

Implementation of Sustainable Development

(I) Environmental management and implementation of energy conservation measures

1. Environmental Management System

To fulfill our corporate social responsibility and in doing so meet our environmental protection targets, Optoelectronics BG launched ISO -14001 Environmental Management System in 2009, which was transitioned to ISO14001:2015 by the Company in 2016 and officially certified in 2017 when the international community just began adopting such a new ISO standard. In 2023, Electromechanical BG obtained the ISO14001 certificate. We have since then demonstrated our commitment to the system and continuous improvement, and in doing so facilitated employees' understanding and implementing our environmental protection policy. In addition, the Company obtained the EcoVadis Silver Medal for Corporate Social Responsibility in 2019.

(1) Greenhouse gas inventory and emission reduction targets and measures

To implement carbon reduction management, Young Fast inventories greenhouse gases every year in order to disclose to stakeholders our greenhouse gas management. The Company had aimed to reduce its carbon emissions in 2023 by 1% of its GHG emissions in 2022. However, since the Electromechanical Business Group reduction of SF usage in 2023, emissions in 2023 were 4.13KG per thousand dollars of revenue, a mild reduction of 44.49% from 7.44KG per thousand dollars of revenue in 2022. Despite the failure to meet the set target, the reduction measures taken were deemed effective. Nonetheless, since the reduction measures have been implemented for years, they are expected to reduce emissions in the future. Therefore, the target of reduction in carbon emission per thousand dollars of revenue for 2024 was set to 1%.

CO2 emission figure derived from the inventory of greenhouse gas emissions for 2023 and 2022.

Unit:(ton CO2/year)

Scope	Emission sources	2022(note3)	2023
Scope1	Direct emission sources mean the GHG emission sources owned or controlled by the factory (fuel combustion in stationary sources, transportation emissions, process emissions, and fugitive emissions).	9,580.58	4,798.58
Scope2	Indirect emissions are mainly due to purchased electricity.	1,945.64	2,002.94
Total emissions		1,861.04	11,526.22

Note1: The scope of the investigation: Factory in Taiwan(Plant2 and Plant3)

Note2: SF6 has been used in Plant No. 2, the data for category 1 in 2022 are adjusted retrospectively.

(2) Water resource management

Climate change has caused alternating floods and droughts around the world. Unfortunately, the touch panel industry has immense demands for water. As so, the Company strives to reduce process water consumption and recycle and reuse water in order to lower the risks arising from short supply of water.

Taiwan factory: The focus of water conservation will be management of water and reduction in the water consumed by air conditioners. After adjusting the temperature setting and running time of air conditioners, water consumption has been adjusted.

Vietnam factory: Since the factory runs the whole production processes, the focus of water conservation will be management of water and reduction in process water. By adjusting the amount of water consumed by machinery, by optimizing the management of the water for maintenance use and for use when machinery is in sleep mode, and by recycling the hard water generated in the water purification process for domestic use, we have effectively reduced the city water consumption in the factory.

(3) Wastewater treatment

Taiwan factory: The wastewater mainly comes from the domestic sewage generated from the use of domestic water by employees. The wastewater is treated to a level meeting the Industrial Park Controlled Effluent Discharge Standard before being discharged.

Vietnam factory: Since the factory was expected to run the Touch Panel whole production processes, we planned, designed, and constructed the factory upholding the philosophy of environmental care and sustainable development from the onset. We also chose our treatment equipment using a standard higher than the effluent discharge standard stipulated by the local environmental competent authority in Vietnam. Over the past years, we have invested substantially in wastewater treatment facilities, in terms of both construction work and equipment. We have applied for and obtained discharge licenses as required by law. The wastewater treated by the Company, if seen by type of water quality, can be divided into domestic sewage, organic wastewater, and non-organic wastewater. The wastewater is treated to a

level meeting the Controlled Effluent Discharge Standard of Vietnam before being discharged.

(4) Waste management

The Company believes it true that only through green design and production and making improvements at the source end can resources consumption be effectively reduced. In addition, the Company hopes to avoid the direct environmental impact resulted from minerals mining and the waste generation therefrom at the back end by means of developing environmentally friendly products and recycling and reusing the various materials within the factory, so as to align ourselves with the world's trend of sustainable development and resources recycling and reuse. The Company abides by environmental laws in that we adhere to the spirit of 4R, namely reduce, recycle, reuse, and replace, when treating our waste. Priority will be given to reducing resources consumption at the source end using either of the 4R methods. Only when it is not possible to apply either of the 4R methods to a type of waste will the waste be landfill or incinerated. After proper management and treatment, the waste can be divided into "Treatment-Required Waste" (general/hazardous industrial waste), "Recyclable Waste", and "Resources Waste". We have obtained an approval from the competent authority for our Waste Management Plans for each type of waste as required by law, and treated or recycled the waste accordingly.

(5) Air pollution prevention

Taiwan factory: Plant2 and plant3 both are no production process that causes air pollutions.

Vietnam factory:

Since the factory runs the Touch Panel whole production processes, there are still pollutive gases resulting from the production processes that we have to address. Acid and alkaline gas treatment: The pollutive gas emissions from production processes are mainly the fugitive gases generated from the etching and development process. By having the acid or alkaline agent fully contact and mix with water, we dissolve the acid and alkaline molecules of the gases into water. The water generated in this way is discharged to the wastewater treatment plant for treatment. As for the gases of which the acid and alkaline molecules were removed, they are released into the atmosphere at pH7~9. The rinsing tower in the factory is equipped with an automatic agents feed system and a monitoring system, so as to monitor the pH value of gases emitted and ensure the effective of the rinsing tower. We have applied for and obtained the Pollutive Sources Emission Permit as required by law, and conduct operation and periodic testing work in accordance with the Air Pollution Control and Emission Standards. The testing results all indicate a level of air pollutants that is way lower the that required by law.

2. Energy conservation targets and implementation measures

(1) Electricity conservation target:

Electricity consumed by the company in 2023 reached 3,114Kkw, up 62Kkw, or 2.03%, from 3,052Kkw in 2022. The increase in electricity consumption is mainly due to the revenue increase 6.24% in 2022. As such, the electricity consumed target for 2024 is to reduce electricity consumed by 1% for per thousand dollars of revenue from the 2023 level.

(2) Water conservation target:

Water consumed by the company in 2023 reached 10,515 Ton, down 597 Tons, or 4.03%, from 10,515 Tons in 2022. This evidences the effectiveness of our water conservation targets and measures. As such, the water conservation target for 2024 is to reduce water consumption by 0.5% from the 2023 level.

(3) Waste:

The amount of waste generation by the company in 2023 reached 61.8 Ton, up 13.3 Tons, or 27.42%, from 48.5 Tons in 2022. The increase in waste generation is mainly due to the revenue increase and most of the defective products in the Optoelectronic Business Group were scrapped were made of glass. As such, the amount of waste generation target for 2024 is to reduce water consumption by 1% from the 2023 level.

(4) implementation measures:

- A. Manage by area; for areas not employed at the moment, shut down the electricity and turn off the water, so as to improve the use effectiveness.
- B. Manage wastes by type by means of reduction, classification, or commissioning a licensed waste disposal vendor to treat the wastes.
- C. Multi function peripherals (MFPs) and printers are installed with an energy-saving device, which automatically turns the energy-saving mode on when the equipment is not in use.
- D. Continue to promote and disseminate the idea of water conservation and “turning off the light when leaving” so that the individual can foster a good personal habit and apply it at home and in public premises.

(II) Employees’ physical safety; protection measures at the work environment; and implementation

1. Based on the Occupational Safety and Health Management Program formulated in every given year, the Company reviews the suitability of the policy and purpose stated thereon and sets the targets for the following year. The policy, purpose, and targets of the labor safety policy of Young Fast Optoelectronics are as follows:

(1) Occupational safety and health policy:

- A. Abide by occupational safety and health laws and regulations.
- B. Continue to improve the quality of safety and health.

- C. Reduce employee safety and health risks
- D. Implement occupational safety and health education
- E. Implement safety and health consultation and communication.

(2) Purpose:

- A. Comply with relevant occupational safety laws and regulations, as well as ISO45001 standard.
- B. Improve the awareness of occupational safety of employees and contractors.
- C. Achieve the goal of zero incident.

(3) Targets: Bring the annual in-factory occupational incident rate down by 0.05 % or more.

2. Implementation results of the occupational safety and health management system:

To fulfill our corporate social responsibility through a good occupational safety and health management, Optoelectronics BG though yet to be certified against the ISO45001 Occupational safety and health management system, aligns our occupational safety and health management with ISO45001, and Electromechanical BG obtained the ISO45001 certificate in 2023. The Company also always attends to the latest update of occupational safety and health laws and regulations in order to formulate a basis for our formulating the labor safety policy. In the future, with the determination to realize our occupational safety and health commitments and continuous improvement, the Company aims to make employees fully understand and implement our occupational safety and health protection policy.

3. Contents of the occupational safety and health implementation

(1) We review the implementation results as well as non-conformities through a report at an annual management review meeting for our Occupational Safety and Health Management System. Upholding the spirit of continuous improvement and optimization, we will continue safety observation, perform occupational health and safety management plans, regularly implement occupational safety and health inspection and audit, and conduct a review and a report at the quarterly Occupational Health and Safety Committee meeting. In addition, we also regularly negotiate employer-employee issues with union representatives to keep the employer-employee communication channel clear.

(2) Every year we regularly implement an employee health checkup, labor work environment monitoring, fire safety equipment inspection, maintenance, and filing, a safety inspection for the public space of a building, safety and health education and dissemination, and maintain the effectiveness of the Badge of Accredited Health Workplace - Health Initiation Label granted by the Health Promotion Administration, MOHW, Executive Yuan.

- (3) For management of machinery, equipment, or tools, we have established the “Hazardous Machinery and Equipment List” for control purpose. For hazardous machinery and equipment (e.g., lifting equipment), we have obtained relevant licenses, entrust professional institutions to inspect, repair, and maintain it on site every year and, at the year when licenses are about to expire, apply to the competent authority for regular inspection and hence new licenses, so as to ensure the safety of the lifting equipment when being used. Forklift operators are allowed to operate the forklift only after they have attended occupational safety and health training as required by law and obtained a license. The labor safety units and personnel units establish the “Special-purpose Machinery and Equipment Operator License List” and adjust such a list accordingly to personnel turnover. In case of vacancies due to resignation or any other causes, the Company shall fill such vacancies by recruiting licensed personnel or dispatching personnel to attend training and obtain a license.
- (4) Procurement management/contractor management/ modification management: Procurement management and contractor management are conducted in accordance with the contents of the “Environmental Safety Contractor Management Directions”; modification management is conducted in accordance with the “Environmental Operation Control Procedures”, with all control measures being audited for management purpose.
- (5) Compiling, sharing, and application of safety and health information: We disseminate laws and regulations, amendments, and safety and health communication matters by means of email, announcement, poster, slogan, or meeting; persist in launching activities that aim to achieve zero incident; and set up a bulletin board for posting occupational safety information, and a website for safety and education and health care, so as to disseminate safety and health and healthcare and promote health-promoting items.
- (6) Emergency response and preparedness: To make employees remain calm upon the occurrence of an emergency so that they can make correct judgments and take appropriate actions, each unit regularly holds an emergency drill on the contents specified on the “Emergency Response Operating Procedures” and “Emergency Response Operation Instructions”. The contents of drill include:
 - A. Relevant units hold a drill in accordance with the “Annual Emergency Response Test Plan”.
 - B. A fire safety drill is held semiannually.
- (7) Investigation and settlement and statistical analysis of occupational accidents, near misses, events that affect the physical and mental health;
To avoid recurrence of the same incidents, and to alert others by the victim’s sharing his/her experience, each unit investigates and analyzes the accidents/incidents according to the “Industrial Safety and Health

Management Procedures”, and reports at the quarterly Labor Safety and Health Committee meeting the causes, circumstances, and situations of the incident, so as to review and improve personnel protection gears, machine guards, facilities at the environment, or operation methods, thereby preventing the recurrence of the same incident.

- A. Make statistics of accidents occurred in a given month on a monthly basis and file the same with the competent authority within the first ten days of the following month.
- B. The unit where an occupational incident occurs shall conduct an investigation, analysis, and review, and submit the records to the labor safety unit for future references.
- C. The labor safety unit shall make statistics of every incident, and shall analyze the same for analysis evidence and data based on which improvements can be made, either in terms of personal protection gears, machine guards, facilities at the environment, or operation method.

(8) Record of safety and health management and performance:

There was no occupational incident in the factories during the period between January 2023 and December 2023.

(III) Engagement in community services and other charitable events

In 2023, the Company continued to participate in community care services in Guanyin District, Taoyuan City, where the factory is located. The Company sponsored NT\$2,000 to the year-end review (dinner) party and fire prevention awareness party organized by the Cauluo Branch of the Fire Department, sponsored the Volunteer Firemen Branch, sponsored the Fude Temple in the industrial park, and sponsored NT\$6,000 for the Chungyuan Pudu of Baozhang Temple. Donated the income derived from sale of recycled toner cartridges to Syin-Lu Social Welfare Foundation; and once again obtained the Health Promotion Label – Accredited Healthy Workplace from the Health Promotion Administration, MOHW; Participation in the “CHR Healthy Corporate Citizen” organized by Common Health Magazine, which granted the Company a “Corporate Health Responsibility” Label. We used the FSC-accredited paper for our annual shareholders’ meeting handbook and annual report for 2023, and entrusted a printing plant who is accredited with a Gold-level Green Mark Lithographic Printing certificate to publish the said handbook and report.

(IV) Human rights policy and management projects

To fulfill corporate social responsibility and ensure the basic human rights of employees, customers, and stakeholders, the Company has formulated the Human Rights Policy by referencing the principles of Responsible Business Alliance and the International Bill of Human Rights to demonstrate our respect for internationally-recognized basic human rights,

including freedom of association, care for the vulnerable, prohibition of child labor, elimination of the various types of forced labor, elimination of employment discrimination, and abidance of labor laws applicable to the place where the company operates.

Human rights assessment and human rights risk mitigation measures: As a professional panel manufacturer and therefore a constituent of the human-machine interface, the Company goes beyond pursuing sustainable development to commit to ensuring that employees and employees of the supply chain enjoy a safe work environment and that personnel are respected and enjoy dignity; to promoting environmental protection; to raising the awareness of care for people and environment; and to abiding by relevant ethical rules, so as to fulfill our social responsibility for employees, consumers, communities, and the environment. As so, the Company references the regulations of the Responsible Business Alliance standard and regularly implements an internal risk-identification assessment and an external audit, and submits the audit results to our customers. Internal and external trainings on human right issues held in 2023 totaled 61 man-hour.

Human rights concerns and actions

1. Workplace safety and health

- (1) The Company both all BG have passed the review and certification against ISO 14001 Environmental management systems , Electromechanical BG obtained the ISO45001 certificate in 2023 and Optoelectronics BG by referencing the regulations of ISO45001 Occupational Safety and Health Systems. while providing a safe workplace to employees
- (2) The Company has a nursery room to satisfy female colleagues' needs, and provides a health checkup for all in-service colleagues.

2. Eliminate unlawful discrimination and ensure equal employment

According to our "Recruitment and Appointment Regulations", the recruit process and decision shall not discriminate based on various factors such as religion, belief, gender, marital or reproductive status, age, political affiliation, nationality, disability, sexual orientation, zodiac sign, blood type, etc.

3. Prohibition of child labor: In order to ensure compliance with our corporate responsibility and ethics rules, we only recruit adults at or the age of 18 or above.
4. Prohibition of forced labor: The Company shall not use any form of slave coercion to force involuntary labor.

5. Diversified workplace:

The Company is committed to providing employees with a dignified, workplace. We practice employment diversity, provide equal opportunities remuneration and promotion, and ensure that employees will not be discriminated against, harassed, or unfairly treated on the grounds of race, gender, religion, political affiliation, or any other circumstance specified in applicable law.

regulations.

6. Concrete measures:

(1) New employee orientation:

Prohibition of forced labor; prohibition of child labor; anti-discrimination; anti-harassment; promotion of working hour management; guarantee of humane treatment; provision of a safe and healthy workplace.

(2) Prevention of workplace violence:

Make use of the channels, such as EIP/Bulletin Board, a physical bulletin board, a dissemination meeting, education and training, to make employees aware of their responsibility to help prevent unlawful infringement at a workplace when they are performing their duties, and disclose on the said channels the complaints hotline, so as to build a friendly workplace.

(3) Occupational safety training courses:

Including health promotion dissemination, training on labor safety and health and fire safety, and emergency aid training.

(4) Signed the Statement of Prevention of Workplace Violence, and formulated sexual harassment control measures, and the regulations for grievance filing and punishment.

Corporate social responsibility (CSR) has gradually become the key performance indicators for measuring an enterprise's sustainable development. The Company has been attending to social and environmental responsibility and abide by RBA regulations. Aside from the environment management aspect already in place, we further include assessment of the risks of labor safety and health and actions to be taken; promotion of labor rights; encouragement of work-life balance; dissemination of the awareness of sexual harassment; occupational safety and care for employees' physical and mental health; compliance with business ethics; and protection of intellectual property rights and business secrets.