target status in reporting year

Achieved

% of target achieved relative to base year

-910

Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Sustainable Development Goal 6

Explain target coverage and identify any exclusions

This objective does not have any exclusion items. Compliance with local regulations requires self-execution of monitoring and declaration of controlled substances. Furthermore, since the emphasis on pollutants varies by region, SS (suspended solids) and COD (chemical oxygen demand) are the items most commonly used to represent the effectiveness of water treatment in general wastewater discharge quality standards.

Actions which contributed most to achieving or maintaining this target

We implement pollution target management based on the following management principles:

1. Establishing wastewater treatment facilities autonomously in accordance with local regulatory requirements, ensuring that the water quality meets standards.
2. Continuously monitoring water quality and quantity on a regular basis, and engaging third-party inspection agencies to lawfully execute water quality monitoring tests according to statutory public announcement methods.
3. Regularly keeping track of new regulations to ensure that high-priority water pollution issues are appropriately managed and discharged.
4. Implementing PDCA (Plan-Do-Check-Act) management for wastewater pollutants based on ISO 14001 and ISO 46001 management systems to continuously improve management practices.
5. Strengthening wastewater, waste liquid, and waste solvent reuse pathways through source separation management, providing viable solutions for a circular economy, and reducing end-of-pipe treatment and discharge.

Further details of target

Most high-tech factories are located within industrial zones, which have final wastewater treatment plants that regulate the treatment and discharge of all wastewater within the area. According to GRI guidelines, we treat wastewater to comply with regulatory discharge standards before releasing it into the treatment plant. The final discharge concentration is based on the average values from the regular testing items of that wastewater treatment plant. This concentration value is then multiplied by the wastewater volume discharged by AUO, which is 46,423 CMD, to estimate the total pollution environmental load. Over the past few years, our wastewater conditions have far exceeded regulatory requirements, allowing us to achieve our final goal ahead of schedule in 2023.

Response 4: Row 4

Target reference number

Target 4

Target coverage

Organization-wide (direct operations only)

Category of target & Quantitative metric

Other: Other: We define comprehensive indicators of wastewater discharge in accordance with regulations, including chemical oxygen demand, COD

Date target was set

2023-12-30

End date of base year

2021-12-30

Base year figure

547248

End date of target year

2025-12-30

Target year figure

572273

Reporting year figure

448560

Target status in reporting year

Achieved

% of target achieved relative to base year

-394

Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Sustainable Development Goal 6

Explain target coverage and identify any exclusions

This objective does not have any exclusion items. Compliance with local regulations requires self-execution of monitoring and declaration of controlled substances. Furthermore, since the emphasis on pollutants varies by region, SS (suspended solids) and COD (chemical oxygen demand) are the items most commonly used to represent the effectiveness of water treatment in general wastewater discharge quality standards.

Actions which contributed most to achieving or maintaining this target

We implement pollution target management based on the following management principles:

1. Establishing wastewater treatment facilities autonomously in accordance with local regulatory requirements, ensuring that the water quality meets standards.
2. Continuously monitoring water quality and quantity on a regular basis, and engaging third-party inspection agencies to lawfully execute water quality monitoring tests according to statutory public announcement methods.
3. Regularly keeping track of new regulations to ensure that high-priority water pollution issues are appropriately managed and discharged.
4. Implementing PDCA (Plan-Do-Check-Act) management for wastewater pollutants based on ISO 14001 and ISO 46001 management systems to continuously improve management practices.
5. Strengthening wastewater, waste liquid, and waste solvent reuse pathways through source separation management, providing viable solutions for a circular economy, and reducing end-of-pipe treatment and

discharge.

Further details of target

Most high-tech factories are located within industrial zones, which have final wastewater treatment plants that regulate the treatment and discharge of all wastewater within the area. According to GRI guidelines, we treat wastewater to comply with regulatory discharge standards before releasing it into the treatment plant. The final discharge concentration is based on the average values from the regular testing items of that wastewater treatment plant. This concentration value is then multiplied by the wastewater volume discharged by AUO, which is 46,423 CMD, to estimate the total pollution environmental load. Over the past few years, our wastewater conditions have far exceeded regulatory requirements, allowing us to achieve our final goal ahead of schedule in 2023.

Q10.1 Do you have plastics-related targets, and if so what type?

Response 1:

Targets in place

Yes

Target type and metric

- Plastic packaging: Reduce the total weight of plastic packaging used and/or produced
- End-of-life management: Increase the proportion of recyclable plastic waste that is collected, sorted, and recycled
- End-of-life management: Increase the proportion of recyclable plastic waste that we collect, sort, and recycle
- Plastic goods/products: Reduce the total weight of virgin content in plastic goods/products
- Plastic polymers: Reduce the use of polymers with properties that may hinder their reusability, recyclability and disposal
- End-of-life management: Reduce the proportion of plastic waste which is sent to landfill and/or incinerated
- Plastic packaging: Reduce the total weight of virgin content in plastic packaging
- Plastic packaging: Eliminate single-use plastic packaging
- End-of-life management: Reduce the proportion of plastic waste which is mismanaged
- End-of-life management: Increase the proportion of plastic waste which is prepared for reuse or composted
- Plastic polymers: Reduce the total weight of virgin content in plastic polymers produced and/or sold
- Plastic goods/products: Reduce the total weight of plastics in our goods/products
- Plastic packaging: Eliminate problematic and unnecessary plastic packaging
- Plastic packaging: Increase the proportion of plastic packaging that is reusable
- Plastic goods/products: Eliminate problematic and unnecessary plastics within our goods/products

Please explain

AUO supports international interest in biodiversity and the “Kunming-Montreal Global Biodiversity Framework” Many research reports indicated that one of the key threats to biodiversity is plastic, a material that is used extensively in everyday life. For this reason, AUO made the decision to take part in plastic reduction action. We also hope to lead by example and persuade the rest of the industry to take the issue of plastics seriously. AUO started by conducting a full inventory of plastic consumption during the production process and employees’ office lives. Base year was set as 2023 with “plastic neutrality” to be achieved by 2030. The “3R+1” strategy (Replace, Reduce, Recycle, Rethink) was adopted by AUO and a trans-unit plastics working group set up to oversee plastic reduction tasks. At the same time, AUO also announced the plastic neutrality target at the annual Supplier Creating Shared Value Conference. Value chain partners were also encouraged to join in the plastic reduction initiative and reduce the environmental impact of plastics.

Q10.2 Indicate whether your organization engages in the following activities.

Response 1: Production/commercialization of plastic polymers (including plastic converters)

Activity applies

No

Comment

AUO has no related activities or business.

Response 2: Production/commercialization of durable plastic goods and/or components (including mixed materials)

Activity applies

No

Comment

AUO has no related activities or business.

Response 3: Usage of durable plastics goods and/or components (including mixed materials)

Activity applies

Yes

Comment

AUO's production involves the use of plastic in materials, packaging, and transportation, and certain optical components made of plastic are also utilized in the display modules.

Response 4: Production/commercialization of plastic packaging

Activity applies

No

Comment

AUO has no related activities or business.

Response 5: Production/commercialization of goods/products packaged in plastics

Activity applies

No

Comment

AUO has no related activities or business.

Response 6: Provision/commercialization of services that use plastic packaging (e.g., food services)

Activity applies

No

Comment

AUO has no related activities or business.

Response 7: Provision of waste management and/or water management services

Activity applies

Yes

Comment

AUO Envirotech provides related services such as water resource management, zero wastewater, and water purification.

Response 8: Provision of financial products and/or services for plastics-related activities

Activity applies

No

Comment

AUO has no related activities or business.

Response 9: Other activities not specified

Activity applies

No

Comment

AUO has no related activities or business.

Q10.4 Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Response 1: Durable goods and durable components used

Total weight during the reporting year (Metric tons)

0

Raw material content percentages available to report

None

Please explain

AUO is currently conducting a statistical analysis of the plastic products in use.

Q10.6 Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

Response 1: Usage of plastic

Total weight of waste generated during the reporting year (Metric tons)

0

End-of-life management pathways available to report

- Recycling
- Incineration
- Waste to Energy
- Preparation for reuse

% prepared for reuse

0

% recycling

0

% waste to energy

0

% incineration

0

Please explain

AUO is currently conducting a statistical analysis of the plastic products in use.

Response 2: Processing of plastic waste

Total weight of waste generated during the reporting year (Metric tons)

0

End-of-life management pathways available to report

- Recycling
- Incineration
- Waste to Energy
- Preparation for reuse

% prepared for reuse

0

% recycling

0

% waste to energy

0

% incineration

0

Please explain

AUO is currently conducting a statistical analysis of the plastic products in use.

Q11.2 What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

Response 1:

Actions taken in the reporting period to progress your biodiversity-related commitments

Yes, we are taking actions to progress our biodiversity-related commitments

Type of action taken to progress biodiversity- related commitments

- Species management
- Law & policy
- Education & awareness
- Land/water protection
- Other:
- Land/water management
- Livelihood, economic & other incentives

Q11.3 Does your organization use biodiversity indicators to monitor performance across its activities?

Response 1:

Does your organization use indicators to monitor biodiversity performance?

No, we do not use indicators, but plan to within the next two years

Q11.4 Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Response 1: Legally protected areas

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Response 2: UNESCO World Heritage sites

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Response 3: UNESCO Man and the Biosphere Reserves

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Response 4: Ramsar sites

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Response 5: Key Biodiversity Areas

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Response 6: Other areas important for biodiversity

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

AUO's operational facilities are established in manufacturing zones designated by the government, avoiding areas that could cause impacts on biodiversity.

Q13.1 Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

Yes

Q13.1.1 Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Response 1: Row 1

Environmental issue for which data has been verified and/or assured

- Water
- Climate change

Disclosure module and data verified and/or assured

- Environmental performance - Water security: Volume withdrawn from areas with water stress (megaliters)
- Environmental performance - Water security: Water discharges- total volumes
- Environmental performance - Water security: Water withdrawals - volumes by source
- Environmental performance - Water security: Water consumption- total volume
- Environmental performance - Water security: Water discharges - volumes by destination
- Environmental performance - Water security: Water withdrawals- total volumes
- Environmental performance - Water security: Emissions to water in the reporting year

Verification/assurance standard

- Climate change-related standards: ISO 14064-1
- General standards: ISAE 3000
- Climate change-related standards: ISO 14064-3

Further details of the third-party verification/assurance process

AUO each year follows the GRI guidelines and Taiwan government regulations (including the disclosure of TCFD-related risk processes) to publish a sustainability report. The report covers topics such as climate transition plans and goals, water resource management data and processes, energy management data and processes, ISO 50001, and ISO 46001. The scope of disclosure includes sustainability management issues across the entire value chain (including its own operations, supply chain, and customer sustainability management issues). The content of the sustainability report is subject to limited assurance provided by an auditing firm through ISAE 3000.

Carbon emissions are reviewed using ISO 14064-1 and verification is conducted by a verification company through ISO 14064-3, providing reasonable assurance.

Attach verification/assurance evidence/report (optional)

AUO Sustainability-related Verification Certificates.pdf

Q13.2 Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

No additional information needs to be provided.

Q13.3 Provide the following information for the person that has signed off (approved) your CDP response.

Response 1:

Job title

The Chief Financial Officer (CFO) is responsible for corporate risk management and is a member of the Sustainable Risk Executive Committee. The CFO oversees the overall risks of the company, including

Corresponding job category

Chief Financial Officer (CFO)

Q13.4 Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

Question Number	Question	Subquestion	Attachment
Q4.1	Does your organization have a board of directors or an equivalent governing body?	Attach the policy (optional)	2023_Annual_Report_EN.pdf Organizational_Charter_for_Sustainability_and_ERM_Committee_EN.pdf
Q7.54.3	Provide details of your net-zero target(s).	Science Based Targets initiative official validation letter	AUO 2023 SBTi 1.5 target Approval letter.pdf
Q7.9.1	Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.	Attach the statement	2023_ISO 14064.pdf
Q7.9.2	Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	Attach the statement	2023_ISO 14064.pdf
Q4.11	In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?	Attach commitment or position statement	Taiwan's Panel Industry Carbon Reduction Strategy Report..pdf
Q5.2	Does your organization's strategy include a climate transition plan?	Attach any relevant documents which detail your climate transition plan (optional)	AUO 2023 Sustainability Report_10 MB.pdf
Q4.6.1	Provide details of your environmental policies.	Attach the policy	AUO Sustainability Policy Overview.pdf
Q13.1.1	Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	Attach verification/assurance evidence/report (optional)	AUO Sustainability-related Verification Certificates.pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	2023_ISO 14064.pdf
Q2.3	Have you identified priority locations across your value chain?	Provide a list and/or spatial map of priority locations	2023 TNFD Report CH.pdf 2023 TNFD Report.pdf
Q7.53.1	Provide details of your absolute emissions targets and progress made against those targets.	Science Based Targets initiative official validation letter	AUO 2023 SBTi 1.5 target Approval letter.pdf
Q7.53.1	Provide details of your absolute emissions targets and progress made against those targets.	Science Based Targets initiative official validation letter	AUO 2023 SBTi 1.5 target Approval letter.pdf

Question Number	Question	Subquestion	Attachment
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	AUO 2023 Sustainability Report_10 MB.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	AUO TNFD Report 2023_final.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	2023TCFD_EN_Final_compressed.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	2023_Annual_Report_EN.pdf