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AUO CORPORATION 2024 ANNUAL REPORT

-Notice to readers-

This is a translation of the 2024 annual report of AUO Corporation.
The translation is for reference only. If there is any discrepancy
between the English version and Chinese version, the Chinese version
shall prevail.



Printed on February 13, 2025

AUO Corporation

2024 Annual report

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Title: Chief Financial Officer

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	Fab Longtan:	No. 1, Xinhe Road, Longtan Dist., Taoyuan City
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Offshore secondary exchange and disclosure information available at:

Offshore secondary exchange: U.S. OTC market
Website: www.otcmarkets.com
Company code: AUOTY

Company website: www.auo.com

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1. Letter to Shareholders

Dear Shareholders,

Looking back on 2024, the global economic environment faced numerous uncertainties, primarily impacted by high interest rates, inflation, and ongoing geopolitical risks. Although global supply chain gradually stabilized, demand recovery remained slow, particularly in the consumer electronics and IT-related markets. Channel inventory adjustments and reductions in corporate capital expenditures further weighed on overall market conditions, making the business landscape highly challenging.

Despite the challenging business environment, AUO's transformation strategy continued to foster the Company's overall growth. Benefiting from the rebound in TV set demand driven by consumer stimulus measures in China and the growth of automotive solution businesses, AUO achieved annual revenue of NT\$280.25 billion, representing a 13.0% increase compared to 2023. The Company's overall net loss also improved from 2023, narrowing to NT\$3.06 billion.

In 2024, AUO restructured its operations and strategic planning around three core operating pillars: "Mobility Solution," "Vertical Solution," and "Display." By structuring its operations into three distinct pillars, AUO focuses on addressing specific challenges and opportunities of each pillar, optimizing operations to achieve the best possible performance. This approach aims to reduce the impact of cyclical fluctuations from the panel industry, ensuring stable profitability and long-term sustainable operations. The following highlights are the key developments in the business and strategic planning for the three core pillars: Display, Mobility Solution, and Vertical Solution:

- Display

In 2024, the Display segment's revenue grew by 9% compared to the previous year, primarily due to a more balanced industry supply-demand dynamic, along with improvements in panel pricing and product mix. Looking ahead to 2025, the overall supply-demand balance in the Display industry is expected to become equilibrium. In addition, the continuation of China's "trade-in" policy will drive replacement demand for TVs and IT products. Among these trends, the steady increase in average size of TV set is expected to effectively consume installed capacity. The IT product segment is expected to see positive momentum to overall revenue recovery, driven by the replacement cycle due to the Windows 10 end of life, the rise of AI PCs, and the recovery of the commercial market. Looking ahead, AUO will continue to focus on the research and development of advanced display technologies, offering customers with high-value-added products and services, optimizing its product portfolio, and pursuing both profit growth and stability.

Over the past year, AUO has made significant progress in the emerging technologies such as Micro LED and other advanced display technologies, successfully bringing related products to market:

- Micro LED technology: AUO remains committed to the development of cutting-edge Micro LED display technology, integrating upstream and downstream supply chain, as well as strategic

partners to establish a globally leading, fully integrated Micro LED mass production line. AUO has achieved major breakthroughs in the form, sizes, and applications of display leveraging the three key features of Micro LED, which were transparency, high brightness, and flexibility. These progresses have garnered outstanding recognition at industry exhibitions and received strong validation from customers. In January 2025, at the Consumer Electronics Show (CES) in Las Vegas, AUO collaborated with Sony Honda Mobility to exhibit the first-ever Micro LED front-facing display solution applied to the exterior of the AFEELA_(Note 1) electric vehicle, with plans for market launch in 2026. This serves as a successful case of AUO showcasing Micro LED technology at CES in recent years, ultimately securing customer orders.

- High-resolution, high refresh rate, energy efficiency, privacy protection, and integrated touch technologies and products: these have achieved significant recognition in the industry and among customers. Gaming products now feature ultra-high resolution and high refresh rates, while energy-saving, privacy-protecting, and integrated touch applications have been introduced into AI PCs and mainstream laptops through strategic collaborations with key customers. These innovations have also earned gold awards at major international exhibitions, reinforcing AUO's leadership in industry technology.

- **Mobility Solution**

AUO continues to develop a comprehensive range of automotive solutions, based on our advanced display technologies. In April 2024, AUO officially acquired BHTC_(Note 2) leveraging BHTC's position as a Tier 1 supplier to enhance its capabilities in the Mobility Solution ecosystem. By capitalizing operating synergies, vertical integration, and manufacturing advantages, the two companies are accelerating the connection of automotive supply chains and value chains across different regions. In November 2024, AUO's Board of Directors approved the integration of the Company's Mobility Solution Business Group and BHTC into a newly established, AUO wholly owned subsidiary, AUO Mobility Solution Corporation, _(Note 3), which is set to commence operations in 2026. By adopting a corporate structure for the business group, AUO aims to optimize multinational management and system integration, thereby accelerating the realization of synergies, establishing a highly flexible supply chain, and driving expansion and innovation in automotive applications. The ultimate goal is to position AUO Mobility Solution Corporation as a comprehensive mobility solutions provider, strengthen partnerships with global automakers, seize market opportunities with a steady and strategic approach, and enhance overall operational performance and market competitiveness.

In 2024, the global automotive market experienced a trend of diversification, with increasing demand for electrification, smart technologies, connectivity, and in-vehicle entertainment systems. Meanwhile, European and American automakers faced rising competition from Chinese manufacturers. Additionally, geopolitical and economic uncertainties worldwide contributed to weaker-than-expected market growth in the automotive sector. Despite these challenges, AUO's Mobility Solution Business Group (excluding BHTC) achieved an 18% revenue growth year-over-year, outperforming the 6–7% annual growth rate of the automotive display market. Considering

the consolidation of BHTC, revenue growth for the overall Mobility business even surged by 63% versus the prior year.

- Vertical Solution

In the Vertical Solution segment, overall revenue in 2024 declined by 23% compared to the previous year. This was primarily due to the energy business has been impacted by government's new energy policies and weakened demand for industrial and commercial panels amid macroeconomic uncertainties. However, our focus areas of Smart Vertical and intelligent services delivered outstanding results, driven by various solution offerings.

In the smart education and enterprise sectors, AUO's subsidiary, AUO Display Plus,^(Note 4) which specializes in vertical solution businesses, successfully completed the acquisition of Avocor,^(Note 5) a U.S.-based brand specializing in collaboration and communication solutions, in September 2024. By leveraging Avocor's expertise, sales capabilities, and channel resources, we will provide global education and enterprise customers with a richer product portfolio and more comprehensive services. The digital transformation within the education sector is expanding beyond K-12 education in developed countries to higher education and proliferating into emerging markets. Meanwhile, in the enterprise sector, the increasing demand for work and meeting efficiency continues to drive investment in digitalization. AUO group companies will actively develop a business collaboration platform to establish a comprehensive ecosystem and value system. It will provide global and regional brand partners with value-added services such as project management, hardware and software customization, centralized procurement, quality management and optimization, while continuously expanding the ecosystem.

In smart healthcare, AUO's subsidiaries AUO Health Inc.^(Note 6) and AUO Display Plus received two prestigious awards in the Smart Healthcare and Health Technology category of the 21st National Innovation Awards: the Enterprise Innovation Award for their Digital Traditional Chinese Medicine Testing Solution and the National Innovation Advancement Award for their Wide-Angle 3D Medical Display, respectively. These honors fully demonstrate AUO's achievements in the digitalization of traditional medicine and the market expansion and application of 3D medical displays, earning high recognition from the judges. Additionally, AUO Display Plus' real-time 3D robotic surgery solution, exhibited at the Healthcare+ Expo in December 2024, received widespread acclaim. Moving forward, AUO group companies will leverage its two core competencies of professional medical display technology and high-precision sensing technology to collaborate with ecosystem partners in expanding medical imaging and data visualization solutions. By working closely with customers, AUO group companies aim to co-create value.

In smart retail, labor shortages post the pandemic have driven demand for self-checkout kiosks, self-service ordering machines, outdoor ordering systems, and targeted advertising. This trend has also accelerated the adoption of Retail Media. AUO group companies maintain strong customer engagement through its integrated hardware and software solutions. In 2024, AUO group companies cooperated with strategic partners to launch a cloud-based platform solution that integrates digital signage with electronic shelf labels. With a highly integrated content management system (CMS), this solution has been deployed across more than 30,000 endpoints worldwide, enhancing smart retail services. Moving forward, AUO group companies will utilize their various business units and ecosystem partnerships to facilitate cross-selling, expand distribution channels and customer reach, and provide localized services across its global locations. These offerings will include one-stop solutions encompassing consulting, hardware and software deployment, and ongoing operations and maintenance.

Looking ahead, AUO will continue to focus on extending the value of its core display technologies by strengthening its hardware system and software integration capabilities. With the momentum from Smart Vertical solutions, the recovery in demand for traditional commercial and industrial panels, and the launch of new products, the Company aims to maintain a double-digit compound annual growth rate in the coming years.

- Sustainable Development

Over the past year, AUO has accumulated significant achievements in sustainability, earning recognition in various domestic and international evaluations. The Company was selected as a constituent stock in the Dow Jones Sustainability Index (DJSI) for 14 times and was ranked second in its category. AUO also achieved strong results in other credible evaluations, including an MSCI ESG rating of A and leadership recognition in the Carbon Disclosure Project (CDP), which fully reflects the Company's commitment to and achievements in pursuing sustainable operational strategies.

AUO continues to reduce its carbon emissions in response to global climate action. In 2024, AUO achieved a 39% reduction in carbon emissions compared to the peak year of 2018. Furthermore, to fulfill our carbon reduction commitments more actively, we have set more ambitious targets based on the Science-Based Targets (SBT) initiative, aiming for a 42% reduction in carbon emissions by 2030 compared to 2021.

In terms of renewable energy adoption, AUO achieved a renewable electricity share of 6.53% in 2024 through self-generated solar power and green electricity certificates. In the future, we will further introduce offshore wind power and are confident in achieving the goal of 30% renewable energy by 2030.

In addition to the above efforts, AUO has also taken a leading role in the industry by achieving two significant actions. First, in 2024, we released the Company's first Report for Taskforce on Nature-Related Financial Disclosures (TNFD Report), through which we reassessed the environmental and natural ecosystem impacts and dependencies of the Company and its value chain using international frameworks. This report confirms that our ongoing sustainability goals lay a solid foundation for the future, guiding us toward a better Net Positive Impact (NPI).

Secondly, AUO is actively working to achieve carbon neutrality at all of its office locations in Taiwan by 2030. We have started using the GRC headquarters building as a demonstration site, and in 2024, we successfully passed the ISO 14068-1:2023 carbon neutrality verification, becoming the first in Taiwan and the global display industry to achieve this milestone.

AUO will continue to take determined steps toward sustainable development, creating a positive impact on society and the environment.

- Green Solution

In the global trend toward net-zero emissions, renewable energy plays a key role. AUO has taken the lead by joining the RE100 global renewable energy initiative organization, becoming the first company in the global display manufacturing industry to commit to using 100% renewable energy by 2050. Upholding the principle of green operations, AUO has extended carbon management to its supply chain partners, leading the entire value chain in fulfilling its green production commitments from within. In addition to incorporating green recycled materials and energy-saving innovations at the product design stage, AUO focuses on energy conservation, green power manufacturing, and green certificate management as part of a comprehensive solution during the production phase. Furthermore, in the "Top 100 Patents of 2023" list released by the Taiwan Intellectual Property Office (TIPO) of the Ministry of Economic Affairs, AUO stood out in the area of green patents. By the end of 2023, the Company had accumulated a total of 874 published green patents, surpassing the top ten companies on the list. This demonstrates the Company's ability to foresee operational risks and its long-term capability in green innovation. In addition, with its subsidiaries also providing comprehensive sustainable solutions in areas such as energy generation, energy saving, energy storage, low-carbon management, and digital transformation, AUO is well-positioned to capture substantial growth potential in green business opportunities.

- Asset Revitalization

To revitalize idle assets and enhance working capital, AUO announced in August 2024 the sale of three color filter factory buildings and facilities at its Tainan plant for a total amount of NT\$7.4 billion, which is expected to bring a profit of approximately NT\$4.8 billion.

- **Winning Recognition with the National Quality Award**

In recent years, AUO has driven bi-axial transformation, maximizing the value-add of display technology while deepening vertical market applications. Internally, AUO has implemented a rigorous expert evaluation system for R&D, focusing on smart manufacturing and green production. Externally, AUO has built an ecosystem of partners, expanding the value chain across diverse industries with display solutions, achieving comprehensive quality management in organizational operations and demonstrating robust business resilience. In February 2024, the Company was awarded the Business Merit Award in the Total Business Excellence category of the National Quality Award.

Looking ahead to 2025, the global macroeconomic environment is expected to grow steadily, though variables like international trade disputes and regional conflicts may still pose uncertainties. Overall, the market trend appears relatively optimistic. AUO will closely monitor market changes and actively capture the development of demand recovery in 2025, striving to meet the needs of the market and its customers. For Display Business, with the overall industry becoming more rational, we will continue to optimize our product mix and technology platforms, improve profitability, and create stable positive cash flow. Regarding Mobility Solution, the sector has entered a key integration phase following the merger with BHTC. AUO will accelerate the process of maximizing the benefits of this acquisition. For Vertical Solution, as the sector is driven by smart display solutions, green opportunities, and intelligent services, we will strengthen business development and provide comprehensive, high-value-added, and differentiated solutions. This will allow AUO Group to pursue its goal of greater excellence amid the global industrial transformation trend. We look forward to not only opening unlimited potential in the field of Display but also working hand in hand with all stakeholders to continuously break through innovation under the vision of sustainable development, enhancing corporate value, and creating a bright future with a spirit of mutual benefit and collaboration.

Chairman and Group CSO



President and CEO



Note 1: A joint venture between Sony Group Corporation and Honda Motor Co., Ltd.

Note 2: BHTC GmbH

Note 3: Referred to as "AUO Mobility Solution"

Note 4: AUO Display Plus Corporation

Note 5: Avocor Technologies USA, Inc.

Note 6: AUO Health Inc.

2. Corporate governance

2.1. Documents of directors, president, vice presidents, associate vice presidents, and managers of each department and division

2.1.1. Director Information

February 13 2025; Unit of shares: 1,000 shares

Job title	Nationality or place of registration	Name	Gender / age	Date elected (appointed)	Term of service	Date first elected (Note 3)	Shares held when elected		Current number of shares held (Note 1)		Shares held By spouse and minor children (Note 1)		Primary work or academic experiences	Position concurrently held in the Company and other companies (Note 2)
							No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)		
Chairman	ROC	Shuang-Lang (Paul) Peng	Male 60-69	2022.06.17	3 years	2010.06.18	7,443	0.10	10,517	0.14	969	0.01	<ul style="list-style-type: none"> M.B.A., Heriot-Watt University, U.K. President, AUO Corporation 	<ul style="list-style-type: none"> Group CSO, AUO Corp. Chairman and President of Ennostar Inc.
Director	ROC	AUO Foundation (Note 5)	-	2022.06.17	3 years	2019.06.14	312	0.00	250	0.00	0	0.00	-	-
	ROC	Representative: Frank Ko	Male 50-59	2022.06.17	-	2019.09.10	-	-	2,696	0.04	0	0.00	<ul style="list-style-type: none"> PhD in Optoelectronics (Science), National Chiao Tung University Chairman and CEO, E Ink Holdings Inc. Vice President, Strategic Development Office, AUO Corporation Vice President, TV Display Business Group, AUO Corporation 	<ul style="list-style-type: none"> CEO and President, AUO Corp. Director, Darwin Precisions Corp. Director, ADLINK Technology Inc.
Director	ROC	Ming Hua Investment Company Limited (Note 5)	-	2022.06.17	3 years	2022.06.17	9,969	0.13	7,975	0.10	0	0.00	-	-
	ROC	Representative: Chuang-Chuang Tsai	Female 70-79	2022.06.17	-	2022.06.17	-	-	0	0.00	0.00	0.00	<ul style="list-style-type: none"> Ph.D. in Physics, University of Chicago President, E Ink Holdings Inc. CTO, E Ink Holdings Inc. Independent Director, Bank Sinopac Professor, Department of Photonics and Display Institute, National Yang Ming Chiao Tung University Senior Vice President, Quanta Display Inc. 	<ul style="list-style-type: none"> Director, E Ink Holdings Inc.

Job title	Nationality or place of registration	Name	Gender / age	Date elected (appointed)	Term of service	Date first elected (Note 3)	Shares held when elected		Current number of shares held (Note 1)		Shares held By spouse and minor children (Note 1)		Primary work or academic experiences	Position concurrently held in the Company and other companies (Note 2)
							No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)		
Director	ROC	Qisda Corporation (Note 5)	-	2022.06.17	3 years	2022.06.17	663,599	8.65	530,879	6.92	0	0.00	-	-
	ROC	Representative: Han-Chou (Joe) Huang	Male 60-69	2022.06.17	-	2022.06.17	-	-	0	0.00	5	0.00	<ul style="list-style-type: none"> EMBA, Tsing Hua University in Beijing MBA, Greenwich University GM of Global Supply Chain, Qisda COO, BenQ China 	<ul style="list-style-type: none"> President, Qisda Corp. Director, Qisda Corp. Chairman, Simula Technology Inc. Chairman, Data Image Corp. Chairman, Diva Laboratories, Ltd. Director, Alpha Networks Inc. Director, MetaAge Corp. Director, BenQ Foundation
Independent Director	ROC	Chin-Bing (Philip) Peng	Male 70-79	2022.06.17	3 years	2013.06.19	97	0.00	77	0.00	0	0.00	<ul style="list-style-type: none"> M.B.A, National Chengchi University Senior Vice President and CFO, ACER Incorporated. 	<ul style="list-style-type: none"> Independent Director, Apacer Technology Inc. Director, Wistron Corp. Director, Wistron NeWeb Corp. Director, Wistron Information Technology & Services Corp.
Independent Director	ROC	Jang-Lin (John) Chen	Male 70-79	2022.06.17	3 years	2019.06.14	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> Stanford Executive Program, Stanford University, Graduate School of Business Ph.D. in Polymer Material, NYU/Polytechnic University, U.S.A ITRI Fellow, Electronics & Optoelectronics System Research Lab VP and DTC General Director, Display Technology Center, ITRI Adjunct Professor, Department of Photonics, National Yang Ming Chiao Tung University CTO, Kodak LCD Polarizer Films Business Research Fellow, Eastman Kodak Company 	<ul style="list-style-type: none"> ITRI Research Fellow, Electronics & Optoelectronics System Research Lab and Industry, Science and Technology International Strategy Center Executive Supervisor, SID Taipei Chapter Managing Director, Taiwan Display Material & Devices Association Vice Chairman, Taiwan Display Union Association Chair Professor, National Yang Ming Chiao Tung University Honorary Professor, Department of Engineering and System Science, National Tsing Hua University

Job title	Nationality or place of registration	Name	Gender / age	Date elected (appointed)	Term of service	Date first elected (Note 3)	Shares held when elected		Current number of shares held (Note 1)		Shares held By spouse and minor children (Note 1)		Primary work or academic experiences	Position concurrently held in the Company and other companies (Note 2)
							No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)	No. of shares	Shareholding ratio (%)		
Independent Director	ROC	Chiu-Ling Lu	Female 60-69	2022.06.17	3 years	2022.06.17	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> • Ph.D in Finance, University of Connecticut • Master in Finance, Louisiana State University • Master in Quantitative Business Analysis, Louisiana State University • Associate Dean, College of Management, National Taiwan University • Department Chair, Department of International Business, National Taiwan University • Professor, Department of Financial, National Chengchi University 	<ul style="list-style-type: none"> • Professor, Department of International Business, National Taiwan University • Independent Director, Chen Full International Co., Ltd. • Independent Director, Far Eastern International Bank Co., Ltd
Independent Director	ROC	Cathy Han	Female 60-69	2022.06.17	3 years	2022.06.17	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> • MBA, University of Connecticut • Executive Vice President, Business Development Department, CDIB Capital Group • Executive Vice President, Corporate Strategy and Planning Department, China Development Industrial Bank • Senior Vice President of Principal Investment Department, China Development Industrial Bank 	<ul style="list-style-type: none"> • Independent Director and Member of Audit committee, Remuneration committee and Corporate Sustainability Committee, Wiyynn Corporation • Independent Director and Member of Audit committee and Remuneration committee, Apacer Technology Inc..

● Company shares held by directors in the name of other persons:
 Director Frank Ko held the Company's shares in the name of other persons in the number of 300 thousand shares, constituting 0.004% of shareholding.
 Independent director Chin-Bing (Philip) Peng held the Company's shares in the name of other persons in the number of 220 thousand shares, constituting 0.00% of shareholding.

● Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

● If the chairman, president or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonability, necessity and measures to be taken accordingly shall be addressed: None.

Note 1: The current number of shares held is based on the actual shareholding as of January 31, 2025.

Note 2: Only concurrent positions in public companies are listed; for the situation where a director concurrently holds a position in an affiliated enterprise of the Company, please refer to the information of the director, supervisor, and general manager of each affiliated enterprise in Section 7. Special Disclosure of this annual report. (Pages 120-125)

Note 3: The initial appointment date refers to the first time an individual was elected as a director of the Company.

Note 4: Major shareholders of corporate shareholders

Name of corporate shareholders	Major Shareholders of the Corporate Shareholders	
	Name	Shareholding ratio (%)
AUO Foundation	AUO Corporation (Note6)	100.00
Ming Hua Investment Company Limited (Note7)	C.C. Leung	66.67
	Jia-Min Leung	11.11
	Sin-Min Leung	11.11
	Yi-Min Leung	11.11
Qisda Corporation (Note7)	AUO Corporation (Note6)	11.96
	Acer Incorporated (Note8)	4.53
	Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	3.97
	Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend ETF Securities Investment Trust Fund	3.73
	Konly Venture Corporation (Note8)	2.55
	Darfon Electronics Corporation (Note8)	2.03
	Hua Nan Commercial Bank in custody for Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund	1.49
	JPMorgan Chase Bank N.A. Taipei Branch in custody for J.P. Morgan Securities LLC Investment Account	1.25
	Chunghwa Post Co., Ltd. (Note8)	0.98
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Advanced Star Light Fund's Series Fund, Advanced Global Total Return International Equity Index Fund Investment Account	0.95

Note 5: For corporate major shareholders, please refer to the list of major shareholders under 3. Capital Overview in this annual report (Page 65).

Note 6: Source of data of Ming Hua Investment Co., Ltd. comes from the Ministry of Economic Affairs, Department of Commerce business registration; Source of data of Qisda Corporation comes from the Company's share transfer suspension data as of March 31, 2024.

Note 7: Major shareholders of the Corporate person.

Name of Corporate Shareholders	Major shareholders of the Corporate Person	
	Name	Shareholding ratio (%)
Acer Incorporated (Note9)	Yuanta Taiwan High Dividend Fund Custodian Account	4.72
	Hung Rouan Investment Corporation	2.42
	Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend ETF Securities Investment Trust Fund	2.40
	Stan Shih	1.15
	New Labor Pension Fund	1.09
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Advanced Star Light Fund's Series Fund, Advanced Global Total Return International Equity Index Fund Investment Account	1.01
	JPMorgan Chase Bank N.A. Taipei Branch in custody for J.P. Morgan Securities LLC Investment Account	0.96
	Citibank (Taiwan) – Custodian for ACER Overseas Depositary Receipts	0.91
	Citibank Commercial Bank in custody for Singapore Government Investment Account	0.65
	JPMorgan Chase Bank, N.A. Taipei Branch in custody for Vanguard Group Inc. – Vanguard Emerging Markets Stock Index Fund Investment Account	0.63
Konly Venture Corporation (Note9)	AUO Corporation	100.00

Name of Corporate Shareholders	Major shareholders of the Corporate Person	
	Name	Shareholding ratio (%)
Darfon Electronics Corporation (Note9)	Qisda Corporation	20.72
	BenQ Corporation	5.01
	Taishin International Bank entrusted with the Darfon Electronics Corp, Employee Stock Ownership Trust Account	3.85
	Mega International Commercial Bank Co., Ltd.	1.62
	New Labor Pension Fund	1.60
	Andy Su	1.45
	JPMorgan Chase Bank, N.A. Taipei Branch in custody for Japan Securities Finance Co., Ltd. Investment Account	1.27
	Chang Hwa Commercial Bank, Ltd.	1.21
	Taiwan Cooperative Bank, Ltd.	1.16
	HSBC (Taiwan) Commercial Bank Ltd. in custody for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. – Proprietary Trading Platform Investment Account	1.09
Chunghwa Post Co., Ltd.(Note9)	Ministry of Transportation and Communications	100.00

Note 8: The source of the information of Acer Inc. is the Company's transfer cessation information on April 2, 2024; the source of the information of Konly Venture Corporation is from the Department of Commerce, MOEA; the source of the information of Darfon Electronics Corp. is the Company's transfer cessation information on April 15, 2024.

Professional qualifications for directors

Shuang-Lang (Paul) Peng

Mr. Peng has been the chairman and CEO of the Company since 2015, and the chairman and Group CSO of the Company since March. 1, 2023. He is also the chairman of Ennostar Inc. with over three decades of experience in the technology industry, Mr. Peng has extensive experience in the display industry. Prior to his current position, Mr. Peng was our CEO from November 2015 to February 2023, president from 2012 to 2015, executive vice president from 2008 to 2011, senior vice president from 2007 to 2008 and vice president from 1998 to 2007. Mr. Peng is also appointed as the incumbent Chairman of the Taipei Computer Association and the former chairman of the Taiwan Display Union Association. His steadfast devotion to promoting cross-disciplinary integration and resource sharing across the industry chain. Now, he serves as a member of the Board of Science and Technology, Executive Yuan (BOST), responsible for promoting national digital technology applications and innovation development policies. Mr. Peng holds an MBA from Heriot-Watt University in the U.K. and an honorary degree of Doctor of Business Administration from National Taipei University of Technology.

Frank Ko

Mr. Ko has served as the director and president at the Company since 2019, and CEO and president of the Company since March. 1, 2023. Currently he serves as a director of Darwin Precisions and ADLINK Technology Inc. Mr. Ko joined the Company in 2000 and has since then worked in various functions, including manufacturing, research and development, process integration, product business marketing. From 2005 to 2010, he headed of the TV Display Business Group. After that, he also served as vice president of strategic development office, leading the Company's advanced technology and strategic direction. From 2014 to 2019, he served as the chairman and CEO of E Ink Holdings Inc., creating innovative applications of e-paper in multiple fields, along with many ecosystem partners. Mr. Ko also serves as the incumbent chairman of the Taiwan Display Union Association and the incumbent chairman of Smart Display Industrial Alliance. He actively promotes cross-industry and cross-field cooperation in display technology and enhancing Taiwan's global competitiveness. He holds a Ph.D. degree in photonics from National Chiao Tung University.

Chuang- Chuang Tsai

Ms. Tsai has served as the director at the Company since 2022. She is currently an independent director, audit committee member, remuneration committee member, and sustainability committee member of Elan Microelectronics Corp.. Ms. Tsai has a strong professional background in the technology industry and extensive experience and achievements in advancing technologies and applications for new types of electronic paper, including black-and-white electronic paper, flexible electronic paper, and color electronic paper. She has worked at Xerox Palo Alto Research Center in California, focusing on the development of amorphous and polycrystalline silicon technologies for thin-film transistors, solar cells, and medical imaging. Ms. Tsai has previously served as the director, president, CTO, and scientific advisor at E Ink Holdings Inc., as well as an independent director at SinoPac Bank. She has also held the position of professor at the department of optoelectronic engineering at National Yang Ming Chiao Tung University and senior vice president at Quanta Display Inc. with both managerial and technical R&D experience. Ms. Tsai holds a Ph.D. in physics from the University of Chicago.

Han-Chou (Joe) Huang

Mr. Huang has been a director of the Company since 2022. He is also the director and president of Qisda Corporation, the chairman of Simula Technology Inc., Data Image Corporation, DIVA Laboratories, Ltd., a director of Metaage Corporation and BenQ Foundation. Mr. Huang previously held positions as the General Manager of Qisda's Global supply chain and chief operating officer (COO) of BenQ China, accumulating extensive industry experience. He is well-connected in the industry and values social welfare. Mr. Huang holds an EMBA from Tsinghua University in Beijing and an MBA from the University of Greenwich in the UK.

Chin-Bing (Philip) Peng

Mr. Peng has been an independent director of the Company since 2013. Concurrently, he acts as the director of Wistron Corporation, Wistron NeWeb Corporation, and Wistron ITS Corporation, as well as an independent director and member of the auditing committee and remuneration committee of Apacer Corporation. Mr. Peng served as the senior vice president and CFO of ACER Incorporated from 2001 to 2004. He has a professional background in the technology industry as well as finance, accounting and investment. Mr. Peng received his master's degree in business administration from National ChengChi University.

Jang-Lin (John) Chen

Dr. Chen has been an independent director of the Company since 2019. Concurrently, he acts as chair professor of National Yang Ming Chiao Tung University and honorary professor of the department of engineering and system science, National Tsing Hua University. He also served as ITRI distinguished research fellow of electronics & optoelectronics system research lab and industry and science and technology international strategy center, executive supervisor of SID Taipei Chapter, managing director of Taiwan Display Material & Devices Association and vice chairman of Taiwan Display Union Association. Prior to his current position, Mr. Chen once served as ITRI fellow of electronics & optoelectronics system research lab, VP and DTC General Director of Display Technology Center, ITRI, CTO of Kodak LCD polarizer films business and research fellow of Eastman Kodak company. Dr. Chen holds a master degree in chemistry from National Taiwan University and Ph.D. in polymer materials from NYU/Polytechnic University, U.S.A. He also attended the Stanford Executive Program at Stanford University, Graduate School of Business.

Chiu-Ling Lu

Dr. Lu has been an independent director of the Company since 2022. Concurrently, she is also a professor in the department of international business at National Taiwan University, independent director, audit committee member and remuneration committee member of Chenfull International Co., Ltd., independent director, audit committee member, remuneration committee member, and corporate sustainability committee member of Far Eastern International Bank, and a director of the ESG World Citizens Digital Governance Foundation. Ms. Lu has previously served as the associate dean of the college of management at National Taiwan University, the chair of the department of international business and graduate institute of international business at National Taiwan University, a professor in the department of finance and graduate institute of finance at National Chengchi

University, the president and professor of finance at Takming University of Science and Technology. With many years of experience in the field of finance, she has accumulated extensive knowledge in finance. Ms. Lu holds a Ph.D. in Finance from the University of Connecticut in the United States.

Cathy Han

Ms. Han served as a director representative from 1997 to 2000, and has been an independent director of the Company since 2022. She is also an independent director, chair of the audit committee, and member of the nomination committee at Wiyynn Corporation as well as an independent director, audit committee member, and remuneration committee member at Apacer Technology Inc. Ms. Han has a strong professional background in the technology industry, sustainability, and risk management. Ms. Han has previously held positions as the deputy general manager of the business development division at China Development Capital Corporation, deputy general manager of the planning division at China Development Industrial Bank, and senior associate director of the Direct investment division at China Development Industrial Bank, providing her with a solid background in financial investment. She has also served as an independent director, audit committee member, and the chair of the remuneration committee at Macroblock, Inc.. Ms. Han holds an MBA from the University of Connecticut in the United States.

Diversification of Board of Directors

The Company's Board of Directors is composed of senior industry professionals and academic experts, all of whom possess professional competence and extensive industry or management experience. Based on the Company's operational status, business model, and development needs, the Board conducts regular reviews and sets specific goals for diversification management each year.

Specific Management Goals and Achievements of the Company's Board Diversity Policy

The corporate governance and nomination committee, authorized by the Board of Directors, establishes the criteria for the professional knowledge, skills, experience, diverse backgrounds including gender, and independence required for Board members. The Committee reviews these standards annually and reports to the Board on their fulfillment. The Committee plans the composition of the Board and functional committees based on these diversity standards and selects candidates accordingly, submitting the recommended composition and candidate list to the Board for deliberation.

Board diversity criteria	Management objectives	Achievement status
Composition of seats	The number of independent directors shall account for at least half of the total number of directors.	Achieved
Gender	Directors of any one gender shall account for at least one-third of the total number of directors.	Achieved
Term of service	<ul style="list-style-type: none"> The independent directors shall not serve more than three consecutive terms, but their consecutive terms shall be extended to four terms upon review by the Corporate governance and nomination committee. More than half of the independent directors serve no more than three terms. Directors shall not be over the age of 75 at the time of election. 	Achieved
Concurrently situation	<ul style="list-style-type: none"> The number of board seats held by directors who also serve as company managers should not exceed one-third. Independent directors should not serve as independent directors in more than three companies. Independent directors should not concurrently serve as directors (including independent directors) or supervisors in more than five listed companies. Non-independent directors should not concurrently serve as directors in more than five listed companies. 	Achieved
Diverse professional skills	Directors should possess expertise in areas such as the technology industry, technical research and development, industry innovation, corporate sustainability, risk management, human resources management, financial accounting, and strategic investment.	Achieved
Attendance rate	The attendance rate of directors should not be less than 80%.	Achieved

Average Attendance Rate of the board of directors and Functional Committees in 2024

Board of director	Audit committee	Remuneration committee	Corporate governance and nomination committee	Sustainability and risk management committee
100%	100%	100%	100%	100%

Diversity Background and Professional Qualifications and Capabilities of the Company's Directors

Name	Title	Gender	Age	Nationality	Number of consecutive years of directorship	Professional knowledge and skills										Independence	Number of other publicly listed companies served as independent directors	Concurrent Managerial Position
						Below 3 years	3-9 years	Exceed 9 years	Technology industry	Technical research	Industrial Innovation	Corporate Sustainability	Risk Management	Human Resources	Financial Accounting			
Shuang-Lang (Pau) Peng	Chairman	Male	60-69	ROC			V	V		V	V	V			V	Not applicable	0	V
Frank Ko	Director	Male	50-59	ROC		V		V	V	V		V			V	Not applicable	0	V
Chuang-Chuang Tsai	Director	Female	70-79	ROC	V			V	V							Not applicable	1	
Han-Chou (Joe) Huang	Director	Male	60-69	ROC	V			V		V		V			V	Not applicable	0	
Chin-Bing (Philip) Peng	Independent Director	Male	70-79	ROC			V	V					V	V	V	The details are as below.	1	
Jang-Lin (John) Chen	Independent Director	Male	70-79	ROC		V		V	V	V						The details are as below.	0	
Chiu-Ling Lu	Independent Director	Female	60-69	ROC	V						V		V	V		The details are as below.	2	
Cathy Han	Independent Director	Female	60-69	ROC	V			V			V	V	V	V	V	The details are as below.	2	

If the number of directors of any one gender on the board of a publicly listed company does not reach one-third, please provide a detailed explanation of the reasons and the measures planned to enhance gender diversity among the directors: Not applicable.

Independence of independent directors

For details of the independence of independent directors and the number of independent directors of other public companies, please refer to the following table:

Name	Independence	Number of other public companies where the director concurrently serves as an independent director	The number and ratio of shares of the Company held by relatives within the second degree of the independent director Unit of shares and ratio: 1,000 shares;%
Chin-Bing (Philip) Peng	All the independent directors of the Company comply with the following conditions during the two years before being elected or during the term of office:	1	297 0.00

Name	Independence	Number of other public companies where the director concurrently serves as an independent director	The number and ratio of shares of the Company held by relatives within the second degree of the independent director Unit of shares and ratio: 1,000 shares;%
Jang-Lin (John) Chen	<ul style="list-style-type: none"> Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Financial Supervisory Commission and Article 14-2 of the Securities Exchange Act. 	0	-
Chiu-Ling Lu	<ul style="list-style-type: none"> All the independent directors of the Company implement the relevant authority in accordance with Article 14-3 of the Securities Exchange Act. 	2	-
Cathy Han	<ul style="list-style-type: none"> All the independent directors or their spouse or any relative within the second degree have not serve as a director, supervisor, or employee of the Company or any of its affiliates. All the independent directors have not serve as a director, supervisor, or employee of any company having a specified relationship with the Company (Note). Any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years have not exceeded NT\$500,000. 	2	-

Note: Pursuant to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

2.1.2. President, Vice Presidents, Associate Vice Presidents, and Managers of Each Department and Division Information

February 13, 2025 Unit of shares: 1,000 shares

Job title (Note1)	Nationality	Name	Gender	Date of appointment to position (Note 4)	Shares held (Note2)		Shares held by spouse and minor children (Note2)		Principal work experience and academic qualifications	Positions concurrently held in other companies at present (Note3)
					No. of shares	Shareholdin g ratio (%)	No. of shares	Shareholding ratio (%)		
Group CSO	ROC	Shuang-Lang (Paul) Peng	Male	2003.03.27	10,517	0.14	969	0.01	<ul style="list-style-type: none"> M.B.A., Heriot-Watt University, U.K. President, AUO Corp. 	<ul style="list-style-type: none"> Chairman and President of Ennostar Inc.
CEO and President	ROC	Frank Ko	Male	2005.12.01	2,696	0.04	0	0.00	<ul style="list-style-type: none"> PhD of Optoelectronics (Science), National Chiao Tung University Chairman and CEO, E Ink Holdings Inc. Vice President, Strategic Development Office, AUO Corporation Vice President, TV Display Business Group, AUO Corporation 	<ul style="list-style-type: none"> Director, Darwin Precisions Corp. Director, ADLINK Technology Inc.
Senior Vice President	ROC	Wei-Lung Liau	Male	2010.06.01	2,989	0.04	0	0.00	<ul style="list-style-type: none"> Ph.D. of Applied Chemistry, National Chiao Tung University Director, Qisda Corp. Director, Darwin Precisions Corp. 	<ul style="list-style-type: none"> Director, PlayNitride Inc.
Senior Vice President	ROC	Ting-Li Lin	Male	2016.06.01	1,596	0.02	0	0.00	<ul style="list-style-type: none"> Master of Applied Chemistry, National Chiao Tung University 	<ul style="list-style-type: none"> Director, Daxin Materials Corp.
Senior Vice President	ROC	James CP Chen	Male	2007.10.01	1,144	0.01	0	0.00	<ul style="list-style-type: none"> Master of Electrical and Control Engineering, National Chiao Tung University Section Manager at Electronics Research & Service Organization, ITRI 	<ul style="list-style-type: none"> Director, Qisda Corp.
Senior Vice President	ROC	CS Hsieh	Male	2012.05.01	3,088	0.04	18	0.00	<ul style="list-style-type: none"> Master of Electrical Engineering, National Tsing Hua University 	-
Senior Vice President	ROC	Amy Ku	Female	2009.11.01	2,432	0.03	0	0.00	<ul style="list-style-type: none"> Master of Human Resources Management, National Central University 	<ul style="list-style-type: none"> Director, Raydium Semiconductor Corp.
Vice President	ROC	Hong-Jye Hong	Male	2008.12.01	842	0.01	146	0.00	<ul style="list-style-type: none"> Master of Electrical Engineering, University of Massachusetts, U.S.A. Director, Daxin Materials Corp. 	<ul style="list-style-type: none"> Director, Raydium Semiconductor Corp. Director, SINTRONES Technology Corp.
Vice President	ROC	TY Lin	Male	2015.06.01	1,293	0.02	0	0.00	<ul style="list-style-type: none"> Master of Industrial Engineering, Chung Yuan Christian University Director, BenQ Materials Corp. 	-
Vice President	ROC	Tina Wu	Female	2013.11.01	1,556	0.02	0	0.00	<ul style="list-style-type: none"> Master of Industrial Administration, Waseda University 	<ul style="list-style-type: none"> Director, ADLINK Technology Inc.
Vice President	ROC	David Chang	Male	2024.07.01	100	0.00	0	0.00	<ul style="list-style-type: none"> CFO of Ennostar Inc. Vice President of Lextar Electronics MBA, China Europe International Business School (CEIBS) 	-
Vice President	ROC	Yu-Chieh Lin	Female	2011.05.01	1,108	0.01	0	0.00	<ul style="list-style-type: none"> Master of Science in Physics, National Central University 	<ul style="list-style-type: none"> Director, Ennostar Inc.
Vice President	ROC	Ivan Wu	Male	2010.06.01	1,837	0.02	9	0.00	<ul style="list-style-type: none"> Master of Science in Optoelectronics, National Chiao Tung University 	-
Senior Associate Vice President	ROC	Kun-Yu Lin	Male	2005.12.01	121	0.00	383	0.00	<ul style="list-style-type: none"> Master of Science in Optoelectronics, National Chiao Tung University 	-

Job title (Note1)	Nationality	Name	Gender	Date of appointment to position (Note 4)	Shares held (Note2)		Shares held by spouse and minor children (Note2)		Principal work experience and academic qualifications	Positions concurrently held in other companies at present (Note3)
					No. of shares	Shareholdin g ratio (%)	No. of shares	Shareholding ratio (%)		
Associate Vice President	ROC	Center Chen	Male	2020.10.01	587	0.01	0	0.00	• B.S. of Electrical Engineering, National Central University	-
Associate Vice President	ROC	Bryan Kuo	Male	2021.04.01	100	0.00	32	0.00	• Master of Psychology, National Chung Cheng University	-
Associate Vice President	ROC	KS Tseng	Male	2022.05.01	537	0.01	0	0.00	• Master of Chemical Engineering, National Taiwan University	-
Associate Vice President	ROC	Ken YJ Chen	Male	2022.05.01	523	0.01	78	0.00	• Master of Photonics, National SunYat-Sen University	-
Associate Vice President	ROC	CD Lee	Male	2022.05.01	336	0.00	0	0.00	• Master of Chemical Engineering, National Taiwan University	-
Associate Vice President	ROC	CH Wu	Male	2022.05.01	666	0.01	130	0.00	• B.S. of Electrical Engineering, National Yunlin University of Science and Technology	-
Associate Vice President	ROC	Paul Lee	Male	2023.08.01	24	0.00	0	0.00	• Bachelor's Degree of Law, Monash University	-
Associate Vice President	ROC	WH Hsu	Male	2023.08.01	156	0.00	0	0.00	• PhD of Photonics, National Taiwan University	-
Associate Vice President	ROC	Jenn-Jia Su	Male	2023.08.01	283	0.00	0	0.00	• Master of Electrical Engineering, National Taiwan University	-
Associate Vice President	ROC	KK Lee	Male	2023.08.01	468	0.00	0	0.00	• Master of Nuclear Science, National Tsing Hua University	-
Associate Vice President	ROC	Cloud Huang	Male	2023.08.01	144	0.00	0	0.00	• Master of Polymer, National Taiwan University of Science and technology	-
Associate Vice President	ROC	CK Wu	Male	2023.08.05	13	0.00	0	0.00	• Master of Mechanical Engineering, National Cheng Kung University	-
Associate Vice President	ROC	Jim Lee	Male	2024.02.01	186	0.00	0	0.00	• National Taiwan University of Science and Technology	-
Associate Vice President	ROC	Ting-Jui Chang	Male	2024.11.01	20	0.00	0	0.00	• Master of Science in Optoelectronics, National Chiao Tung University	-
<ul style="list-style-type: none"> ◆ The Company's shares held by managers in the name of other persons: Director Frank Ko held the Company's shares in the name of other persons in the number of 300 thousand shares, constituting 0.004% of shareholding. ◆ Any spouse or relative within the second degree of kinship of any manager who serves as the Company's executive: None. ◆ If the chairman, general manager or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonability, necessity and measures to be taken accordingly shall be addressed: None. 										

Note 1: Those who are in office on the date of publication of the annual report.

Note 2: The actual number of shares held as of January 31, 2025.

Note 3: Only the positions of public companies are listed; for managerial positions held in the company's affiliated enterprises, please refer to Section 7 of this annual report under "Special Disclosure" for details on directors, supervisors, and general managers of affiliated companies. (Pages 120-125)

Note 4: It is for the date of first appointment as a manager at AUO.

2.2. Compensation to Directors, President and Vice Presidents in the latest year

2.2.1. Compensation to Directors

December 31, 2024 Unit: NT\$ thousands; 1,000 shares

Title	Name	Director's Remuneration								Total Amount and Ratio of sum of items A, B, C and D to profit (%) (Note 8)		Compensation earned by a Director who is an employee of The Com						Total Amount and Ratio of sum of items A, B, C, D, E, F and G to profit (%) (Note 8)		Compensation from investees other than AUO's subsidiaries or Parent Company (Note 9)		
		Compensation (A) (Note 1)		Pension upon retirement (B) (Note 2)		Director's profit sharing (C)(Note 3)		Business execution Expenses (D) (Note 4)		Salaries, bonuses and special expenses (E)(Note 5)		Pension upon retirement (F) (Note 2)		Employee's remuneration (G) (Note 6)		of sum of items A, B, C, D, E, F and G to profit (%) (Note 8)						
		AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	AUO	AUO and its subsidiaries (Note 7)	Cash	Stock	Cash	Stock		AUO	AUO and its subsidiaries (Note 7)
Chairman	Shuang-Lang (Paul) Peng	6,723	6,723	0	0	0	0	2,370	2,370	9,093 (0.3%)	9,093 (0.3%)	60,240	60,240	0	0	0	0	0	0	69,333 (2.26%)	69,333 (2.26%)	11,462
Director	AUO Foundation	2,000	2,000	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0	0	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0
Director Representative	Frank Ko	0	0	0	0	0	0	2,250	2,290	2,250 (0.07%)	2,290 (0.07%)	71,246	71,286	108	108	0	0	0	0	73,604 (2.40%)	73,684 (2.40%)	40
Director	Ming Hua Investment Company Limited	2,000	2,000	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0	0	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0
Director Representative	Chuang- Chuang Tsai	0	0	0	0	0	0	150	150	150 (0.00%)	150 (0.00%)	0	0	0	0	0	0	0	0	150 (0.00%)	150 (0.00%)	0
Director	Qisda Corporation	2,000	2,000	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0	0	0	0	0	0	0	0	2,000 (0.07%)	2,000 (0.07%)	0
Director Representative	Han-Chou (Joe) Huang	0	0	0	0	0	0	130	130	130 (0.00%)	130 (0.00%)	0	0	0	0	0	0	0	0	130 (0.00%)	130 (0.00%)	26,052
Independent Director	Chin-Bing (Philip) Peng	3,600	3,600	0	0	0	0	150	150	3,750 (0.12%)	3,750 (0.12%)	0	0	0	0	0	0	0	0	3,750 (0.12%)	3,750 (0.12%)	0
Independent Director	Jang-Lin (John) Chen	2,962	2,962	0	0	0	0	170	170	3,132 (0.10%)	3,132 (0.10%)	0	0	0	0	0	0	0	0	3,132 (0.10%)	3,132 (0.10%)	0
Independent Director	Chiu-Ling Lu	2,724	2,724	0	0	0	0	170	170	2,894 (0.09%)	2,894 (0.09%)	0	0	0	0	0	0	0	0	2,894 (0.09%)	2,894 (0.09%)	0
Independent Director	Cathy Han	2,800	2,800	0	0	0	0	150	150	2,950 (0.10%)	2,950 (0.10%)	0	0	0	0	0	0	0	0	2,950 (0.10%)	2,950 (0.10%)	0

1.The policy, system, standards and structure of independent directors' remuneration, as well as the connection between the amount of remuneration paid and director's responsibilities, risks, time investment and other factors:

The remuneration of the directors of the Company shall be paid by the board of directors in accordance with the provisions of the Regulations Governing the Remuneration of Directors and Members of Functional Committees, which are formulated by the board of directors in accordance with the authorization of the Articles of Incorporation, based on the participation and value of contribution by the directors to the operation of the Company, and with reference to the standards of domestic and foreign industry. If the Company has a profit, the board of directors will determine the amount of directors' remuneration in accordance with the Company's Articles of Incorporation. Independent directors are ex-officio members of the Audit committee. In addition to receiving the remuneration applicable to all directors, they are granted additional compensation in recognition of the responsibility undertaken, the risk assumed, and the time committed to their roles. Such compensation may be adjusted downward based on the Company's operating performance or the results of director performance evaluations.

2.In addition to the information disclosed in the table above, has any director provided services to AUO Corp. and its subsidiaries and received remuneration for such services (e.g. serving as a consultant that is not an employee): None.

Table of compensation ranges

Compensation range for each	Name of the Directors
-----------------------------	-----------------------

Director in AUO	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	AUO	All consolidated entities	AUO	All consolidated entities (Note 9)
Less than NT\$ 1,000,000	Chuang- Chuang Tsai and Han-Chou (Joe) Huang	Chuang- Chuang Tsai and Han-Chou (Joe) Huang	Chuang- Chuang Tsai and Han-Chou (Joe) Huang	Chuang- Chuang Tsai
NT\$ 1,000,000 (incl.)~ NT\$ 2,000,000 (not incl.)				
NT\$ 2,000,000 (incl.)~ NT\$ 3,500,000 (not incl.)	AUO Foundation, Frank Ko, Ming Hua Investment Company Limited, Qisda Corporation, Jang-Lin (John) Chen, Chiu-Ling Lu, Cathy Han	AUO Foundation, Frank Ko, Ming Hua Investment Company Limited, Qisda Corporation, Jang-Lin (John) Chen, Chiu-Ling Lu, Cathy Han	AUO Foundation, Ming Hua Investment Company Limited, Qisda Corporation, Jang-Lin (John) Chen, Chiu-Ling Lu, Cathy Han	AUO Foundation, Ming Hua Investment Company Limited, Qisda Corporation, Jang-Lin (John) Chen, Chiu-Ling Lu, Cathy Han
NT\$ 3,500,000 (incl.)~ NT\$ 5,000,000 (not incl.)	Chin-Bing (Philip) Peng	Chin-Bing (Philip) Peng	Chin-Bing (Philip) Peng	Chin-Bing (Philip) Peng
NT\$ 5,000,000 (incl.)~ NT\$ 10,000,000 (not incl.)	Shuang-Lang (Paul) Peng	Shuang-Lang (Paul) Peng		
NT\$ 10,000,000 (incl.)~ NT\$ 15,000,000 (not incl.)				
NT\$ 15,000,000 (incl.)~ NT\$ 30,000,000 (not incl.)				Hong-Jye Hong
NT\$ 30,000,000 (incl.)~ NT\$ 50,000,000 (not incl.)			Frank Ko, Shuang-Lang (Paul) Peng	Frank Ko, Shuang-Lang (Paul) Peng
NT\$ 50,000,000 (incl.)~ NT\$ 100,000,000 (not incl.)				
More than NT\$ 100,000,000				
Total	11 individuals (including 3 corporate entities)	11 individuals (including 3 corporate entities)	11 individuals (including 3 corporate entities)	11 individuals (including 3 corporate entities)

Note 1: It refers to the base remuneration of directors in 2024 (including director's salary, position bonus, severance pay, various bonuses, incentives, etc.).

Note 2: It is the pension withdraw/paid in accordance with the law in 2024.

Note 3: It is the director's profit-sharing approved by the board of directors for the year of 2024.

Note 4: It refers to the directors' business execution expenses in 2024 (including the remuneration, travel expenses, special expenses, various allowances, dormitory, car allocation and other in-kind provision as corporate directors or supervisors' representatives appointed by the Company and its subsidiaries).

Note 5: It refers to the salary, post bonus, severance pay, various bonuses(including bonuses deferred from long-term incentive plans in past years), incentives, mobility expenses, special expenses, various allowances, dormitories, car allocation and other in-kind provisions received by directors and part-time employees (including part-time general manager, deputy general manager, other managers and employees) in 2024. Salary expenses recognized in accordance with IFRS2 "Share-based Payment", including acquisition of employee stock option certificates, new shares with restricted employee rights and participation in cash subscription for capital increase, are also included in remuneration.

Note 6: The amount of employee profit sharing for the year of 2024, as approved by the board of directors, is calculated based on the distribution principles or actual distribution ratios used in previous years.

Note 7: The total amount of various remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report.

Note 8: Refers to the after-tax net profit of parent company only financial reports of 2024.

Note 9: It refers to the base remuneration, profit-sharing remuneration (including employees', directors' and supervisors' profit-sharing compensation) and business execution expenses received by directors as directors, supervisors or managers of non-subsidiary investees or parent companies in 2024.

2.2.2. Compensation for President and Vice Presidents

December 31, 2024 Unit: NT\$ thousands; 1,000 shares

Title	Name	Salary (A) (Note 1)		Pension upon retirement (B) (Note 2)		Bonuses and special expenses etc. (C) (Note 3)		Employee's profit sharing (D) (Note 4)				Ratio of sum of items A, B, C and D to profit (%) (Note 6)		Compensation from non- subsidiary or parent company (Note 7)
		AUO	AUO and its subsidiaries (Note 5)	AUO	AUO and its subsidiaries (Note 5)	AUO	AUO and its subsidiaries (Note 5)	AUO		AUO and its subsidiaries (Note 5)		AUO	AUO and its subsidiaries (Note 5)	
								Cash	Stock	Cash	Stock			
Group CSO	Shuang-Lang (Paul) Peng	16,792	16,792	0	0	43,448	43,448	0	0	0	0	60,240 (1.97%)	60,240 (1.97%)	11,462
CEO and President	Frank Ko	14,087	14,087	108	108	57,159	57,199	0	0	0	0	71,354 (2.33%)	71,394 (2.33%)	40
Senior Vice President	James CP Chen	7,542	7,542	119	119	26,055	26,055	0	0	0	0	33,716 (1.10%)	33,716 (1.10%)	100
Senior Vice President	Amy Ku	7,606	7,606	119	119	24,455	25,555	0	0	0	0	32,180 (1.05%)	32,280 (1.09%)	1,050
Senior Vice President	Ting-Li Lin	7,694	7,694	119	119	24,335	25,335	0	0	0	0	32,147 (1.05%)	33,147 (1.08%)	40
Senior Vice President	Wei-Lung Liau	46,735	46,735	871	871	141,674	143,274	0	0	0	0	189,281 (6.18%)	190,881 (6.23%)	283
Senior Vice President	CS Hsieh													
Senior Vice President	Hong-Jye Hong													
Vice President	TY Lin													
Vice President	Tina Wu													
Vice President	David Chang													
Vice President	Ivan Wu													
Vice President	Yu-Chieh Lin													

Table of compensation ranges

Compensation range for each President and Vice President in AUO	Name of the President and Vice presidents	
	AUO	The parent company, AUO and its subsidiaries and investees (Note 8)
Less than NT\$ 1,000,000		
NT\$ 1,000,000 (incl.)~ NT\$ 2,000,000 (not incl.)		
NT\$ 2,000,000 (incl.)~ NT\$ 3,500,000 (not incl.)		
NT\$ 3,500,000 (incl.)~ NT\$ 5,000,000 (not incl.)		
NT\$ 5,000,000 (incl.)~ NT\$ 10,000,000 (not incl.)		
NT\$ 10,000,000 (incl.)~ NT\$ 15,000,000 (not incl.)	David Chang (Note 9)	David Chang (Note 9)
NT\$ 15,000,000 (incl.)~ NT\$ 30,000,000 (not incl.)	Tina Wu, Yu-Chieh Lin, Ivan Wu, TY Lin	Tina Wu, Yu-Chieh Lin, Ivan Wu, TY Lin
NT\$ 30,000,000 (incl.)~ NT\$ 50,000,000 (not incl.)	James CP Chen, Amy Ku, Ting-Li Lin, Hong-Jye Hong, Wei-Lung Liau, CS Hsieh	James CP Chen, Amy Ku, Ting-Li Lin, Hong-Jye Hong, Wei-Lung Liau, CS Hsieh
NT\$ 50,000,000 (incl.)~ NT\$ 100,000,000 (not incl.)	Shuang-Lang (Paul) Peng, Frank Ko	Shuang-Lang (Paul) Peng, Frank Ko
More than NT\$ 100,000,000		
Total	13 persons	13 persons

Note 1: Salary, position allowance and severance payment for executive officers at the level of vice president and above in 2024.

Note 2: Pension subscribed/paid in accordance with the law in 2024.

Note 3: The total remuneration for senior executives at the level of Vice President and above in 2024 shall include various bonuses, remuneration for serving as corporate directors or supervisors appointed by the Company and its subsidiaries, incentive payments, transportation and travel allowances, special allowances, various subsidies, accommodations, company-assigned vehicles, and other in-kind benefits. Additionally, compensation expenses recognized in accordance with IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted employee shares, and participation in cash capital increases, shall also be included in the total remuneration.

Note 4: The amount of employee's profit sharing approved by the board of directors for the fiscal year 2024.

Note 5: The total amount of remuneration paid by all companies (including the Company) to executive officers at the level of vice president and above of the Company in the consolidated report.

Note 6: Refers to the after-tax net profit of individual financial reports of 2024.

Note 7: Refers to the base compensation, profit-sharing (including profit-sharing and above for employees, directors and supervisors), business execution fees and other related compensation received by executive officers at the level of vice president in 2024 as a director, supervisor or manager of non-subsidiary investee or the parent company.

Note 8: The total amount of various compensation paid by the parent company and all reinvested enterprises (including the Company) to the executive officers at the level of vice president or above of the Company.

Note 9: David Chang assumed office on July 1, 2024.

2.2.3. Employees' Profit Sharing Paid to Management Team:

December 31, 2024 Unit: NT\$ thousands

Title (Note 1)	Name	Stock (Note 2)	Cash (Note 2)	Total (Note 2)	Ratio of total amount to the net income after taxes (%) (Note 3)
Group CSO	Shuang-Lang (Paul) Peng				
CEO and President	Frank Ko				
Senior Vice President	Wei-Lung Liao				
Senior Vice President	Ting-Li Lin				
Senior Vice President	James CP Chen				
Senior Vice President	CS Hsieh				
Senior Vice President	Amy Ku				
Senior Vice President	Hong-Jye Hong				
Vice President	TY Lin				
Vice President	Tina Wu				
Vice President	Yu-Chieh Lin				
Vice President	Ivan Wu				
Vice President	David Chang				
Senior Associate Vice President	Kun-Yu Lin	0	0	0	(0.00)
Associate Vice President	Center Chen				
Associate Vice President	Bryan Kuo				
Associate Vice President	KS Tseng				
Associate Vice President	Ken YJ Chen				
Associate Vice President	CD Lee				
Associate Vice President	CH Wu				
Associate Vice President	Paul KP Lee				
Associate Vice President	Simon WH Hsu				
Associate Vice President	Jenn-Jia Su				
Associate Vice President	KK Lee				
Associate Vice President	Cloud Huang				
Associate Vice President	Allen CK Wu				
Associate Vice President	Jim CY Lee				
Associate Vice President	Ting-Jui Chang				

Note 1: Refers to individuals holding office as of the publication date of the annual report.

Note 2: The employee's profit-sharing approved by the board of directors of 2024.

Note 3: Refers to the after-tax net profit of individual financial reports of 2024.

2.2.4. Analysis of remuneration to directors, supervisors, president and vice president and presidents etc. as a percentage of the after-tax income of the Company and all companies' consolidated statements in the parent company only financial statements from the last two years, and description of the policy, standards and combination of remunerations, procedure for making such decision, and correlation with business performance and future risks.

1. Analysis of remuneration to directors, supervisors, president and vice presidents as a percentage of the Company's after-tax income in the parent company only financial reports from the last two years:

Title	The total payment amount as a percentage (%) of the net income(loss) after tax in the parent company only financial report			
	2024		2023	
	AUO	All companies within the financial report	AUO	All companies within the financial report
Directors	(0.81)	(0.99)	(0.18)	(0.18)
President and Vice Presidents	(13.67)	(13.79)	(3.17)	(3.19)

Note 1: The after-tax net losses in the parent company only financial report for 2024 and 2023 are NT\$(3,064,167) thousand and NT\$(18,203,274) thousand, respectively.

Note 2: The significant change in the remuneration ratio for 2024 is primarily due to the reduced after-tax loss compared to 2023.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

- (1) The remuneration of the directors of the Company is determined by the board of directors in accordance with the Articles of Incorporation, issued based on the director's participation in the Company's operations and contribution, with reference to both domestic and foreign market standards, as set forth in the "Compensation Guidelines for Directors and Functional Committee Members." The remuneration of directors is increased based on their responsibilities (such as serving as a member or convener of various functional committees), risks and time invested, and may be reduced based on operational performance or director performance evaluation results.

If the Company makes profits for the year, no less than 5% the Company shall set aside as employee's profit sharing and no more than 1% as directors' profit sharing. However, when the Company still has accumulated losses, provision should be made in advance for the deficit.

- (2) The remuneration of the Company's executive officers is determined in accordance with the principles outlined in the "Remuneration Policy of Executive officers," as established by the Remuneration committee and the board of directors. The policy is reviewed annually by the Remuneration committee and submitted to the board of directors for approval. Additionally, the Company collaborates with external professional compensation consultants to ensure that executive officers remuneration remains competitive and aligned with market trends and evolving industry dynamics.

The remuneration of the Company's executive officers, including the CEO, is closely linked to the Company's operational performance. The total compensation package consists of base salary, short- and long-term variable bonuses, and profit-sharing employee bonuses. Variable bonuses, determined based on overall operational performance, account for approximately 70% to 90% of total remuneration, depending on job position and individual performance. The Company has also implemented a long-term incentive plan for executive officers, with a three-year performance evaluation period. Stock-based rewards make up more than 50% of the long-term incentive plan, and a clawback provision is in place to reinforce alignment with shareholder interests.

The performance evaluation of the Company's executive officers incorporates both financial and sustainability-related metrics. In addition to financial indicators aligned with the Company's long-term strategic goals, such as EBITDA, revenue, gross profit margin, and strategic product operating profit margin, the Company integrates ESG performance metrics. To further promote sustainability, the Company links executive officers' rewards to the achievement of AUO's sustainable development goals and key management objectives. Compensation weightings are assigned based on each executive's responsibilities in Environmental (E), Social (S), and Governance (G) initiatives, reinforcing senior management's commitment to sustainable corporate operations.

- (3) Part of the executive officers' remuneration is granted in the form of stock. the board of directors established the "Executive Stock Ownership Guidelines" on February 23, 2023, which were reviewed and revised on March 11, 2024. The guidelines require executives to hold company shares equivalent to a multiple of their annual base salary: ten

times for the chairman, CEO, and president, and five times for other executives. Executives must meet the shareholding requirement within five years of their appointment or the policy's effective date and maintain the required shareholding value throughout their tenure. This policy aims to strengthen Corporate governance and mitigate management risks.

2.3. Operation of Corporate governance

2.3.1. Operation of the board of directors

Total of 8 (A) meetings were held by the board of directors in 2024. The attendance of the directors is as follows:

Title	Name	No. of actual attendance (B)	No. of attendance by proxy	Actual attendance (%) (B/A)	Remarks
Chairman	Peng Shuang-Lang	8	0	100	
Director	AUO Foundation Representative: Frank Ko	8	0	100	
Director	Ming Hua Investment Company Limited Representative: Chuang- Chuang Tsai	8	0	100	
Director	Qisda Corporation Representative: Han-Chou (Joe) Huang	8	0	100	
Independent Director	Chin-Bing (Philip) Peng	8	0	100	
Independent Director	Jang-Lin (John) Chen	8	0	100	
Independent Director	Chiu-Ling Lu	8	0	100	
Independent Director	Cathy Han	8	0	100	

Other information required to be disclosed

- If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
 - Any matter under Article 14-3 of the Securities and Exchange Act: The Company has set up an Audit committee, and the provisions of Article 14-3 are not applicable. Please refer to the "Operation of the Audit committee" (Pages 28-31) of this annual report for relevant information.
 - In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.
- The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: (specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted)

Date of board meeting	Name of director	Content of motion	Reasons for avoidance of interests	Participation in voting
2024.01.31	Independent Director Cathy Han	Approval of the Appointment of Members to the Company's Remuneration committee	The nominee shall recuse themselves from discussions and voting in accordance with Article 206 of the Company Act and Article 9 of the Company's Board Meeting Rules due to a conflict of interest.	Did not participate in discussion and voting
	Chairman Shuang-Lang (Paul) Peng, Han-Chou (Joe) Huang), representative of Qisda corporation, and independent director Chin-Bing (Philip) Peng and Chiu-Ling Lu	Approval of the Disposal of Common Shares of Qisda Corporation	Chairman Shuang-Lang (Paul) Peng recused himself from discussion and voting in accordance with the Company Act and Article 9 of the Company's Board Meeting Rules due to his role as a corporate director representative of Qisda Corporation. Director Han-Chou (Joe) Huang also recused himself due to his position as General Manager of Qisda. Independent Directors Chin-Pin (Philip) Peng and Ms. Chiu-Ling Lu	Did not participate in discussion and voting

Date of board meeting	Name of director	Content of motion	Reasons for avoidance of interests	Participation in voting
			recused themselves from discussion and voting due to their shareholding in the target company.	
2024.3.11	All directors shall recuse themselves from decisions regarding their personal interests	Approval of the 2023 Directors' and Executives' Remuneration Proposal	The recipient shall abstain from voting in accordance with Article 206 of the Company Act and Article 16 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.	Did not participate in discussion and voting
	Chairman Shuang-Lang (Paul) Peng and Frank Ko, representative of AUO Foundation	Approval of the Selection of Applicable Personnel for the "Management Rights Transition Protection Guidelines"	The selected applicable personnel shall recuse themselves from discussions and voting in accordance with Article 206 of the Company Act and Article 9 of the Company's Board Meeting Rules.	Did not participate in discussion and voting
		Approval of the Donation Proposal	Chairman Shuang-Lang (Paul) Peng, as the Chairman of the AUO Sustainability Foundation, and Frank Ko, as the representative director of the AUO Sustainability Foundation, shall abstain from voting in accordance with Article 206 of the Company Act and Article 16 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.	Did not participate in discussion and voting
	Independent director Jang-Lin (John) Chen and Chiu-Ling Lu and Chairman Shuang-Lang (Paul) Peng	Approval of the Organizational Regulations of the Sustainability and Risk Management Committee and the Recommended List of First-term Committee Members	The nominee shall recuse themselves from discussion and voting in accordance with the provisions of the Company Act and Article 16 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.	Did not participate in discussion and voting
2024.10.31	Frank Ko, representative of AUO Foundation	Approval of Investment Disposal	Due to serving as the corporate director representative of the target company, recusal is required in accordance with the Company Act and Article 9 of the Company's Board of Directors Meeting Rules.	Did not participate in discussion and voting

3. Assessment of the board of directors' performance

Self-evaluation					
Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents	
Once a year	2023.10~2024.09	Board of directors	<ul style="list-style-type: none"> The self-evaluation is conducted by members of board of directors and each functional committee. The process is administrated by the secretariat of the Corporate governance and nomination committee. 	<ol style="list-style-type: none"> The level of participation in the company's operation/Directors' sense of duty and level of participation in the company's operation Enhancing the quality of board decision-making/grasp of the company's goals and tasks as well as the management and communication of internal relations Composition and Structure of the board of directors Appointment of Directors and Continuing Education Internal Control 	
		Individual Directors			
		Audit committee			<ol style="list-style-type: none"> The level of participation in the company's operation Understanding of the responsibilities of functional committees Improving the decision-making quality of functional committees Composition and appointment of functional committee members Internal Control
		Remuneration			

Self-evaluation				
Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
		committee		1. The level of participation in the company's operation 2. Understanding of the responsibilities of functional committees 3. Improving the decision-making quality of functional committees 4. Composition and appointment of functional committee members
		Corporate governance and nomination committee		
		Sustainability and risk management committee		
External Evaluation				
Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content and result
Once every 3 years	2023.09~2024.08	Board of Directors	Evaluation was conducted by online self-assessment questionnaire and field visit	Taiwan Corporate governance Association was entrusted to evaluate the effectiveness of the external board of directors in eight aspects, including composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and support system.

Evaluation results and improvement plans

(1) Self-evaluation

The self-evaluation results of the company's "Board of directors", "Audit committee", "Remuneration committee", "Corporate governance and nomination committee" and "Sustainability and risk management committee" in 2024 are all above the standard, and there are no major improvement items. The evaluation results has been reviewed at the first Board meeting in 2025 the board of directors reports to the directors and serves as a reference for the performance, remuneration and nomination for renewal of members of the board of directors and functional committees.

(2) External evaluation

The Taiwan Corporate governance Association (TCGA) has no business dealings with the company and maintains its independence. According to its evaluation report, four of the company's directors are independent directors, accounting for half of the total board seats, while female directors make up one-third of the board. All directors are professionals with extensive experience in business management. The chairman of the board respects the diverse expertise of the directors, fostering an open atmosphere during board meetings. Additionally, the board conducts a pre-meeting one day prior to the official board meeting for the exchange of opinions, effectively exercising its leadership function. The company holds semi-annual strategy meetings where the management team reports to and exchanges insights with board members. These meetings focus on the company's mid- to long-term goals and development strategies, covering topics such as capacity planning, equity investments, technology development, and ESG-related issues. Additionally, board members are invited to external conferences arranged by the company, fostering in-depth interaction and discussions on the company's short-, medium-, and long-term sustainability goals. This enhances the board's role in strategic guidance. The performance evaluation criteria for senior managers (including the CEO) are set based on the company's long-term development strategy, incorporating financial and ESG performance indicators, with the establishment of clawback provisions. This effectively incentivizes the team to pursue the company's long-term interests, laying the foundation for sustainable development. In 2021, an external professional independent organization was commissioned for the first time to conduct a performance evaluation of the board of directors. The evaluation results were reported to the board, and improvement plans have been developed and gradually implemented in response to the recommendations from the previous external evaluation.

On February 13, 2025, the board of directors reported the evaluation results to the directors. Based on TCGA's recommendations, the board will use these insights to continuously enhance its functions. Suggested improvements include increasing the visibility of the stakeholder section and Audit committee mailbox disclosure and reviewing the title of the company's current antitrust compliance legal advisor to ensure broader coverage of today's complex regulatory environment.

Reasons why external agencies and committee members are independent:

The Taiwan Corporate governance Association is neither a related party to the company nor engaged in any business relationship that could affect its independence. The evaluation participants and their second-degree relatives do not hold positions of significant influence in the company, nor do they have direct or indirect financial interests in the company or receive any gifts from it.

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and

immediately preceding fiscal years and the measures taken toward achievement thereof:

- (1) Since the company re-elected the seventh board of directors on June 19, 2013, independent directors have accounted for more than half of all board seats, strengthening the functions of the board and Corporate governance. In the most recent re-election of the tenth board of directors on June 17, 2022, the proportion of each gender exceeded one-third of the total board seats (currently, three female directors), effectively implementing the diversity policy.
- (2) The Remuneration committee was established on August 30, 2011, with three independent directors appointed by the board of directors. Please refer to page 32 of this annual report for details on its key responsibilities and operations.
- (3) The corporate governance committee was established on October 29, 2019, and was renamed the Corporate governance and nomination committee on March 11, 2024. Please refer to pages 33-34 of this annual report for details on its key responsibilities and operations.
- (4) On March 11, 2024, the company formally established the Sustainability & risk management committee under the board of directors. This marks a significant step in our commitment to sustainable development, aligning with international trends and proactively addressing the risk assessment and response strategies of various stakeholders in environmental, social, and Corporate governance (ESG) aspects. It also represents our goal of achieving long-term sustainability. The board of directors, as the highest governing body for risk management, oversees risk management efforts, formulates risk management policies and procedures, and ensures the allocation of appropriate and sufficient resources. At the same time, we are progressively fostering a Corporate governance culture. Please refer to pages 34-37 of this annual report for details on its key responsibilities and operations.

2.3.2. Operation of the Audit committee

The Audit committee held 8 meetings in 2024 and the attendance status of independent directors is as follows:

Title	Name	No. of actual attendance (B)	No. of attendance by proxy	Actual attendance (%) (B/A)	Remarks
Convener	Chin-Bing (Philip) Peng	8	0	100	Elected as the convener on January 30, 2024
Member	Jang-Lin (John) Chen	8	0	100	
Member	Chiu-Ling Lu	8	0	100	
Member	Cathy Han	8	0	100	

Other information required to be disclosed

1. If any of the following circumstances arises, the Company shall disclose the date of the Audit committee meeting, the session number, the motion(s) discussed, any dissenting or qualified opinions or significant recommendations of the independent directors, the resolutions of the Audit committee, and the Company's response to the Audit committee's opinions:
 - (1) Any matter stipulated under Article 14-5 of the Securities and Exchange Act (please refer to pages 30-31 of this annual report):

All resolutions have been approved by more than half of the Audit committee members before being submitted to the board of directors for resolution. There have been no instances where a resolution was not approved by the Audit committee but was subsequently passed by a two-thirds majority of all directors.
 - (2) In addition to the aforementioned matters, any resolution not approved by the Audit committee but passed by at least two-thirds of all directors: None.
2. Implementation of independent directors' recusals from motions involving conflicts of interest: None.
3. Independent directors' closed-door communication with the head of Internal Audit and the CPAs (including material issues, communication channels, and outcomes related to the Company's financial and operational conditions):
 - (1) The company convenes Audit committee meetings regularly and, when necessary, invites CPAs and the head of Internal Audit to attend. Independent directors also engage in one-on-one discussions with CPAs and the head of Internal Audit at least once per year on relevant matters.
 - (2) The head of Internal Audit submits audit summary reports to the Audit committee on a regular basis, following the annual audit plan. The Audit committee also periodically evaluates the Company's internal control system, the internal audit team, and their work performance.
 - (3) The Audit committee holds regular discussions with the Company's CPAs regarding the review or audit of quarterly financial statements, as well as other compliance matters required by relevant laws and regulations. The committee also assesses the independence of the CPAs, including their appointment and the scope of both audit and non-audit services provided.

(4) Main communication matters in 2024

A. Excerpts from the communication between the independent directors and CPAs are as follows:

Date	Meeting	Key points of communication	Communication and opinions of independent directors	Handling of opinions of independent directors
2024.01.30	Audit committee	The findings of the audits on the Company's financial results for 2023	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.04.29	Audit committee	The findings of the review on the Company's financial results for the period ended March 31, 2024	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.07.30	Audit committee	The findings of the review on the Company's financial results for the period ended June 30, 2024	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.10.30	Audit committee (close-door session)	Communication between CPAs and the Audit committee	Noted and no other suggestions	Not applicable
2024.10.30	Audit committee	The findings of the review on the Company's financial results for the period ended September 30, 2024	After review by the Audit committee, all independent directors have no objections	Not applicable

B. Excerpts from the communication between independent directors and the head of Internal Audit are as follows:

Date	Meeting	Key points of communication	Communication and opinions of independent directors	Handling of opinions of independent directors
2024.01.30	Audit committee	1. The findings of the internal audit reports for the fourth quarter of 2023 2. 2023 Statement of Internal Control System	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.04.29	Audit committee (close-door session)	The findings of the Self-Inspection Execution Report for the second half of 2023	Noted and no other suggestions	Not applicable
2024.04.29	Audit committee	The findings of the internal audit reports for the first quarter of 2024	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.07.30	Audit committee	The findings of the internal audit reports for the second quarter of 2024	After review by the Audit committee, all independent directors have no objections	Not applicable
2024.10.30	Audit committee (close-door session)	The findings of the Self-Inspection Execution Report for the first half of 2024	Noted and no other suggestions	Not applicable
2024.10.30	Audit committee	1. The findings of the internal audit reports for the third quarter of 2024 2. Annual audit plan of 2025	After review by the Audit committee, all independent directors have no objections	Not applicable

4. Key Annual Tasks and Operational Activities

- (1) Regularly communicate the audit report results with the head of Internal Audit according to the annual audit plan.
- (2) Regularly communicate with The Company's CPAs on the review or audit results of financial statements in each quarter.
- (3) Review financial reports.
- (4) Assess the effectiveness of the internal control system.
- (5) Pre-review of the appointment, dismissal, remuneration and services of CPAs.
- (6) Evaluate the independence of CPAs in providing audit and non-audit services.
- (7) Review the Company's operational procedures and material transactions of assets, derivatives, capital lending and endorsement/guarantees.
- (8) Compliance with laws and regulations.
- (9) Handling of mail complaints and professional ethics violation reports submitted to the Audit committee.

5. The meeting dates, proposal contents and resolutions of the Audit committee in 2024

Date/Term of Audit committee	Content of motion	Resolutions and member opinions
6th Committee 9 th session 2024.01.30	<ol style="list-style-type: none"> 1. Approval of the Disposal of Common Shares of Qisda Corporation (Note 1) 2. Acknowledgment of the "Statement on Internal Control System" (Note 1) 3. Approval of the Non-Assurance Services Provided by the Certified Public Accountant 4. Approval of the 2023 Financial Statements (Note 1) 5. Approval of the 2024 CPA Appointment, Service Items and Fees (Note 1) 6. Approval of the Disposal of Equipment by Singapore Subsidiary AFPD Pte. Ltd. (Note 1) 	Approved and submitted to the board of directors for resolution
6th Committee 10 th session 2024.03.11	<ol style="list-style-type: none"> 1. Approval of the 2023 Business Report and the 2024 Business Plan 2. Approval of the 2023 Earnings Distribution 3. Approval of the Company's Indirect Capital Increase in UP Water Corporation (Note 1) 4. Approval of the Loan from Subsidiary AUO (Slovakia) s.r.o. to Behr-Hella Thermocontrol GmbH (Note 1) 5. Approval of the Capital Increase by Subsidiary AUO (L) Corp. in Subsidiary AUO (Slovakia) s.r.o. (Note 1) 6. Approval of the Company's Capital Increase in Behr-Hella Thermocontrol GmbH (Note 1) 7. Approval of the Loan from Subsidiaries AUO (Suzhou) Co., Ltd. and AUO (Xiamen) Co., Ltd. to Behr-Hella Thermocontrol (Shanghai) Co., Ltd. (Note 1) 8. Approval of the Non-Assurance Services Provided by the Certified Public Accountant 	Approved and submitted to the board of directors for resolution
6th Committee 11 th session 2024.04.29	<ol style="list-style-type: none"> 1. Approval of the Q1 2024 Consolidated Financial Report 2. Approval of the Loan Transactions between the Company and its Subsidiaries "AUO (Labuan) Corporation, AUO (Suzhou) Co., Ltd., AUO (Xiamen) Co., Ltd., AUO (Kunshan) Co., Ltd., and BHTC (Shanghai) Co., Ltd." (Note 1) 3. Approval of the Loan from the Company to its Subsidiary AUO Digitech Taiwan Inc. (Note 1) 4. Approval of the Loan from Subsidiary BHTC GmbH to its Subsidiary Behr-Hella Thermocontrol EOOD and the Issuance of a Bank Guarantee for Subsidiary BHTC Mexico S.A. de C.V. (Note 1) 	Approved and submitted to the board of directors for resolution
6th Committee 12 th session 2024.06.06	<ol style="list-style-type: none"> 1. Approval of Managerial Personnel Appointments (Note 1) 	Approved and submitted to the board of directors for resolution
6th Committee 13 th session 2024.07.30	<ol style="list-style-type: none"> 1. Approval of the Q2 2024 Consolidated Financial Report (Note 1) 2. Approval of AUO Display Plus Netherlands B.V.'s Acquisition of Equity in Avocor Technologies USA, Inc. (Note 1) 3. Approval of AUO Kunshan Co., Ltd., a Subsidiary of the Company, to Purchase Real Estate (Note 1) 	Except for Proposal 2, for which three recommendations were made to seek more favorable terms, all

Date/Term of Audit committee	Content of motion	Resolutions and member opinions
	4. Approval of the Company's Loan to Its Subsidiary, AUO Crystal Corporation (Note 1) 5. Approval of BHTC GmbH's Issuance of a Bank Guarantee for Its Subsidiary, BHTC Mexico S.A. de C.V. (Note 1) 6. Approval of the Engagement of the CPA Firm for Non-Audit Services	other proposals were approved as presented and submitted to the Board of Directors for resolution.
6th Committee 14 th session 2024.08.27	1. Approval of the Company's Disposal of Tainan Plant Real Estate (Note 1) 2. Approval of the Disposal of Part of Houli Plant Real Estate by AUO Crystal Corporation, a Subsidiary of the Company (Note 1)	Approved and submitted to the board of directors for resolution
6th Committee 15 th session 2024.10.30	1. Approval of the "2025 Audit Plan" (Note 1) 2. Amendment of the "Internal Control System" (Note 1) 3. Approval of the Q3 2024 Consolidated Financial Report 4. Approval of the Engagement of the Certifying CPA for Non-Assurance Services 5. Approval of the Amendment to the Audit committee Charter 6. Approval of that the Accounts Receivable of Avocor Technologies USA, Inc. to Avocor Limited is Not Considered a Fund Loan (Note 1) 7. Approval of the Company and its subsidiary, Konly Investment Co., Ltd., plan to participate in the establishment of StarShining Energy Investment Holding Co., Ltd. through a share swap with Stellar Energy Co., Ltd. (Note 1) 8. Approval of the investment structure adjustment of the North American subsidiary of the Company's subsidiary, AUO Display Plus Co., and the acquisition of ComQi shares (Note 1) 9. Approval of the disposal of investments (Note 1) 10. Approval of the cash capital increase and/or fund lending to subsidiaries of the Smart Service Business Group by the Company and its subsidiaries (Note 1) 11. Approval of the establishment of the record date for the capital reduction through treasury stock cancellation 12. Approval of the appointment of an independent expert	Approved and submitted to the board of directors for resolution
6th Committee 16 th session 2024.11.21	1. Approval of the spin-off and transfer of the Company's Smart Mobility Business to a wholly owned subsidiary, along with its spin-off plan (Note 1) 2. Approval of the authorization for relevant subsidiaries to proceed with the group restructuring of the Smart Mobility Business in China (Note 1) 3. Approval of the authorization for relevant subsidiaries to proceed with the group restructuring of the Smart Mobility Business in the United States and Japan (Note 1) 4. Approval of the Company's capital injection into BHTC GmbH (Note 1)	Except for the recommendation that the approval of Proposal 1 should be a prerequisite for handling Proposals 2 and 3, all other proposals were approved as proposed and submitted to the board of directors for resolution.

Note 1: Matters specified under Article 14-5 of the Securities and Exchange Act.

2.3.3. Operation of the Compensation Committee

1. Information of members of the Compensation Committee

Identity	Name	Professional qualifications and experience	Independence	Number of concurrent members of Compensation committee of other public companies
Independent director (Convener)	Chin-Bing (Philip) Peng	Please refer to pages 12-14 of this annual report.	Please refer to pages 15-16 of this annual report.	1
Independent director	Jang-Lin (John) Chen			0
Independent director	Cathy Han			1

2. Scope of Authority and key Annual Tasks

The Compensation committee shall faithfully perform the following duties with the due care of a prudent administrator and submit its recommendations to the board of directors for discussion:

- (1) Establish and periodically review the policies, systems, standards, and structures for performance evaluation and compensation of directors and managerial officers.
- (2) Regularly assess and determine the compensation of directors and managerial officers.
- (3) Select and appoint managerial officers, and periodically review the development and succession planning of the management team.

3. Implementation Status

(1) The Committee currently consists of 3 members, all of whom are independent directors.

(2) The 5th term of the members is from June 17, 2022 to June 16, 2025.

(3) In 2024, a total of 3 (A) Compensation Committee meetings were held. The attendance of the committee members is as follows:

Title	Name	No. of actual attendance (B)	No. of attendance by proxy	Actual attendance (%)(B/A)	Remarks (Note 1)
Convener	Chin-Bing (Philip) Peng	3	0	100	
Member	Jang-Lin (John) Chen	3	0	100	
Member	Cathy Han	3	0	100	Appointed on January 31, 2024

Other items to be recorded:

A. If the board of directors does not adopt or amend the recommendation of the Compensation Committee, it shall state the date, period, contents of the proposal, resolution results of the board of directors and The Company's handling of the opinion of the Compensation Committee (if the Compensation adopted by the board of directors is better than the recommendation of the Compensation Committee, it shall state the differences and reasons): None.

B. If members have objections or reservations on the matters resolved by the Compensation Committee, and there are records or written statements, the date, period, contents of the proposal, opinions of all members and the handling of members' opinions shall be stated: None.

C. Reasons for discussion and resolution of the Compensation Committee and The Company's handling of members' opinions:

Date of Compensation Committee	Content of motion	Resolution result and opinions of all members	Handling of the Compensation Committee's opinions by the company (Board of Directors)
2024.03.11	1. Approval of the amendment to the "Manager Shareholding Guidelines" 2. Approval of the selection of applicable personnel for the "Management Rights Transition Protection Plan" 3. Approval of the 2023 Compensation for directors and managers	Approved and submitted to the board of directors for resolution	The board of directors approved all proposals based on the recommendations of the Compensation Committee.
2024.06.06	1. Approval of the managerial personnel appointments		
2024.10.30	1. Approval of the 2025 Executive Compensation Policy		

2.3.4. Operation of the Corporate governance and nomination committee

1. Information of members of the Corporate governance and nomination committee

Identity	Name	Professional qualifications and experience	Independence	Number of concurrent members of Compensation committee of other public companies
Chairman (Convener)	Shuang-Lang (Paul) Peng	Please refer to pages 12-14 of this annual report.	N/A	1
Independent director	Chin-Bing (Philip) Peng		Please refer to pages 15-16 of this annual report.	0
Independent director	Chiu-Ling Lu			0
Independent director	Cathy Han			1
Independent director	Jang-Lin (John) Chen			0

2. Scope of Authority and key Annual Tasks

- (1) Formulate standards for the professional knowledge, technical expertise, experience, gender, diverse backgrounds, and independence required of board members, and accordingly, identify, review, and nominate director candidates.
- (2) Establish and develop the organizational structure of the board of directors and its committees, conduct performance evaluations of the Board, its committees, and individual directors, and assess the independence of independent directors.
- (3) Set and periodically review director training programs.
- (4) Review the succession plan for senior executives at the level of President (or equivalent) and above.
- (5) Provide appropriate onboarding programs for newly appointed directors to assist them in understanding their responsibilities and become familiar with the company's operations and environment.
- (6) Establish the Corporate governance best practice principles of the company.
- (7) Handle other matters as instructed by the board of directors.

3. Implementation Status

- (1) The Committee currently consists of 5 members, appointed by the board of directors and composed of at least three directors, with a majority being independent directors.
- (2) The 2th term of the members is from June 17, 2022 to June 16, 2025.
- (3) In 2024, a total of 3 (A) Corporate governance and nomination committee meetings were held. The attendance of the committee members is as follows:

Title	Name	No. of actual attendance (B)	No. of attendance by proxy	Actual attendance (%) (B/A)	Remarks
Convener	Shuang-Lang (Paul) Peng	3	0	100	
Member	Chin-Bing (Philip) Peng	3	0	100	
Member	Chiu-Ling Lu	3	0	100	
Member	Cathy Han	3	0	100	
Member	Jang-Lin (John) Chen	3	0	100	

(4) Reasons for discussion and resolution of the Corporate governance and nomination committee and The Company's handling of members' opinions:

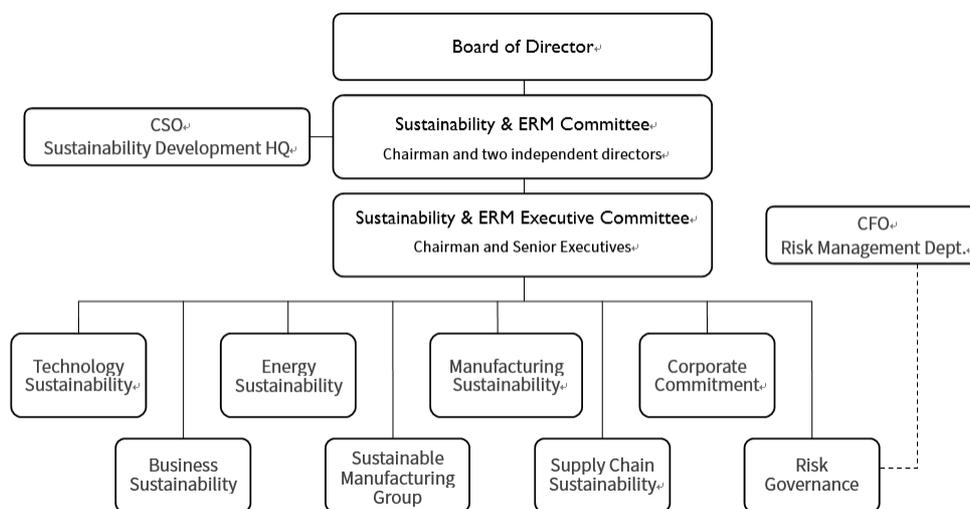
Date of Corporate governance and nomination committee	Content of motion	Resolution results and opinions of all members	Handling of the Opinions of the Corporate governance Committee
2024.01.30	<u>Report items</u> 1. Corporate governance Blueprint, Annual Calendar, and Director Training Program Plan 2. 2023 Board of Directors, Individual Board Members, and Functional Committees Performance Evaluation Report 3. Report on Directors' Concurrent Positions and Independence of Independent Director	Noted and no other suggestions	Noted
	<u>Discussion items</u> 1. Approval of the Revision of the "Risk Management Policy and Procedures" 2. Approval of the Revision of the 2023 Board of Directors and Functional Committees' Seats, Composition, and Diversity Policy 3. Approval of the Recommended List of Members for the Company's Compensation Committee	Approved as proposed and reported to the board of directors for resolution	The board of directors approved all resolutions based on the recommendations of the Corporate governance and the Nomination committee.
2024.03.11	<u>Discussion items</u> 1. Approval of the Revision of the Corporate governance Committee Charter 2. Approval of the Sustainability and Risk Management 3. Committee Charter and the Recommended List of First-Term Committee Members	Approved as proposed and reported to the board of directors for resolution	The board of directors approved all resolutions based on the recommendations of the Corporate governance and the Nomination committee.
2024.10.31	<u>Report items</u> 1. 2024 Corporate governance Evaluation Self-Assessment Results 2. Report on the Timeline for the Performance Evaluation of the board of directors and Committees 3. Annual Review Report on Committee Charters	Noted and no other suggestions	Noted
	<u>Discussion items</u> 1. Approved the Amendments to the Charters of Functional Committees	Approved as proposed and reported to the board of directors for resolution	The board of directors approved all resolutions based on the recommendations of the Corporate governance

2.3.5. Operation of the Sustainability & ERM Committee

The Company officially established the Sustainability and Enterprise Risk Management (ERM) Committee under the board of directors on March 11, 2024, to assist the Board in promoting corporate sustainability and risk governance. The responsibilities include overseeing the identification of sustainability issues, formulating corresponding action plans, setting and revising goals and policies related to sustainability, and ensuring the implementation and execution of sustainability initiatives. Strengthening communication with stakeholders to ensure timely and accurate disclosure of sustainability-related information is also vital. Additionally, it involves monitoring risk management, developing risk management policies and procedures, and reviewing the alignment between risk strategies and the company's business strategies. The committee aims to achieve sustainable business operations by strengthening and integrating risk management practices. This ensures that the Board has a clearer understanding of operational risks, allocates adequate and appropriate resources, and effectively implements corporate risk management. Additionally, by establishing a proper risk management framework and fostering a risk management culture, the committee oversees and ensures the effectiveness of the company's overall risk management mechanism.

The Sustainability and Enterprise Risk Management Committee is supported by the Sustainability and Enterprise Risk Execution Committee, which translates the vision blueprint into specific goals and plans for each group. The chairman of the board serves as the chair of this committee, while senior executives act as chairs of the various subcommittees, with the Chief Sustainability Officer leading the overall coordination of the initiatives. The Sustainability Development headquarters is designated as the responsible operational unit. The Sustainability and ERM Committee has established eight subcommittees based on the

practical significance of their operations. These subcommittees are led by senior executives, including vice presidents, to facilitate operations and cross-department collaboration, aligning with the United Nations Sustainable Development Goals. They develop the company’s long-term sustainability objectives, guide the company’s direction toward sustainable development, monitor and govern operational risks, identify business opportunities, and accelerate transformation in both value and operations. Regular dialogues and discussions take place with each subcommittee to address various ESG programs and projects, set short-to mid-term objectives, and track implementation outcomes. This collaborative effort aims to promote climate adaptation and mitigation actions and enhance biodiversity, construct a low-carbon value chain, and move towards net-zero targets and a vision of positive net impacts on nature.



1. Information of members of the Sustainability & ERM Committee (Professional Qualifications and Experience)

Identity	Name	Professional qualifications and experience	Independence	Number of concurrent members of remuneration committee of other public companies
Chairman (Convener)	Shuang-Lang (Paul) Peng	Please refer to pages 12-14 of this annual report.	N/A	1
Independent director	Chiu-Ling Lu		Please refer to pages 15-16 of this annual report.	1
Independent director	Jang-Lin (John) Chen			0

2. Scope of Authority and Annual Work Focus

Sustainable Development

- (1) Establish the company's Sustainability Development Guidelines, oversee their implementation, review progress and effectiveness, track necessary revisions, and report to the board of directors annually.
- (2) Supervise the formulation and execution of sustainability policies, systems, related management guidelines, and specific action plans. Make major decisions on sustainability issues, including technology applications, product value, energy development, green manufacturing, value chain management, corporate citizenship (including human rights), risk management, circular economy, and carbon-energy operations.
- (3) Strengthen communication with stakeholders and address key issues they prioritize.
- (4) Ensure the timeliness and accuracy of sustainability-related disclosures,
- (5) Oversee other sustainability-related tasks as decided by the board of directors.

Risk Management

- (1) Review the risk management policies, procedures, and framework, and evaluate the effectiveness of risk strategies.
- (2) Approve the qualitative and quantitative risk tolerance levels and optimize resource allocation for maximum effectiveness.
- (3) Implement risk management decisions made by the Board, oversee various company risk management mechanisms, and establish priorities for risk control.
- (4) Review risk management execution, propose necessary improvements, and report to the board of directors annually.

3. Implementation Status

- (1) The committee currently consists of three members, appointed by the board of directors, with at least three directors, including at least two independent directors overseeing its operations.
- (2) The 1st term of the members is from March 11, 2024 to June 16, 2025.
- (3) The Sustainability & ERM Committee was officially established on March 11, 2024. As per its charter, the committee shall convene at least 2 meetings annually. The committee held 2 (A) meetings in 2024. The attendance of committee members is as follows:

Title	Name	No. of actual attendance (B)	No. of attendance by proxy	Actual attendance (%) (B/A)	Remarks
Convener	Shuang-Lang (Paul) Peng	2	0	100	
Member	Chiu-Ling Lu	2	0	100	
Member	Jang-Lin (John) Chen	2	0	100	

- (4) Reasons for discussion and resolution of the Sustainability & ERM Committee and The Company's handling of members' opinions:

Date of Sustainability & ERM Committee	Content of motion	Resolution results and opinions of all members	Handling of the Opinions of the Sustainability & ERM Committee
2024.05.29	<u>Report items</u> 1. Routine Reports 2. Project Progress Updates (DJSI Progress, Sustainable Materials Policy, Ministry of Economic Affairs "Big Leading Small" Project, SBTi Targets, 2023 Sustainability Report Overview)	Noted and no other suggestions	Noted
2024.11.21	<u>Report items</u> 1. Routine Reports 2. Project Progress Updates (DJSI 2024 Results, Ministry of Economic Affairs "Big Leading Small" Project Outcomes, AUO Carbon Credit Status, Global ESG Disclosure Requirements, AUO TNFD, 2030 EPS Target, 3-Year Risk Management Plan)	Noted and no other suggestions	Noted
	<u>Discussion items</u> 1. Approval of AUO's 2024 Sustainability Report Preparation Process 2. Approval of the Review of AUO's 2025 Sustainability Data Verification Agency 3. Approval of the Identification Results and Goal Setting for Material Topics	Approved as proposed and reported to the board of directors for resolution	The board of directors approved all resolutions based on the recommendations of the Sustainability & ERM Committee.

4. 2024 Risk Management Operations

The company establishes a robust risk governance organization and management mechanism, outlined in the "AUO Risk Management Policy and Procedures," which serves as the highest guiding principle for risk governance and cultural promotion. We proactively manage various risks that may impact the company while actively seeking out business opportunities amidst change. The company has developed an enterprise risk management framework that adjusts and optimizes risk management policies and procedures based on internal and external circumstances, which was approved by the board of directors on January 31, 2024. The results of risk management execution will be reported annually to the board of directors. Under the guidance and supervision of the board, we are progressively building a culture of Corporate governance.

The board of directors serves as the highest governing body for risk management. In 2023, the Corporate governance Committee (renamed the Corporate governance and nomination committee on March 11, 2024) oversaw risk management, formulated risk management policies and procedures, and ensured alignment between risk strategies and the company's operational strategies. On March 11, 2024, the Sustainability & ERM (Enterprise Risk Management) Committee was established to further evaluate risk management operations, define qualitative and quantitative risk tolerance levels, and allocate resources effectively. This committee comprises the Chairman and two independent directors. At the operational level, the CFO leads the execution of risk management policies and procedures, including reviewing risk identification processes, managing risk control issues across strategic, financial, operational, and hazard-related risks, and addressing emerging risks that may impact company operations. The Risk Management Department is responsible for overseeing and auditing the effectiveness of risk management. The results of risk management activities and risk audits are reported to the Board at least once per year.

In 2024, the company integrated strategic and operational risks through a bottom-up and top-down risk identification and analysis approach to detect potential risk events. During the first quarter, plant and department-level managers identified 75 risk types, which were assessed based on frequency, impact, and control measures, ultimately selecting the top 10 high-priority risks. The executive management team then reviewed and validated the risk identification results, incorporating internal and external risk assessments, and finalized the company's top five critical risks and emerging risks. To ensure continuous monitoring and proactive management, 15 key indicators were established, aligning with annual business objectives to transform potential crises into opportunities. The report on the completion of risk training, monitoring management, and drills for 2024 was presented to the Sustainability and Risk Management Committee on November 21. In the next three years, apart from continuing to deepen our risk management across four major themes, we will also utilize the "3 Pillars" framework to review different operational risks.

2.3.6. Corporate governance – Implementation Status and Deviations from the Corporate governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
1. Has The Company formulated and disclosed Corporate governance Best-Practice Principles in accordance with the Corporate governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has a "Corporate governance Principles, which has relevant norms for protecting shareholders' rights and interests, strengthening the functions of the board of directors, giving full play to the functions of various functional committees of the board of directors, respecting the rights and interests of stakeholders, and enhancing information transparency. For The Company's Corporate governance Principles, please visit the Market Observation Post System (MOPS) or The Company's website.	No difference
2. The Company's equity structure and shareholders' rights and interests	(1) Has The Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implemented them according to the procedures?	✓	The Company has formulated the "Operational Measures for Handling Shareholders' Suggestions, Doubts, Disputes and Litigation Matters", set up a spokesperson and an deputy spokesperson system to ensure that information that may affect shareholders' decision-making can be disclosed in a timely and proper manner, and the stock affairs and Investor Relations are dedicated departments, and set up special mailboxes to handle shareholders' suggestions, doubts and disputes. The legal department shall properly handle the case that shareholders file a lawsuit according to law.	No difference
	(2) Does The Company know the major shareholders who actually control The Company and the list of the ultimate controllers of the major shareholders?	✓	Changes in the shareholding of directors, managers and major shareholders holding more than 10% of the shares of The Company are required to be reported to the Market Observation Post System (MOPS) on a monthly basis according to the law.	No difference
	(3) Does The Company establish and implement risk control and firewall mechanisms with related enterprises?	✓	The company has established regulations such as the "Procedures for Acquisition or Disposal of Assets," the "Subsidiary Management Guidelines," and the "Operational Guidelines for Financial and Business Transactions Among Related Parties" to implement firewall mechanisms and risk control measures for affiliated enterprises. These regulations cover management procedures for transactions such as procurement, sales, and the acquisition or disposal of assets. Additionally, significant transactions must be approved by the board of directors, obtain shareholder consent, or be reported accordingly. Based on operational management needs, the Board periodically reviews whether amendments to these regulations are necessary.	No difference
	(4) Does The Company have internal regulations to prohibit insiders from using undisclosed information in the market to buy and sell securities?	✓	The company has established the "Procedures for Handling Material Inside Information and Preventing Insider Trading" to strengthen the internal mechanisms for processing and disclosing material information. These procedures ensure that internal personnel exercise their duties with the care of a prudent manager and in good faith. The "Corporate governance Guidelines" stipulate that directors are prohibited from trading company stock during the blackout periods, which include 30 days before the annual financial report announcement and 15 days before each quarterly financial report announcement. For newly appointed directors and executives, the company conducts insider trading prevention training within one month of their appointment. Additionally, on June 1, 2022, the company provided a 0.5-hour compliance training session (including insider trading prohibitions) for all candidates of the 10th-term Board of Directors. The company arranges annual regulatory compliance promotion sessions (including insider trading prohibitions) for directors, all employees, and new hires. In 2024, the completion rate for directors was 100%, the number of new hires who attended the training was 1,236, and the completion rate for all employees was 99.5%.	No difference
3. Composition and Responsibilities of the board of directors	(1) Does the board of directors formulate diversification policies, specific management objectives and implement them?	✓	For the Company's Board Diversity Policy, please refer to pages 14-15 of this annual report.	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(2) Does The Company voluntarily set up other functional committees besides the remuneration committee and the Audit committee according to law?	✓		The company has voluntarily established the Corporate governance and nomination committee and the Sustainability & ERM Committee under the board of directors. For details on their operations, please refer to pages 33-37 of this annual report.	No difference
(3) Has The Company formulated the performance evaluation method for the board of directors, conducted performance evaluation every year and regularly, and reported the results of performance evaluation to the board of directors for reference in the salary and remuneration of individual directors and nomination for re-appointment?	✓		<ol style="list-style-type: none"> In accordance with the "Board Performance Evaluation Procedures" approved by the Board of Directors, the company conducts at least one internal performance evaluation annually and engages an independent external institution or a team of external experts and scholars for evaluation at least once every three years. For evaluation results, please refer to pages 26-28 of this annual report. According to Article 15 of the company's Articles of Incorporation, directors' remuneration shall not exceed 1% of the annual profit. The Compensation Committee and the board of directors determine directors' remuneration based on the company's performance, the "Remuneration Policy for Directors and Functional Committee Members," and the results of board performance evaluations. The internal evaluation results of the board of directors for 2024 were above standard. The 2024 directors' remuneration, as determined by the Compensation Committee and the board of directors, has been fully distributed in accordance with the "Remuneration Policy for Directors and Functional Committee Members." 	No difference
(4) Does The Company regularly evaluate the independence of certified public accountants?	✓		The Company's Audit committee annually evaluates the independence and suitability of the appointed certifying accountant based on Audit Quality Indicators (AQIs). The evaluation results are then submitted to the board of directors as a reference for the appointment of the accountant. For details, please refer to page 60 of this annual report.	No difference
4. Does The Company have an appropriate number of Corporate governance personnel, and appoint a Corporate governance supervisor to be responsible for Corporate governance-related matters (including but not limited to providing information required by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the board of directors and shareholders' meeting according to law, and making minutes of meetings of the board of directors and shareholders' meeting, etc.)?	✓		<p>The company's Corporate governance Officer is appointed by the board of directors and is responsible for overseeing and planning Corporate governance. Effective July 1, 2024, the Corporate governance Officer will be changed from Benjamin Tseng to David Chang. His qualifications comply with the requirements outlined in Article 3-1, Paragraph 1 of the Corporate governance Best Practice Principles for TWSE/TPEX Listed Companies. Although the Corporate governance Officer also serves as the Chief Financial Officer, he is able to effectively perform his duties while maintaining independence, with no conflicts of interest or violations of internal control regulations.</p> <p>The responsibilities of the Corporate governance Officer include:</p> <ol style="list-style-type: none"> Providing directors and the Audit committee with the necessary information and updates on relevant regulatory developments. Assisting directors and the Audit committee in complying with legal requirements. Reporting on Corporate governance operations to the Corporate governance and nomination committee and the board of directors on a regular basis. Reviewing and reporting to the Board on whether independent directors meet the relevant legal and regulatory requirements during their nomination, appointment, and tenure. Handling matters related to Board and shareholder meetings as required by law. Preparing minutes for Board and shareholder meetings. Assisting directors and committee members with onboarding and continuing education. Managing matters related to changes in Board members. Supporting the execution of other responsibilities assigned to the Board or its members as required by law or the company's Articles of Incorporation. <p>Key Corporate governance activities undertaken in 2024:</p> <ol style="list-style-type: none"> Convened 8 Board meetings, 8 Audit committee meetings, 3 Compensation Committee meetings, and 3 Corporate governance and nomination committee meetings. Held 1 annual general shareholders' meeting. Ensured that all Board members completed at least 6 hours of training per year during their tenure. 	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>4. Procured liability insurance for directors and key officers and reported the renewal status to the Board.</p> <p>5. Conducted internal performance evaluations of the Board and functional committees, with all evaluations for the Board, Audit committee, Compensation Committee, Corporate governance and nomination committee, Sustainability & ERM Committee, and individual members rated above standard.</p> <p>6. Conducted an external Board performance evaluation every three years; details can be found on pages 26-28 of this annual report.</p> <p>7. The Corporate governance Officer completed 12 hours of training in 2024; details of the training courses can be found on page 55 of this annual report.</p>	
5. Has The Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder area on The Company website, and properly respond to important corporate social responsibility issues that stakeholders are concerned about?	✓		The Company has a spokesperson system, and at the same time, it provides the latest news of The Company and the important achievements of corporate social responsibility issues through various ways and channels such as stakeholder areas, seminars, investor conference, industry-government-university consultation meetings, customer satisfaction surveys, mailboxes, and sustainable reports on The Company website.	No difference
6. Does The Company appoint a professional stock affairs agency to handle the shareholders' meeting?	✓		The Company appoints the stock affairs agency of Taishin Comprehensive Securities Co., Ltd. as The Company's stock affairs agency and handles the shareholders' meeting affairs.	No difference
7. Information disclosure				
(1) Does The Company set up a website to disclose financial, business and Corporate governance information?	✓		<p>1. Disclosure of financial information: The Company's Chinese and English websites have investor zones, which regularly update financial information and investor conference materials for investors' reference.</p> <p>2. Disclosure of business information: The Company's website is equipped with Company product introduction and technical description, providing real-time business information of various products, and uploading the latest business activities information for public reference at any time.</p> <p>3. Disclosure of Corporate governance information: The Company has a Corporate governance area, which includes: information about the board of directors and functional committees, performance evaluation of the board of directors and Corporate governance; in addition, The Company's policies and regulations and important documents are also placed on The Company's website.</p>	No difference
(2) Does The Company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of Company information, implementing the spokesperson system, and placing the process on The Company website)?	✓		<p>1. Designate a person to be responsible for the collection and disclosure of Company information: The collection and disclosure of The Company's information are carried out by designated personnel, and the latest and correct information of The Company is irregularly disclosed to the public through press releases or major messages.</p> <p>2. Implement the spokesperson system: David Chang, Chief Financial Officer, is the spokesperson of The Company, and Lydia Tsai, Director of the Corporate governance Department, is the deputy spokesperson.</p> <p>3. The investor conference will be placed on The Company website: The Company holds quarterly investor conferences in either physical or teleconference formats. Recordings and presentation materials from these investor conferences are made available in the Investor Relations section of the company's website for public access. In addition to being published in the Investor Relations section, financial and operational information disclosed during these conferences is also submitted to the Market Observation Post System (MOPS) in accordance with the regulations of the stock exchange.</p>	No difference
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial reports of the first, second and third quarters and the operating conditions of each month before the prescribed deadline?	✓		The Company's financial reports are reviewed and approved by the Audit committee before being submitted to the board of directors for discussion and resolution. The consolidated and parent company only financial reports for 2024 were presented to the Audit committee and the board of directors in February 2025, approved, and subsequently announced and reported on February 27, 2025. Additionally, the financial reports for the first, second, and third quarters of 2024, along with monthly revenue updates, were disclosed and filed on the Market Observation Post System (MOPS) within the required deadlines and simultaneously uploaded to the Company's website.	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons	
	Yes	No	Summary		
8. Does The Company have any other important information that helps to understand the operation of Corporate governance?	(1) Employee rights and interests	✓		The Company has always upheld the philosophy of respecting human dignity and caring for employees as a fundamental aspect of its business philosophy. Various employee benefit programs have been developed, and a Welfare Committee composed of company employees has been formed to oversee these initiatives. For details on employee rights and benefits, please refer to Section 4 of the annual report under "Operational Overview – Labor Relations." (pages 81-85)	No difference
	(2) Employee care	✓			No difference
	(3) Investor relations	✓		The Company appoints a special person to be responsible for immediately announcing information about finance, business, changes in insider's shareholding, etc. on the public information observatory in accordance with relevant regulations. The Company's website also has an investor area, so as to achieve openness and transparency of information.	No difference
	(4) Supplier relations	✓		The company has established a supplier audit and evaluation process, which assesses suppliers based on product quality, design, cost, green products, environmental health and safety risks, ethical standards, and social responsibility. Relevant internal departments conduct regular reviews, and only those suppliers that pass the evaluation are eligible for collaboration. To enhance communication with suppliers, the company has implemented a reporting system for violations of business ethics (http://integrity.ab1.auo.com) as a communication and grievance channel. Additionally, through the Supplier Relationship Management (SRM) system, which includes demand-supply modules, BCP monitoring, and the ePO order process, the company achieves comprehensive communication for inventory management, risk control, and efficiency improvement. This integrated platform ensures transparency and enhances communication efficiency between both parties.	No difference
	(5) Rights of stakeholders	✓		The Company sets up different and diversified interaction modes for different stakeholders, and discloses them in the sustainability report every year; in addition, at the beginning of each year, the communication with various stakeholders is reported to the board of directors so that the board of directors can understand the voices of stakeholders.	No difference
	(6) Directors' further education.	✓		1. The company has complied with the Taiwan Stock Exchange Corporation's "Guidelines for the Continuing Education of Directors and Supervisors of Listed and OTC Companies." For details, please refer to the "2024 Directors' Continuing Education" section (Pages 53-54). 2. For information regarding executives' continuing education, please refer to the "2024 Senior Management Participation in Corporate governance and Related Training Programs" section (Pages 54-55).	No difference
	(7) The implementation of risk management policies and risk measurement standards.	✓		Please refer to the annual report, Section 5: "Review of Financial Status and Performance Review and Risk Factors" (Pages 89-96).	No difference
	(8) Implementation of customer policies	✓		The Company has always valued close connections with customers and is committed to establishing mutually beneficial and win-win cooperative relationships. During daily operations, we continuously communicate with customers to ensure that products and planning align with the interests of both parties. We also conduct regular customer satisfaction surveys to gain a deeper understanding of customer needs. The company places great importance on customer feedback, promptly taking action to respond, and continuously investing in employee training and skill development to enhance product reliability and quality. Moreover, we uphold a professional approach, striving to improve customer experiences and aiming to boost customer satisfaction and loyalty through excellent service levels. In terms of social responsibility, we proactively participate in customer-related initiatives and actively introduce new sustainability concepts, integrating them into our Corporate Social Responsibility Principles and overall company management systems. Through these efforts, we hope to create greater value for society while advancing within the Transformation Process of the business. We aim to realize the concept of sustainable co-prosperity, contributing to Operational Resilience alongside our customers and the community.	No difference
	(9) Buying liability insurance for directors.	✓		The Company has purchased liability insurance for directors and executives, regularly assessing the insured amount each year and reporting the renewal status to the board of directors. The insured amount, coverage, and premium rates for the renewed liability insurance were presented to the Board on October 31, 2024. For details on the insurance coverage, please refer to the "Directors' Liability Insurance" section on the Market Observation Post System (MOPS).	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>9. Succession Planning and Operation of Board Members and Key Management Positions.</p> <p>The Company has established a board diversity policy, with the Corporate governance and nomination committee responsible for defining the necessary professional knowledge, skills, experience, gender representation, and independence criteria required for board members. Based on these standards, the committee identifies, reviews, and nominates director candidates. Additionally, considering the Company's scale, business nature, strategic development, and transformation plans, the committee formulates director training programs, periodically reviews the number of directors and their qualifications, and references board performance evaluations to develop succession plans and select potential candidates.</p> <p>The Company has also established a Talent Development Committee, which holds regular meetings to assess succession planning and talent development for key management positions. Individual development plans are designed based on personal capabilities and job requirements, including participation as board members in external industry associations, training programs, job rotations, and mentoring programs. These initiatives aim to enhance the management team's leadership and business acumen.</p> <p>Serving as board members in external industry associations allows executives to expand their professional networks and communication channels. In addition to internal training courses, the Company collaborates with reputable external institutions to broaden the leadership team's perspectives. To cultivate diverse and multifaceted strategic perspectives, the Talent Development Committee designs management-level rotational programs aligned with organizational needs. The mentoring system further supports newly appointed executives, ensuring that future leaders gain a comprehensive understanding of corporate strategy through structured cross-functional training and hands-on learning experiences. Moreover, the Company appoints key management personnel as board members in its investment subsidiaries, enabling them to familiarize themselves with board operations and contribute to shaping the long-term strategic direction and vision of both the Company and its affiliates. Under the authorization of the Board, the Corporate governance and nomination committee diligently oversees succession planning for senior executives at the level of General Manager and above. The committee regularly evaluates the progress and execution of these plans, submitting recommendations to the Board for discussion and decision-making.</p>				
<p>10. Please explain the improvement of the Corporate governance evaluation results released by the Corporate governance Center of Taiwan Stock Exchange Corporation in the latest year, and put forward the priority and measures for those that have not been improved:</p> <p>(1) Corporate governance</p> <p>A. The Company is committed to sustainable development, aligning with international benchmarks, and fulfilling its ESG commitments. In 2024, the Company was selected for the 14th consecutive year as a constituent of the Dow Jones Sustainability Indices (DJSI) World, demonstrating outstanding sustainability competitiveness in the global electronic equipment and instruments sector.</p> <p>B. The Company has been ranked in the top 5% in the Corporate governance Evaluation conducted by the Taiwan Stock Exchange for the ninth consecutive year. For the 11th evaluation (covering 2024), the results have not yet been announced as of the date of this annual report.</p> <p>C. The board of directors has approved the establishment of the Corporate governance and nomination committee, composed of the Chairman and all independent directors. This committee aims to establish a robust Corporate governance framework, oversee, appoint, and guide management, strengthen governance functions, and achieve the Company's long-term sustainability goals.</p> <p>(2) Energy Management and Investment in Energy-Efficient Equipment [Sustainability Unit]</p> <p>The Company was the first manufacturing enterprise globally to adopt the ISO 50001 Energy Management System. Each year, the Company implements hundreds of energy efficiency improvement projects. The estimated annual electricity savings for 2024 are 184 million kWh, compared to 138 million kWh in 2023.</p> <p>(3) Environmental Management [Sustainability Unit]</p> <p>The Company has long implemented the ISO 14001 Environmental Management System, ensuring environmental sustainability and meeting stakeholder expectations through continuous improvement mechanisms. This includes implementing water-saving technologies in production, promoting sludge waste reduction projects, enhancing material recycling, supporting government policies on reclaimed water use, and collaborating with suppliers for environmental sustainability.</p> <p>A. Greenhouse Gas Emissions</p> <p>Since 2003, the Company has conducted global greenhouse gas emissions inventories at its manufacturing sites following ISO 14064 standards, undergoing third-party verification and transparent disclosure. In 2010, a digital platform was introduced to systematically manage organizational greenhouse gas emissions. In 2021, the Company set science-based targets approved by the Science Based Targets initiative (SBTi), committing to a 25% absolute reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2025 (compared to 2018 levels of 3.5688 million metric tons CO₂e). In 2024, the Company further aligned with the Paris Agreement, setting targets to reduce Scope 1 and Scope 2 emissions by 42% and Scope 3 emissions by 25% by 2030, with SBTi approval.</p> <p>In 2024, the Company's global greenhouse gas emissions included 60.9 thousand metric tons of direct emissions (Scope 1), 2.2252 million metric tons of indirect emissions from energy consumption (Scope 2), and 4.63 million metric tons of other indirect emissions (Scope 3). Compared to the previous year, direct emissions decreased by 6.0 thousand metric tons CO₂e, and indirect emissions from energy consumption decreased by 135.9 thousand metric tons CO₂e. The total emissions from Scope 1 and Scope 2 amounted to 2.2861 million metric tons CO₂e, achieving 144% of the 2025 absolute reduction target, with a continued commitment to making improvements in organizational absolute carbon reduction. The greenhouse gas emissions data of AUO are verified by DNV according to ISO 14064-1: 2018.</p> <p>B. Water Resources</p> <p>To mitigate risks from climate change-induced droughts or heavy rainfall, the Company assesses water resource risks and develops water-saving technologies. The target for 2024 was to reduce total tap water consumption to below 64,000 cubic meters per day. The Company successfully achieved this goal, with total plant water consumption of 23.78 million cubic meters and an average daily tap water consumption of 54,662 cubic meters, reaching a 100% target completion rate. AUO will continue to strive for absolute water reduction in the future. The water resource usage data are assured by KPMG in accordance with ISAE 3000 with limited assurance.</p> <p>C. Waste Management</p> <p>The Company prioritizes waste reduction at the source (Reduce), reuse in manufacturing processes (Reuse), and recycling (Recycling) before resorting to incineration or landfill disposal. The 2024 target for non-recyclable waste generation was set below 8,700 metric tons. In 2024, AUO Corporation' total non-reusable waste across all plants amounted to 6,044 metric tons, including 1,947 metric tons of non-reusable hazardous waste. The waste recycling rate reached 91.44%, achieving a target attainment rate of 100%. Moving forward, the company will continue to enhance efforts aimed at absolutely reducing the annual generation of non-reusable waste. AUO Corporation' historical waste data has been verified by KPMG in accordance with ISAE 3000 (limited assurance).</p>				

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(4) Green Energy Investments			<p>AUO Energy is dedicated to promoting green energy that harmonizes with daily life. Grounded in the net-zero principles of "people-centered," "beginning with the end in mind," "planning for the future," and "aligning with international standards," the company actively invests in various types of solar photovoltaic (PV) project development, construction, and operation and maintenance services. Since 2011, AUO Energy has established 424 power plants across Taiwan, with a cumulative installed capacity of 524 MW, which encompasses high-standard industrial facilities, agriculture and livestock operations, parking structures, and ground-mounted projects across diverse applications. In light of international circumstances and political and economic factors, the growth of new solar PV installations has slowed, with an expected capacity of 10 MW for the year 2024, including 6.5 MW from rooftop installations and 3.5 MW from ground-mounted projects. The company will continue to accelerate Taiwan's energy transition and promote energy security and sustainable development through its professional and robust service capabilities.</p> <p>As of the end of 2024, the total investment in Star River Energy Corp. and Star Shining Energy Corporation has reached NT\$2.9 billion. In 2024, Star River Energy Corp. undertook a capital reduction of NT\$40 million and Star Shining Energy Corporation conducted a capital increase of NT\$330 million. The cumulative investment in Da Ping Green Energy solar power company has reached NT\$1.69 billion, with a capital increase of NT\$740 million in 2024. In 2024, AUO's Taiwan facility primarily relies on CPPA, signing a contract for a total of 232 MW of solar installations, which will utilize over 100 million kWh of green electricity. The mainland facility has proposed a direct green electricity supply demand with the local power company and is expected to receive over 100 million kWh of direct green electricity supply in 2024. They purchased 30 million kWh of green electricity certificates verified by the China Renewable Energy Information Management Center through GECs. Additionally, self-generated solar energy exceeded 60 million kWh. In total, AUO's green electricity usage in 2024 has surpassed 290 million kWh.</p>	
(5) Flexible Capital Utilization for Sustainable Development and Value Creation			<p>The Company actively participates in the following sustainable finance initiatives and secured NT\$40 billion in financing in 2024, including green deposits:</p> <p>A. Sustainability-Linked Loans Sustainability-linked loans use sustainability performance ratings from independent third-party institutions as interest rate benchmarks. In 2024, the Company partnered with Bank of Taiwan, First Bank, and 16 other financial institutions to sign a sustainability-linked syndicated loan agreement. This agreement integrates renewable energy procurement and related certification, supporting sustainable development and environmental protection goals. The collaboration reflects the banking sector's recognition of the Company's business philosophy and sustainability strategy, providing tangible financial support for its growth.</p> <p>B. Green Deposits Green deposits are bank deposits designated for funding renewable energy and energy technology development, energy efficiency improvements, pollution prevention and control, and water conservation or recycling projects. Banks provide periodic reports verified by third-party institutions on fund allocation and usage. In 2024, the Company engaged in green deposit initiatives with Kaohsiung Bank, collaborating with financial institutions to advance green transformation and sustainable operations.</p>	

Note 1: The Company is the main body of the operation.

2.3.7. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation items	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Does The Company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by the senior management, and the situation is supervised by the board of directors?	✓		Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference
2. Does The Company conduct risk assessment on environmental, social and Corporate governance issues related to The Company's operation according to the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	✓		Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference

Evaluation items	Implementation status (Note 1)		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
3.Environmental issues	(1) Does The Company establish an appropriate environmental management system according to its industrial characteristics?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference
	(2) Is The Company committed to improving energy efficiency and using recycled materials with low impact on the environmental load?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference
	(3) Does The Company assess the potential risks and opportunities of climate change to the enterprise at present and in the future, and take corresponding measures for climate-related issues?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 98-109) For detailed information, please refer to the Company's Task Force on Climate-related Financial Disclosures (TCFD) report.	No difference
	(4) Has The Company made statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108) For a detailed explanation of the annual results on greenhouse gas emissions, water resource management, and waste reduction related to climate change, as well as the achievement of environmental targets and relevant data, please refer to Chapter 3: Environmental Sustainability in the Company's Sustainability Report.	No difference
4.Social issues	(1) Does The Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference
	(2) Does The Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect the operating performance or achievements in employee compensation?	✓	Please refer to Chapter 4: Operational Highlights and Chapter 6: Corporate Sustainability in this annual report (pages 81-83 and 97-108).	No difference
	(3) Does The Company provide a safe and healthy working environment for employees, and conduct regular safety and health education for employees?	✓	Please refer to Chapter 4: Operational Highlights and Chapter 6: Corporate Sustainability in this annual report (pages 83-84 and 97-108).	No difference
	(4) Does The Company establish an effective career development training plan for employees?	✓	Please refer to Chapter 4: Operational Highlights and Chapter 6: Corporate Sustainability in this annual report (pages 81-83 and 97-108).	No difference
	(5) Does The Company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect consumers' or customers' rights and interests?	✓	Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference

Evaluation items	Implementation status (Note 1)		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
(6) Has The Company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health or labor human rights, and its implementation?	✓		Please refer to Chapter 6. Corporate Sustainability of this annual report. (Pages 97-108)	No difference
5. Does The Company refer to internationally accepted reporting standards or guidelines to prepare reports that disclose The Company's non-financial information, such as sustainability reports? Did the previous report obtain the conviction or guarantee opinion of the third-party verification unit?	✓		Since the publication of its first Corporate Social Responsibility (CSR) report in 2006, the Company has adopted global reporting standards, including the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) industry-specific metrics, and the Task Force on Climate-related Financial Disclosures (TCFD) framework since 2017. These guidelines serve as the foundation for reporting the Company's economic, environmental, and social strategies and activities to stakeholders. The report has been independently verified by KPMG, and since 2016, the Company has voluntarily adopted the ISAE 3000 assurance standard for limited assurance, enhancing both the transparency of the report and the accuracy of internal operations.	No difference
6. If the Company has established its own Sustainable Development Guidelines in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its implementation and any differences from the prescribed principles: The Company has formulated its Sustainable Development Guidelines, which include relevant regulations covering environmental protection, community engagement, social contributions, public welfare, customer rights, human rights, occupational safety and health, among other aspects. These guidelines can be downloaded from the Company's website at https://csr.auo.com/tw/operating/policy-person . For details regarding the Company's corporate sustainability strategy and implementation, please refer to Section 6: Corporate Sustainability Development (Pages 97-108) of this annual report and the Company's Sustainability Report.				
7. Other important information that is helpful to understand the implementation of promoting sustainable development: Please refer to Chapter 5. Corporate Sustainability (Pages 97-108), or refer to the sustainable information on our website at https://csr.auo.com/ .				

Note 1: The Company is the main body of the operation.

Note 2: The principle of materiality refers to issues related to environment, society and Corporate governance that have a significant impact on Company investors and other stakeholders

Implementation of Climate-Related Information

Item	Implementation status																													
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The risk management organization of AUO is led by the board of directors as the highest management and decision-making unit. Each year, the execution results are reported to the directors at the board of directors meeting or strategy meeting, including an explanation of climate change issues. The risk governance of the Sustainability & ERM Committee of AUO is led by the CFO, who is responsible for executing the risk management policy approved by the board of directors and managing the key risk issues of the organization.</p>																													
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Please refer to AUO's climate-related financial disclosure report (TCFD report) Website : https://csr.auo.com/tw/download/file/2023-tcdf-report</p> <table border="1" data-bbox="561 491 1406 1415"> <thead> <tr> <th data-bbox="561 491 683 512">Aspect</th> <th data-bbox="683 491 815 512">Term</th> <th data-bbox="815 491 1166 512">Risks</th> <th data-bbox="1166 491 1406 512">Opportunities</th> </tr> </thead> <tbody> <tr> <td data-bbox="561 512 683 761" rowspan="3">Business</td> <td data-bbox="683 512 815 566">Short term</td> <td data-bbox="815 512 1166 566">Disruption of organization and supply chain operations</td> <td data-bbox="1166 512 1406 761" rowspan="3">Develop green solutions, such as green manufacturing, green energy, and green products.</td> </tr> <tr> <td data-bbox="683 566 815 640">Medium term</td> <td data-bbox="815 566 1166 640">Transformation risks such as laws, product standards, and carbon finance</td> </tr> <tr> <td data-bbox="683 640 815 761">Long term</td> <td data-bbox="815 640 1166 761">The transformation of products and services towards low carbon and the establishment of necessary infrastructure conditions</td> </tr> <tr> <td data-bbox="561 761 683 1076" rowspan="3">Strategy</td> <td data-bbox="683 761 815 906">Short term</td> <td data-bbox="815 761 1166 906">Operational resilience preparation required for net zero transition (SSP1-1.9) and extreme entity (RCP8.5) scenarios, including SBT and RE100</td> <td data-bbox="1166 761 1406 906">Actively negotiate with clients and jointly develop green products.</td> </tr> <tr> <td data-bbox="683 906 815 959">Medium term</td> <td data-bbox="815 906 1166 959">Use of renewable energy and low carbon technology capabilities</td> <td data-bbox="1166 906 1406 1076" rowspan="2">Seize key strategic opportunities for net zero in the public sector and develop and deepen ecosystem partnerships.</td> </tr> <tr> <td data-bbox="683 959 815 1076">Long term</td> <td data-bbox="815 959 1166 1076">Arrange solutions under the transformation/physical risk</td> </tr> <tr> <td data-bbox="561 1076 683 1415" rowspan="3">Finance</td> <td data-bbox="683 1076 815 1247">Short term</td> <td data-bbox="815 1076 1166 1247">The need to internalize climate external costs</td> <td data-bbox="1166 1076 1406 1247">Under the investment in low-carbon transformation, the technologies, tools, and services needed by the industry.</td> </tr> <tr> <td data-bbox="683 1247 815 1300">Medium term</td> <td data-bbox="815 1247 1166 1415" rowspan="2">The impact on operating costs due to external regulations such as carbon fees, international carbon border adjustment taxes, etc.</td> <td data-bbox="1166 1247 1406 1415" rowspan="2">Stable development and creation of high-value green solutions.</td> </tr> <tr> <td data-bbox="683 1300 815 1415">Long term</td> </tr> </tbody> </table>	Aspect	Term	Risks	Opportunities	Business	Short term	Disruption of organization and supply chain operations	Develop green solutions, such as green manufacturing, green energy, and green products.	Medium term	Transformation risks such as laws, product standards, and carbon finance	Long term	The transformation of products and services towards low carbon and the establishment of necessary infrastructure conditions	Strategy	Short term	Operational resilience preparation required for net zero transition (SSP1-1.9) and extreme entity (RCP8.5) scenarios, including SBT and RE100	Actively negotiate with clients and jointly develop green products.	Medium term	Use of renewable energy and low carbon technology capabilities	Seize key strategic opportunities for net zero in the public sector and develop and deepen ecosystem partnerships.	Long term	Arrange solutions under the transformation/physical risk	Finance	Short term	The need to internalize climate external costs	Under the investment in low-carbon transformation, the technologies, tools, and services needed by the industry.	Medium term	The impact on operating costs due to external regulations such as carbon fees, international carbon border adjustment taxes, etc.	Stable development and creation of high-value green solutions.	Long term
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<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>AUO conducts an annual assessment of potential climate risks, having evaluated and managed 15 risk topics over the years. The following three cases illustrate past evaluations:</p> <ul style="list-style-type: none"> ● Case 1: Impact of Raw Material Price Increases on the Supply Chain Global energy price fluctuations and carbon reduction policies may lead to raw material supply disruptions and rising costs. AUO selected a key chemical material to assess potential financial impacts. In the short term, rising raw material prices are estimated to impact company revenue by 3.3%. ● Case 2: Market Demand Shifts Due to Low-Carbon Trends Failure to meet customer demand for low-carbon products could result in reduced profitability and market competitiveness. After a comprehensive evaluation of market demand, production costs, and profit losses, AUO adopted new technologies, reducing the financial impact from 25% to 12.5%. ● Case 3: Impact of China's Carbon Reduction Policies on the Supply Chain Structural and energy policy adjustments in China may disrupt industrial operations, affecting AUO's subcontractors and suppliers in the region, leading to supply shortages and cost increases. AUO simulated a scenario where a key outsourced process experiences a one-month production disruption per year, with the associated increase in electricity costs and production expenses leading to an estimated 0.6% impact on revenue. 																													

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In 2019, AUO established the foundational framework for TCFD (Task Force on Climate-related Financial Disclosures) operations and formed a dedicated TCFD task force. The following year, AUO integrated the TCFD mechanism into its annual risk identification process. Site-level managers jointly reviewed climate-related issues relevant to the company's operations. After classification and refinement, key annual risk topics were identified and incorporated into the annual TCFD risk project management plan. The task force is responsible for overseeing and tracking subsequent management actions.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	This content should be incorporated into Point 3: "Financial Impacts of Extreme Climate Events and Transition Actions" for a comprehensive explanation.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>AUO adopts the most stringent scenarios in assessing both transition and physical risks as part of its adaptation strategy. Risks are identified and quantified based on five key categories: personnel, machinery, materials, regulations, and environment.</p> <ul style="list-style-type: none"> ● Physical Risk Scenario AUO applies the severe climate deterioration scenario, RCP 8.5. According to AUO's analysis, excessive rainfall could potentially cause the lower-lying factory areas to flood due to severe rain, disrupting operations. Uneven rainfall distribution could impact production activities, which require substantial water consumption, potentially causing operational interruptions or increased costs. Additionally, climate-induced warming may destabilize power grids, further affecting production continuity. ● Transition Risk Scenario AUO aligns its transition risk scenario with Taiwan's "2050 Net-Zero Emissions Pathway and Strategy," international climate regulations, stakeholder expectations, and net-zero commitments, using these factors as the foundation for setting its transition targets.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Since the Paris Agreement took effect in 2016, AUO has implemented an internal carbon pricing mechanism, converting the carbon costs derived from external climate regulations into an internal carbon price. This price is reviewed and adjusted annually in alignment with global carbon price trends, serving as a foundation for assessing operational impacts under the TCFD management framework. In addition to considering international carbon market prices, AUO incorporates the influence of government policies, such as the Climate Change Response Act and carbon fee mechanisms, into its estimates. In 2024, AUO announced an internal carbon price of NT\$ 6,999 per metric ton.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<ul style="list-style-type: none"> ● 6.5 Million Ton Carbon Reduction Target In 2018, AUO set a carbon reduction target based on a life cycle approach, continuously reducing carbon emissions across four key areas: organization, products, supply chain, and raw materials (including Scope 1, 2, and 3 emissions). As of 2024, AUO has achieved a cumulative reduction of 13.29 million metric tons of CO₂e, surpassing the original target ahead of schedule. ● SBT Absolute Carbon Reduction Target of 25% Under the Well Below 2°C (WB2C) scenario, AUO set a goal to achieve a 25% absolute reduction in carbon emissions by 2025, using 2018 as the baseline. The 2024 carbon reduction trajectory aligns with the planned target. ● RE100 Commitment AUO has committed to using 30% renewable energy by 2030 and achieving 100% renewable energy usage by 2050. In 2024, AUO reached RE 6.53, with a total of 198.96 million kWh of renewable electricity supplied. Rooftop solar power plants maintained their existing capacity, generating 62.58 million kWh for self-consumption. Additionally, AUO purchased 300 million kWh of green energy certificates (GECs) verified by the China Renewable Energy Information Center.
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	Please refer to the information below in sections 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status of the recent two years

Emission Source (Note1)	Company	Parent/Subsidiary Company	Total emissions (Metric tons CO ₂ e)			Intensity (Metric tons CO ₂ e / NT\$ 1 million)	
			2024	2023	Assurance body	2024	2023
Scope 1	AUO Corporation	Parent Company	42,018.47	51,350.45	DNV (2024 emissions are under verifying. Please refer to AUO Corporation's Sustainability Report for final confirmed results.)	0.19	0.24
	AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary Company	8,791.12	8,135.39		0.40	0.38
	AUO (Xiamen) Co., Ltd. (AUOXM)	Subsidiary Company	2,444.86	1,931.96		0.05	0.04
	AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary Company	7,518.78	2,608.20		0.17	0.06
	AFPD Pte. Ltd.	Subsidiary Company	0.03	2,691.61		0.01	0.70
	AUO (Slovakia) s.r.o.(AUOSK)	Subsidiary Company	87.79	91.58		0.57	0.55
	AUO (Vietnam) Company limited	Subsidiary Company	19.41	-		0.02	-
	AUO Corporation America	Subsidiary Company	-	-		-	-
	AUO Corporation Japan	Subsidiary Company	1.35	-		0.01	-
	AUO Korea Ltd.	Subsidiary Company	4.49	-		0.04	-
Scope 2	AUO Corporation	Parent Company	1,870,864.35	1,925,571.12	DNV (2024 emissions are under verifying. Please refer to AUO Corporation's Sustainability Report for final confirmed results.)	8.36	8.97
	AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary Company	222,188.01	230,535.22		10.19	10.69
	AUO (Xiamen) Co., Ltd.(AUOXM)	Subsidiary Company	48,283.92	57,660.76		0.95	1.26
	AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary Company	74,622.89	79,704.15		1.68	1.94
	AFPD Pte. Ltd.	Subsidiary Company	5,879.31	67,541.26		2,013.47	17.60
	AUO (Slovakia) s.r.o.(AUOSK)	Subsidiary Company	31.52	43.22		0.21	0.26
	AUO (Vietnam) Company limited	Subsidiary Company	3,183.91	-		3.37	-
	AUO Corporation America	Subsidiary Company	86.22	-		0.14	-
	AUO Corporation Japan	Subsidiary Company	28.32	-		0.23	-
	AUO Korea Ltd.	Subsidiary Company	9.82	-		0.08	-
Scope 3			2,169,995	4,639,272.77			
Total			6,925,337.36	7,341,182.10			

[Det Norske Veritas, abbreviated as DNV, complies with the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEx Listed Companies".]

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), indirect energy emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and Other indirect emissions (Category 3, i.e. emissions generated by company activities, are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and indirect energy emissions data shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the Standards for Matters to Be Recorded in the annual

reports of Publicly Issuing Companies. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or sales, but at least the data calculated by sales (in millions of NTD) must be stated.

Note 5: AUO's directly-affiliated manufacturing plants and operating locations are included in Scope 1 and 2, while other subsidiaries are included in Scope 3 investment project emissions.

Information of Greenhouse Gas Assurance Status

(Describe the assurance situation for the two most recent fiscal years up to the date of the annual report printing, including the scope of assurance, assurance body, assurance standards, and assurance opinions)

- In 2024, the company disclosed that the total greenhouse gas emissions from direct and energy indirect emissions summed up to 2.2861 million metric tons of CO₂ equivalent (accounting for 100% of total emissions).
- In 2023, the company disclosed that the total greenhouse gas emissions, including both direct emissions and energy indirect emissions, totaled 2.428 million metric tons of CO₂ equivalent (accounting for 100% of total emissions).
- The above information has been verified according to ISO 14064-3 standards by DNV and completed ISO 14064-1 verification with reasonable level of assurance.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

(Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.)

AUO has set its carbon reduction targets based on the Science-Based Targets initiative (SBTi). After initially achieving the first-phase WB2C scenario target of a 25% absolute reduction in emissions from 2018 to 2025, AUO has further aligned with the Paris Agreement's goal of limiting global temperature rise to 1.5°C. In 2024, the company set new targets to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% and Scope 3 emissions by 25% by 2030, which have been validated by SBTi.

As a major emitter in Taiwan, AUO has long implemented GHG reduction strategies and measures in response to global low-carbon transition trends. Notably, direct emissions (Scope 1) have been reduced to a low proportion of just 2.66% of the company's total carbon emissions, primarily from the use of low-carbon natural gas. Additionally, AUO achieved a 100% installation rate of destruction equipment for specialty fluorinated gases in 2014. Moving forward, the company's mid- to long-term carbon reduction strategy will focus on Scope 2 emissions.

According to the International Energy Agency's (IEA) latest Net Zero Roadmap 2023, increasing renewable energy capacity and improving energy efficiency are key to reducing fossil fuel demand. Given Taiwan's limited green energy infrastructure, corporate energy efficiency improvements are even more critical. AUO has implemented the ISO 50001 energy management system for over a decade, leveraging key smart manufacturing technologies. The company has set an ambitious goal to reduce absolute electricity consumption by 30% by 2030, compared to the 2021 baseline year.

Beyond electricity reduction efforts, AUO is also a member of the RE100 initiative, committing to using 30% renewable energy by 2030 to strengthen its overall Scope 2 decarbonization efforts. In addition to self-generated solar power from rooftop installations, the company has invested in renewable energy through Corporate Power Purchase Agreements (CPPAs) and procured renewable energy certificates for overseas facilities. As a result, its total renewable energy usage (including certificates) has reached 6.53%.

Under these energy-saving and carbon reduction measures, AUO's total verified carbon emissions in 2024 decreased to 2.2861 million metric tons, achieving the first-phase SBT reduction target ahead of schedule.

Note 1: The Company shall comply with the timeline stipulated in the regulations under Paragraph 2, Article 10 of the "Regulations Governing the Preparation of annual reports of Public Companies."

Note 2: The baseline year should be the year in which the consolidated financial report boundary is completed for verification. For example, according to the regulations under Paragraph 2, Article 10 of the "Regulations Governing the Preparation of annual reports of Public Companies," companies with a capital of NT\$10 billion or more must complete the verification of their 2024 consolidated financial report by 2025, making 2024 the baseline year. However, if a company has completed the verification earlier, it may use the earlier year as the baseline year. Additionally, the baseline year data may be calculated based on a single year or an average of multiple years.

2.3.8. Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons	
	Yes	No	Summary description		
1. Formulating policies and plans for integrity operation.	(1) Has The Company formulated an integrity management policy approved by the board of directors, and clearly stated the policies and practices of integrity management in the regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the business policy?	✓		The "Code of Integrity Management" published on The Company's website is an integrity management policy adopted by the board of directors. The Company has also formulated a corporate integrity manual, and all board members and employees are required to sign the "Declaration of Integrity". Additionally, the Company regularly reports the effectiveness of the code to the board of directors each year and publicly discloses the results of integrity management for that year through the annual report and Sustainability Report.	No difference
	(2) Does The Company establish an assessment mechanism for the risk of dishonest behavior, regularly analyze and assess the business activities with high risk of dishonest behavior within its business scope, and formulate a plan to prevent dishonest behavior based on this, which at least covers the preventive measures for the behaviors in Article 7, Paragraph 2, of the Code of Integrity for Listed and OTC Companies?	✓		The Company has established an assessment mechanism for the risk of dishonest behavior, and stated the following preventive measures for dishonest behavior in the Corporate Integrity Manual: <ul style="list-style-type: none"> • Bribery or accepting bribes, offering or accepting illegitimate benefits • Providing illegal political donations • Improper charitable donations or sponsorship • Unreasonable gifts, entertainment or other improper advantages • Violating antitrust compliance • Infringing upon intellectual property rights And in the "Information Security Management Regulations" approach, preventive measures are drawn up against infringement of business secrets.	No difference
	(3) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		The Company regularly analyzes and evaluates business activities with a higher risk of dishonest behavior within its business scope, conducts job inventory and arranges mandatory training courses on law compliance for supervisors, and abides by the necessary norms when dealing with related businesses at work. Those who violate the Corporate integrity policy will be punished according to the severity of the offense, including warnings, minor infractions, major infractions, salary reduction or dividend cancellation, termination of employment. Legal actions will also be taken as per relevant law in case of violations. Furthermore, individuals who violate the integrity policy and are involved in obtaining illegitimate personal benefits shall be required to return any such benefits to the affected party or the Company.	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons	
	Yes	No	Summary description		
2. The implementation of integrity management	(1) Does The Company evaluate the integrity record of the counterparty, and specify the terms of integrity behavior in the contract signed with the counterparty?	✓		The Company requires all contract manufacturers to sign the "integrity clause" before they can file their data and conduct transactions.	No difference
	(2) Does The Company set up a special unit under the board of directors to promote the integrity operation of enterprises, and regularly (at least once a year) report to the board of directors on its integrity operation policy, dishonest behavior prevention plan and supervision and implementation?	✓		In order to improve the management of honest business, the Human Resources Center is responsible for formulating and supervising the implementation of honest business plans and reporting the implementation of honest business policies to the board of directors at least once a year, taking inventory of positions sensitive to ethical practices every year, conducting education and training and declaring conflicts of interest. At the annual supplier meeting, The Company publicizes its commitment to honest trading, and confirms whether the key manufacturers meet the specifications through the external audit system of the responsible business alliance (RBA). In 2024, the implementation of integrity management included promoting contractors' commitment to ethical transactions and obtaining signatures on the Code of Conduct from a total of 1,039 suppliers. Additionally, integrity compliance audits were conducted for 58 suppliers. The completion rate for new employees in corporate integrity training courses and the signing of integrity declarations reached 100%.	No difference
	(3) Does The Company formulate policies to prevent conflicts of interest, provide appropriate channels for statements, and implement them?	✓		To ensure the effective implementation of the conflict of interest regulations outlined in the Corporate Integrity Handbook and to prevent any potential harm to the company due to conflicts of interest, AUO has established the "AUO Conflict of Interest Declaration Guidelines." These guidelines require designated integrity-related personnel and global managers to submit annual declarations while also allowing employees to voluntarily declare by employees. In 2024, a total of 2,887 individuals completed the declaration.	No difference
	(4) Has The Company established an effective accounting system and internal control system for the implementation of honest operation, and the internal audit unit has drawn up relevant audit plans based on the assessment results of dishonest behavior risks, so as to check the compliance of the scheme for preventing dishonest behavior, or has entrusted an accountant to carry out the audit?	✓		The Company has an "internal control system". The internal audit unit regularly evaluates risks and draws up an audit plan, carries out relevant audits according to the plan, and carries out special audits as necessary, and regularly reports the audit results to the Audit committee and the board of directors, so that the management can understand the implementation of The Company's internal control and achieve management objectives.	No difference

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(5) Does The Company regularly hold internal and external education and training on integrity management?	✓		In 2024, AUO conducted corporate integrity training programs for directors, all employees, and newly hired personnel to enhance awareness and prevention of unethical behavior. A total of 9 directors and over 35,000 employees participated in the training, achieving a completion rate of over 99.5%. Additionally, all newly hired employees signed the Integrity Declaration, reaching a 100% signing rate. Before each quarterly earnings release, the Company also provides educational sessions for insiders and specific managerial personnel regarding Article 157-1 of the Securities and Exchange Act to reinforce the prevention of insider trading.	No difference
3. Operation of The Company Reporting System	(1) Has The Company established a specific reporting and reward system, established a convenient reporting channel, and assigned appropriate personnel to handle the accused?	✓	Relevant persons of various businesses of The Company may report violations of honesty and integrity in the course of business execution through the following channels: <ul style="list-style-type: none"> Internal: mailbox of immediate supervisor and president External: Professional Ethics Violation Reporting System (http://integrity.ab1.auo.com) After the report is made, the investigation procedure will be initiated, and the special personnel include the audit unit or a Committee established in accordance with the Administrative Measures for the Investigation Committee of Major Disciplinary Cases to conduct the investigation. There is also an Audit committee mailbox to accept internal and external complaints.	No difference
	(2) Has The Company established the investigation standard operating procedures for accepting the reported matters, the follow-up measures to be taken after the investigation is completed and the relevant confidentiality mechanism?	✓	The Company's "Handling Procedures for Accounting, Internal Control and Auditing Complaints" and "Complaint Measures" set out the complaint operation procedures, the power and responsibility units for accepting cases and the incident handling procedures, and kept the information confidential, and no retaliation against colleagues was allowed.	No difference
	(3) Does The Company take measures to protect the whistleblower from improper handling due to exposure?	✓		No difference
4. Strengthen information disclosure Does The Company disclose the content of its code of integrity management and promote its effectiveness on its website and public information observatory?	✓		The Company's "Sustainability Report" on The Company's website contains the contents of the code of integrity management and its promotion effect; The Company's "Integrity Management Code" is also exposed on The Company's website, and the results of integrity management are updated regularly every year.	No difference
5. If The Company has its own code of integrity operation in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please state the differences between its operation and the code: The Company has formulated the Code of Integrity Management in accordance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and there is no significant difference between The Company's operating conditions of integrity management and the Code of Integrity Management.				

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
6. Other important information that helps to understand The Company's integrity operation (such as The Company's review and revision of its established integrity operation code, etc.): Since 2012, AUO has implemented a company-wide "Integrity AUOers" initiative, which includes signing the Integrity Declaration, online integrity tests, integrity handbook readings, and antitrust law courses, embedding "integrity" as AUO's most fundamental and essential corporate value. The company regularly promotes integrity awareness through internal email newsletters and digital bulletin boards to ensure employees are well-versed in the company's integrity culture. In 2024, three integrity awareness campaigns were conducted, along with training sessions for suppliers and contractors. These initiatives were based on seven key unethical behaviors to strengthen integrity awareness and cultivate a culture of integrity in collaboration with stakeholders. Additionally, AUO has established the Integrity Handbook as the highest code of conduct for all employees. The handbook provides behavioral guidelines and case studies on corporate integrity policies, collaboration with business partners and government agencies, intellectual property rights, conflict of interest, information security, insider trading, and antitrust laws to ensure integrity is embedded in daily operations. To comply with the laws and regulations of its operating locations and uphold the highest ethical standards in business conduct, AUO requires indirect employees to complete online compliance courses and assessments every two years and regularly sign compliance declarations to foster accurate legal understanding. To further enhance employees' understanding of antitrust regulations, AUO has set up a dedicated antitrust law section on its internal website and a mobile app, allowing employees to access relevant information anytime. Furthermore, for supervisors handling supplier-related matters and engaging closely with vendors, AUO has designated them as key integrity-related personnel. Given that these supervisors must conduct business with high ethical standards to protect both the company and themselves, AUO has established the "AUO Conflict of Interest Declaration Guidelines." All integrity-related personnel are required to submit an annual declaration, with 2,887 employees completing the declaration in 2024, achieving a 100% submission rate. Additionally, AUO provides mandatory compliance training for integrity-related supervisors, covering industry case studies and essential guidelines for handling business affairs ethically.				

Note 1: The Company is the main body of the operation.

2.3.9. Other important information that can enhance the understanding of Corporate governance operations.

- On October 29, 2019, AUO established the Corporate governance and nomination committee under the board of directors and formulated the "Corporate governance and nomination committee charter." Relevant details can be found on the Market Observation Post System or the company's official website. For the committee's primary duties and operations, please refer to page 33 of this annual report.
- On March 11, 2024, AUO established the Sustainability and Risk Management Committee under the board of directors. This committee integrates the long-standing ESG and Climate Committee, reinforcing and aligning Enterprise Risk Management (ERM) operations. The committee aims to enhance the effectiveness of risk management by establishing appropriate risk management mechanisms and fostering a risk-aware corporate culture, ensuring effective oversight by the board of directors.
- Director Training Overview

Title	Name	Date	Sponsoring unit	Course	No. of hours
Chairman	Shuang-Lang (Paul) Peng	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Director	AUO Sustainability Foundation Representative: Frank Ko	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Director	Ming Hua Investment Company Limited Representative: Tsai Juan-Juan	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours

Title	Name	Date	Sponsoring unit	Course	No. of hours
Director	Qisda Corporation Representative: Han-Chou (Joe) Huang	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Independent director	Peng Chin-Bing	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
		2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours
		2024.09.20	Taiwan Corporate governance Association	AI and the Open-Source Era – Analysis of Corporate Legal Risks	3 hours
		2024.09.20	Taiwan Corporate governance Association	Building Sustainable Corporate Competitiveness through DEI Culture	3 hours
Independent director	Chen Jang-Lin	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Independent director	Chiu-Ling Lu	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Independent director	Cathy Han	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.09.20	Taiwan Corporate governance Association	AI and the Open-Source Era – Analysis of Corporate Legal Risks	3 hours
		2024.09.20	Taiwan Corporate governance Association	Building Sustainable Corporate Competitiveness through DEI Culture	3 hours

Note: All directors have completed the required training hours as stipulated by the "Guidelines for the Implementation of Director Training for Listed and OTC Companies."

4. 2024 Senior Executives' Participation in Corporate governance and Related Training Programs

Title	Name	Date	Sponsor unit	Course	Training hours
Group CSO	Shuang-Lang (Paul) Peng	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
CEO & President	Frank Ko	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
Senior vice president	Wei-Lung Liao	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Corporate governance Association	Prevention of Insider Trading, Corporate Legal Practices, and Updates on Offshore Company Regulations	3 hours
	Ting-Li Lin	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
	Amy Ku	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours

Title	Name	Date	Sponsor unit	Course	Training hours
	Hong-Jye Hong	2024.09.30	Taiwan Stock Exchange	Taiwan Capital Market Summit	3 hours
		2024.08.07	Securities and Futures Institute	Key Strategies for Enhancing Corporate ESG Performance	3 hours
		2024.10.07	Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit Forum	3 hours
Vice president	TY Lin	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
	Tina Wu	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
	Yu-Chieh Lin	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03	Taiwan Independent Director Association	How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
	Ivan Wu	2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
CFO Accountant supervisor Corporate governance supervisor	David Chang	2024.05.03	Taiwan Corporate governance Association	How the Board Ensures Corporate Sustainability – Talent Identification and Development	3 hours
		2024.08.03	Taiwan Independent Director Association	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3 hours
		2024.08.03		How Foreign Institutional Investors View ESG Sustainability Governance and Investment Responsibility	3 hours
		2024.11.12	Taiwan Corporate governance Association	Innovative Thinking for Corporate Growth in the AI Era	3 hours

Note: Information as of the printing date of the annual report.

2.3.10. Implementation of Internal Control System

1. Statement of Internal Control System



AUO Corporation
Statement of Internal Control System

Date: February 13, 2025

Based on the results of our self-assessment, the Company declares the following regarding the internal control system for the fiscal year 2024:

1. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the board of directors and management. The Company has already established such a system. Its purpose is to provide reasonable assurance in achieving operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and legal requirements.
2. The internal control system has inherent limitations. No matter how well it is designed, an effective internal control system can only provide reasonable assurance in achieving the aforementioned objectives. Furthermore, the effectiveness of the internal control system may change due to shifts in the environment or circumstances. However, the Company has implemented a self-monitoring mechanism within its internal control system, and corrective actions are taken whenever deficiencies are identified.
3. The Company has evaluated the design and implementation effectiveness of its internal control system based on the judgment criteria for internal control effectiveness outlined in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each component consists of several key elements, as stipulated in the "Regulations."
4. The Company has adopted the above-mentioned judgment criteria to evaluate the design and implementation effectiveness of its internal control system.
5. Based on the results of this evaluation, the Company believes that as of December 31, 2024, its internal control system (including the supervision and management of subsidiaries) was effective in ensuring the achievement of operational effectiveness and efficiency, the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and legal requirements. The design and implementation of the internal control system provide reasonable assurance of achieving these objectives.
6. This statement will be included in the Company's annual report and public prospectus for disclosure. Any falsehoods, concealments, or other unlawful acts within the disclosed content will be subject to legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Company's Board of Directors on February 13, 2025, with all eight attending directors unanimously agreeing to its contents, with no objections.

AUO Corporation

Chairman: Shuang-Lang (Paul)

President: Frank Ko

2. Companies which CPAs to professionally review the internal control system shall disclose the review report provided by the accountants: None.

2.3.11. Important resolutions of the shareholders' meeting and the board of directors in the latest year and up to the publication date of the annual report.

1. Important resolutions of the shareholders' meeting in 2024 and their implementation.

Item	Major Resolutions	Implementation Situation
1	Recognized the annual business report and financial statements of 2023	Resolved and approved: The consolidated revenue for the year 2023 was NT\$250,048,326 thousand, with an operating net loss of NT\$21,962,015 thousand, a net loss after tax of NT\$18,151,154 thousand, and a loss per share of NT\$2.37.
2	Recognized the case of surplus distribution in 2023	<ul style="list-style-type: none"> Resolved and approved: No cash dividends will be distributed. The board of directors has resolved to distribute NT\$6,901,092,875 in cash from capital reserves (NT\$0.9 per share, equivalent to NT\$900 per 1,000 shares). The ex-dividend date is set for August 11, 2024.
3	Approval of the Amendment to the Company's Director Election Procedures	Resolved and approved: Implementation will be carried out in accordance with the revised procedures.

2. Important resolutions of the board of directors

Date/Term	Important Resolution
Tenth Committee 11 th session 2024.01.31	<ul style="list-style-type: none"> Approved the 2023 Internal Control System Statement. Approved the 2023 Financial Statements. Approved the 2024 CPA Appointment, Service Items and Fees Approved the Appointment of the Company's Compensation Committee Members. Approved the Sale of Equipment by AFPD Pte. Ltd. Approved the Addition and Adjustment of Capital Expenditure Budget. Approved the Disposal of Ordinary Shares of Qisda Corporation. Approved the Syndicated Loan Arrangement. Approved the Addition and Renewal of Bank Credit Facilities. Approved the Revision of the "Risk Management Policy and Procedures" and the "Environmental, Safety & Health, Water Resources, and Energy Policy."
Tenth Committee 12 th session 2024.03.11	<ul style="list-style-type: none"> Approved the 2023 Business Report and the 2024 Business Plan. Approved the 2023 Earnings Distribution. Approved the Distribution of Cash from Capital Surplus. Approved the Date, Agenda, and Proposal Submission Period for the 2024 Annual Shareholders' Meeting. Approved the Indirect Capital Increase in Yupii Water Co., Ltd. Approved the Loan from AUO (Slovakia) s.r.o., a subsidiary, to Behr-Hella Thermocontrol GmbH. Approved the Capital Increase in AUO (Slovakia) s.r.o. by AUO (L) Corp., a subsidiary. Approved the Capital Increase in Behr-Hella Thermocontrol GmbH by the Company. Approved the Loan from AUO (Suzhou) Corp. and AUO (Xiamen) Corp., subsidiaries, to Behr-Hella Thermocontrol (Shanghai) Co. Ltd. Approved the Amendment of the "Managerial Shareholding Guidelines." Approved the 2023 Compensation for Directors and Executives. Approved the Selection of Eligible Personnel for the Management Rights Transition Protection Plan. Approved Donations. Approved the "Sustainability and Risk Management Committee Charter" and the Nomination List for the First Committee Members. Approved the Amendment of the "Corporate governance Committee Charter."
Tenth Committee 13 th session 2024.04.30	<ul style="list-style-type: none"> Approved the Q1 2024 Consolidated Financial Report. Approved the Addition of Capital Expenditure Budget. Approved Intercompany Loans Among the Company and Its Subsidiaries, including AUO (Labuan) Corp., AUO (Suzhou) Corp., AUO (Xiamen) Co., Ltd., AUO (Kunshan) Corp., and BHTC (Shanghai) Co., Ltd. Approved a Loan from the Company to Its Subsidiary AUO Digital Technology Service Corp. Approved a Loan from Subsidiary BHTC GmbH to Its Subsidiary Behr-Hella Thermocontrol EOOD and a Bank Guarantee for Subsidiary BHTC Mexico S.A. de C.V. Approved the Addition and Renewal of Bank Credit Facilities.

Date/Term	Important Resolution
Tenth Committee 14 th session 2024.06.06	<ul style="list-style-type: none"> Approved Executive Personnel Appointments.
Tenth Committee 15 th session 2024.07.21	<ul style="list-style-type: none"> Approved the Q2 2024 Consolidated Financial Report. Approved AUO Display Plus Netherlands B.V. to acquire equity in Avocor Technologies USA, Inc. Approved AUO Kunshan Co., Ltd., a subsidiary of the Company, to purchase real estate. Approved the Company to provide a loan to its subsidiary, AUO Crystal Corp. Approved BHTC GmbH, a subsidiary, to issue a bank guarantee for its subsidiary, BHTC Mexico S.A. de C.V. Approved the addition and renewal of bank credit lines.
Tenth Committee 16 th session 2024.08.27	<ul style="list-style-type: none"> Approved the Company's disposal of real estate in Tainan. Approved the Company's subsidiary, AUO Crystal Corp., to dispose of a portion of its real estate in Houli.
Tenth Committee 17 th session 2024.10.31	<ul style="list-style-type: none"> Approved the 2025 Audit Plan Approved the revision of the "Internal Control System" Approved that the accounts receivable from Avocor Limited by the Company's subsidiary, Avocor Technologies USA, Inc., do not constitute a loan Approved the 2024 Q3 Consolidated Financial Report Approved the Company's and its subsidiary, Kang Li Investment Co., Ltd., participation in the establishment of StarShining Energy Investment Holding Co., Ltd. through a share swap with Star Energy Co., Ltd. Approved the restructuring of the investment framework of the Company's subsidiary, AUO Display Plus, in North America and the acquisition of ComQi shares Approved the addition and renewal of bank credit facilities Approved the disposal of investments Approved the procurement of green energy under the net-zero pathway to address climate challenges Approved capital increases and/or loans for subsidiaries within the Smart Service Business Group by the Company and its subsidiaries Approved the 2025 senior executive compensation Approved the establishment of the record date for the cancellation of treasury shares through capital reduction Approved the revision of the Functional Committees' Organizational Charter Approved the revision of the board of directors' Rules of Procedure
Tenth Committee 18 th session 2024.11.21	<ul style="list-style-type: none"> Approved the spin-off of the Company's Smart Mobility Business to a 100%-owned subsidiary and its spin-off plan Approved the authorization for relevant subsidiaries to handle group organizational adjustments related to the Smart Mobility Business in China Approved the authorization for relevant subsidiaries to handle group organizational adjustments related to the Smart Mobility Business in the United States and Japan Approved the capital increase for BHTC GmbH
Tenth Committee 19 th session 2025.02.13	<ul style="list-style-type: none"> Approved the 2024 Internal Control System Statement Approved the repurchase of issued common shares Approved the 2024 Financial Statements Approved the auditor service projects and fees for 2025 and 2026 Approved the 2024 Business Report and 2025 Business Plan Approved the 2024 loss offset Approved the cash distribution from capital surplus Approved the amendment of the Articles of Incorporation Approved the re-election of directors Approved the determination of seats, composition, and diversity policy for the 11th Board of Directors and functional committees Approved the nomination list for the 11th Board of Directors (including independent directors) Approved the release of non-compete restrictions for directors Approved the schedule, agenda, nomination, and proposal period for the 2025 Annual General Meeting Approved the disposal of privately placed common shares of Global Communication Semiconductor Holdings, Inc.

Date/Term	Important Resolution
	<ul style="list-style-type: none"> • Approved the disposal of investments • Approved the disposal of real estate at Houli Plant by AUO Crystal Corp., a subsidiary of the Company • Approved the loan from AUO (Shanghai) Co., Ltd., a subsidiary of the Company, to AUO Digital Technology (Suzhou) Co., Ltd. • Approved the loan from AUO (Shanghai) Co., Ltd., a subsidiary of the Company, to Behr-Hella Thermocontrol (Shanghai) Co., Ltd. • Approved intercompany loans between the Company and its subsidiaries • Approved new bank credit lines and renewals • Approved the remuneration for directors and executives • Approved the selection of applicable personnel for the "Management Rights Protection Plan" • Approved donations

2.3.12. In recent years and up to the date of publication of the annual report, directors or supervisors have different opinions on important resolutions passed by the board of directors, and there are records or written statements, the main contents are: None.

2.4. Auditor fee information

Unit: NT\$ Thousand

Name of accounting firm	Name of accountant	Accountant audit period	Audit public expense (Note 1)	Non-audit public expense (Note 2)	Total
KPMG	Chi-Lung Yu Chien-Hui Lu	2024.1.1~2024.12.31	15,800	11,975	27,775

Note 1: This refers to the audit fees paid by the Company to the certifying accountants for the audit and review of financial reports.

Note 2: The primary services include tax certification, the preparation of pro forma financial statements for 2023, IFRS Sustainability Disclosure Standards consulting, CSR assurance consultation, and Country-by-Country Reporting (CbCR) service fees.

Note 3: If a change in the accounting firm results in a decrease in audit fees for the year of change compared to the previous year, the audit fees before and after the change, along with the reasons, should be disclosed: Not applicable.

Note 4: If audit fees decrease by more than 10% compared to the previous year, the amount, percentage, and reasons for the reduction should be disclosed: Not applicable.

2.5. Information on replacement of CPA

2.5.1. Former CPA

Date of replacement	January 31, 2024		
Replacement reasons and explanations	The CPAs are changed from Yu, Chi-Lung and Yu, Wan-Yuan to Yu, Chi-Lung and Lu, Chien-Hui due to the internal adjustment from the accounting firms.		
Describe whether The Company is terminated or the CPA did not accept the appointment	Party	CPA	Consignor
	Condition		
	Engagement terminated automatically	Not applicable	Not applicable
	Engagement discontinued	V	Not applicable
The Opinions other than Unmodified Opinion Issued within the last 2 years and the reason for the Said Opinion	None		
Any disagreement in Opinion with the issuer	None		
Supplementary Disclosure (Specific Disclosures mentioned in Article 10.6.1.4~7 of the Regulation)	None		

2.5.2 Succeeding CPA

Name of the firm	KPMG
Name of CPA	Lu, Chien-Hui
Date of appointment	January 31, 2024
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPA that are Different from the Former CPA Opinions	None

2.5.3. The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Regulations Governing Information to be Published in annual reports of Public Companies: Not applicable.

2.6. Did the Company's Chairman, President, Chief Financial Officer, or Managers in Charge of its Financial and Accounting Operations hold any positions within the Company's Independent Audit Firm or its Affiliates in the most recent year: None.

2.7. Assessment of CPA's Independence and Suitability

2.7.1. Evaluation Mechanism

The Company's Audit committee refers to the Audit Quality Indicators (AQIs) every year to evaluate the independence and competency of the certified public accountants appointed, and then submits the evaluation results to the board of directors as a reference for the board of directors' evaluation of the appointed accountants.

1. The Company's CPAs are not related parties to the Company and the directors.
2. The Company abides by the Corporate governance Principles to handle the rotation of CPAs.
3. Prior to the appointment of annual audit services, the firm of CPAs is required to obtain the approval of the Audit committee. Before the appointment of non-audit services, the firm of CPAs shall confirm the requirements for independence are met and report to the independent directors in quarterly Audit committee meetings.
4. The CPAs shall report to the Audit committee on the compliance with the independent standards and their review or audit results on a quarterly basis.
5. Obtain an independent statement issued by CPAs on a regular basis.
6. The Company includes the Audit Quality Indicators (AQIs) in the CPAs annual appointment evaluation and the CPAs are required to report with the Audit committee accordingly.

2.7.2. Evaluation Result

1. The Audit committee completed the evaluation process on January 30, 2024, and submitted the evaluation results to the board of directors for approval on January 31, 2024.
2. The Audit committee completed the evaluation process on February 12, 2025, and submitted the evaluation results to the board of directors for approval on February 13, 2025.
3. The independence of the certifying accountants complies with the relevant regulations, including the Certified Public Accountant Act of the Republic of China and the Code of Professional Ethics for Accountants.
4. The Company has not engaged the same certifying accountant for five consecutive years.

2.8. The Situation of equity transfer or changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares in the most recent year (or initial date of a manager's term of service) up to the publication date of this report

2.8.1. Changes in shares held by Directors, managers, and shareholders holding 10% or more of shares

Unit: 1,000 shares

Title	Name	2024		As of January 31, 2025	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman and Group CSO	Shuang-Lang (Paul) Peng	1,403	0	0	0
Corporate Director	AUO Foundation	0	0	0	0
Corporate Director Representative CEO and President	Frank Ko	0	0	0	0
Corporate Director	Ming Hua Investment Company Limited	0	0	0	0
Corporate Director Representative	Chuang- Chuang Tsai	0	0	0	0
Corporate Director	Qisda Corporation	0	0	0	0
Corporate Director Representative	Han-Chou (Joe) Huang	0	0	0	0
Independent Director	Chin-Bing (Philip) Peng	0	0	0	0
Independent Director	Jang-Lin (John) Chen	0	0	0	0
Independent Director	Chiu-Ling Lu	0	0	0	0
Independent Director	Cathy Han	0	0	0	0
Senior Vice President	Wei-Lung Liao	335	0	0	0
Senior Vice President	Ting-Li Lin	120	0	0	0
Senior Vice President	James CP Chen	530	0	0	0
Senior Vice President	CS Hsieh	493	0	0	0
Senior Vice President	Amy Ku	0	0	0	0
Senior Vice President	Hong-Jye Hong	218	0	0	0
Vice President	TY Lin	208	0	0	0
Vice President	Tina Wu	245	0	0	0
Vice President	David Chang (Note 2)	100	0	0	0
Vice President	Yu-Chieh Lin	170	0	0	0
Vice President	Ivan Wu	320	0	0	0
Senior Associate Vice President	Kun-Yu Lin	(60)	0	0	0
Associate Vice President	Center Chen	128	0	0	0
Associate Vice President	Bryan Kuo	(246)	0	0	0
Associate Vice President	KS Tseng	45	0	0	0
Associate Vice President	Kenyj Chen	131	0	0	0
Associate Vice President	CD Lee	0	0	0	0
Associate Vice President	CH Wu	211	0	0	0

Title	Name	2024		As of January 31, 2025	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Associate Vice President	Paul KP Lee	169	0	0	0
Associate Vice President	Simon WH Hsu	112	0	0	0
Associate Vice President	Jenn-Jia Su	134	0	0	0
Associate Vice President	KK Lee	169	0	0	0
Associate Vice President	Cloud Huang	143	0	0	0
Associate Vice President	Allen CK Wu	0	0	0	0
Associate Vice President	Jim Lee (Note 3)	33	0	0	0
Associate Vice President	Ting-Jui Chang (Note 4)	0	0	0	0

Note 1: The data period covers the most recent fiscal year and up to the date of the annual report publication.

Note 2: Appointed on July 1, 2024.

Note 3: Appointed on February 1, 2024.

Note 4: Appointed on November 1, 2024.

2.8.2. Where the counterpart of the equity transfer is a related party: None.

2.8.3. Where the counterpart of the equity pledge is a related party: None.

2.9. Information on Relationships Among the Top Ten Shareholders by Shareholding Percentage

Unit: 1,000 shares

No	Name	Shares held		Shares held by spouse or underage children		Total shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships	
		Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)	Title (or name)	Relationships
1	Qisda Corporation	530,879	6.90	N/A	N/A	N/A	N/A	None	None
	Qisda Corporation Representative: Peter Chen	Information not available							
2	E.SUN Commercial Bank Trustee Account for AUO Corporation Employee Stock Ownership Trust Management Committee	410,087	5.33	N/A	N/A	N/A	N/A	None	None

No	Name	Shares held		Shares held by spouse or underage children		Total shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships	
		Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)	Title (or name)	Relationships
3	Quanta Computer Inc.	355,144	4.61	N/A	N/A	N/A	N/A	None	None
	Quanta Computer Inc. Representative: Barry Lam	Information not available							
4	Taiwan Cooperative Bank, Ltd.	230,211	2.99	N/A	N/A	N/A	N/A	None	None
	Taiwan Cooperative Bank, Ltd. Representative: Yan-Mao Lin	Information not available							
5	Citibank Custody AUO Overseas Depository Receipt Account	179,351	2.33	N/A	N/A	N/A	N/A	None	None
6	New Labor Pension Fund	128,369	1.67	N/A	N/A	N/A	N/A	None	None
7	Nan Shan Life Insurance Company, Ltd.	119,697	1.55	N/A	N/A	N/A	N/A	None	None
	Nan Shan Life Insurance Company, Ltd. Representative: Chong-Yao Yin	Information not available							
8	JPMorgan Chase Bank, N.A. Taipei Branch Custody Account for Vanguard Group Inc. - Vanguard Emerging Markets Stock Index Fund	74,274	0.96	N/A	N/A	N/A	N/A	None	None
9	HSBC Hong Kong Taipei Branch Custody Account for Goldman Sachs International Investments	74,169	0.96	N/A	N/A	N/A	N/A	None	None
10	HSBC Bank Taipei Branch Custody Account for Merrill Lynch International Investments	70,586	0.92	N/A	N/A	N/A	N/A	None	None

Note: Information recorded on the shareholder roster as of the latest book closure date (August 11, 2024) of The Company.

2.10. Number of shares held and combined shareholdings percentage in the same investment business by The Company, The Company's Directors, Managers, and companies directly or indirectly controlled by The Company

Data: December 31, 2024 Unit: 1,000 shares

Investment business	Investment by The Company		Investment by Directors, Supervisors, Managers, and directly or indirectly controlled business		Comprehensive investment	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Qisda Corporation	335,231	17.04%	50,145	2.55%	385,376	19.59%
Ennostar Inc.	93,569	12.70%	37,099	5.04%	130,668	17.74%
Raydium Semiconductor Corporation	0	0.00%	12,123	15.98%	12,123	15.98%
Daxin Materials Corp.	0	0.00%	25,426	24.76%	25,426	24.76%
ADLINK Technology Co., Ltd.	42,310	19.45%	29,119	13.39%	71,429	32.84%
Darwin Summit Corporation Ltd. (DSC)	0	0.00%	40	40.00%	40	40.00%
Ichijo Seisakusyo Co., Ltd.	0	0.00%	0	38.46%	0	38.46%
Shine Biomedical Technology Corporation	0	0.00%	5,305	33.58%	5,305	33.58%
Star Shining Energy Corp.	248,000	31.00%	16,000	2.00%	264,000	33.00%
YTTEK Technology Corp	0	0.00%	6,673	25.82%	6,673	25.82%
Reno Studios CO., LTD.	0	0.00%	383	21.39%	383	21.39%
Mega Solar Power Co., Ltd.	0	0.00%	16,000	20.00%	16,000	20.00%

Note 1: This refers to an investment accounted for using the equity method in the consolidated company.

3. Capital Overview

3.1. Capital and shares

3.1.1. Source of Share Capital

As of January 31, 2025 ; Unit: NT\$; Shares

Year and month	Issued price	Authorized Share capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Capital increase by assets other than cash	Others
2024.11	10	12,000,000,000	120,000,000,000	7,667,880,972	76,678,809,720	Capital Reduction 315,151,200	None	Note 2

Note 1: The above information pertains to the most recent fiscal year and up to the date of the annual report's publication.

Note 2: Approved by the Hsinchu Science Park Bureau, National Science and Technology Council, via letter No. 1130037980 dated November 21, 2024.

As of January 31, 2025 ; Unit: NT\$; Shares

Type of Stock	Authorized Share capital (AUO Corporation is a TWSE Listed Company.)			
	Outstanding shares(Note)	Unissued shares	Total	Amount of corporate bonds that can be converted
Registered common shares	7,667,880,972	4,332,119,028	12,000,000,000	725,000,000

Summary Reporting System Information: Not Applicable.

3.1.2. List of Major Shareholders (Top 10 shareholders who own the most shares)

Record date : August 11, 2024 ; Unit: NT\$; Shares

Names of major shareholders	Shares	Number of shares held	Shareholding percentage
Qisda Corporation		530,878,896	6.90%
E.SUN Commercial Bank Trustee Account for AUO Corporation Employee Stock Ownership Trust Committee		410,087,197	5.33%
Quanta Computer Inc.		355,144,245	4.61%
Taiwan Cooperative Bank, Ltd.		230,211,000	2.99%
Citibank Custody AUO Corporation Global Depositary Receipt Account		179,350,995	2.33%
New Labor Pension Fund		128,368,800	1.67%
Nan Shan Life Insurance Co., Ltd.		119,696,800	1.55%
JPMorgan Chase Bank, N.A., Taipei Branch Custodian Account for Vanguard Group Inc. Managed Vanguard Emerging Markets Stock Index Fund		74,274,039	0.96%
HSBC Hong Kong Taipei Branch Custodian Account for Goldman Sachs International Investment Account		74,169,120	0.96%
HSBC Taipei Branch Custodian Account for Merrill Lynch International Investment Account		70,586,206	0.92%

3.1.3. The Company's dividend policy and its implementation status

1. Dividend policy

Adopting a residual dividend policy, the company considers the current and future investment environment, capital requirements, domestic and international competition, and capital budgeting to balance shareholder interests, dividend distribution, and long-term financial planning.

- (1) When the distributable earnings for the year reach 2% of the paid-in capital, the dividend payout shall not be less than 20% of the distributable earnings for the year.
- (2) If the distributable earnings for the year do not reach 2% of the paid-in capital, dividends may not be distributed.
- (3) The proportion of cash dividends distributed shall not be less than 10% of the total dividends (cash and stock) distributed for the year.
- (4) The dividend distribution ratio mentioned above may be adjusted based on financial, business, and operational considerations.
- (5) When the company has no accumulated losses, the board of directors may resolve, and report to the shareholders' meeting, to distribute in cash the portion of legal reserve exceeding 25% of the paid-in capital and all or part of the capital reserve in accordance with the Company Act, proportionally to shareholders' existing shareholdings.

2. Proposed Dividend Distribution for the 2025 Shareholders' Meeting

Unit: NT\$

Shares Year	Directors Approved the dividend distribution date	Shareholders dividend		
		Cash dividend	Capital surplus Cash distribution	Stock dividends from earnings
2024	2025.02.13	0 (NT\$ 0 per share)	2,300,364,291 (NT\$ 0.3 per share)	0 (NT\$ 0 per share)

Note: According to Article 15-1 of the Articles of Incorporation, the distribution shall be made in cash, resolved by the board of directors, and reported to the Shareholders' Meeting (to be submitted to the 2025 Annual General Meeting).

3. Major changes expected in the dividend policy: none

3.1.4. The impact of the proposed stock dividend distribution on the company's operating performance and earnings per share for this shareholders' meeting: Not applicable.

3.1.5. Remuneration of employees and directors

1. The percentage and scope of the employees, directors, and supervisor's remuneration as stated in the Company's Articles of Incorporation.

Item	Percentage and scope
Employees remuneration	<ul style="list-style-type: none"> ● If the company has annual profits, no less than 5% shall be allocated as employee compensation. However, if there are accumulated losses, the profits shall first be used to offset such losses. (Article 15) ● Employee compensation may be distributed in the form of shares or cash, issuance of employee stock options, issuance of restricted employee shares, transfer of repurchased shares to employees, or subscription to reserved shares when issuing new shares. The recipients may include employees of qualifying subsidiaries, with the conditions and distribution method determined by the board of directors or its authorized representative. (Article 15-3)
Directors remuneration	<ul style="list-style-type: none"> ● If the company has annual profits, no more than 1% shall be allocated as director compensation. However, if there are accumulated losses, the profits shall first be used to offset such losses. (Article 15) ● Director compensation shall be distributed in cash only.

2. The basis for estimating employee and director compensation for the current period (fiscal year 2024), the calculation basis for stock-based employee compensation, and the accounting treatment for any differences between estimated and actual distributions are as follows:

Employee compensation is estimated by applying the percentage of employee compensation determined by the board of directors to the pre-tax net profit before deducting employee and director compensation. Director compensation is estimated based on the expected payout amount and is recognized as either operating costs or operating expenses. If the board of directors resolves to issue stock-based employee compensation, the number of shares granted is calculated based on the

closing price of the company's stock on the day prior to the board resolution, without considering any adjustments for ex-dividend or ex-rights calculations. If there are subsequent changes after the financial report is approved and published in the following year, such changes will be accounted for as changes in accounting estimates and recognized in the profit or loss of the following year.

3. The board of directors approved the distribution of remuneration in 2024:

Unit: NT\$

Item	Board Resolution (2025.02.13)
Directors remuneration (Cash)	0
Employees remuneration (Cash)	0
Total	0

Note 1: The proposed distribution amounts for director and employee compensation are consistent with the estimated amounts recognized as expenses in the respective financial year.

Note 2: The amount of employee compensation distributed in stock and its proportion of the total post-tax profit and employee compensation in the 2024 standalone financial statements: Not applicable.

4. The actual distribution of employee and director compensation for the previous fiscal year (2023), including the number of shares distributed, total amount, and stock price, as well as any differences between the recognized and distributed amounts, reasons for such differences, and corresponding accounting treatments.:

Unit: NT\$

Item	Board Resolution (2024.03.11)	Variance	Cause of variance
Directors remuneration (Cash)	0	0	None
Employees remuneration (Cash)	0	0	None
Total	0	0	None

3.1.6. The Company buyback of Common Stock situation

February 13, 2025

Buyback no.	Third	Fourth (Note 4)
Purpose of the share buyback	Transfer to Employees	Maintain Company Credit and Shareholder Rights
Buyback period	2019.09.17~2019.11.04	2025.02.14~2025.04.13
Buyback price range	NT\$5.71~11.84 (Note 1)	NT\$9.56~21.26 (Note 4)
Type and number of shares bought back	125,000,000 common shares	0 common shares
Total monetary amount of shares bought back	NT\$1,013,422,848	NT\$0
Number of shares bought back as a percentage of the approved number of shares to be bought back (%)	100.00%	0.00%
Number of shares cancelled and/or transferred	125,000,000 common shares (Note 2)	0 common shares
Cumulative number of the company's treasury shares held	0 common shares (Note 2)	0 common shares
Cumulative number of the company's treasury shares as a percentage of the total number of the Company's issued shares (%) (Note 3)	0.00%	0.00%

Note 1: Repurchases may continue even if the repurchase price falls below the lower limit of NT\$ 5.71.

Note 2: The calculation scope includes the number of shares reduced in the capital reduction conducted in August 2022 (reduction ratio of 20%).

Note 3: Calculations are based on the total issued shares of 7,667,880,972 as of the annual report publication date.

Note 4: Repurchases may continue even if the repurchase price falls below the lower limit of NT\$ 9.56.

3.2. Handling of corporate bonds: None.

3.3. Handling of special shares: None.

3.4. Handling of overseas depositary receipts (including overseas deposit receipts that have participated in the issuance and have not been fully redeemed and overseas depositary receipts that have still been processed)

Date of issuance (placement)	2002.05.29/ 2003.07.31/ 2004.06.23/ 2004.07.12/ 2005.07.22/ 2005.08.26/ 2006.08.30/ 2006.10.01/ 2007.09.06/ 2008.08.22/ 2009.09.09/ 2013.05.07 (Note 1)		
Issuance and trading place	U.S. OTC market (Note 2)		
Total Issued Amount (US\$)	1,996,807,815		
Unit Issue Price (US\$)	11.57 ; 16.00 ; 15.35 ; 4.4		
Total number of units issued as of January 31, 2025 (units)	51,036,874 (Note 3)		
The source of securities represented	Common shares of The Company		
Amount of securities represented as of January 31, 2025 (shares)	510,368,769 (Note 3)		
The rights and obligations of holders of depositary receipts	Rights and obligations are the same as common shares		
Trustee	Not applicable		
Depository institutions	Citibank,N.A.		
Custodian	Citibank Taiwan Ltd.		
Unredeemed balance as of January 31, 2025 (unit)	17,733,397		
The allocation methods on the relevant costs incurred as a result of the issuance and during the effective period	The issue-related expenses were proportionally allocated by The Company and the selling shareholder according to the actual number of shares sold. After the issuance, except where otherwise agreed by The Company and the Depository, the costs of all overseas depositary receipts shall be borne by The Company.		
Important Agreements for Depository and Custody Contracts	Details such as depositary and custody contracts		
Market Price per unit (US\$)	2024	Highest	6.24
		Lowest	4.40
		Average	5.37
	As of January 31, 2025	Highest	4.40
		Lowest	4.03
		Average	4.19

Note 1: On July 31, 2003; July 12, 2004; August 26, 2005; August 30, 2006; September 6, 2007; August 22, 2008; and September 9, 2009, new shares were issued through capital increases from earnings. On October 1, 2006, additional shares were issued following the merger with Quanta Display Inc.

Note 2: Since October 1, 2019, the company's overseas depositary receipts have been traded on the U.S. over-the-counter (OTC) market instead of the New York Stock Exchange.

Note 3: As per the directive of the Financial Supervisory Commission (FSC), the company's American Depositary Shares (ADS) have ceased new (re)issuance upon redemption from December 3, 2019 (New York time). The total number of ADS available for trading on the U.S. OTC market is based on the outstanding balance as of December 2, 2019 (New York time).

3.5. Employee stock option handling status: None.

3.6. Operations of new restricted employee shares: None.

3.7. Issuance of new shares in connection with the merger or acquisition of other corporations: None.

3.8. Implementation status of fund application: None.

4. Operational Highlights

4.1. Business Content

4.1.1. Business scope

AUO is a global leader in optoelectronic solutions, with display technology at its core. Leveraging its extensive expertise in panel research, development, and manufacturing, the company provides a wide range of display products and integrated smart solutions for various applications. AUO has also expanded its core strengths into smart retail, smart healthcare, smart education and enterprise, smart mobility, smart manufacturing, and solar energy, delivering high-quality products and services in these fields. In 2024, the display division accounted for approximately 97.5% of the company's consolidated revenue.

For details regarding the main business scope of the company's subsidiaries, please refer to the Basic Information on Affiliated Companies section in Chapter 7, Special Notes, of this annual report (Pages 109-129).

4.1.2. Overview of the industry.

1. Industry Status and Development

The flat panel display industry continues to be dominated by Thin-Film Transistor Liquid Crystal Displays (TFT-LCDs), which offer broad product applications and economies of scale, meeting the demands of the digital era for versatile information and consumer electronics products.

The historical development of the TFT-LCD industry reveals its characteristics of economic cyclicity, as well as being both capital- and technology-intensive. Currently, the world's major TFT-LCD manufacturing countries include Taiwan, South Korea, Japan, and China. According to market research data from Omdia, in 2024, China and Taiwan are the top two TFT-LCD production regions globally, with market shares of approximately 62% and 24%, respectively, in large-sized panel shipments. (As defined by Omdia, large-sized panels include tablet and laptop screens, desktop monitors, LCD TV screens, and public display panels.)

As digital information products and consumer electronics continue to proliferate, TFT-LCDs play a pivotal role as key components in the flat panel display supply chain. This not only drives the growth of upstream material and component industries but also supports the expansion of downstream applications in the global information and electronics sectors. Since the mass production of TFT-LCDs in Taiwan, the industry has fostered strong clustering effects, leading to the rapid development of local upstream material and component industries.

2. Upstream, midstream and downstream relevance of the industry

Upstream industry	Glass substrate, color filter, polarizer, driver IC, printed circuit board, backlight module, liquid crystal, etc.
Midstream industry	LCD panel, LCD module, etc.
Downstream industry	LCD TV, tablet computer, notebook computer, desktop display, mobile communication, commercial display and other electronic products.

3. Various development trends of products

TFT-LCD production technology is now widely applied across various flat-panel displays, including televisions, desktop monitors, laptops, tablets, mobile phones, automotive displays, industrial and commercial displays, and other applications. In the television market, TVs are no longer just for broadcasting programs but have evolved into multifunctional entertainment hubs at the core of digital homes. With the growing demand for connectivity and smart features, TVs are playing an increasingly vital role in home entertainment. As a result, panel specifications are advancing toward ultra-narrow bezels, high-definition picture quality, and larger screen sizes. In the laptop market, panel technology is rapidly evolving to enhance specifications, including higher screen-to-body ratios, high resolution, ultra-thin and energy-efficient designs, privacy features, touch functionality, and flexible displays.

Micro LED, a new display technology, offers several advantages, including ultra-high resolution, exceptional color saturation, wide viewing angles, low power consumption, high brightness, fast response times, and long product lifespan. These features make it particularly suitable for applications such as digital signage and automotive displays, enabling seamless content sharing and realistic visual expression in interconnected smart environments.

Additionally, as environmental awareness rises, ESG (Environmental, Social, and Governance) considerations are increasingly influencing the display industry. Trends such as improving panel transparency, reducing energy consumption during manufacturing, utilizing recycled materials, and adopting renewable energy are gaining traction. Low-carbon emissions will be a key challenge for the entire industry supply chain moving forward.

The development of major application products is described as follows:

Display

● TV

Continuing the trend of larger screen sizes from 2023, the push for ultra-large displays accelerated in 2024, driven by China's energy efficiency subsidies, bringing the average screen size to 51.6 inches. Looking ahead to 2025, with the rapid growth of 85-inch, 98-inch, and 100-inch models, the average size is expected to reach 52.8 inches, continuing the trend of increasing by more than one inch per year and contributing to the balance of panel supply and demand. With the rising popularity of e-sports and live sports broadcasting, high refresh rate panels have become the standard, enhancing the viewing experience through online streaming, internet connectivity, and platform-integrated value-added services. Combined with low-reflection technology, these advancements provide consumers with a superior viewing experience. No longer just a medium for broadcasting TV programs, televisions have evolved into multifunctional entertainment hubs at the center of the digital home.

Looking to the future, next-generation Micro LED display technology delivers an authentic HDR experience with precise contrast, achieving 100% DCI-P3 and Adobe RGB color gamut. Presenting incredibly lifelike colors with a 99.99% screen-to-body ratio, Micro LED creates an unparalleled immersive experience, expected to drive a new wave of demand in the premium home market. Meanwhile, as ESG concerns continue to gain traction, advancements in technology and manufacturing processes are improving panel transparency, reducing energy consumption, and promoting the use of recycled materials and renewable energy. Lowering carbon emissions will remain a critical challenge for the entire industry supply chain.

● Desktop monitor

Consumer purchasing trends are increasingly shifting toward products that cater to diverse needs, including entertainment, information browsing, and work. As a result, the market share of high-resolution and dual-mode application products is expected to grow steadily. Display specifications continue to evolve toward high resolution, superior image quality, high refresh rates, curved designs, and bezel-less screens, aligning with the demand for premium products across various application scenarios. The market share of these high-end products is also projected to increase steadily. Beyond technical advancements, ESG-related environmental concerns—such as reducing carbon emissions during production and increasing the proportion of recycled materials in products—are gaining traction among brand customers.

● Notebook and tablets

The year 2024 marks the beginning of the AI PC era, with AI integration optimizing laptop performance and enhancing user experience. In terms of laptop displays, LTPS power-saving technology significantly extends battery life, allowing consumers to enjoy a truly unplugged experience for extended periods. Additionally, the adoption of touchscreen laptops continues to rise, with various touch technologies catering to both finger-touch and stylus input needs. Meanwhile, further improvements in display quality remain a key development focus, including higher resolution, increased brightness, enhanced color saturation, and superior contrast to ensure optimal visual performance across different environments. Sustainability, environmental protection, and energy efficiency remain top priorities for major brands. The adoption of green laptops made with recyclable or low-carbon materials is gaining momentum, reflecting the industry's commitment to eco-friendly innovation.

● Wearable Devices

Consumers' growing demand for health monitoring and fitness tracking, combined with advancing technology, has transformed wearable devices from mere fashion accessories into essential parts of daily life. The key technological focus for wearables lies in enhancing resolution and energy efficiency while integrating more advanced sensing capabilities.

For instance, more compact sensors will enable greater precision in tracking users' health metrics. Additionally, new energy-saving technologies will significantly extend battery life, ensuring longer-lasting performance. AUO is at the forefront of this innovation, pioneering the integration of Micro LED technology into wearable devices, empowering our customers to maintain a strong competitive edge in the market.

Mobility Solution

In 2024, AUO focused on accelerating its dual-axis transformation. In display technology, we developed cutting-edge energy-efficient solutions, enhancing display quality while reducing carbon emissions and plastic usage. Our AmLED (Mini LED)

technology has gained strong market recognition in automotive displays. By conducting in-depth research on the key factors affecting in-car display quality, we have successfully developed high-brightness, energy-efficient automotive display solutions that better meet real-world needs. On the system integration front, a major milestone of the year was the completion of our acquisition of BHTC and the establishment of our new subsidiary, "AMS – AUO Mobility Solutions," injecting fresh momentum into our smart mobility business.

Looking ahead to 2025, AUO will showcase its innovation at CES under the theme "Infinite Future · Unlimited Possibilities." We are pioneering a comprehensive smart cockpit system that integrates multiple groundbreaking technologies:

- Panoramic Interactive Sunroof System – Utilizing proprietary transparent display technology, this system transforms the car roof into a dynamic information platform, creating a unique in-vehicle atmosphere.
- Smart Touch Console - A revolutionary 3D interface with advanced pressure-sensing technology, providing an intuitive and seamless control experience.
- Intelligent Driver Display System - Automatically adjusts display content and format based on driving conditions, optimizing the balance between information presentation and driver focus.

In Micro LED strategic collaborations, AUO has partnered with Sony Honda Mobility on the AFEELA EV project, successfully integrating innovative display technology into vehicle design and unlocking new possibilities for exterior automotive displays. This collaboration not only demonstrates AUO's leadership in automotive display technology but also introduces a groundbreaking interactive model to the automotive industry. Looking to the future, AUO will continue expanding its R&D investments, accelerating the commercialization of next-generation display technologies. We plan to deepen cross-industry collaborations, integrate supply chain resources, and build a more comprehensive smart mobility ecosystem. Driven by a human-centered innovation approach, we are committed to delivering smarter, safer, and more comfortable mobility experiences, shaping the future of the automotive industry. Simultaneously, we will actively expand our global presence, strengthening localized technical services to offer customers more flexible and region-specific solutions.

Vertical Solution

The vertical sectors can be divided into two main parts: smart display solutions centered on AUO Display Plus Corporation ("ADP") and the energy business.

Smart display solutions include smart retail, smart healthcare, smart education, and enterprise applications.

● Smart Retail

Leveraging a solid customer base and a competitive product portfolio, ADP has successfully maintained revenue and profit growth. Particularly in the North American retail chain market, the company has achieved significant breakthroughs in display panels and integrated hardware-software solutions. Looking ahead to 2025, ADP will adjust its product portfolio to focus on enhancing retail store automation, mitigating labor shortages, and optimizing in-store media networks to streamline sales processes. The development of self-service and semi-self-service checkout systems will also be a key area of focus. These innovative solutions will better serve customer needs and enhance the overall shopping experience.

Recognizing the growing trend of carbon reduction, ADP is investing in electronic paper (e-paper) and reflective display technologies for both large-scale displays and small e-paper applications, positioning itself for future market opportunities. Additionally, energy-efficient LCD and LED displays are expected to see rapid growth, with ADP developing eco-friendly display products tailored to customer needs to help achieve long-term sustainability goals.

● Smart Healthcare

With the trends of medical digitalization and minimally invasive surgery, ADP Smart Healthcare focuses on display and sensing technologies, offering high-resolution, high-contrast, ultra-high brightness wide-color gamut panels, high-precision X-ray components, and sensors tailored to medical environments. By integrating image processing and AI-assisted applications, these solutions can be utilized in surgical, diagnostic, and patient care settings, creating comprehensive medical information and imaging management solutions while enabling remote healthcare, reducing workloads for medical professionals, and enhancing diagnostic accuracy.

ADP will continue refining its technology and developing new products, expanding 3D imaging, large-size IGT, high-end Mini LED, and advanced dynamic X-ray applications to cater to various medical specialties. The company will also integrate hardware and software solutions to optimize medical workflows, improve healthcare professionals' and patients' experiences, and create greater value in the smart healthcare sector.

● Smart Education and Enterprise Applications

ADP, together with its subsidiaries AVOCOR, Jector, and Risevision, focuses on developing display-centric software and hardware solutions for smart education and enterprise applications, along with a comprehensive international commercial service platform. The company offers interactive whiteboards, direct-view LED displays, and digital signage, combined with intelligent software optimized for human-computer interaction. Features include remote device management, content sharing, touchscreen annotation, campus information broadcasting solutions, and conference room environmental control management.

For education, ADP supports the digital transformation of schools, reducing education gaps, improving information dissemination efficiency, and enhancing communication quality. The remote device management service operates on a secure cloud platform, allowing educational institutions to manage display devices remotely while ensuring data security, reducing labor costs, and improving administrative efficiency.

For enterprise applications, ADP provides high-quality visual display solutions for corporate lobbies and meeting rooms, enhancing meeting digitization, remote communication, and collaborative work efficiency, significantly improving corporate management effectiveness.

● Energy Business

In response to global climate change and the net-zero carbon challenge, Taiwan is accelerating its energy transition, with solar power being a primary focus of renewable energy development. Complementary energy storage solutions are also being advanced to ensure a stable power supply. The government prioritizes rooftop solar installations, aiming to achieve the original 3GW goal ahead of schedule, covering factory rooftops, public buildings, agricultural facilities, and other rooftops. Ground-mounted solar projects emphasize land utilization efficiency, social consensus, and environmental sustainability.

To meet the growing demand for diverse net-zero applications, AUO continues to advance energy transition technologies, offering centralized and distributed energy solutions, including comprehensive solar power plant construction and energy-building microgrid platforms. AUO is also enhancing smart operations, maintenance (O&M), and safety device technologies by collaborating with green ecosystem partners to drive Taiwan's energy industry innovation and create a sustainable future. For solar power plant management, AUO's SunVeillance Solar Power Plant Management Solution uses AI diagnostics to detect abnormalities and automate repair dispatching. AUO has successfully implemented 100% AI-driven autonomous solar plant O&M, reducing maintenance costs while ensuring stable power plant revenue. The system also enables efficient management of renewable energy generation, distribution, and trading through a green power trading platform. For solar power plants, regular module cleaning is essential, as it directly impacts module lifespan, energy production, and overall investment returns. AUO has introduced the SunCleanBots Smart Cleaning Robot, equipped with sensors and AI-driven data analysis to effectively remove dirt from solar modules and assess cleaning effectiveness, significantly lowering maintenance costs. Both SunVeillance and SunCleanBots have received the 2025 Taiwan Excellence Silver Award. For net-zero buildings, AUO launched the new-generation SunSteel solar-integrated corrugated metal panel, which enhances power generation efficiency by 12%, featuring fast installation, aesthetic appeal, and lightweight advantages. This product has received Taiwan Excellence Awards and international IEC and Taiwan VPC certifications.

AUO is dedicated to providing sustainable solutions with long-term value to customers. In the solar industry, AUO has evolved from a module manufacturer to a comprehensive solar power plant solutions provider. Recognizing the challenges customers face in sourcing solar power components, AUO has expanded its service offerings by helping customers find high-quality and reliable brands and products. In addition to AUO's own modules, the company has integrated resources and partnered with renowned brands to offer a one-stop shopping solution, including solar modules, monitoring hardware and software, inverters, connectors, and cables. To meet one-stop service demands, AUO has launched the AUO Energy Store e-commerce platform, providing customers with seamless online and offline purchasing experiences. By integrating digital and physical retail channels, AUO ensures customers enjoy a comprehensive one-stop service for all their solar energy needs.

4. Competition status

TFT-LCD is currently the mainstream technology in the flat panel display market. The major global TFT-LCD manufacturers include BOE, CSOT, HKC, and Tianma from China; LG Display from South Korea; AUO, Innolux, and HannStar Display from Taiwan; and SHARP and JDI from Japan.

In recent market trends, South Korean panel manufacturers have been concentrating on the development and production of AMOLED, QD-OLED, and Micro LED display technologies while gradually phasing out older-generation LCD production lines. Chinese manufacturers mainly allocate their large-generation TFT-LCD production lines to mass-market consumer panels while simultaneously investing in AMOLED panel production. With limited capacity for expansion, Taiwanese manufacturers continue to focus on niche markets by offering differentiated panel sizes and high-tech solutions.

In recent years, older panel factories have been closing or transitioning to new technologies, with South Korean manufacturers gradually exiting TFT-LCD production. In Taiwan, panel makers are shifting their focus to IT and automotive display production for Generation 6 and below lines while also actively developing new technologies such as Mini LED, Micro LED, under-display fingerprint sensors, and panel-level packaging.

In the small-to-medium-sized display market, smartphone development trends are driving demand for higher screen-to-body ratios, larger sizes, higher resolutions, irregular cutting, and lightweight power-saving designs. Panel manufacturers are investing in LTPS and AMOLED production capacity to meet these demands. South Korean manufacturers are mainly focusing on AMOLED production, while Japanese and Taiwanese manufacturers are expanding LTPS capacity. Chinese manufacturers are investing in both LTPS and AMOLED production.

Competition in the panel industry has shifted from capacity expansion to technological innovation and high-value-added products. Advanced technologies such as 8K ultra-high resolution, curved desktop display panels, high refresh rate panels, adjustable privacy screens, and full-screen borderless panels have high entry barriers and long learning curves, enabling manufacturers to meet diverse consumer demands and create greater value.

Taiwanese panel manufacturers are leveraging their technological expertise to create differentiation, focusing on high-end technologies such as Mini LED and Micro LED for high-value market segments. Taiwan remains a technology leader with a well-established LED supply chain, aiming to accelerate product adoption while continuously improving R&D capabilities to reduce costs and enhance market competitiveness.

4.1.3. Technology and R&D overview

AUO is actively advancing its "Dual-Axis Transformation Strategy," aiming to become a solution provider centered on display technology. The company continues to expand in three major areas: "Display," "Mobility Solutions," and "Vertical Solutions." The key products and technologies for 2024 are as follows:

Display

● Breakthrough in 3D Dual-Layer Display for an Immersive Experience

AUO has overcome limitations in stereoscopic imaging by developing the world's largest 30-inch true 3D display. The upper layer utilizes Micro LED technology, offering high transparency, brightness, and contrast, while the lower layer features Advanced Reflectionless Technology (A.R.T.) LCD, delivering a low-reflection, clear virtual background. This innovation enables independent depth display, creating a lifelike 3D effect without the need for glasses. It supports simultaneous 2D and 3D viewing for multiple users, regardless of distance or angle, minimizing discomfort like eye strain or motion sickness. Ideal for entertainment, AR, and education, this display won the Gold Panel Award 2024 from the Taiwan Display Union Association (TDUA) and the 2024 SDIA Award - Gold Prize for Advanced Display.

● 60-Inch High-Transparency Micro LED Display

AUO's 60-inch high-transparency Micro LED display leverages industry-leading Micro LED technology to achieve high transparency, low diffraction, high brightness, and seamless scalability. With 600 nits full-screen brightness, over 60% transparency, and an ultra-wide color gamut exceeding NTSC 110%, this display is designed for smart commercial showcases, redefining interactive and immersive retail experiences. This breakthrough earned the Best Micro LED-Based Technology Award at SID 2024.

● 17.3-Inch Fast Black Switching Transparent Touch Display

AUO has integrated Micro LED transparent display technology with fast black-switching capability, creating the world's first 17.3-inch fast black-switching transparent touch Micro LED display. It features high transparency, brightness, and a black-switching function that enhances user experience and privacy protection. Designed for smart vehicle dashboards, in-car entertainment, and video conferencing, this innovation received the 2024 SDIA Award - Bronze Prize for Advanced Display.

● Green Technology for Display Innovation

AUO is committed to advancing next-generation display technologies while aligning with global carbon reduction trends by integrating innovative green technology applications. Leveraging the advantages of AmLED, ChLC (Cholesteric Liquid Crystal), and LTPS (Low-Temperature Polycrystalline Silicon) technologies, AUO develops energy-efficient, lightweight, and low-carbon solutions for smart mobility and high-end laptops.

In automotive applications, AUO's AmLED technology features proprietary dynamic adjustment technology, delivering high brightness, high contrast, and superior color performance while using inorganic materials for enhanced stability and energy

efficiency. The company has introduced the world's first 80% transparent wood-grain display, which enhances hidden display functions by presenting vivid, distortion-free colors when in use and seamlessly reverting to an elegant decorative panel when inactive. With customizable finishes such as carbon fiber and brushed metal, this display offers versatile aesthetic options for vehicle interiors.

In outdoor mobility applications, AUO's cholesteric liquid crystal (ChLC) ultra-low-power full-color outdoor display employs bistable technology for power efficiency, high color saturation, and eco-friendly performance. By reflecting ambient light, it maintains excellent color vibrancy even under direct sunlight and operates reliably in extreme temperatures ranging from -30°C to 85°C. The display integrates hardware-software solutions for cloud-based management and can be powered by solar energy, making it ideal for public information and transportation displays.

Targeting the high-end laptop market, AUO applies its LTPS technology to create ultra-narrow bezel, energy-saving displays, such as the 13.3-inch QHD ultra-low-power laptop display. By integrating IC design to reduce material usage, the display is lightweight and, with a high-efficiency backlight module, consumes less than 0.65W at 150 nits brightness, extending battery life and reducing carbon footprint while offering users a power-efficient yet high-performance experience.

Mobility Solutions

● Micro LED Display HMI Solutions for Automotive Applications

Focusing on user experience, AUO redefines human-machine interaction (HMI) in vehicles by integrating entertainment and safety features into high-resolution screens tailored for both drivers and passengers. The transparent, frameless Micro LED display for the front cabin offers a 163 PPI pixel density and a peak brightness of 5000 nits, ensuring clear information visibility and an unobstructed driving view, even under direct sunlight. For passengers, AUO introduces the world's first smart Micro LED display with an integrated camera, leveraging Micro LED's seamless integration with sensing technologies. This 5000-nit display incorporates Under-Display Camera (UDC) technology, embedding a hidden camera beneath the screen to maximize display space. Advanced low-diffraction circuitry minimizes image distortion, delivering crystal-clear visuals for entertainment and video calls while enabling intuitive eye-contact interactions. Additionally, the screen is fully retractable, allowing passengers to enjoy an unobstructed cabin view when not in use. This groundbreaking innovation earned AUO the prestigious 2024 SID Best Automotive Display Award.

● Smart Cockpit 2024 – A Revolutionary In-Vehicle Experience

AUO's Smart Cockpit 2024 integrates its industry-leading Display HMI solutions throughout the vehicle, utilizing Mini LED and Micro LED technologies to create an immersive, "Image Everywhere" infotainment experience. Having showcased at multiple international exhibitions and automotive events, it has received widespread acclaim for its innovative applications. A key highlight is the world's first rollable rear-seat entertainment display, maximizing space efficiency within the cabin. Additionally, AUO's transparent, flexible Micro LED technology transforms traditional car interiors, seamlessly integrating distributed display systems, interactive smart windows, and safety notifications into a cohesive design. This revolutionary space-saving concept won the 2024 SDIA Gold Award for Advanced Display Technology and the 2024 Taiwan Excellence Silver Award.

Vertical Solutions

● Glasses-Free 3D Medical Display

Building on its expertise in display technology, AUO has extended its innovation into medical-grade displays, earning the 2024 Smart Display Application Award for Smart Healthcare and the 21st National Innovation Excellence Award for its groundbreaking 27-inch Glasses-Free 3D 4K Medical Display. Developed in collaboration with its subsidiary, ADP, this display features a full-flat, low-reflection, high-contrast design with Deep Red technology and wide color gamut, ensuring precise visualization of organ tissues for enhanced surgical efficiency and safety. With 4K ultra-high resolution and AUO's eye-tracking technology, the display expands 3D viewing angles and image quality without the need for 3D glasses. Surgeons can observe depth perception and spatial positioning of organs from any angle with greater comfort and efficiency. This innovative display is ideal for endoscopic imaging, surgical microscopes, and robotic surgery monitors, driving advancements in smart healthcare.

● TARTAN Display Technology – Customizable for Diverse Applications

AUO continues to lead in smart environment solutions with its proprietary TARTAN display technology, introducing the world's largest 58.6-inch R1000 curved ultra-wide display (32:9 aspect ratio). This innovation won the 2024 National Science and Technology Council's Central Taiwan Science Park Outstanding Innovative Product Award. TARTAN technology breaks conventional aspect ratio limitations, offering customizable display sizes tailored for various applications. By incorporating optimized circuit design, precision-cut irregular shapes, and R1000 curvature, AUO achieves highly flexible displays with seamless visuals. Compared to traditional 16:9 tiled displays, the 32:9 ultra-wide format minimizes bezels, reducing black borders and enhancing overall visual experience. Its elongated design makes it ideal for public transportation hubs, such as train stations

and metro platforms. With a frameless high-screen-to-body ratio, superior durability, and outstanding display quality, this curved display is already widely adopted by leading global rail system manufacturers and operators, holding a leading market position in mass transit applications.

● Smart Retail Cloud Management Platform

As the retail industry embraces new service models, AUO introduces the AUO Smart Retail Cloud Management Platform, an integrated software-hardware solution designed to streamline in-store marketing and address labor shortages. With an advanced cloud-based content management system, retailers can efficiently monitor and control digital signage and electronic shelf labels (ESLs) from a single software platform. AUO also offers energy-efficient digital signage, including a 39.8-inch square TARTAN display with A.R.T. anti-glare technology, which improves contrast in bright environments while reducing power consumption by 30%. For outdoor applications, AUO's 2,500-nit high-brightness 43-inch display ensures visibility under direct sunlight, incorporating an eco-friendly power-saving design that reduces energy consumption by 15% compared to conventional displays. By enhancing retail spaces with high-resolution, energy-efficient digital signage and ESLs, AUO helps retailers reduce reliance on paper-based advertising, minimize waste, and contribute to sustainability goals.

In solar technology development, AUO aims to provide high-efficiency, high-quality, high-reliability, and differentiated solar module products, along with comprehensive energy management solutions. In 2024, AUO continues to enhance solar module power output and develop integrated photovoltaic applications. Its energy management solutions integrate three key systems: solar power plant monitoring and management, visualized energy management, and green power trading management, delivering an end-to-end green energy solution that reinforces AUO's commitment to sustainable energy.

● High-Performance Solar PV Module Technology

In 2024, AUO successfully developed and mass-produced the M10 N-Type Half-Cut Monocrystalline Silicon Solar Module, SunAlto, achieving a 23% photovoltaic conversion efficiency. This innovation earned recognition from Taiwan's Bureau of Energy with the Golden Energy Award. For niche applications, AUO introduced the next-generation SunSteel BIPV (Building-Integrated Photovoltaics) roofing sheet, integrating high-efficiency solar cell technology to enhance power generation. To further expand market presence and system integration, AUO is actively developing roofing accessories and secondary roof retrofitting solutions to optimize engineering applications.

● PowerVeillance Energy Management System

AUO's PowerVeillance Smart Energy Management System optimizes energy usage across power generation and consumption sectors by integrating software-hardware control and deployment. The system applies to solar-storage power plants, enterprise energy storage solutions, and EV charging station management. By collecting energy data from various devices, PowerVeillance enables real-time data visualization on mobile devices and digital dashboards. It dynamically simulates instantaneous power consumption, displays energy distribution insights, and facilitates remote monitoring, energy dispatching, and multi-source power management. This system helps users maximize self-consumption of green energy, optimize electricity costs, and achieve real-time, efficient energy management.

● Green Power Trading Management Platform

With the global push toward net-zero emissions, green energy has become a key corporate priority while opening new business opportunities for green power sellers. AUO's Green Power Trading Management Platform enables power purchasing, transmission via Taiwan Power Company, and electricity sales management, ensuring businesses can seamlessly adapt to the evolving green energy market.

● SunGarde Solar Arc Detection & Protection Solution

Addressing electrical arcs, the leading cause of solar system fires, AUO developed the SunGarde Arc Protection Box, which is UL1699B (Type 1) certified and capable of detecting arc faults within 2.5 seconds. It automatically shuts down faulty strings, preventing series arcs and mitigating parallel arc energy, significantly reducing fire risks. In case of faults, SunGarde integrates with the SunVeillance Solar SmartCloud Monitoring System, providing visualized analysis to swiftly identify faulty strings, thereby minimizing power generation losses and improving system reliability.

● Smart Power Panel Solution for Residential Energy Optimization

AUO's Smart Power Panel is designed for household energy management, integrating with home energy storage systems to flexibly allocate backup power and extend energy storage capacity. It enables real-time monitoring of circuit power consumption and automatic load-switching, optimizing home energy distribution. Featuring modular intelligent components and a high-reliability hardware platform, AUO's Smart Power Panel provides customizable product combinations, easy maintenance, and enhanced user convenience, ensuring an efficient and sustainable home energy management solution.

R&D Plans, Expenses, and Patent Status

● 2024 R&D Expenses and Patent Status

AUO continues to enhance the added value of display technology (Go Premium) and deepen vertical field applications (Go Vertical). Centered around three core business pillars-Mobility Solution (Smart Mobility), Vertical Solution (Vertical Markets), and Display Technology-AUO continuously pushes the boundaries of innovation, strengthening its competitiveness in high-end and emerging application markets.

Unit: NT\$

Project	Research expenses	The proportion of revenue (%)
2024	16 billion	5.72%

As of the end of 2024, AUO has accumulated over 32,000 patent applications, with more than 24,700 granted patents worldwide, 97% of which are invention patents. According to the patent application and issuance statistics published by the Intellectual Property Office of the Ministry of Economic Affairs in 2024, AUO ranked second among domestic corporations in the number of granted patents and third in the number of patent applications across invention, utility model, and design patents. Aligned with AUO's three strategic pillars, in the field of smart mobility, the number of invention patent applications for automotive displays in Taiwan reached 50 in 2024. In the field of display technology, AUO filed over 180 invention patent applications in Taiwan related to Micro LED. In the field of vertical applications, AUO submitted more than 40 invention patent applications in Taiwan for non-display technologies, such as antenna technology, medical applications, and green energy solutions. AUO's commitment to patent development and strategic patent mapping has further strengthened its leadership position in the market.

● Future R&D Plans and Estimated Investment

AUO plans to invest approximately NT\$12.385 billion in R&D for 2025 and will adjust its plans based on global market conditions and the company's actual operations. The key future R&D initiatives are summarized as follows, with continuous and steady development of new technologies:

Project	Description	The main factors of success
Advanced Display Technology: Micro LED Project	High Transparency, Large-scale, Flexible, High Brightness, High Contrast, 3D Display, Seamless Splicing, and Transparent Display Technology with Black-Switching Integration	<ul style="list-style-type: none"> Independently Develop New Architectures and Manufacturing Processes, While Collaborating Closely with Key Material Suppliers, Equipment Manufacturers, and Customers to Establish High-Barrier Technology Protection. Comprehensive Technology Planning and Patent Deployment to Achieve Differentiation in Technology and Products.
AmLED Backlight Display Project	High Partition Count, Thin LCM, Dynamic Adjustment, High Contrast, High Brightness, Wide Color Gamut, Picture Quality Enhancement, Cost-Down Structure, and Energy-Saving Technology	
Smart Cockpit Automotive Display Technology Project	High Transparency, Flexibility, High Resolution, High Brightness, Frameless Design, Display Technology and HMI Software Design, UDC (Under-Display Camera) Technology	
Green Display Technology Project	AmLED Dynamic Adjustment Technology, ChLC Display Technology, LTPC Display Technology, EPD Display Technology	
Smart Medical Sensing Technology	Traditional Chinese Medicine Pulse Diagnosis Technology, X-ray Sensing Technology, Liquid Crystal Physiological Radar Technology, Biochip Detection Technology	
Smart Retail/Healthcare/Education & Enterprise/Rail Transit Applications	Cross-Industry Vertical Applications, Cloud-Based Software and Hardware Integration Platform, 3D Imaging Solutions, TARTAN Display Technology for Various Applications, Remote Equipment Management System	<ul style="list-style-type: none"> Optoelectronic Integration Capabilities for Niche Application Fields. Experience in developing integrated and monitoring platforms combining optoelectronics with energy storage. Expertise in enterprise- and community-level microgrid energy management systems.
SunSteel Niche Photovoltaic Products	1.Development of Photovoltaic Integrated Roofing Panels that Meet U.S. Market Specifications 2.Development of Roof Accessories and Secondary Roof Renovation Solutions	
PowerVeillance Microgrid Energy Management Platform	Diversified Communication Interfaces for Integrating and Regulating Various Energy Devices, Assisting Customers in Managing Power Generation and Load Systems with Customized Energy Management Solutions	
SPP Smart Power Panel and Residential Integrated Energy Management Technology Development	Development of Smart Power Panels for the U.S. Market with Modular Design and Open Software Integration Interface, Enabling Quick Integration of Household Energy Management Devices	

4.1.4. Long-term and short-term business development plans

As a leading TFT-LCD manufacturer, AUO is committed to advancing its presence in LCD TVs, desktop monitors, laptops and tablets, automotive displays, industrial and commercial displays, and other small-to-medium-sized display applications. The company continues its transformation by structuring its business into three key pillars: Display Technology, Smart Mobility, and Vertical Solutions.

In the short term, AUO plans to enhance its future product capabilities by adjusting the proportion of high-end production capacity. Leveraging its expertise in a-Si (amorphous silicon) TFT and LTPS TFT, along with technological advancements and product design strengths, AUO aims to offer competitive value-added products such as 8K high-resolution, wide-viewing angle, wide color gamut, ultra-high dynamic contrast HDR, A.R.T. (Advanced Reflectionless Technology), curved displays, and full-flat frameless TV panels. Additionally, the company will focus on high-resolution, high-brightness automotive dashboard display panels, gaming and commercial laptop panels, and low-reflection, integrated touch solutions. Future product development will also emphasize energy efficiency and environmental sustainability by actively deploying low-power consumption platforms. With a comprehensive range of panel generation lines, AUO provides customers with a diverse array of product sizes and options, demonstrating strong execution capabilities and a flexible supply chain to meet customer demands, strengthen strategic partnerships, and secure its critical position in the display supply chain.

In the long term, AUO is committed to developing advanced display technologies such as Mini LED and Micro LED while enhancing anti-reflective technology and manufacturing processes. The company continues to invest in R&D to strengthen its independent innovation capabilities and maintain its leadership in the industry. Additionally, AUO has implemented a comprehensive patent strategy, creating competitive barriers while serving as a solid foundation for its brand customers' global expansion. The company focuses on value chain integration and enhancing value-added solutions, leveraging its flexibility and strong product development capabilities to provide differentiated, premium, and high-value products that sustain long-term competitiveness.

In the field of Smart Mobility, AUO completed the acquisition of BHTC in 2024 and established AMS (AUO Mobility Solutions), enabling multinational management and system integration while accelerating the expansion of its automotive business and technological innovation. By applying next-generation Micro LED technologies—characterized by high brightness, high contrast, wide color gamut, wide viewing angles, transparency, and flexibility—AUO seamlessly integrates these features into smart cockpits, enhancing the in-vehicle experience. As its smart mobility business continues to expand, the establishment of AMS facilitates rapid growth and strengthens its competitiveness in diverse global markets.

In Vertical Solutions, AUO aims to become a software-hardware integrated solutions provider, transitioning towards a "display technology-centric solution provider" and a "green sustainability-driven solution provider." By leveraging the synergy of One AUO, the company empowers diverse industry applications with comprehensive solutions. In response to escalating climate challenges, AUO has launched concrete climate action initiatives, offering end-to-end solutions that incorporate AI, digitalization, green products, and sustainable manufacturing innovations. The company is also actively deploying solutions in renewable energy, energy management, water conservation and purification, and carbon management platforms, fulfilling its environmental sustainability commitments by progressively reducing total carbon emissions.

For details on long-term business development plans aligned with various product trends, please refer to Section 4: Business Overview of this annual report (Pages 69-73).

4.2. Market analysis and production and marketing survey

4.2.1. Market analysis

1. Major commodity sales areas

AUO's customers include global information technology, consumer electronics manufacturers and industrial electronics manufacturers, including international well-known brands and OEM and system manufacturers, so the Company's TFT-LCD products are sold all over the world, including Asia, the United States, Europe and emerging markets.

2. Market share

The panel industry has transitioned from scale competition to value competition, with AUO focusing on high value-added products. According to data from Omdia's research report, in the 2024 global ranking of the top five TFT-LCD large-sized panel shipments, BOE, Innolux, CSOT, LG Display, and AUO ranked first to fifth, with respective global market shares of approximately 38%, 13%, 12%, 10%, and 9%. Based on Omdia's market research, AUO ranked third in shipments of ultra-large panels (85" and

above) with an 18% market share, following BOE (27%) and HKC (24%). For desktop monitor panel shipments, the ranking was BOE (30%), CSOT (19%), LG Display (18%), HKC (15%), and AUO (13%). In the global ranking of notebook panel shipments, AUO ranked second with a 19% market share, behind BOE (35%) and ahead of Innolux (18%). In the estimated ranking of automotive center console panel shipments, AUO secured second place with a 15% market share, following BOE (19%) and ahead of LG Display (14%).

3. Future market supply and demand situation and growth

In 2024, the global economy is gradually recovering, driven by factors such as global sports event promotions and China's consumer goods trade-in subsidy policy. According to market research firm Omdia, the total display industry panel shipment demand area has increased by 6% year-over-year. Looking ahead to 2025, demand is expected to continue recovering, supported by the extension of China's trade-in subsidy policy, as well as the trend of upgrading to larger screen sizes and higher specifications. It is anticipated that the global average TV size will maintain a growth of over 1 inch. In the IT market, the industry is entering a post-pandemic replacement cycle over the next two years. With the end-of-life (EOL) of Windows 10 and the introduction of more AI PCs by brands, consumer and enterprise demand for device upgrades is expected to grow, leading to a projected 5% increase in panel shipment demand area.

From the perspective of the panel supply side, data from the market research firm Omdia indicates that in recent years, South Korean panel manufacturers have gradually shut down their LCD production lines, and there has been no new investment in large-generation TV lines within the industry. Currently, production lines are focused on adjusting and upgrading their product structures. With the average television screen size continuing to increase, it is anticipated that in the coming years, the annual growth rate of capacity area in the TFT-LCD industry will be lower than the annual growth rate of demand area.

All application market products are moving towards higher value demands, such as larger sizes, higher resolutions, higher refresh rates, lighter and thinner designs, narrow bezels, integrated touch panel products, software-hardware system integration, and human-computer interaction interface solutions. Looking forward, the development of the panel industry has shifted from competition based on capacity to breakthroughs in technological capabilities and value integration. Overall, the supply and demand of the TFT-LCD industry is expected to develop in a healthier direction.

4. Advantages, disadvantages and countermeasures of competitive niche and development prospect

(1) Competitive niche

● Technology and Product Strength

In response to increasingly complex industry competition, AUO remains focused on enhancing technological quality by deepening its research and development of new technologies, improving product quality, and advancing applications such as integrated touch panels, ultra-high-resolution panels, curved panels, and professional commercial display panels. These efforts cater to diverse product demands, offering differentiated and high-value-added solutions while establishing barriers to entry for competitors.

● Talent, R&D Capabilities, and Patent Quality

AUO continues to invest in research and development resources and talent cultivation. With years of accumulated expertise in R&D and manufacturing, the company effectively shortens the learning curve for new products. Additionally, AUO has built a comprehensive long-term patent portfolio, ensuring a strong technical foundation that sustains its market leadership.

● Highly Flexible Management and Mass Production Capabilities

With industry-leading technologies and a complete range of production lines across different generations, AUO can efficiently allocate production resources for various products. By leveraging a robust mass production foundation and a well-managed upstream and downstream supply chain, AUO has established an integrated platform covering marketing, product management, customer service, manufacturing efficiency, yield quality, and material logistics. This optimization enhances the company's overall operational efficiency.

● Comprehensive Customer Coverage

AUO continuously strengthens its technological capabilities to expand its customer base across major global brands. The company serves customers from China, Japan, Korea, system integrators, as well as clients from Europe, America, and emerging markets. This extensive global presence ensures a well-balanced and diversified customer portfolio.

● As emerging technologies such as 5G and AI become increasingly prevalent, AUO is committed to leveraging its deep expertise in display technology while integrating hardware, software, cloud services, and platform solutions. With a focus on smart retail,

smart healthcare, smart entertainment, smart mobility, and smart manufacturing, AUO is driving field-based economic models and a dual-axis transformation strategy. By collaborating with ecosystem partners, the company aims to find optimal solutions within diverse smart environments, paving the way for new market opportunities.

(2) Favorable factors for development prospects

● Advanced Next-Generation High-Resolution Display Technologies

AUO is actively developing Micro LED technology, which offers advantages such as high brightness, high contrast, long lifespan, flexibility, and transparency. These features help overcome the impact of ambient light on display performance, making Micro LED an ideal choice for next-generation automotive displays. It is also well-suited for applications such as wearable devices and ultra-large spliced TVs. AUO integrates its core display technologies with ecosystem partners to develop products that align with field application values, expanding into areas such as smart retail, smart healthcare, smart education, enterprise solutions, smart mobility, and smart manufacturing. In 2023, AUO marked the start of Micro LED mass production by leading the market with the production of a 1.39-inch smartwatch, demonstrating its capability to commercialize and scale Micro LED technology. Moving forward, AUO aims to accelerate its adoption in automotive displays, ultra-large spliced TVs, and transparent displays, showcasing advantages such as high brightness, superior reliability, extended lifespan, ultra-high transparency, and flexible, bendable form factors.

● Growth Markets

Within the TFT-LCD industry, high-growth potential segments include automotive displays, commercial displays, and public information displays. Commercial displays are characterized by low-volume, high-mix production with high entry barriers, where customers prioritize reliability and long-term supply capabilities. AUO has long been a leader in the commercial market across various non-consumer electronics fields, including industrial computers, ATMs, point-of-sale (POS) systems, and large gaming machines.

In the steadily growing automotive display market, AUO not only maintains a strong market share but also actively expands into the high-end automotive panel sector. The company pioneered integrated automotive panel solutions combining touch sensors and bonding technology, successfully entering the supply chains of major car manufacturers from Japan, Europe, the U.S., Korea, and China. AUO continues to upgrade its technology from traditional LCDs to Mini LED backlighting, which is gaining market penetration in automotive displays, and has also developed Micro LED display technology to meet emerging market trends and long-term customer demands, driving growth in its automotive display business.

● Market Opportunities in Smart Applications

As 5G technology gains momentum and integrates with AI, it is unlocking limitless possibilities across industries, from facial recognition, crowd analysis, and behavioral analytics to smart finance, healthcare, robotics, and autonomous driving. These innovations are reshaping industries and human lifestyles. Business models are also evolving with widespread network coverage, high-speed data transmission, ultra-reliable and low-latency communication, and increasing IoT device adoption. This rapid development is accelerating new business models and applications, leading to diverse and extensive display applications. Additionally, as applications trend toward larger screens, the demand for display panel surface area continues to grow.

AUO is targeting smart retail, smart healthcare, smart education, enterprise solutions, smart mobility, and smart manufacturing with its advanced product lineup, which includes ultra-high-resolution displays, curved panels, wide color gamut technology, ultra-high dynamic contrast technology, integrated touch solutions, and value-added applications. By leveraging its strengths in hardware-software integration, AUO enhances product value and differentiation, positioning itself to seize business opportunities in the IoT era.

(3) Unfavorable factors and countermeasures

● Expansion of Manufacturing in Mainland China

In recent years, competitors in mainland China have been continuously expanding production capacity in ultra-large-generation production lines, impacting the supply-demand balance in the panel industry. However, in the TFT-LCD sector, capacity is no longer the sole competitive advantage. Future display demand is expected to become increasingly diverse, with rising demand for customized specifications. As a result, strengthening technology, operational management, and deepening customer relationships have become key strategic focuses for panel manufacturers. In response to the challenge of increased capacity, AUO will continue to leverage its strengths in technology and product capabilities. By enhancing its strategy through advantages in technology, flexibility, patent portfolio quality, and comprehensive customer deployment, AUO aims to create differentiated value through high-quality technology and products. Additionally, its vertical integration strategy—combined with a strong focus on high-end segments such as gaming, automotive, medical, and industrial displays—is expected to sustain profitability. Taiwanese manufacturers have actively adjusted their business strategies in recent years, strengthening vertical

integration across the supply chain and implementing a meticulous, small-volume, high-variety product strategy. These efforts help maintain industry competitiveness and enhance profitability.

● Consumer Spending Impacted by Global Economic Conditions

Overall consumer spending may be influenced by uncertainties such as inflation, high interest rates, energy shortages caused by war, global geopolitical instability, and the new U.S. tariff policies. The surge in home economy demand during the pandemic has gradually diminished as countries around the world adopt more open economic policies. After more than a year of inventory adjustments in 2023, brands have returned to healthy stock levels. With economic recovery in 2024, consumer confidence is gradually rebounding, and brands are returning to regular stocking rhythms. From 2025 onward, the market is expected to enter a replacement cycle for devices purchased during the pandemic-driven home economy boom. AUO will continue to implement strict inventory controls, optimize its product portfolio, expand market applications, and accelerate its transformation efforts to mitigate the impact of consumer demand fluctuations on business operations.

4.2.2. The important uses of the main products and the production process

1. Important uses

TFT-LCD products are display devices for transmitting digital information, and their wide applications include commercial and industrial information display devices, computers, telecommunications-related and consumer electronic products. With the development of 3C integrated market in the digital age, the main application fields of TFT-LCD products at present include LCD TV, desktop LCD, tablet computer, notebook computer, mobile phone, automotive display, wearable device, and general industrial and commercial applications such as ATMs, vending machines, public information displays, traffic information billboards and other touch screen products.

2. Production process

There are three production processes of TFT-LCD:

- (1) Array or TFT process: similar to semiconductor process, the difference is that thin film transistors are fabricated on glass instead of silicon wafer.
- (2) Cell or LCD Process: taking the glass of the front Array as the substrate, combining it with the glass substrate of the color filter, and injecting liquid crystal between the two glass substrates.
- (3) Module Assembly or LCM Process: the production operation of assembling the glass after the Cell process with various components such as backlight board, circuit, outer frame, etc.

4.2.3. Supply status of main raw materials

Because the manufacturing process of TFT-LCD is relatively complicated, it needs plenteous variety of raw materials and components. Its main raw materials and key components include: glass substrate, driver IC, polarizer, backlight module, liquid crystal, printed circuit board, color filter and flexible board, etc. AUO has long strengthened its supplier management ability, maintained good cooperative relations with domestic and foreign raw material manufacturers, and maintained more than two manufacturers in the procurement of key materials and components, so as to maintain purchasing flexibility and avoid the risk of excessive concentration of raw materials.

4.2.4. A list of any suppliers and clients

1. Major Customer

Due to changes in the product mix, there were no customers accounting for more than 10% of net sales in both 2024 and 2023.

2. Major Purchasers

As a result of AUO's continued strategy of maintaining a diverse supplier base, no suppliers accounted for more than 10% of net purchases in both 2024 and 2023.

4.3. Employee Information

Year		As of January 31, 2025	2024	2023
Total number of employees (persons)	Production	28,190	27,675	26,216
	Technical	8,864	8,853	8,060
	Sales and marketing	1,417	1,403	1,239
	Management and administrative	3,665	3,643	3,313
	Total	42,136	41,574	38,828
Average age (years)		41.1	41.2	32.0
Average duration of service (years)		5.3	5.2	4.0
Educational distribution ratio (%)	Director of Philosophy	0.6	0.6	0.5
	Master's Degree	16.9	16.7	16.2
	Bachelor's Degree	38.6	38.5	39.3
	Senior High School	29.8	30.5	30.4
	Senior high school or below	14.1	13.7	13.6

Note: The acquisition of BHTC was completed in April 2024, followed by the acquisition of Avocor in September 2024. These two mergers increased the total number of employees in 2024 by 3,082.

4.4. Disbursements for environmental protection

Losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations as a result of inspections, specifying the date of disposition, disposition reference number, violated regulation provisions, details of the violation, and disposition content), as well as disclosure of estimated current and future potential amounts and response measures. If a reasonable estimate cannot be made, the reasons should be stated:

For the most recent fiscal year and up to the publication date of this annual report, no such incidents have occurred.

4.5. Labor relations

4.5.1. List the Company's employee benefit plans, continuing education, training and retirement systems and the status of their implementation, and the status of labor-management agreements and various measures for preserving employees' rights and interests:

1. Welfare measures and implementation

- (1) AUO provides a comprehensive insurance care plan. In addition to statutory insurance, all employees enjoy group insurance funded by the company. During business trips or overseas assignments, exclusive travel insurance is also provided, ensuring that employees have access to comprehensive safety protection wherever they are in the world.
- (2) AUO has implemented an "Employee Stock Ownership Trust Plan," which offers employees a relative contribution reward of 100% to 150%. This plan not only provides a convenient and stable savings channel but also links the company's operations with the long-term benefits of its employees. The plan has received strong support from the majority of employees, with an overall participation rate consistently maintained at over 80%.
- (3) In addition to the basic monthly salary, AUO provides bonuses for the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival. Each year, rewards are given based on the overall performance of the company, as well as team and individual performance, with flexible short- and long-term incentive plans tailored for various positions. These plans aim to share profit margins with employees, helping to attract, retain, and motivate talent, as well as to systematically cultivate high-quality personnel.
- (4) To create a comfortable dining environment and provide healthy and diverse meal options, each facility is equipped with employee cafeterias that serve breakfast, lunch, dinner, and late-night meals, along with meal subsidies for employees. Additionally, the company monitors the sourcing of ingredients closely, incorporating locally sourced rice and offering vegetarian options. Circular diningware is used, and kitchen safety inspections are implemented to ensure that employees can eat with peace of mind while simultaneously practicing a low-carbon lifestyle.

- (5) To promote work-life balance, each facility features a lifestyle plaza that includes convenience stores, cafes, pastry shops, fruit bars, and laundries. Seasonal sales events are launched during festivals, allowing employees to enjoy a strong festive atmosphere while taking a break from work.
- (6) AUO has established "Wellness Centers" at each facility, focusing on employee health care programs tailored to the diverse needs of different age groups. Various health promotion initiatives are designed and implemented through a range of activities, ensuring the well-being of employees and creating a comprehensive health care mechanism that caters to their physical, mental, and spiritual health.
- (7) Each facility is equipped with a fitness center known as the "Vibrancy Pavilion," which offers a variety of sports facilities including a gym, aerobics studio, basketball courts, badminton courts, table tennis, and billiards. A professional sports marketing team manages the center, and various sports classes are periodically offered based on employee demand, along with seasonal sports events to promote an active and engaging atmosphere. Additionally, the "Vibrancy Pavilion" is open to employees' families on weekends, fostering family interaction and bonding.
- (8) AUO has legally established the "AUO Employee Welfare Committee" according to the laws to oversee various welfare programs. In addition to providing holiday bonuses and travel subsidies, the committee has designed multiple allowances to address the changing roles of employees at different stages of their careers and the unexpected situations they may face in life. These allowances cover areas such as childbirth, childcare, marriage, bereavement, and emergency assistance. In response to government policies encouraging childbirth, the welfare committee provides an annual childcare allowance of NT\$3,600 for employees raising children aged 2 to 6. Furthermore, to encourage a healthy work-life balance, the committee has organized a series of activities, including club events, discounts at partner stores, and sports seasons.

2. Talent Development Planning

Since their onboarding, AUO employees globally enter AUO University to receive systematic training and development. This includes the AUO New Employee Training (AUO Elite Camp) for all new hires, personal professional competency development, external training subsidy programs, and leadership development for supervisors. This structured approach focuses on comprehensive career development to cultivate both specialized and general talents.

- (1) **AUO University Professional Course Training:** AUO University aligns with the company's strategy, focusing on cultivating dual-axis transformation talents while aiming to develop both generalists and specialized managers. It offers diverse and comprehensive on-the-job training and self-learning pathways for AUO employees. AUO University consists of seven colleges: the College of Science, College of Engineering, College of Leadership, College of General Education, College of Future Studies, College of Sustainability, and the College of Business. Each college offers training courses based on targeted talent development blueprints, covering common areas such as research and development innovation, smart manufacturing, leadership, general education, future technologies, sustainable development, and business management. In addition, each department has established an Education and Training Executive Committee (referred to as the Training Committee), which plays a critical role in implementing specialized training within departments. Each Training Committee formulates a dedicated training blueprint to assist employees in enhancing their professional knowledge and skills.
- (2) **Industry-Academia Collaboration:** To ensure the effective implementation of the education and training management policy, the Student Affairs Center of AUO University regularly holds education and training meetings to review the execution status and performance indicators of various training programs. This process helps to optimize and improve responsive measures, ensuring the effectiveness and quality of the courses. Additionally, AUO utilizes AUO University as a platform to establish an Industry-Academia Center that aligns with the company's transformation strategy. Through the collaboration blueprints from various colleges, the center identifies technical development and collaboration needs, further facilitating interactions with abundant resources from higher education institutions. This initiative aims to enhance the flow of knowledge and technology between industry and academia.
- (3) **Learning Outcomes:** In 2024, AUO invested a total of NT\$56,312 (thousand) in global talent development, enhancing the professional knowledge and sustainability competencies of all employees through AUO University. For management-level employees, a series of management training courses were planned based on management competencies to cultivate a high-quality management team and improve the company's management capabilities. This includes training for new managers as well as advanced training for current managers, with a total of approximately 103,212 hours of global management training in 2024. For indirect employees globally (IDL), training is provided through a combination of in-person courses and online learning to impart job-related knowledge and skills. Depending on employees' different levels of experience, various elective courses are offered, including beginner, advanced, and emerging trend topics. In 2024, the total training hours for global indirect employees (IDL) reached approximately 902,217 hours.

Item	Taiwan	Suzhou	Kunshan	Xiamen	Singapore	Slovakia	United States	Japan	South Korea	Netherlands	Germany	Vietnam	Total for 2024
IDL Total Number of Employees	8,017	1,170	622	981	58	32	63	33	23	1	27	96	11,123
IDL Training Hours	668,001	65,230	59,623	104,031	315	232	4,077	337	38	3	29	301	902,217
IDL Average Training Hours	83.32	55.75	95.86	106.05	5.43	7.25	64.71	10.21	1.65	2.83	1.07	3.14	81.11
Management Training Hours	77,017	10,429	1,650	12,775	26	72	1,035	103	24	0	29	52	103,212
Total Average Management Training Hours	25.43	31.04	14.73	49.90	0.87	4.25	43.13	8.58	3.00	0.00	1.71	2.00	26.69
Total AUO Employees	18,234	9,580	2,343	6,343	63	83	63	33	23	1	27	469	37,262
Total Training Hours	691,674	70,040	70,728	108,297	315	232	4,077	337	38	3	29	1,067	946,837
Total Average Training Hours	37.93	7.31	30.19	17.07	5.00	2.80	64.71	10.21	1.65	2.83	1.07	2.28	25.41
Total Training Costs	NT\$56,312 (thousand)												

3. Retirement system and implementation

To ensure stable living conditions for employees after retirement, the company has established a retirement policy and, in August 1997, formed the Labor Retirement Reserve Fund Supervisory Committee. According to regulations, 2% to 15% of the total salary expenses is contributed monthly to the retirement reserve fund accounts. Since July 2005, the new labor retirement pension system has been implemented concurrently, where 2% to 15% of the total salary of employees is also contributed monthly to the retirement reserve fund account. Additionally, should employees choose to make voluntarily contributions to their retirement fund, the chosen contribution percentage will be deducted from their monthly salary and placed into their individual retirement fund account. Each year, the company commissions an actuary to provide an actuarial report to ensure that the overall retirement funds are adequately allocated, thus safeguarding employees' retirement rights.

4. Labor agreement and implementation:

The Company has always attached importance to labor relations, and besides complying with the labor law and related laws and regulations, has implemented numerous additional benefits and measures that exceed legal requirements to establish harmonious labor relations. In addition, the Company regularly holds quarterly and monthly meetings, labor-management meetings, business briefings and other two-way meetings with employees to convey important information and policies. At the same time, it also provides all-weather communication platforms such as "Audit committee mailbox", "general manager mailbox", "sexual harassment complaint mailbox" and "internal communication mailbox" to collect, address and solve employees' concerns, and establish an environment for mutual participation and full communication between employers and employees.

5. Protection measures for working environment and personal safety of employees

The Company has been devoting itself to environmental protection, energy conservation and employee care for a long time, expecting to fulfill its social responsibilities with growing enterprise and move toward sustainable management. In addition to complying with relevant domestic laws and regulations, we have obtained the internationally recognized ISO45001, Occupational Health and Safety Management System, certification in all factories. Specific measures are as follows:

(1) Focus on source management

At the stage of construction, the new factory is designed according to "Risk Engineering Guideline for New Construction", and the preventive measures are considered for all possible hazards in the building. During operation, the best practicable technologies (BAT) are adopted to prevent hazards and control risks after hazardous identification and evaluation for on-site safety. In the view of equipment safety, the Company established "Tool Safety Common Specification" according to the process characteristics and referring to other important safety specifications in Europe, America and Taiwan. Also, we communicated and discussed with suppliers at the design stage while taking control of the procurement process. After the equipment enters the factory, it must meet the safety inspection standard of equipment installation before operation to guarantee the safety of employees. In the view of chemical management, AUO established a chemical control inventory (ACF, AUO Chemical Filter) in

line with international trends and screens high-risk substances to strengthen source management, which indeed protects employees' health and avoids environmental impact.

(2) Promote safety culture

The Company continues to promote safety culture and take employee safety as one of the five major axes of B2B in the Company. We hope that every colleague can play his own safety role in different positions, not only integrating safety awareness into work and life but achieving the vision of zero hazard for the team.

(3) Strengthen communication and training of hazard prevention

In order to effectively enhance all employees' awareness of safety and health, the Company has planned the relevant subject courses for colleagues at all levels, including environmental protection, safety and health, emergency response, management system, risk management, social responsibility and green products, so that employees can recognize the hazards and implement safety standard procedures. In addition to training, a departmental environmental safety officer mechanism is established to regularly collect employees' working safety and health needs, and to pass on safety and health management measures and messages to achieve good two-way communications.

(4) Promote health of employees

The Company has professional nursing staff to establish a complete health management plan. Besides health check-ups, medical consultation and various health promotion activities are held regularly. In order to enable employees to obtain relevant health information and personal health data at any time, an e-health management platform is established. In addition, there are professional staff assistance programs, and professional teams provide psychological and legal consultation. In order to cope with the possible impact of infectious diseases on enterprises and employees in recent years, the Company not only continuously monitors relevant information but established a comprehensive response organization and procedures to carry out epidemic prevention or disaster reduction operations while protecting employees' health and preventing operational impact.

(5) Establish an emergency response framework

In order to prevent a major impact to operations caused by emergencies, daily emergency response teams and training courses are established. The Company also has a 24-hour emergency response center equipped with comprehensive monitoring facilities to keep abreast of the situation in the factory. The Company has also established a complete emergency response plan, covering emergency preparedness and plans for fires, chemical spills, earthquakes, floods, etc., and carried out relevant drills to familiarize personnel with various procedures, so as to reduce the impact on personnel and property in case.

(6) Continuous monitoring and auditing

For site ESH operation in the factory, the Company carries out various environmental and working tests/ measures of personnel according to related regulation, and a comprehensive audit procedure is established, including not only daily inspection, high-risk operation inspection and supervisor inspection, but also cross-factory audit by safety experts, third-party verification and customer audit. In addition, management review organizations at company level and site level are set up respectively, which are convened by senior supervisors or the top supervisors of each site to conduct regular reviews of various environmental and safety affairs which includes review of the operation situation, goals, directions, implement continuous improvement and promotion of environmental and safety performance.

4.5.2. Losses incurred due to labor disputes, estimated potential future costs, and response measures as of the most recent fiscal year and the date of annual report publication

As of the fiscal year 2024 and the date of this annual report, the Company has not experienced any losses due to labor disputes. However, the Company has been fined for violations identified in labor inspections, as detailed below:

Company Name: AUO Corporation

Description of event	Countermeasures and improvement measures
<ol style="list-style-type: none"> Disposition date: January 12, 2024 Disposition reference No.: Zhonghuanzi No. 1130001353 The articles of law violated: Article 32, Paragraph 2 of the Labor Standards Act – Overtime exceeding legal limits The contents of the dispositions: Monthly overtime hours exceeded the legal limit. Disposition details: A fine of NT\$ 200,000. 	<ol style="list-style-type: none"> Develop work hour management policies and systems to effectively manage and control working hours. The system will issue alerts regarding work hours, promptly remind unit supervisors to adjust workloads and ensure personnel care to prevent the occurrence of extended working hours. Conduct regular employee interviews to understand employee concerns and issues of interest.
<ol style="list-style-type: none"> Disposition date: March 27, 2024 Disposition reference No.: Fulaojian No. 1130080221 The articles of law violated: Article 30, Paragraph 2 of the Labor Standards Act – Redistribution of two regular work days within a two-week period to other workdays without the consent of the labor-management meeting. The contents of the violation: The labor-management meeting did not approve the implementation of the biweekly flexible working hours system for the year. Disposition details: A fine of NT\$20,000. 	<ol style="list-style-type: none"> Identify potential risks through both internal and external audits, and develop corresponding improvement measures. Regularly review and discuss topics for labor-management meetings, and propose resolutions to be made by labor and management representatives during the meetings.
<ol style="list-style-type: none"> Disposition date: March 27, 2024 Disposition reference No.: Fulaojian No. 11300802211 The articles of law violated: Article 30, Paragraph 6 of the Labor Standards Act The contents of the dispositions: Incomplete attendance records, as working hours were not recorded to the exact minute. Disposition details: A fine of NT\$20,000. 	<ol style="list-style-type: none"> Establish work hour management policies and systems to manage and control working hours. The system will issue alerts for work hour monitoring to provide timely reminders to unit supervisors to adjust workloads and ensure the employee well-being of employees, in order to prevent situations such as excessive working hours. Conduct regular employee interviews to gain insights into employee sentiments and issues of concern.
<ol style="list-style-type: none"> Disposition date: March 27, 2024 Disposition reference No.: Fulaojian No. 11300802212 The articles of law violated: Article 32, Paragraph 2 of the Labor Standards Act The contents of the dispositions: Instances of working hours exceeding 12 hours in a single day. Disposition details: A fine of NT\$50,000. 	
<ol style="list-style-type: none"> Disposition date: March 27, 2024 Disposition reference No.: Fulaojian No. 11300802213 The articles of law violated: Article 35 of the Labor Standards Act The contents of the dispositions: Instances of insufficient rest periods provided. Disposition details: A fine of NT\$20,000. 	
<ol style="list-style-type: none"> Disposition date: July 1, 2024 Disposition reference No.: Zhonghuan No. 1130014461 The articles of law violated: Article 24, Paragraph 1 of the Labor Standards Act The contents of the dispositions: Failure to pay wages for extended working hours. Disposition details: A fine of NT\$50,000. 	
<ol style="list-style-type: none"> Disposition date: July 3, 2024 Disposition reference No.: Zhonghuan No. 1130014785 The articles of law violated: Article 32, Paragraph 2 of the Labor Standards Act The contents of the dispositions: Exceeding the legally permitted monthly overtime hours. Disposition details: A fine of NT\$250,000. 	

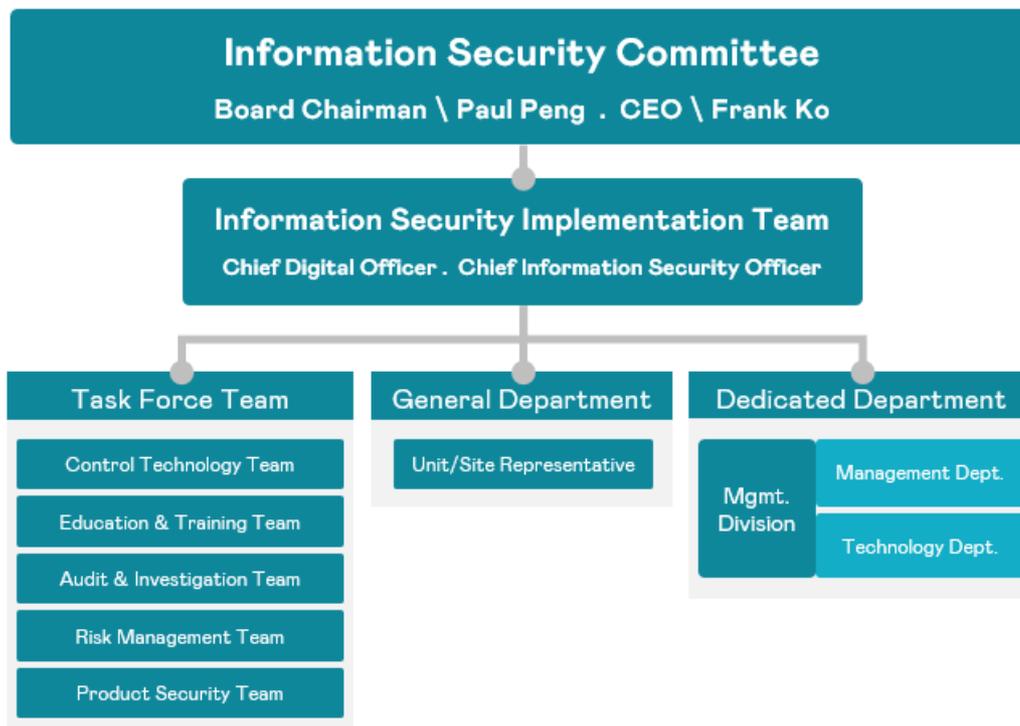
Note: As of the 2024 fiscal year and up to the date of this annual report, apart from the aforementioned matters, neither the company nor its subsidiaries have incurred any other fines for violations of relevant regulations.

4.6. Information security governance

4.6.1. Information Security Committee:

The Company has established an Information Security Committee to promote information security governance and management. The committee is chaired by the Chairman, with the President serving as Vice Chairman and the Chief Digital Officer as the convener. Senior executives from various departments serve as committee members. The Information Security Committee convenes semiannually to review and report on information security management. Through management review meetings, it formulates information security policies and objectives, assesses performance, and evaluates the implementation of security measures. To enhance information security management, the Information Security Committee has established an Information Security Task Force, which is divided into five groups based on their responsibilities: Compliance & Technology, Training & Education, Audit & Investigation, Risk Management, and Product Security. Each group is led by senior executives from relevant business units. The task force serves as the driving force behind information security initiatives, holding review meetings every two months to ensure the implementation of resolutions set forth by the Information Security Committee.

Since 2022, the Company has established a dedicated cybersecurity team led by the Chief Information Security Officer (CISO). The team consists of the "Information Security Management Department" and the "Information Security Technology Department." The Company continues to invest resources to strengthen the core cybersecurity capabilities of the team, overseeing governance and the overall management of information security-related matters.



4.6.2. Information security policies:

The company's information security policy is: "Protect intellectual property, enhance security awareness, and create opportunities for shared success." The company actively strengthens confidential data protection and enterprise information risk management by continuously improving technical measures, procedures, and personnel training to ensure the effectiveness of all security controls. This includes implementing information security control measures, management procedures, regular security awareness campaigns, and employee security training programs.

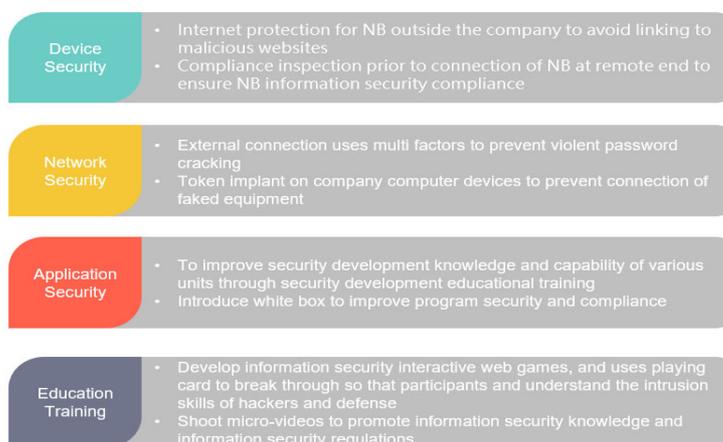
To align with international information security management trends and meet customer security requirements, the company adopted the ISO 27001 Information Security Management System (ISMS) in 2017. Following the PDCA (Plan-Do-Check-Act) management cycle, the company ensures the ongoing effectiveness of its security controls and management systems. In June

2023, the company successfully passed the annual renewal audit for ISO 27001 certification, valid from June 2023 to May 2026, and further achieved certification under the updated ISO 27001:2022 standard in September 2024.

The company continuously strengthens its multi-layered network architecture and in-depth defense capabilities in response to external threats and internal risk assessments. It actively implements and optimizes various security protection measures, including next-generation firewalls, intrusion prevention systems, application firewalls, network traffic analysis, antivirus software, advanced endpoint detection and response, email filtering, web protection, and a 24/7 Security Operations Center (SOC). To enhance external risk management, the company conducts regular vulnerability scans, penetration testing, and red team exercises. The budget allocated to information security measures accounts for no less than 5% of the overall IT budget.

To raise employee security awareness and prevent business email compromise, the company conducts regular phishing simulations and security awareness training. Additionally, the company implements annual company-wide security drills, with each department independently reinforcing security exercises.

4.6.3. Information security innovations

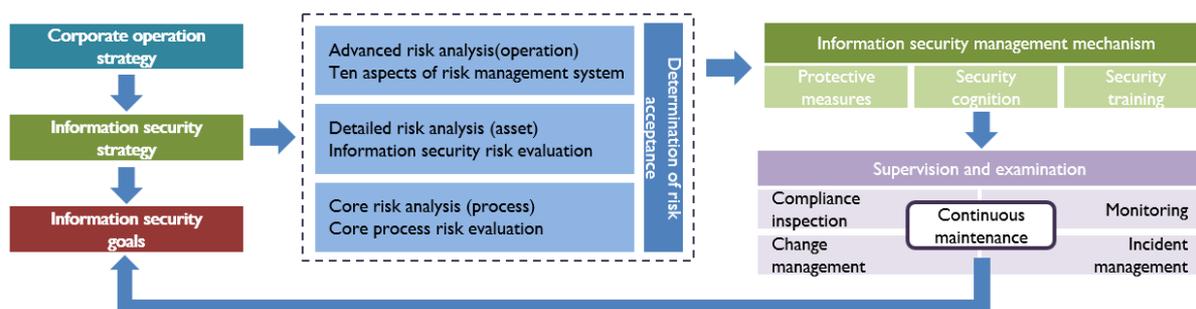


4.6.4. Information security risk management framework

The information security risk assessment follows the ISO 27001 Information Security Management System framework for identification, with a risk analysis strategy based on three perspectives: operational, asset, and process analysis.

The operational risk analysis evaluates information security risks across ten aspects, including system architecture, system change management, project and resource management, outsourcing of systems and services, software and hardware licensing and compliance, general maintenance, information security, confidentiality and data protection, outsourcing of systems and services, and system architecture. The process risk analysis assesses risks based on the operational processes of internal departments, while the asset risk analysis evaluates the information assets used in each operational process. The information security management unit formulates risk management and improvement measures based on the assessment results.

Since 2022, the company has arranged for cybersecurity insurance policies to cover potential expenses, such as recovery and forensics, in the event of major cybersecurity incidents.



4.6.5. In recent years and up to the date of publication of the annual report, the Company has not had any major cyber-attacks that have impacted the Company's operations.

4.7. Important contracts

Up to the annual report publication date, the important long-term loan contracts and technical cooperation contracts of the Company that are still valid and expired in the latest year are listed as follows:

Long-term loan contract

Character	Party	Contract start and end date	Main content	Restrictive clause
Finance	First Bank and other banking groups	2024.01~2029.01	Repayment of Bank Loans and Strengthening of Working Capital	Pledged by the building, equipment and machinery
Finance	Bank of Taiwan and other banking groups	2023.04~2028.04	Strengthening of Working Capital	Pledged by the building, equipment and machinery
Finance	Bank of Taiwan and other banking groups	2021.07~2029.04	Repayment of Existing Bank Loans	Pledged by the building, equipment and machinery

Technical cooperation contracts

Character	Party	Contract start and end date	Main content	Restrictive clause
Patent licensing	Fujitsu Limited (former FDTC)	According to the contract	Specific TFT-LCD patent licensing	According to the contract
Patent/technology licensing	Toppan Printing	According to the contract	Specific color filter patent/technology licensing	According to the contract
Patent licensing	Semiconductor Energy Laboratory Co., Ltd.	According to the contract	Specific LCD and OLED products patent licensing	According to the contract
Cross-licensing of patents	Japan Display Inc. (that is formerly Japan Display East Inc., Hitachi Displays, and Ltd.), Panasonic Liquid Crystal Display, Co., Ltd. (that is formerly IPS Alpha Technology, Ltd.)	According to the contract	Specific TFT-LCD and OLED products cross-licensing of patents	According to the contract
Cross-licensing of patents	Sharp Corporation	According to the contract	Specific TFT-LCD cross-licensing of patents	According to the contract
Cross-licensing of patents	Seiko Epson Corporation	According to the contract	Specific LCD and OLED products cross-licensing of patents	According to the contract

Note 1: In addition to the aforementioned agreements, the Company has also entered into licensing or cross-licensing agreements with other third parties during its operations for specific patents owned or controlled by them.

Note 2: For other significant contracts of the Company and its subsidiaries, please refer to the 2024 Consolidated Financial Report and Auditor's Report.

5. Review of Financial Conditions, Operating Result, and Risk Management

5.1. Financial position analysis:

Unit: NT\$ thousands

Item	Year	2024.12.31	2023.12.31	Difference	
				Increase (decrease) amount	%
Current assets		138,130,630	144,210,713	(6,080,083)	(4.2)
Long-term investment		29,655,745	31,215,648	(1,559,903)	(5.0)
Property, plant and equipment		166,243,773	171,172,804	(4,929,031)	(2.9)
Contract fulfillment costs		9,292,002	-	9,292,002	-
Right-of-use assets		9,869,263	9,770,626	98,637	1.0
Investment property		1,172,960	1,320,901	(147,941)	(11.2)
Intangible assets		19,418,369	11,268,867	8,149,502	72.3
Deferred tax assets		10,391,763	10,201,660	190,103	1.9
Other assets		8,694,748	4,309,518	4,385,230	101.8
Total assets		392,869,253	383,470,737	9,398,516	2.5
Current liabilities		109,311,962	94,574,967	14,736,995	15.6
Noncurrent liabilities		123,784,275	123,538,234	246,041	0.2
Total liabilities		233,096,237	218,113,201	14,983,036	6.9
Common Stock		76,678,810	76,993,961	(315,151)	(0.4)
Capital surplus		48,275,512	54,998,829	(6,723,317)	(12.2)
Retained earnings		28,699,176	31,899,740	(3,200,564)	(10.0)
Other components of equity		(355,778)	(4,484,899)	4,129,121	(92.1)
Treasury shares		-	(240,424)	240,424	100
Equity attributable to shareholders of AUO Corporation		153,297,720	159,167,207	(5,869,487)	(3.7)
Non-controlling Interests		6,475,296	6,190,329	284,967	4.6
Total equity		159,773,016	165,357,536	(5,584,520)	(3.4)

Explanation of Major Changes:

1. Increase in Intangible Assets: Mainly due to goodwill and customer relationships arising from the acquisition of subsidiaries such as BHTC.
2. Increase in Capitalized contract costs: Primarily resulting from the acquisition of BHTC.
3. Increase in Other Assets: Mainly due to an increase in refundable deposits and receivables from the sale of the Tainan plant.
4. Increase in Other Equity: Mainly due to exchange gains arising from the translation of foreign operations' financial statement translation caused by exchange rate fluctuations, as well as gains from equity investments measured through other comprehensive income.
5. Decrease in Treasury Shares: Due to the cancellation of treasury shares.

5.2. Financial performance

5.2.1. Financial performance analysis

Unit: NT\$ thousands

Item	Year		Change in proportion	
	2024	2023	Increase (decrease) amount	%
Net revenue	280,245,421	247,964,437	32,280,984	13.0
Cost of sales	256,029,425	243,354,069	12,675,356	5.2
Gross profit (loss)	24,215,996	4,610,368	19,605,628	425.3
Operating expenses	32,681,953	26,572,383	6,109,570	23.0
Profit (loss) from operations	(8,465,957)	(21,962,015)	13,496,058	(61.5)
Non-operating income and expenses	7,861,169	279,955	7,581,214	2708.0
Profit (loss) before income tax for the year	(604,788)	(21,682,060)	21,077,272	(97.2)
Less: income tax expenses (benefits)	2,339,594	(3,530,906)	5,870,500	(166.3)
Profit (loss) for the year	(2,944,382)	(18,151,154)	15,206,772	(83.8)

Explanation of Major Changes:

1. Increase in Gross Profit / Decrease in Loss from Operations: Mainly due to the recovery of the panel market, increased capacity utilization, and rising demand in the automotive market, leading to higher gross profit and lower from operations.
2. Increase in Operating Expenses: Primarily due to the acquisitions of subsidiaries such as BHTC and Avocor this year.
3. Net Increase in Non-Operating Income: Mainly from government subsidies and gains from the sale of the Tainan plant and Qisda shares.
4. Increase in Income Tax Expense: Mainly due to income tax expenses incurred from property and investment disposals during this year, as well as deferred income tax adjustments.
5. Decrease in Loss for the year: Primarily due to the recovery of the panel market, increased capacity utilization, and rising demand in the automotive market, which significantly improved operational performance. Additionally, gains from the sale of the Tainan plant and Qisda shares contributed to the reduction in net loss.

5.2.2. The special key performance indicators (KPI) of the panel industry

Item	Year	2024				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full year
Operating margin (%)		0.1	(8.3)	(0.4)	(4.8)	(3.0)
EBITDA (Note 1) Margin (%)		5.8	12.4	10.6	6.9	9.1
Inventory turnover (days)		46	43	44	49	45
Net debt to equity (%)		19.4	32.2	33.4	31.2	31.2

Note 1: EBITDA = Profit (loss) from operations + D&A.

5.2.3. Estimated sales volume and supporting info

AUO leverages its core display technology and integrates AIoT to become a solution provider across various fields. Its main product lines cover a full range of TFT-LCD panels in large, medium, and small sizes, with panel sizes currently ranging from 0.98 inches to 86 inches, offering comprehensive applications and sizes. Due to the shall ensure compliance with independence requirements in panel shipment volumes resulting from changes in the product mix, sales volume alone is not a suitable measurement metric. However, AUO remains committed to enhancing product value and optimizing its product portfolio by continuously strengthening its technological leadership, promoting integrated and high-value-added products, and maintaining product competitiveness in a rapidly evolving industry. As advanced technologies such as 5G and AI become more widespread, AUO's over 20 years of experience in the display industry have been transformed into momentum for capturing industrial transformation and smart field opportunities, working closely with ecosystem partners. The company's vertical market strategy comprises two major segments: smart display solutions and the energy business, with AUO Digttech leading the smart display solutions segment. These solutions encompass smart retail, smart healthcare, smart education, and enterprise applications, reinforcing AUO's position as a display technology-driven solution provider. Additionally, AUO continues to expand its smart mobility business and drive R&D innovation, aiming to become a comprehensive smart mobility solution provider.

5.3. Cash flow

5.3.1. Analysis of changes in consolidated cash flows in 2024

Unit: NT\$ thousands

Cash balance at the beginning of the period	Net cash flow from operating activities	Net cash flow from investing activities	Net cash flow due to financing activities	Cash balance (including effect of exchange rate)
83,969,463	23,145,649	(33,088,886)	(7,394,950)	68,446,514

Operating Activities: The primary changes wad from the net loss for the year, adjusted for non-cash expenses such as depreciation and amortization, as well as changes in working capital.

Investing Activities: The primary changes are attributed to capital expenditures and expenditures related to the acquisition of subsidiaries such as BHTC.

Financing Activities: The primary changes result from cash distributions from capital surplus, as well as the borrowing and repayment of loans.

5.3.2. Liquidity improvement plan

There were showed no signs of liquidity deficit.

5.3.3. Analysis of cash liquidity in the coming year

The Company prioritizes maintaining stable cash liquidity and will carefully plan and manage investments and operational cash expenditures based on the cash balance, cash flows from operating and investing activities, and prevailing financial market conditions.

5.4. Material capital expenditures of the most recent year and impact on the Company's finances and operations

The Company's major capital expenditures in 2024 were primarily allocated to the expansion of high-end front-end production capacity and technological upgrades to maintain its long-term competitive position. On a consolidated financial statement basis, the amount paid for the acquisition of fixed assets in 2024 totaled NT\$26.9 billion, accounting for approximately 9.61% of net sales, with no significant impact on the Company's financial operations.

5.5. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

The Company's recent investment policy aligns with its "Go Premium" and "Go Vertical" dual-axis transformation strategy and operational needs, seeking suitable strategic partners. The primary investment focus remains on the three core operating pillars: "Mobility Solution," "Display," and "Vertical Solution." emphasizing advanced display technologies and diversified field application solutions.

In the Company's 2024 consolidated financial report, investment income recognized under the equity method amounted to NT\$144,895 thousand. This was primarily due to the gradual reduction of losses in certain investee companies and the disposal of all shares in Naidun-tech Co., Ltd. and part of the shares in Qisda Corporation. Through asset optimization and effective utilization of group capital, the Company strategically reallocated resources to strengthen transformation efforts. Moving forward, the Company will continue to carefully evaluate opportunities for investment, joint ventures, mergers and acquisitions, or strategic alliances to accelerate its dual-axis transformation.

5.6. Risk Factors

5.6.1. Impact of interest rate, exchange rate fluctuations, and inflation on company profit and loss, and future countermeasures

Interest Rate Fluctuations

The Company's and its subsidiaries' interest rate risk primarily arises from floating-rate long-term borrowings used to support operational and investment activities. Changes in market interest rates may lead to fluctuations in future cash flows for interest payments. In 2024, consolidated interest expenses amounted to NT\$3,308,073 thousand. Based on the Company's and its subsidiaries' floating-rate exposure in 2024, a 0.25% increase in market interest rates would reduce pre-tax net profit by approximately NT\$277,736 thousand.

On the asset side, the Company and its subsidiaries adopt a conservative approach to capital allocation, primarily depositing funds in bank accounts and investing in highly liquid short-term repurchase-agreement government bonds to ensure capital security and maintain liquidity.

Exchange Rate Fluctuations

The Company's and its subsidiaries' exchange rate risk mainly stems from foreign currency-denominated cash and cash equivalents, accounts receivable, borrowings, and accounts payable. Fluctuations in international exchange rates may impact revenue, operating costs, and overall profitability. To mitigate adverse effects from exchange rate fluctuations, the Company and its subsidiaries engage in hedging transactions using foreign exchange forward contracts. On a consolidated financial statement basis, the fair value assessment of derivative foreign exchange products and foreign exchange gains/losses resulted in a net gain of NT\$335,003 thousand in 2024. The Company will continue to employ hedging strategies to minimize exchange rate risks. Based on the Company's and its subsidiaries' 2024 cost structure, a 1% appreciation of the New Taiwan Dollar (NT\$) against the U.S. Dollar (USD) could reduce the consolidated gross profit margin by approximately 0.5%.

Inflation

The Company's inflation risk primarily arises from increases in procurement costs, machinery and equipment costs, electricity expenses, and other related production costs, as well as the potential decline in sales of products with high demand elasticity. In 2024, inflation had no significant impact on the Company's consolidated operating results. However, the Company cannot guarantee that inflation will not undergo significant changes in the future that could negatively impact operations. Therefore, the Company will closely monitor market supply and demand dynamics for raw materials, continuously adjust its product portfolio, and optimize cost structures to maintain a dynamic and responsive strategy.

5.6.2. The policies to engage in high-risk, highly leveraged investment, lending funds to others, endorsement guarantee and derivative transactions, the main reasons for policy, profit or loss and the future countermeasures

1. High-Risk and High-Leverage Investments

The Company and its subsidiaries primarily focus on their core businesses and do not engage in high-risk or high-leverage investments. The Company adopts a conservative and prudent approach to capital allocation and hedging activities.

2. Endorsements and Guarantees

The Company and its subsidiaries only provide endorsements and guarantees to the Company itself or subsidiaries in which the Company holds more than 50% ownership.

3. Loans to Others

The Company and its subsidiaries restrict lending to the Company itself and its subsidiaries.

4. Derivative Transactions

The Company and its subsidiaries engage in derivative transactions solely to manage risks arising from business operations, aiming to mitigate market risks and reduce operational exposure. On a consolidated financial statement basis, in 2024, the fair value measurement of foreign exchange derivatives and foreign exchange gains/losses resulted in a net gain of NT\$335,003 thousand, indicating effective hedging performance. Moving forward, the Company and its subsidiaries will continue to adhere to the principle of

mitigating risks associated with exchange rate and interest rate fluctuations. Hedging strategies will be periodically evaluated and adjusted in response to operational conditions and market trends. Additionally, certain subsidiaries have invested in convertible bonds. In 2024, the fair value measurement of convertible bond derivatives resulted in a net gain of NT\$6,108 thousand, recorded as current-period profit.

5.6.3. Future R&D plans and estimated R&D expenses

Please refer to Section 4, "Operational Overview – Technology and R&D Overview" of this annual report (Pages 73-76).

5.6.4. The impact of major domestic and foreign policies and legal changes on the Company's financial business and the corresponding measures

The Company has always closely monitored and assessed policies and regulations that may impact its operations and has accordingly adjusted its internal policies. After evaluation, legal changes in 2024 have not had a significant impact on the Company's operations.

5.6.5. The impact of technological changes on the Company's financial business and the corresponding measures

As flat panel displays continue to expand into a wide range of applications, they have become a critical human-machine interface in the digital era. Entering the era of smart applications, displays will further influence daily life across various aspects, including food, clothing, housing, transportation, education, and entertainment. From a technological perspective, TFT-LCD remains the most mature and competitive technology. AUO has deeply cultivated this field over the long term, accumulating extensive research patents and advanced manufacturing expertise.

In response to market demands for panel specifications, AUO continues to develop larger-sized displays, ultra-high resolution 8K, wide color gamut, high contrast, wide viewing angles, fast response time, ultra-narrow bezels (Zero Border), lightweight and stylish designs, and low power consumption. Building upon its existing TFT-LCD foundation, AUO has developed various process and product technologies such as AHVA (Advanced Hyper-Viewing Angle), MIP (Memory in Pixel), high refresh rate, HDR, curved and irregularly shaped displays, in-cell touch technology, and A.R.T. (Advanced Reflectionless Technology) to meet evolving market needs. Additionally, AUO is actively exploring new technologies such as Mini LED, Micro LED, under-display fingerprint sensors, X-ray sensors, and ALED seamless splicing displays. The company also leverages 5G and AIoT to establish highly flexible and digitized smart manufacturing models, aiming to extend technological innovation into diverse application fields. AUO is committed to providing smart manufacturing, net-zero carbon solutions, and green energy initiatives that empower businesses with digital transformation, enabling sustainable opportunities while strengthening industry competitiveness with a differentiated, value-added approach.

As part of its ongoing transformation efforts, AUO has structured its business into three major pillars: "Mobility Solution," "Vertical Solution," and "Display." Since the first half of 2023, AUO has implemented the GSC Group Cybersecurity Regular Meeting and real-time intelligence-sharing platform. The Company has selected 11 subsidiaries to assign dedicated cybersecurity personnel, conducting biannual discussions on cybersecurity protection, product security development, and regulatory compliance. Under the guidance of the Chief Digital Officer and Chief Security Officer, AUO continues to enhance its cybersecurity resilience across the group.

In recent years, ransomware and various cyberattacks have become increasingly prevalent, demonstrating that information systems are not entirely immune to targeted threats from malicious third parties. Cyberattacks may occur through email-based social engineering, phishing, and brute-force password attacks. Once gaining access to the company's internal network, attackers may implant malware to cause disruption, steal confidential data, or remain dormant for an extended period before executing an attack. When internal domain control is compromised, attackers may carry out network paralysis or ransomware encryption. Such attacks could lead to production and operational disruptions, while data breaches may result in the leakage of sensitive corporate information or personal data of employees and customers.

AUO adopts proactive cybersecurity measures to strengthen its defenses. The Company has introduced various cybersecurity protection mechanisms and backup systems for production equipment across its facilities. AUO also conducts cybersecurity incident response drills to minimize response time and optimize protocols, thereby mitigating the impact of unforeseen cyberattacks. Additionally, the company has established a cybersecurity maturity dashboard, allowing facilities and departments to monitor their security status in real-time and implement self-managed improvements. Each quarter, AUO evaluates cybersecurity-related risks through its internal risk management system. The Sustainability and Risk Management Committee regularly reviews risk controls and improvements to effectively manage and mitigate cybersecurity threats.

5.6.6. The influence of corporate image change on corporate crisis management and the countermeasures

In response to crisis events and potential external risks that may impact AUO's operations and corporate reputation, the Company will immediately activate its crisis management mechanism. A dedicated emergency response team will promptly assess the situation, evaluate potential risks, and implement necessary actions. This emergency response team consists of senior executives from various business units, supply chain management, finance, environmental health and safety, human resources, cybersecurity, and marketing. The team will review the company's crisis management principles to ensure the safety of employees and the environment while maintaining operational efficiency.

AUO's crisis communication plan adheres to the principle of transparent communication, ensuring that employees, customers, regulatory authorities, investors, media, and other stakeholders receive timely updates on the latest developments.

The Company continuously demonstrates its commitment to sustainability across economic, environmental, and social aspects. Upholding integrity as a core corporate value, AUO remains dedicated to fulfilling its long-term sustainability responsibilities to stakeholders and society.

5.6.7. Expected benefits, possible risks and countermeasures of merger and acquisition

On July 31, 2024, the Company's Board of Directors approved the acquisition of 100% equity in Avocor Technologies USA, Inc. through its subsidiary, AUO Display Plus Netherlands B.V., for a total enterprise value and contingent consideration not exceeding USD 50.25 million. Through this acquisition, AUO aims to leverage synergies in product development, business operations, market channels, and R&D talent, thereby strengthening the value chain of its ecosystem and accelerating the overall growth of the smart education and enterprise sectors.

5.6.8. Expected benefits, possible risks and countermeasures of expanding the plant

In recent years, the Company has undertaken facility adjustments by phasing out outdated production lines and investing in new technologies and products to enhance the value of existing assets in response to technological upgrades and transformation. Moving forward, the Company will continue to evaluate the operational efficiency of different generations of production lines, ensuring that various products are manufactured on the most suitable lines while optimizing plant space utilization. With the strategic shift towards a lean asset model and transformation into a solutions provider, there are no immediate plans for plant expansion.

Following the closure of the 4.5-generation production line at the Longtan facility, AUO has redirected its investment towards Micro LED production capacity. This includes mass transfer technology, inspection capabilities, a 6-inch Micro LED Chip on Carrier (COC) production line in collaboration with PlayNitride, and the latest investment in a 6th-generation LTPS panel production line—all of which are based in the Longtan facility. The facility is being developed into a fully integrated Micro LED production hub, with applications extending to wearables, televisions, and automotive products.

5.6.9. Risks in purchasing or concentrating sales and countermeasures

Sales

In both 2024 and 2023, there were no customers accounting for more than 10% of the Company's net sales.

The Company is committed to maintaining strong relationships with its customers while continuously providing satisfactory services. It also closely monitors changes in customer credit conditions and actively explores potential markets with diverse customer segments. Additionally, the Company keeps a close watch on global trade policy changes to mitigate risks associated with sales concentration. In recent years, key customers have evolved along with the Company's product portfolio adjustments, and a flexible production strategy has been maintained to adapt to market changes.

Procurement

In both 2024 and 2023, there were no suppliers accounting for more than 10% of the Company's net purchases.

1. Raw Materials

The Company must secure a timely supply of raw materials for production. If a supplier or its upstream manufacturers experience raw material shortages, and the Company is unable to promptly source alternative materials, there is a risk of failing to meet

customer demands in a timely manner, which may impact revenue and profitability. To mitigate such risks, the Company continues to diversify its supply sources, integrate local suppliers, and reduce the proportion of imported raw materials. This approach not only lowers supply chain costs but also enhances supply chain resilience by adopting a short-chain supplier model. Additionally, for procured raw materials, the Company collaborates with existing suppliers to implement multi-site production strategies and actively diversifies its upstream raw material procurement. Efforts are also made to introduce new suppliers to further minimize potential risks.

2. Equipment

Key process equipment is often sourced from a limited number of suppliers, with lead times extending from 6 to 12 months or more. To ensure adequate production capacity aligned with business growth, the Company proactively seeks and plans for equipment and services that meet its production needs in advance. It also engages with suppliers to explore various business collaboration models, aiming to reduce procurement lead times. By working closely with suppliers to prearrange production schedules for equipment, the Company strives to secure the timely delivery of essential production equipment and services, thereby mitigating risks associated with limited and concentrated suppliers.

5.6.10. The impacts and risks arising from major transfer or exchange of shares by directors or shareholders with over 10 percent of shares in the Company and the countermeasures

As of the 2024 fiscal year and up to the publication date of this annual report, the Company is not aware of any significant transfer or change in shareholding by directors or major shareholders holding more than 10% of the Company's shares that may pose a risk.

5.6.11. Impact, risk, and response measures related to any change in the administrative authority towards the Company's operations

As of the 2024 fiscal year and up to the publication date of this annual report, there has been no change in the Company's management control.

5.6.12. Litigation or non-litigation matters

For the Company, its directors, supervisors, president, de facto responsible persons, shareholders holding more than 10% of shares, and subsidiaries, any significant litigation, non-litigation, or administrative disputes that have been finalized or are still pending, and whose outcomes may have a material impact on shareholder rights or the price of securities, are disclosed below, including the nature of the disputes, disputed amounts, litigation start dates, key parties involved, and the status as of the publication date of this annual report.

1. The Company

Patent Litigation

Phenix Longhorn LLC ("Phenix") filed a lawsuit in October 2023 in the U.S. District Court for the Eastern District of Texas against two companies, including AUO, alleging infringement of certain U.S. patents related to LCD panel manufacturing owned by Phenix. The lawsuit seeks unspecified monetary damages and an injunction against future alleged infringements. AUO intends to actively defend itself in this case, but the final outcome remains uncertain. The Company continues to evaluate the substantive content of this litigation.

Antitrust Civil Litigation

In May 2024, Nanjing LG New Port Display Co., Ltd. and seven of its affiliated companies (plaintiffs) filed a civil lawsuit against several LCD manufacturers, including AUO, in the Seoul Central District Court in South Korea, alleging overcharges and seeking damages. In November 2023, the initial trial court in South Korea ruled that AUO must pay the plaintiffs approximately KRW 29.099 billion plus interest. This case stems from a derivative civil litigation related to the LCD antitrust case that concluded in 2006. The lawsuit has been ongoing since the plaintiffs initiated the claim in 2014. AUO filed an appeal in December 2023 and deposited a guarantee of KRW 29.099 billion plus interest with the court in January 2024. The plaintiffs also filed an appeal in March 2024. At this stage, the final outcome of the case remains uncertain, and AUO continues to assess the substantive content of this litigation.

Environmental procedure cases

Since 2010, there have been environmental proceedings relating to the development project of the Central Taiwan Science Park in Houli, Taichung, which AUO's second 8.5 generation fab is located at (the "Project"). The Environmental Protection Administration ("EPA") of the Executive Yuan of Taiwan issued the environmental assessment and development approval on November 6, 2018. On October 24, 2019, the Appeal Review Committee of the Executive Yuan rejected the administrative appeal filed by five local residents. On December 24, 2019, the residents filed an administrative action for invalidating the environmental assessment again and the Appeal Review Committee of the Executive Yuan ruled in the residents' favor on July 21, 2022 and invalidated the environmental assessment approval. The EPA filed an appeal in the Supreme Administrative Court on August 17, 2022. The Company will continue to monitor the development of this event.

Impact Assessment

As of the publication date of this annual report, AUO evaluates the reasonableness of recognizing expenses based on the nature of each case, the materiality of potential losses, case progress, and opinions from professional advisors during each financial reporting period, making necessary adjustments as deemed appropriate. However, the final amounts will only be determined upon the conclusion of the related cases. AUO intends to actively defend against the ongoing lawsuits that have not been settled, but the final outcomes remain uncertain, and the potential losses (if any) cannot be accurately estimated at this time. The Company continues to assess the substantive impact of these lawsuits. Additionally, AUO is involved in other litigation cases arising from normal business operations, but these cases are not expected to have a material adverse impact on the Company's operations.

2. The Company's Directors, Supervisors, President, De Facto Responsible Persons, and Shareholders Holding More Than 10%: None.
3. For details on litigation involving the Company's subsidiaries, please refer to the 2024 Consolidated Financial Report and Independent Auditor's Report.

5.6.13. Other important risks: None.

5.7. Other material matters: None.

6. Corporate Sustainability

6.1. Overview

AUO adheres to the core concept of the Company's sustainable operation, attaches importance to the management and communication of stakeholders, shows financial and non-financial performance at the same time, draws up the strategic blueprint of AUO CSR (Corporate Social Responsibility), and implements AUO's sustainable vision by "Go Beyond CSR, Create Shared Values".

In response to global climate action, AUO continuously conducts thorough self-assessments and improvements with high standards, striving for low-carbon production, enhancing water efficiency, and increasing resource recycling rates. AUO extends its actions throughout the value chain by collaborating with supplier partners to address global climate initiatives. In addition to coordinating efforts on the development of circular materials and low-carbon technologies, AUO enhances its carbon reduction capabilities through group management and resource allocation, thus establishing a comprehensive and climate-resilient supply chain.

AUO's sustainability policy

Considering the international trends and relevant standards, the Company formulated the "AUO Sustainability Policy", which was formally submitted to the board of directors in 2015. It covers three major aspects, including Corporate governance, environment and society, with a total of 12 items, which is the highest spiritual guide for the Company's sustainable development, and accordingly echoes the Company's sustainable development principles and implements the road to sustainability.

6.1.1. Sustainable management organization Operation

The balanced development of corporate management and sustainability is AUO's sustainable management philosophy. While pursuing strong enterprise physique, in order to invest more long-term resources in environmental protection and social participation issues, the CSR Committee established in 2013 is the highest governance body of AUO's sustainable development operation, closely linking the United Nations Sustainable Development Goals (SDGs) with the core competitive strategies of enterprises, attaching importance to value chain cooperation, actively practicing global partnership, expecting to play a leading role in enterprise sustainable development and strive to create more shared value. In 2021, in response to global climate action toward net zero carbon emission, it was renamed ESG and Climate Committee.

To implement corporate sustainable governance, and actively respond to stakeholders' concerns regarding environmental, social, and Corporate governance issues, as well as promote global operational risk management and response strategies, in order to achieve sustainable operation goals. In 2024, the "ESG and Climate Committee" was upgraded to the "Sustainability and ERM Committee," directly under the operation of the board of directors. According to the committee's organizational regulations, there are three committee members, including the Chairman (serving as the convener) and two independent directors, and at least two meetings are held annually. In the fiscal year 2024, a total of two board and strategy meeting reports were conducted, including identifying sustainability issues to be addressed, developing corresponding action plans, goals, and policy revisions on sustainability topics, overseeing the implementation of sustainable management, and evaluating the execution status. For the functional objectives and implementation status of AUO's "Sustainability and Risk Management Committee", please refer to 2.3.5 Operation Status of the Sustainability and Risk Management Committee. (Pages 34-37)

Under AUO's "Sustainability and ERM Committee," the "Sustainability and ERM Executive Committee" is established, chaired by the Chairman, with a post of Chief Sustainability Officer, and operated by the Sustainable Development Strategy Department. Depending on operational substantively materiality, the Sustainability and ERM Executive Committee has eight groups, led by senior-level executives, to oversee their operation and facilitate interdepartmental cooperation, translating the vision into objectives and plans for each group. The Sustainability and ERM Executive Committee holds quarterly meetings to regularly report to the Sustainability and ERM Committee and ensure the development of major issues, and annually reports the operational effectiveness to the board of directors in accordance with sustainability development regulations. In addition for responding to new issues, sustainable policies and development, we will discuss to managers and relative departments for gathering creative ideas and communicate with project resources.

6.1.2. CSR EPS 2025 goal

AUO is in line with the sustainable development goal of the United Nations, and takes "Go Beyond CSR, Create Shared Values" as the blueprint for the development of the enterprise's sustainable vision, and has drawn up three sustainable development

themes of AUO EPS (Environment, People & Society), which are environmental sustainability, inclusive growth, agile innovation, and actively promises to achieve the short-, medium- and long-term goals of sustainable development in 2025. In the goal, AUO pays attention to the environmental issues of climate change and the consumption of the earth's resources, and is also committed to the long-term social vulnerable groups and improving the demand for quality education, and welcomes new opportunities of energy, intelligent manufacturing and convenient life through agile innovation.

Theme		Aspect	Meaning	2025 goal	Cumulative target compliance in 2024	Cumulative target compliance in 2025
Environment Environmental sustainability	Implement low-carbon production and resource recycling in the value chain to achieve the goal of environmental sustainability.	Energy Optimization	Optimize product life-cycle and energy consumption through technology and management; work with value chain partners to create even greater environmental benefits.	Set reduction targets based on life-cycle and reduce carbon emissions by up to 6.5 million tones CO ₂ e cumulatively.	>100%	>100%
		Water Optimization	Optimize product life-cycle and water resources through technology and management; work with value chain partners to create even greater environmental benefits.	Work with the value chain to combat the threat of water resource shortages and conserve up to 100,000 CMD in tap water cumulatively.	>100%	>100%
		Circular Production	Reduce the environmental impact of the production process; take circular economy value and extended applications into account.	Spearhead the development of the circular value chain, expand its economic performance and achieve a growth rate of 135%.	>100%	>100%
		Climate Adaptation	Reduce the risk to company operations from the climate and improve adaptability to build a resilient value chain.	Increase the resilience of climate adaptation and continue to reduce the risk of financial impact from climate change issues.	Continue to manage financial risk	Continue to manage financial risk
People Integrating growth	Corporate growth should take into account the diverse development of key stakeholders in order to achieve the influence of common inclusive growth	Quality Education	Improve employee competency, promote industry-academic collaboration, popularize basic education and provide disadvantaged students with equal access to education.	Provide diversified educational opportunities to more than 600,000 people and increase employee participation in AUO quality education by 20% each year.	>100%	>100%
		Inclusive Growth	Support employment for youths and the disadvantaged, and include them in the value chain to promote national economic growth.	Support the disadvantaged and ally with industry chain partners to grow inclusive employment and learning opportunities more than eight-fold.	>100%	>100%
		Enjoyable Workplace	Build a quality working environment that helps employee balance work and family; invite value chain partners to participate as well.	Become the preferred enterprise and reach 80% in employee identification with the four dimensions in Primary demand, Management support, Team work and Learning and growth.	Continue achieved in 4 years	Continue achieved in 4 years
Society Agile Innovation	Continue to apply core technologies to enhance the resilience of human life style and promote agile innovation	Affordable and Clean Energy	Popularize renewable energy to make it more affordable and easy to use; increase market share in Taiwan and become a professional global provider of renewable energy.	Improve capability in renewable technology, expand the installed capacity of renewable energy around the world and double the cumulative growth rate. (100% cumulative growth)	>100%	99%
		Smart Manufacturing	Improve manufacturing competitiveness through intelligent management; play a key role in technology (IIoT) and services to help with the transformation of other industries.	Boost industry competitiveness and overall performance by 50% through intelligent manufacturing and technology integration.	>100%	>100%
		Intelligent Life	Combine industry advantages with AI technology to create smart living and smart cities.	Development products and integrated services to expand the cumulative reach of education, health, finance, shopping, lifestyle, transport and other smart city applications to a one billion people.	>100%	>100%

Note 1: Based on the year 2018.

6.1.3. Stakeholder Engagement and Communication

AUO attaches great importance to stakeholder communication and its feedback. With reference to AA100SES stakeholder negotiation standard and GRI Universal Standards 2021, it defines the categories of stakeholders that have a deep impact on the Company, and adopts customized short-, medium-, and long-term deep-rooted plans based on the principles of complementarity, cooperation and co-creation. Through regular cross-departmental communication, the overall resources can be quickly integrated, two-way interaction with stakeholders can be implemented, feedback, needs and risks can be grasped, and mutually beneficial business opportunities can be explored.

Stakeholder communication topics and channels:

Stakeholder	Topic of Communication	Channel of Communication
Government/ Academic expert	Technology research and development, product health and safety, environmental safety and health practices, industry-university cooperation, talent development, regulatory consultation, brand image, climate change	Expert consultation meetings and seminars, and external communication mailbox
Supplier	Circular economy, net zero carbon emission, operational risk, stable supply chain	Project meeting, field communication, co-prosperity course, supplier audit, supply chain ESG platform, complaint mailbox
Customer	Sustainable products, circular economy, renewable energy business opportunities	Project meeting, customer satisfaction survey, customer service website system
NGO	Environmental education promotion, popular science education promotion, social welfare practice	Project meetings, external seminars, AUO Sustainable Foundation, external communication mailbox.
Media	Operational performance, transformation strategy, ESG brand	Exhibitions, press conferences, press releases, social media
Employee	Operating status, public welfare activities	Internal publications, community activities, labor meetings, questionnaires, secretaries' meetings, welfare committees, internal communication mailboxes, various complaint and consultation lines, and business briefings
Investor	Transformation strategy, ESG strategy and performance, renewable energy strategy, communication on risk issues	Website investor zone, annual general meeting of shareholders, quarterly briefings, investor relations department, shareholder mailbox, financial report
Student	Industrial Internship, Appointment and Benefits, Brand Image	A+ summer internship program, GOLF platform, campus recruitment, external communication mailbox, job search webpage
Community & neighborhood	Promotion of culture and education, promotion of popular science education, communication in photoelectric field, communication in factory environment maintenance	Regular on-site visits and care, factory venues, project meetings, irregular neighborhood activities, factory complaint lines, and external communication mailboxes

6.1.4. Enterprise risk identification and operation management

The risk management organization of AUO is overseen by the board of directors, which serves as the supreme governing and decision-making body. Each year, our performance is reported to the board either in board meetings or in strategic meetings. This includes discussions on climate change issues. According to internal and external circumstances, AUO's Board of Directors approved the amendment to the Risk Management Policy and Procedures on January 31, 2024. The risk governance group of Sustainability & ERM Executive Committee under the Sustainability & ERM Committee is tasked with implementing the risk management policy approved by the board of directors. The risk management policy follows the ISO 31000 risk management principle to establish relevant policies and processes. The mainly as the company to assessment boundary, including operating bases in Taiwan, mainland China, other parts of Asia, Europe and the USA meanwhile consider subsidiaries of AUO (Kunshan) Co., Ltd, AUO (Suzhou) Co., Ltd. and AUO (Xiamen) Co., Ltd to assessment. By using quantitatively evaluates the frequency, impact degree and control degree of the Company's risks through the processes of identification, analysis and evaluation. The strategic framework includes external political economy, climate and environmental protection, and compliance with laws and regulations, as well as internal risks such as operation and manufacturing, R&D business, information security, finance, etc. If the evaluation results of risk projects have high impact and control uncertainty, the risks will be included in the tracking management. In addition, every year, AUO conducts regular materiality analyses to assess the relevance of issues based on global sustainability

trends and GRI guidelines. Through surveys, the company gathers stakeholders' perspectives on AUO's environmental, social (including human rights), and Corporate governance aspects. AUO also establishes a double materiality assessment method and implements an impact-based materiality analysis process to identify material issues. The results of the materiality analysis are incorporated into the organization's Enterprise Risk Management (ERM) process and become the core issues for AUO's sustainability blueprint and the development of short, medium, and long-term goals. AUO continuously monitor the development of external trends, consider the risks that may impact the operation in real time, establish operation emergency procedures in series with the responsible units, improve the efficiency of process improvement, and enhance the ability of crisis emergency handling, so as to ensure stable operation. For further and newest details please regarding in AUO sustainability report.

6.1.5. Customer management

AUO is committed to being the best partner of customers' long-term cooperation, with innovative technology and intelligent service, immediately approaching customers' needs, and constructing a set of meticulous quality management system with a cautious attitude, with the goal of creating excellent products and becoming customers' trusted long-term partners. AUO regularly arranges meetings to communicate with customers, and conducts a customer satisfaction survey every year. In 2024, the customer satisfaction result was 97.5%, showing customers' affirmation of AUO's quality ability and intelligent management achievements. AUO also conducts review and improvement according to customers' irregular appraisal and individual customer needs. Facing the industrial cycle, we should actively adjust our physique, continuously observe the industrial trend and master the pulse of customers, with customer satisfaction as the ultimate goal.

Under AUO's quality policy, the company provides cross-border electronic quality after-sales services through service locations around the world. Customers can apply for repair and exchange services via the customer service website system within the product warranty period, arranging for product returns, exchanges, repairs, and shipping. Customers can also track the progress through the CSS system. This not only enhances customer satisfaction but also reduces waste, contributing to a decreased environmental impact. In response to the company's transformation and development in recent years, product development in smart field applications has gradually introduce relevant international standards from the automotive and medical industries, integrating risk-related criteria into the development process. For example, the AIAG-VDA FMEA (Failure Mode and Effects Analysis) is a risk analysis tool used in product and process design, to provide customers with high-value technology and high-quality products and services.

For issues related to customer health and safety concerning products and services, marketing, or labeling, customers can raise their questions or lodge complaints through AUO Corporation's official website via the "Business Related/General Inquiry" page or the contact email in the "Stakeholders (CSR-related)." AUO Corporation's official contact point will categorize the inquiries based on the content and forward them to the appropriate responsible department for follow-up communication with the sender. During the process, the official contact point will continuously monitor the progress until the matter is resolved and closed.

An important part of maintaining the trust of stakeholders, AUO implements privacy protection for customers and all stakeholders. Comply with privacy and information security laws and regulatory requirements when collecting, storing, processing, disseminating, sharing personal data moreover having an information security policy and information security committee to protect the information of stakeholders. In order to implement the protection and management of personal data, AUO has formulated personal data protection management measures and privacy statements as the highest principles for the protection of customers' personal data. In company internal website established area of GDPR and PIPL. Offering employee with reference to relevant policies and public documents, and following the regulatory of requirements.

6.1.6. Supplier management

AUO upholds the principle of balanced development across the three dimensions of sustainability, focusing on the performance of the supply chain in governance, social responsibility, and environmental impact. To this end, AUO has formulated specific supply chain management strategies and objectives. Through effective communication, guidance, and audit training, the company collaborates with its partners to enhance their capabilities and reduce risks. This approach not only embodies AUO' corporate responsibility but also promotes the concept of mutual growth and prosperity.

On environmental issues, AUO has set a target for its suppliers to reduce carbon emissions by 20% by 2030. Suppliers with high carbon emissions are required to provide greenhouse gas inventory certification and establish carbon reduction pathways annually. At the same time, AUO actively collaborates with suppliers on plastic neutrality projects to reduce plastic usage and lower environmental impact.

On social issues, AUO actively assesses the diverse potential risks of its suppliers based on factors such as annual procurement amounts, countries and regions of production, industry characteristics, and product categories. This assessment is aligned with the standards set by the Responsible Business Alliance (RBA). Using annual self-assessment questionnaires and historical audit results, AUO evaluates the level of risk and control among its suppliers, incorporating third-party on-site audits. For any

identified audit deficiencies, suppliers are required to propose corrective and preventive measures to ensure compliance with the RBA Code of Conduct or applicable local regulations for both suppliers and subcontractors.

On governance issues, AUO implements relative risk management methods for various risk areas such as local procurement, internal management procedures, and information security management standards. The outcomes across the three dimensions are digitized through the SCM CSR Portal system, resulting in a comprehensive evaluation known as the ESG Scorecard, which serves as a benchmark for assessing the sustainability performance of suppliers. The ESG Scorecard is incorporated into the Quarterly Business Review (QBR) evaluation system each quarter, allowing for the scoring of suppliers. Suppliers who demonstrate outstanding ESG performance receive higher QBR ratings and strengthened collaboration with AUO. This entire process establishes a practical and resilient sustainable supply chain system for AUO.

AUO also organizes training courses and practical exchanges on various supplier topics, providing awards to encourage outstanding suppliers. In 2024, AUO held four events in the "CSR Creating Shared Value" focusing on ESG themes, along with two Supplier CSR Conferences aimed at continuously promoting communication, information sharing, and expanding the influence of the value chain. For detailed and up-to-date information, please refer to the AUO Sustainable Report.

6.1.7. 2024 ESG Awards and Recognition

- Top 5% in Taiwan Stock Exchange 10th Corporate of Governance Evaluation Systems.
- Selected as a component stock of the Dow Jones Sustainability Index (DJSI).
- Selected in the MSCI ESG Leaders Indexes.
- ISS ESG corporate ratings Prime Status
- Nine awards including Taiwan Corporate Sustainability Award (TCSA), Top Hundred Model Enterprises in Manufacturing Industry and Global Corporate Sustainability Award (GCSA).
- Won the MSCI ESG rating A
- Clarivate Top 100 Global Innovators Award.
- National Quality Award - Outstanding Business Award
- Asia Sustainability Reporting Awards (ASRA)
- Linking Corporate Humanities Awards "Asset"
- Gold Award for Annual Sustainable Organization at the Industry Eagles Awards (UK)
- HR Asia Best Companies to Work for in Asia Award and DEI (Diversity, Equity, and Inclusion) Award
- National Enterprise Environmental Protection Award - Silver Level

6.2. Environmental

6.2.1. Environmental Policy

AUO formulates environmental safety, health and energy policies based on the expectation of overall environmental safety, health and energy performance, taking into account the Company's business philosophy, environmental identification results, legal requirements, resource requirements, pollution prevention and the needs of stakeholders, and requires the supply chain to comply with the regulations on hazardous substances management. AUO continuously improves manufacturing efficiency, creates environmentally-friendly production, promotes green manufacturing, and focuses on green factories, energy saving and carbon reduction, resource reuse, waste reduction and environmental load reduction, and continues to make efforts in the fields of sustainable production and clean manufacturing.

Environmental management system

AUO has introduced ISO 14001 environmental management system since 2002, covering all factories domestic and overseas, and ensuring that all factories meet the specifications through third-party verification, and updating the certificates regularly. AUO takes into account the thinking of life cycle and the voice of stakeholders, and makes continuous improvement with PDCA [Plan (P) - Do (D) - Check (C) - Action (A)] cycle. It systematically manages environmental affairs from policy, management organization, documented management to management review, which not only ensures the effectiveness and compliance of the environmental management system, but also prevents the opportunity of environmental damage or pollution, so as to promote environmental protection objectives.

Environmental accounting

AUO began to promote the environmental accounting system in 2009, and completed the global system construction in 2012. In 2024, the total expenditure on environmental protection was about NT\$2.13 billion, including recurrent expenditure of NT\$ 2.07 billion and capital expenditure of NT\$59 million. For further and newest details please regarding in AUO sustainability report.

Unit: NT\$ Thousand

Environmental accounting		Description	2024		2023		2022	
			Current expenditure	Capital expenditure	Current expenditure	Capital expenditure	Current expenditure	Capital expenditure
Operating cost	Pollution prevention cost	Costs related to prevention of various pollution, such as air pollution prevention and control, water pollution prevention and control, etc.	621,131	19,198	696,295	29,732	658,432	73,826
	Global environmental protection cost	Costs related to global environmental protection such as preventing climate change and ozone layer depletion.	570,099	38,832	143,628	1,921	53,886	51,920
	Cost of sustainable utilization of resources	Improve the efficiency of resource use or reduce or avoid waste generation and affect related costs.	410,834	512	473,080	747	531,796	10,540
Upstream and downstream associated costs		Reduce the related costs of environmental impact in upstream and downstream activities, such as green procurement, product packaging recycling and other related costs.	235,401	887	219,661	-	192,693	2,155
Management cost		Related costs incurred for the development and implementation of environmental management.	47,256	-	46,434	710	58,931	-
R&D costs		In order to reduce the cost related to the process and product environmental impact.	8,025	-	20,719	-	11,308	-
Social activity cost		Promote the environment, community and social environment to improve the public welfare-related derivative expenses.	3,209	-	5,527	-	3,880	-
Loss and remedial cost		The expenses derived from solving environmental problems, compensation, punishment and litigation.	7	-	-	-	88	-
Other environmental protection costs		Other environmental protection costs, such as related environmental permit fees, energy and greenhouse gas related taxes and fees.	174,605	-	177,395	-	158,922	-
Total of itemized costs			2,070,567	59,429	1,782,739	33,110	1,669,936	138,441
Total cost				2,129,996		1,815,849		1,808,377

6.2.2. Climate management/climate change

In the face of global climate change issues, in the Paris Agreement's goal of keeping the global temperature rise below 2°C, and paying attention to the growth risks and potential market opportunities of enterprises, AUO has set four policy directions for climate change management, and actively prepares for and faces challenges through information transparency, mitigation and adjustment, responsible participation and cooperative development. As the decision-making platform of the Company's climate issues, Sustainability & ERM Committee echoes SDGs to formulate the Company's goals and implications, and manages the complicated issues of climate change, such as cherishing water resources, saving energy and reducing carbon, climate adaptation and operational resilience, and energy popularization, etc., and through the carbon energy working group, according to the current situation and trend of the organization's operation, timely and appropriately formulate and implement annual goals. ESG and Climate Committee will include climate management effectiveness in the annual report of the board of directors, and if there are major climate change issues, it can be added to the report of the board of directors.

AUO faces up to the issue of net zero, and participates in domestic and foreign initiative organizations to set sustainable goals:

1. Science Based Target

AUO set a Science Based Target, which was approved by Science Based Target initiative in 2021, to achieve an absolute 25% carbon reduction by 2025 with well below 2°C scenario and use 2018 as the base year. In 2024, AUO further aligned with the standards of the Paris Agreement set at the United Nations Climate Summit, aiming to limit the temperature increase to 1.5°C. The company established a target to reduce Scope 1 and Scope 2 greenhouse gas emissions by 42% and Scope 3 emissions by 25% by 2030, which has been approved by the Science Based Targets initiative (SBTi).

2. RE100

AUO joined the Global Renewable Energy Initiative RE100 in 2022. AUO is committed to using 30% renewable energy by 2030 and 100% renewable energy by 2050. AUO is also the first company in the global display industry to commit to using renewable energy by 2050.

3. Net zero commitment

- Taiwan Climate Partnership: AUO worked with enterprises in 2021 to establish Taiwan Climate Partnership to promote the implementation of energy saving and carbon reduction in the industry and drive industry chain suppliers towards the trend of net zero, and positively promote Taiwan's response to climate change.
- Taiwan Alliance for Net Zero Emissions: In 2021, AUO joined the Taiwan Alliance for Net Zero Emissions, focusing on energy conservation and carbon reduction through office facility upgrades, building its rooftop solar power system, and signing renewable energy purchase agreements to supply green energy. The company offsets its residual carbon emissions using its own carbon credits. By 2024, the headquarters building completed third-party verification in accordance with the ISO 14068-1:2023 carbon neutrality standard, becoming the first to achieve this certification during the operational phase of the building, and continued its commitment towards carbon neutrality for all offices by 2030. Furthermore, the organization achieved an absolute reduction in carbon emissions of 32%, certifying it as the first "Gold Level" net-zero benchmark enterprise in Taiwan.

● TCFD Identification of Climate Risks and Opportunities

AUO incorporated the topic of climate change into the Company's CSR target and carried out adaptation and mitigation activities. In 2019, the foundation of the TCFD operation management framework was established and the TCFD working group was set up. The following year, AUO integrated the TCFD mechanism with the company's annual risk identification through gathering manager level to reviewing with climate issues related to the company's corporate operations. After classify with annual key risk issues entered into annual TCFD risk project management and let TCFD working group to following-up. In terms of adaptation, AUO established the PDCA cycle management of climate related risk and opportunity scenarios of AUO based on the framework of Task Force on Climate-Related Financial Disclosure (TCFD), which became a long-term and continuous operating mechanism. TCFD risk scenario case is consolidated with annual risk identification work, and the director of the responsible unit makes an in-depth evaluation on the topic of "Climate Change-Carbon Management" to converge the challenges and opportunities that the organization may face in the short and medium term in the future, and identify the contents of risks through the TCFD framework. After the risk identification, the focus issues that converge include increased interest from stakeholders, emission reduction, changes in raw material costs, and customer dynamics. AUO continuously monitors the development of external trends, considers the risks that may impact the operation in real time, and establishes operation emergency procedures in series with the responsible units, so as to improve the efficiency of process improvement and enhance the ability of crisis emergency handling, so as to ensure stable operation. For details of AUO's climate strategy, identification results and management information, please refer to AUO's climate-related financial disclosure report.

AUO TCFD Framework:

Core elements	Description	Disclosure items		
Governance	Disclose the organization's governance around climate related risks and opportunities.	Supervisory process of the board of directors <ul style="list-style-type: none"> Regularly report the results to the board of directors. Major topic, project report 	Roles and responsibilities <ul style="list-style-type: none"> Sustainability & ERM Committee consists of the CSO and level-one executives who report to the Chairman directly. Climate change topic project management and progress report Target review and monitor external trends 	
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Strategy of risk and opportunity <ul style="list-style-type: none"> Carbon reduction in the value chain Renewable energy development & market development Climate actions linked to the CSR goals 	Financial impact on risk & opportunity <ul style="list-style-type: none"> Categorization based on people, machine, and material-related laws Regularly updates the financial impact Evaluate the acceptance based on the magnitude of financial impacts 	Scenario and analysis <ul style="list-style-type: none"> Transition risk: IPCC 6th SSP1-1.9 Physical risk: SSP5-8.5 drastic temperature increase scenario
Risk Management	Disclose the processes used by the organization to identify, assess, and manage climate related risks	Identification and evaluation process <ul style="list-style-type: none"> Cooperate with the Company's risk identification operations Establish a risk management working group Opportunity topics are reviewed by the Sustainability & ERM Committee 	Management process <ul style="list-style-type: none"> Annual project of PDCA management Confirm risk scenario and hypothesis Clarify the responsible department based on the scenario Financial impact assessment and management Annual achievement report 	Annual risk management system <ul style="list-style-type: none"> High-risk topics are included in high-level meetings for management
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	Evaluation indicator <ul style="list-style-type: none"> Reduce carbon emissions by 6.5 million tons (2018-2025), SBT path and RE100 goal Adaptation: Increase climate resilience, continue to lower climate related financial impacts and risks 	Carbon emission management <ul style="list-style-type: none"> Conduct a greenhouse gas inventory in accordance with ISO 14064 Organizational boundaries: Scope 1 and scope 2 Other indirect emissions: Scope 3: total 9 types of emissions, completed external verification 	Target setting and review <ul style="list-style-type: none"> Quantitative target management 1. Renewable energy and power quality 2. Reclaimed water and water resources are stable 3. Carbon emission reduction Create a value chain ecosystem with operational resilience

● Greenhouse gas emission reduction and energy management

Since 2003, AUO has been conducting greenhouse gas emissions inventories at its global manufacturing facilities and has implemented ISO 14064 standards. Every year, the company undergoes external verification and transparently discloses emission information. Since 2010, the Company carbon inventory system and eco-efficiency index system have been developed and built internally as the management tool for long-term carbon reduction targets. AUO launched the ISO 50001 Energy Management System in 2011 and was fully introduced at all sites. In 2018, AUO introduced the IPMVP (International Performance Measurement & Verification Protocol) and conducted the performance verification of large-scale energy conservation projects through the third-party professional testing and verification agency, to improve the objectivity and correctness of data. In 2020, AUO took the lead in adopting the latest ISO 14064 standard, continuously enhancing its greenhouse gas management. By 2024, the company completed the verification of Scope 1, 2, and 3 greenhouse gas inventories for all its operational sites, which were verified by DNV. Additionally, the Company obtained or updated its ISO 50001 certification in its entirety in 2024.

AUO continues to improve energy efficiency through the management and investment of energy-saving measures, and independently sets the annual energy-saving rate of 1.5%, while meeting the requirements of government energy regulations and self-goal setting. In 2024, AUO's global power consumption totaled 4.676 billion KWH, with 6.53% renewable energy usage and annual electricity saving rate of approximately to 4.72%, simultaneously meeting government energy regulations and self-set target.

In 2024, AUO's global direct greenhouse gas emissions is 60.9 thousand metric tons of carbon dioxide equivalent and indirect emissions from the generation of purchased energy is 2.2252 million metric tons of carbon dioxide equivalent. The greenhouse gas emissions per square meter input sheet were 38.64 kg of carbon dioxide equivalent, and other indirect emissions (not included purchased energy) is 4.6393 million metric tons of carbon dioxide equivalent. Compared to the previous year, there was a reduction of 6.0 thousand metric tons of carbon dioxide equivalent in direct emissions and a reduction of 135.9 thousand metric tons of carbon dioxide equivalent in indirect emissions from energy sources. The total greenhouse gas emissions from direct and indirect sources amounted to 2.2861 million metric tons of carbon dioxide equivalent. This achievement corresponds to a 144% attainment of the 25% absolute carbon reduction target by 2025. In 2023, global greenhouse gas emissions included direct emissions of 67 thousand metric tons of carbon dioxide equivalents, energy indirect emissions of 2.3611 million metric tons of carbon dioxide equivalents, and emissions of 44.11 kilograms of carbon dioxide equivalents per square meter of substrate area. Other indirect emissions amounted to 4.9133 million metric tons of carbon dioxide equivalents. For detailed and up-to-date information, please refer to AUO's Sustainability Report.

- Internal carbon pricing

After the Paris Agreement came into effect, AUO began to promote the carbon price mechanism based on the international carbon trading market price. The carbon price is announced every year as the reference index of external cost internalization and is applied to the evaluation of investment benefit of the energy-saving scheme and the calculation of carbon emission cost of employees' travel so that employees can feel the impact of the external cost of the Company and their activities. In 2024 AUO announced that internal of carbon price is NT\$ 6,999 each metric ton. For further and newest details please regarding in AUO sustainability report.

6.2.3. Water resources management

In order to prevent the impacts of heavy rainfall or drought caused by climate change, AUO assesses water resource risks and develops water-saving technology to reduce water usage, aiming to gradually reduce the amount of tap water used each year. The target for 2024 is to use less than 64,000 tons of tap water per day, and the actual daily usage of tap water is 54,662 tons, achieving a goal completion rate of 100%. In 2024, the total water withdrawal of the whole plant was 23.78 million tons, the recovery rate of process water was 94.70%, and the process water consumption per square meter input sheet was 0.40 metric tons. In 2023, the total water withdrawal of the whole plant was 23.81 million tons, the recovery rate of process water was 95.02%, and the process water consumption per square meter input sheet was 0.43 metric tons. AUO will continue to strive for absolute water reduction in the future. In waste water management, the output of waste water is reduced, the waste water discharged from the factory will be tested regularly, and the water quality of waste water will be ensured to meet the standard through automatic monitoring facilities. The water resource usage data over the years has been assured by KPMG in accordance with ISAE 3000 with limited assurance. For further and newest details please regarding in AUO sustainability report.

6.2.4. Circular production

AUO promotes the green commitment in an all-round way, actively draws a blueprint for circular economy and echoes SDG-12 responsible production, continuously examines and improves the reduction management of raw materials in production links, actively forms an alliance with upstream and downstream value chains, and combines technology and innovation to implement and continuously expand the benefits of circular economy. AUO set up a "Circular Economy Working Group" and operated in a cross-departmental horizontal integration mode, striving for source reduction, product recycling certification, material recycling rate increase and process waste reduction, and cooperating with partners to recycle materials, research and develop recycled materials technology and process material recycling, so as to implement the circular economy goal with practical actions. In order to practice sustainable product innovation and design capacity. AUO continuously evaluates the high-value application of different recycled materials based on 2021, at the same time, AUO continues to build a circular economy supply chain. By 2024, a total of 85 relevant suppliers have obtained third-party recycled material certification, achieving a 100% certification rate. Looking ahead, the goal is to maintain a certification rate of over 95% for recycled materials by 2026.

Waste management

AUO's waste management principle prioritizes Reduction at source and Reuse in production process, followed by Recycling as a by-product or by a qualified contractor, and finally incineration or burial to ensure efficient use of resources. In addition, a "Whole Waste Management Process" has been established, which focuses on the addition and use of raw materials at the source and the adjustment and change of manufacturing process, so that new wastes can be dealt with and disposed of in advance. In addition, keep abreast of market changes of waste removal and disposal of manufacturers. In addition, it can avoid the random dumping event by monitoring the cleaning track of the manufacturer. The integrity of the overall management mechanism ensures that waste removal has no impact on operations, and that waste can be disposed of legally and properly, thus reducing the public's doubts about the disposal of technological waste.

AUO aims to reduce the total annual generation of non-reusable waste each year. The target for 2024 is to keep the non-reusable waste generation below 8,700 metric tons. In 2024, the actual output was 6,044 metric tons, achieving a 100% success rate for the target. The company will continue to strive for absolute reductions in the total annual generation of non-reusable waste moving forward.

In 2024, there were 59.4 thousand metric tons of non-hazardous waste and 11.2 thousand metric tons of hazardous waste in AUO plant, of which 91.44% was recycled, and the amount of waste per square meter input sheet was 1.19 kg. In 2023, there were 59.6 thousand metric tons of non-hazardous waste and 13.8 thousand metric tons of hazardous waste in AUO plant, of which 91.69% was recycled, and the amount of waste per square meter input sheet was 1.33 kg. The waste data over the years has been assured by KPMG in accordance with ISAE 3000 with limited assurance. For further and newest details please regarding in AUO sustainability report.

Green product

AUO Hazardous Substances Management policy adopts the three aspects of sustainable business philosophy. Through providing high-quality green products and services, AUO hazardous substances management regulations are formulated, and hazardous substances management procedures are implemented to reduce the impact on the environment and ecology and fulfill corporate social responsibility. AUO hazardous substances management policy continues to aim at no hazardous substances in products. And follow the spirit of the Basel Convention to recycle and dispose of hazardous waste. The sources of AUO's hazardous substances regulations include the requirements of international regulations, customers and environmental protection trends. AUO will collect information about hazardous substances regularly and update the contents of AUO's hazardous substances regulations regularly. In 2025, AUO controlled a total of 155 categories of hazardous substances to cover customers' specification requirements.

6.3. Social aspect

6.3.1. Human rights policy

AUO is committed to safeguarding employees' human rights. In 2006, it comprehensively referred to international standards, such as Social Accountability 8000, Global Sullivan Principles and the United Nations Guiding Principles on Business and Human Rights, and the code of conduct of Responsible Business Alliance, etc., to establish a four-stage human rights management system that meets the requirements of various laws and regulations, such as freedom of employment, humane treatment, prohibition of improper discrimination and sexual harassment, and to establish a diversified and effective communication mechanism, protect employees' rights and interests in filing complaints, improve wages and benefits, training and development opportunities and course selection, and ensure that employees' rights and interests are protected and fulfill their social responsibilities. For detailed information, please refer to the human rights policy under the sustainability policy concept of our company website: <https://csr.auo.com/tw/operating/policy-person>.

In accordance with the principle of equal treatment, AUO does not affect its employment, salary and promotion opportunities due to differences in gender, race, nationality, religion, age, physical disability, political stance, marital status and union associations. Through a fair and equitable recruitment and selection mechanism, it aims to create a gender-equal, multicultural and cross-generation friendly workplace environment.

AUO conducts quarterly human rights risk assessment, aiming at eight major human rights issues, including sexual harassment, working hours, workplace safety and health, discrimination, personal information risk, salary and welfare, obstruction of free choice of occupation and obstruction of freedom of association, and evaluates the risk value borne by enterprises. AUO also conducted on-site audit, document review and employee interviews in accordance with the audit standards of the RBA (Responsible Business Alliance) Code of Conduct, so as to ensure that no human rights violations occurred.

6.3.2. Talent retention

AUO has bases all over Asia, America, Europe and other places, and strives to create a diverse working environment of equality, integration and development for employees in many countries around the world, with an open and inclusive atmosphere to encourage employees to respect differences, learn together and enhance team cohesion. In 2024, female employees accounted for 33.63%, of which female in management positions is accounted for 28.42% and female in senior management positions is accounted for 6.78%.

AUO firmly believes that employees are the biggest asset of the enterprise, and provide diversified and competitive salary and career development opportunities. The salary is approved according to the academic background, professional knowledge and technology, professional experience, etc. of employees in global operation bases, and there is no difference in gender, race,

nationality, religion, age, physical disability, political stance, marital status and unions associations. In order to ensure market competitiveness, we participate in salary survey in international market every year, and adjust salary according to the market level of each job and individual performance. The average standard salary of grassroots employees is better than the legal minimum salary. In accordance with the overall operation of the Company, team and individual performance, according to the flexibility of different positions to design a variety of short - and long-term reward incentive schemes, share profit and surplus with employees, in order to achieve the purpose of talent attraction, retention, incentive and planned cultivation of high-quality talents. In accordance with Chapter Six, Accounting, and Article 15 of the Company's bylaws, it is stipulated that if the company makes a profit for the year, a provision of no less than 5% shall be allocated for employee compensation, and no more than 1% shall be allocated for director remuneration. For detailed information, please refer to section 3.1.5 on Employee and Director Compensation.

In order to enable colleagues to give full play to their strengths in a good and friendly workplace environment and immerse themselves in a healthy and happy corporate atmosphere, AUO provides comprehensive systems and facilities in the aspects of "work, life, study and career development," including labor insurance, national health insurance and group insurance, annual bonus, staff restaurant, life plaza, Health Fit Center, fitness center, staff welfare committee; for example, AUO Taiwan Employee Welfare Committee is responsible for the planning and implementation of various welfare programs, continuously promoting employee welfare business, such as sports season, festivals, community activities, employee travel, etc., and providing various welfare subsidies such as emergency relief, hospital condolences, wedding and funeral celebrations. AUO also has an "employee Stock Ownership Trust plan", which provides relative incentive funds to help employees save small amounts in the long term, and establish individual flexible fund use or financial planning in the short, medium and long term. In addition, in order to encourage employees to provide professional services and settle down after retirement, there is an "Employee Pension Regulation", and according to the statutory provisions of each operating base, various social insurance benefits such as labor retirement, medical care and old-age pension are allocated and paid for each employee. For detailed information, please refer to section 4.5 on Labor relations or AUO's Sustainability Report.

6.3.3. Occupational safety and health

For a long time, AUO has devoted itself to environmental protection, energy conservation and employee care, hoping to fulfill our social responsibilities while the enterprise is established, and move towards the road of sustainable management. The global factories have passed the ISO45001 occupational health and safety management system certification in an all-round way, and independently monitor the operation exposure risk, biological detection indicators and working environment monitoring every year, formulate a health classification management mechanism, and strengthen work safety. In 2024, the ratio of recordable occupational injuries was 0.32, with 27 recordable occupational injuries, none of serious occupational injuries and none of occupational injury fatality. The main types of occupational injuries were slip and fall, and pinching, rolling and crushing injuries. The main types of occupational injuries were slip and fall, twist and fracture, and pinching, rolling and crushing injuries. Therefore, AUO keep advocacy "Positive Safety Culture", encourage manager and colleagues actively proposals, discover hidden dangers in advance and make relevant preparations in advance. For detailed information, please refer to section 4.5 on Labor relations or AUO's Sustainability Report.

6.3.4. Employee development

AUO has established the "Education and Training Procedure" as the basis for employees' education and training, which enriches employees' knowledge and skills, improves work efficiency and quality, and combines employees' growth and enterprise development goals. Since joining the Company, the Company has invested sufficient resources to colleagues in different positions and ranks, and adopted different training plans for systematic learning and development at various stages, including new personnel training, personal function development, professional knowledge upgrading, external training plans, supervisor training, etc. Based on people-oriented thinking, it also provides resources such as employee referral or career consultation window for retiring or terminating the employment relationship to promote workplace employability. Simultaneously we set up the academic affairs center of AUO University, and hold regular education and training meetings to check the training effect and optimize and improve the countermeasures. In 2024, the total training hours for global indirect employees (IDL) reached approximately 902,217 hours and total cost is NT\$ 56,312 thousands. For more detailed information, please refer to section 4.5 on Labor relations or AUO's Sustainability Report.

6.3.5. Employee engagement and communication

Labor relations management

In addition to complying with the provisions of the Labor Standards Law and relevant laws and regulations, AUO also provides benefits and measures that are superior to those specified by laws and regulations to establish harmonious labor relations. There are union organizations in factories such as Suzhou, Xiamen and Singapore. In Taiwan, AUO has formulated the "Measures for the Implementation of Labor Meetings" in accordance with Article 83 of the Labor Standards Law and the measures promulgated by the Ministry of Internal Affairs, and regularly holds labor-management conferences according to law to carry out labor consultation and labor discussion. All employees can make recommendations to the Company through their representatives. Quarterly labor-management conferences provide labor representatives with a clear picture of the Company's latest operation situation, manpower situation, and labor-related communication issues.

Communication channels and employee engagement survey

AUO actively establishes positive employee relations and various open and positive communication channels. Employees can respond to any opinions through various channels, including internal communication mailbox, president mailbox, Audit committee mailbox, sexual harassment complaint mailbox and 7885 (please help me) hotline. In addition, all factories have set up special personnel for employee relations to conduct random telephone sampling interviews to care for employees' physical and mental health.

In order to create a friendly working environment and enhance employees' recognition, AUO uses the comprehensive index of "Q12 Employee Engagement Survey" to detect the organizational atmosphere, grasp employees' voices, and draw up strengthening countermeasures, such as employee experience, education and training, departmental communication, etc., and regularly track employees' average recognition in four aspects: basic needs, management support, teamwork and learning and growth, reaching 87%.

6.3.6. Social participation

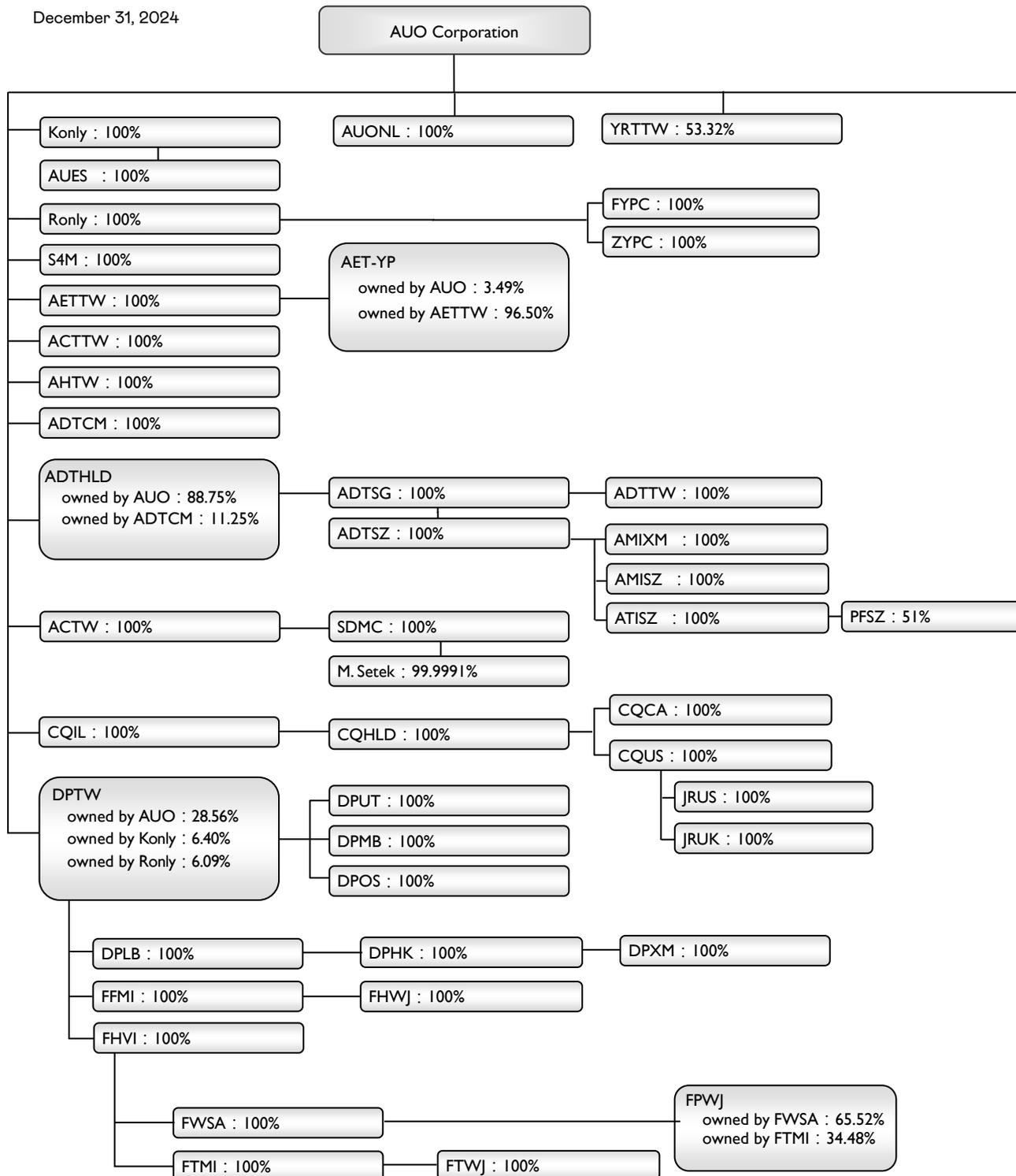
AUO believes that the sustainable development of an enterprise must balance the needs of the economic, environmental, and social aspects. The AUO Foundation was founded in 2019 to fulfill our Green Corporate Commitment and cultivate the vision of sustainable society citizenship. The AUO Foundation is develop in the four key areas and four volunteer systems to protect natural ecology, improve living environmental quality, promote environmental education, and implement public welfare. Employees were encouraged to take part in volunteer service. We hope this will help solve social problems and support government policies, and work with stakeholders to build a better society by complementarity, collaboration and co-creation. The actual implementation includes AUO Sustainability Literacy Scholarship, AUO Wish Program, charitable club services which caring the society through the way of companionship for the disadvantaged, emergency assistance, supplementary assistance and material injection; Protect the Green Forest of Taiwan, No Plastic Green Activity, summer-time energy saving action, Sustainable Agriculture Teams which investing in environmental protection actions and caring for local agriculture; Dada's Magic World, optoelectronics science education, energy environmental education and water environmental education which popularize science and environmental education and cultivate scientific talents and environmental literacy; Hsi Ta Tun Kiln Cultural Museum, Fuke Walk-Study, Shantou Village, Quatang Barns which pass the local cultural treasures to the public; continue to join The GOLF (Gap of Learning & Field)(Note 1) participate in promoting the integration of learning and application, and cultivate the employability of young people. In 2024, the cumulative volunteer service hours exceed 12,000 hours, the number of science popularization and environmental education promotion exceed 27,000 people, NT\$ 13 million of public welfare funds be raised, and NT\$ 15 million be subscribed for sustainable agricultural products. For detailed information, please refer to AUO's Sustainability Report.

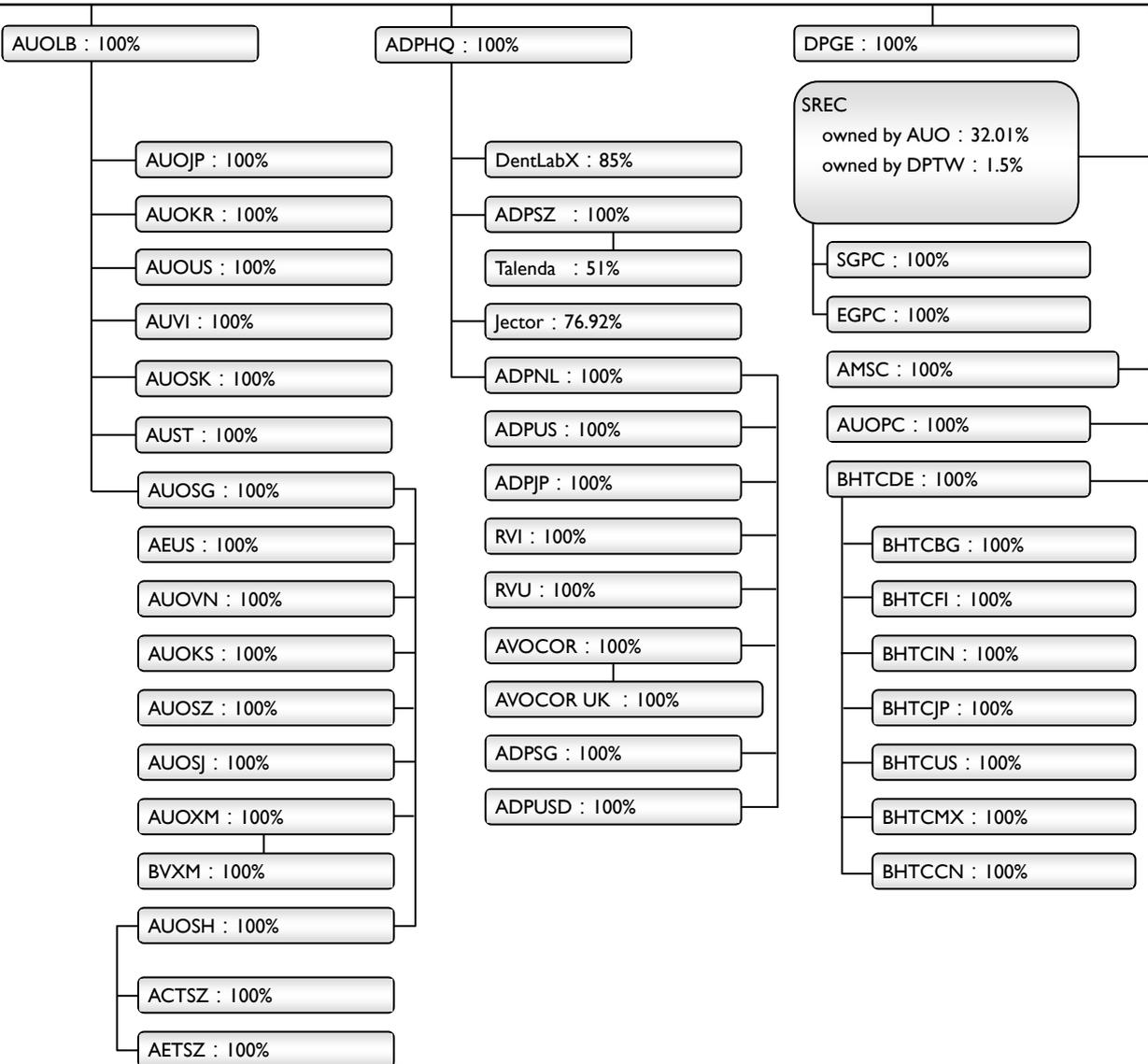
Note 1: The GOLF (Gap of Learning & Field) alliance was jointly initiated by AUO, Compal Electronics, and Wistron Corporation.

7. Special Disclosure

7.1. Information about affiliates

7.1.1. Organization chart of affiliate





Note 1: CQIL is currently in the process of liquidation.

7.1.2. Basic information of affiliates

December 31, 2024; Unit: thousands of dollar

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
a.u. Vista Inc.	AUVI	2014/12/18	8915 Research Drive, Suite 100 Irvine, CA 92618	USD	5,000	Research and development and IP related business
AFPD Pte. Ltd.	AUST	2001/3/14	10 Tampines Industrial Avenue 3 Singapore (528798)	SGD	561,182	Manufacturing TFT-LCD panels based on low temperature polysilicon technology
AUO (L) Corp.	AUOLB	2000/9/7	Unit Level 3(B), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000 Labuan F.T., Malaysia	USD	2,051,189	Holding Company
AUO (Slovakia) s.r.o.	AUOSK	2009/1/24	Bratislavská 517, 911 05 Trenčín, Slovak Republic	EUR	6,000	repair of LCD
AUO (Vietnam) Company Limited	AUOVN	2023/11/21	RBF 3 - GNP Dong Van III Industrial Center, Dong Van III Supporting Industrial Park, Dong Van Ward, Duy Tien Town, Ha Nam Province, Vietnam	USD	32,000	Manufacturing, assembly, and sales of TFT-LCD modules
AUO Corporation America	AUOUS	2000/9/11	37085 Grand River Avenue, Suite 340 Farmington, MI 48335, USA	USD	1,000	Sales and sales support for TFT-LCD panels
AUO Corporation Japan	AUOJP	2001/9/11	3-24-21 Sanwa Bld. 5F, Shiba, Minato-Ku, Tokyo, 105-0014, Japan	JPY	90,000	Research and development, manufacturing, sales, export, and import of liquid crystal displays, panels, and related systems
AUO Digitech (CAYMAN) Limited	ADTCM	2020/8/5	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD	2,700	Holding Company
AUO Digitech Holding Limited	ADTHLD	2020/8/11	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD	24,000	Holding Company
AUO Digitech Pte. Ltd.	ADTSG	2020/10/8	10 Tampines Industrial Avenue 3 Singapore (528798)	USD	22,300	Holding company, and sales of software and hardware integration system relating to intelligent manufacturing and software development
AUO Display Plus America Corp.	ADPUS	2020/10/26	35 Corporate Drive, Suite 170, Burlington, MA 01803, USA	USD	1,500	Sales and sales support of displays

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
AUO Display Plus America Holding Corp.	ADPUSD	2024/11/21	251 Little Falls Drive, In the City Of Wilmington, County Of New Castle, DE 19808, USA	USD	(Note 2)	Holding Company
AUO Display Plus Japan Corp.	ADPJP	2020/11/18	Sanwa Bld. 5F 3-24-21 Shiba, Minato-Ku, Tokyo 105-0014, Japan	JPY	25,000	Sales and sales support of displays
AUO Display Plus Netherlands B.V.	ADPNL	2010/9/29	Naritaweg 148 1043 CA Amsterdam, The Netherlands	EUR	43	Sales and sales support of displays and holding company
AUO Display Plus Singapore Pte. Ltd.	ADPSG	2024/10/1	10 Tampines Industrial Avenue 3 Singapore (528798)	SGD	0.001	Sales of AloT and advanced smart display solutions
AUO Europe B.V.	AUONL	2004/5/25	Naritaweg 148, 1043 CA Amsterdam, The Netherlands	EUR	50	Advertising agencies, Wholesale of optical articles, Market research and public opinion polling
AUO Green Energy America Corp.	AEUS	2010/7/6	37085 Grand River Avenue, Suite 340, Farmington, MI 48335, USA	USD	1,194	upport for solar-related products
AUO Korea Ltd.	AUOKR	2004/7/1	No.906,907, 156, Gwanggyo-Ro, Yeongtong-Gu, Suwon-Si, Gyeonggi-Do, Republic Of Korea	KRW	173,075	Professional, Scientific and technical activities/Wholesale and retail trade
AUO Singapore Pte. Ltd.	AUOSG	2006/9/20	10 Tampines Industrial Avenue 3 Singapore (528798)	SGD	2,530,435	Holding company and sales support for TFT-LCD panels
Avocor Limited	AVOCOR UK	2000/4/17	Arena Business Centre Riverside Way, Watchmoor Park, Camberley, GU15 3YL	GBP	14,204	Design, Sales and Sales support of Interactive Display
Avocor Technologies USA, Inc.	AVOCOR	2016/6/17	9375 SW Commerce CIR STE A7 Wilsonville OR 97070 USA	USD	0.077	Design, Sales and Sales support of Interactive Display
Behr-Hella Thermocontrol EOOD	BHTCBG	2013/2/14	Industrial Zone Sofia – Bozhurishte, 2227 Bozhurishte, 8 Rayna Kasabova Str., Bulgaria	BGN	29,337	Purchasing, Manufacturing, Supply Chain Management, Administration, Support Services of HMI business and automotive climate control systems
Behr-Hella Thermocontrol India Pvt. Ltd.	BHTCIN	2006/2/10	Plot No. T-51 To T-55, Pimpri Industrial Area, Pune, Maharashtra, India – 411026	INR	160,000	Research and Development, Project Management, Purchasing, Manufacturing, Supply Chain Management, Sales, Administration, Support Services of HMI business and automotive climate control systems

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
BHTC America Inc.	BHTCUS	2003/1/9	39625 Lewis Drive, Suite 300 48377 Novi USA	USD	1,200	Research and Development, Project Management, Sales of HMI business and automotive climate control systems
BHTC Finland Oy	BHTCFI	2017/5/8	Insinöörinkatu 41 33720 Tampere, Finland	EUR	3	Research and Development of HMI business and automotive climate control systems
BHTC GmbH	BHTCDE	1999/8/4	Hansastraße 40, 59557 Lippstadt, Germany	EUR	15,000	Research and Development, Project Management, Holding / HQ, Purchasing, Manufacturing, Supply Chain Management, Sales, Administration, Support Services of HMI business and automotive climate control systems
BHTC Japan K.K.	BHTCJP	2007/11/13	9F Benex S-3, 3-20-8 Shin-Yokohama Kohoku-Ku Yokohama Kanagawa 222-0033 Japan	JPY	20,000	Research and Development, Project Management, Sales of HMI business and automotive climate control systems
BHTC Mexico S.A. de C.V.	BHTCMX	2014/11/28	Circuito Corral de Piedras 80 Fracc. Poligono Empresarial 37880 San Miguel de Allende Guanajuato, Mexico	USD	410,051	Purchasing, Manufacturing, Supply Chain Management, Administration, Support Services of HMI business and automotive climate control systems
ComQi Canada Inc.	CQCA	2007/3/6	5500 North Service Road, Suite 308, Burlington, ON L7L 6W6	CAD	1,016	Research and development of content management system
ComQi Holdings Ltd.	CQHLD	2007/2/27	Suite 204, Stanmore Bic Howard Road, Stanmore, UK, HA7 1BT	GBP	27,129	Holding Company
ComQi Inc.	CQUS	2007/3/5	134 West 26th St., Suite 900 New York, NY 10001 USA	USD	25,857	Sales of content management system and hardware
ComQi Ltd. (Note 3)	CQIL	2010/2/15	30 Ha-Kishor St. , Holon, Israel 5886600	USD	44,909	Holding Company
Darwin Precisions (L) Corp.	DPLB	2005/11/18	Unit Level 3(B), Main Office Tower, Financial Park Complex Labuan, Jalan Merdeka, 87000 W.P. Labuan, Malaysia	USD	76,846	Holding Company
Forefront Corporation	FFMI	2001/6/20	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD	6,526	Holding Company

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
Forhouse International Holding Ltd.	FHVI	1999/9/17	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, Virgin Islands, British	USD	22,006	Holding Company
Fortech International Corp.	FTMI	2002/7/26	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD	6,503	Holding Company
Forward Optronics International Corporation	FWSA	2004/12/13	Vistra Corporate Services Centre, Ground Floor Npf Building, Beach Road, Apia, Samoa	USD	19,000	Holding Company
JohnRyan Inc.	JRUS	2019/10/7	134 West 26th St., Suite 900 New York, NY 10001 USA	USD	8,000	Development and sales of content management system and sales of the related hardware
JohnRyan Limited	JRUK	2019/10/11	Suite 204, Stanmore Bic Howard Road, Stanmore, UK, HA7 1BT	GBP	1,500	Design and sales support of digital signage content management system
M.Setek Co., Ltd.	M.Setek	1978/2/3	Sanwa Build 5F, 3-24-21 Shiba, Minato-Ku Tokyo 105-0014, Japan	JPY	18,000	Manufacturing and sale of ingots
Rise Vision Incorporated	RVI	2001/8/31	2967 Dundas St. W #632 Toronto ON, M6P 1Z2, Canada	CAD	5,528	Design, sales and sales support of Digital signage content management system
Rise Vision USA Inc.	RVU	2001/10/2	216 N Mosley Street, #126, Wichita, KS 67202-2808, USA	USD	1	Design and sales support of Digital signage content management system
Yenrich Technology Corporation	YRTTW	2009/12/11	9 F., No. 1, Lixing 2nd Rd., East Dist., Hsinchu City 300094, Taiwan (R.O.C.)	TWD	191,485	i-pixel LED R&D and sales
Yo-Pei Water Corporation	AET-YP	2022/3/17	1F., No. 45, Ln. 313, Sec. 3, Minsheng Rd., Daya Dist., Taichung City, 428413, Taiwan (R.O.C.)	TWD	430,170	Investment and construction in public construction, and wastewater (sewage) treatment
AUO Envirotech Inc.	AETTW	2017/1/23	9F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City, 115018, Taiwan (R.O.C.)	TWD	839,050	Planning and design of Water Treatment Technology and EPC Project, Energy saving Equipment and Energy Efficiency Project, Facility Intelligent Management and Environmental Sustainability Solution. Carbon emission management consulting and application software services

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
AUO Health Corporation	AHTW	2020/9/21	No. 6-6 Mabushupai, Beipu Township, Hsinchu County, 314002, Taiwan (R.O.C.)	TWD	5,000	Manufacturing, development and sales of medical equipments
AUO Crystal Corp.	ACTW	2009/5/22	No. 335, Sec. 2, Houke Road, Houli District, Taichung City, 421418, Taiwan (R.O.C.)	TWD	2,425,646	Manufacturing and sale of ingots and solar wafers
AUO Mobility Solution Corporation	AMSC	2024/11/13	No. 6-6, Mabushupai, Beipu Township, Hsinchu County 314002, Taiwan (R.O.C.)	TWD	1,000	Automotive panel
AUO Power Corporation	AUOPC	2024/1/22	4F., No. 20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303035, Taiwan (R.O.C.)	TWD	10,000	Renewable-Energy-Based Electricity Retailing Enterprise
AUO Digitech Taiwan Inc.	ADTTW	2021/3/22	5F., No. 288, Longyuan 1st Rd., Longtan Dist., Taoyuan City, 325002, Taiwan (R.O.C.)	TWD	90,000	Design and sales of software and hardware integration systems and equipment related to intelligent manufacturing, software development, and consulting services
AUO Care Inc.	ACTTW	2021/2/8	No. 6-6 Mabushupai, Beipu Township, Hsinchu County, 314002, Taiwan (R.O.C.)	TWD	30,000	Design, development and sales of software and hardware for health care industry
Zheng Yao Power Corporation	ZYPC	2023/3/3	1F., No. 20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	3,000	Renewable energy power generating industry
Evergen Power Corporation	EGPC	2015/7/14	No. 23, Lixing Rd., East Dist., Hsinchu City, 300094, Taiwan (R.O.C.)	TWD	220,300	Solar power generation
Star River Energy Corp.	SREC	2014/4/24	1F., No. 20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	787,508	Investment compnay
Sanda Materials Corporation	SDMC	2014/4/23	1F., No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	1,384,160	Holding company

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
DentLabX Company Limited	DentLabX	2023/7/17	No. 6-6, Mabushupai, Beipu Township, Hsinchu County 314002, Taiwan (R.O.C.)	TWD	20,000	Sales of dental digital operation management system and solution
Konly Venture Corp.	Konly	2002/7/29	9 F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City 115018, Taiwan (R.O.C.)	TWD	4,324,320	Investment company
Jector Digital Corporation	Jector	2021/4/15	2F.-1, No. 268, Liancheng Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	TWD	156,000	Introduction of smart field construction and other related software and hardware solutions
Space Money Inc	S4M	2015/10/5	9F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City, 115018, Taiwan (R.O.C.)	TWD	50,000	Sales and leasing of content management system and hardware, and design of digital signage content and field curation
Sungen Power Corporation	SGPC	2011/1/13	No. 1, Zhongke Rd., Xitun Dist., Taichung City, 407723, Taiwan (R.O.C.)	TWD	478,109	Solar power generation
Ronly Venture Corp.	Ronly	2005/1/11	9 F., No. 198, Jingmao 2nd Rd., Nangang Dist., Taipei City 115018, Taiwan (R.O.C.)	TWD	4,224,317	Investment company
MicroDoctor Biomedical Corporation	DPMB	2024/6/14	No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	5,000	Wholesale and retail of cosmetics
OneSmart Solution Corporation	DPOS	2024/8/23	No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	5,000	Services of information software, data processing and electronic information supply
Da Ping Green Energy Corporation	DPGE	2020/8/27	No. 45, Dazhuang Rd., Fangliao Township, Pingtung County, 940002, Taiwan (R.O.C.)	TWD	487,000	Solar power generation
AUO Education Service Corp.	AUES	2020/12/10	No. 6-6 Mabushupai, Beipu Township, Hsinchu County, 314002, Taiwan (R.O.C.)	TWD	4,000	Services related to educational activities and site rental
DARWIN PRECISIONS CORPORATION	DPTW	1989/10/13	No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	6,655,551	Design, manufacturing, and sales of TFT-LCD modules, backlight modules, TV set and related parts

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
AUO Display Plus Corporation	ADPHQ	2020/5/28	5F, No.1, Gongye E. 3rd Rd., Hsinchu Science Park, Hsinchu City, Taiwan, R.O.C.	TWD	2,000,000	Research, development and sales of displays
UFO Touch Technology Corporation	DPUT	2024/6/17	No.20-1, Guangfu N. Rd., Hukou Township, Hsinchu County, 303036, Taiwan (R.O.C.)	TWD	5,000	Manufacturing and sales of electronics components, computer and peripheral equipment
Feng Yao Power Corporation	FYPC	2023/3/3	1F., No. 20-1, Guangfu N. Rd., Hukou Township, Hsinchu County 303036, Taiwan (R.O.C.)	TWD	11,000	Renewable energy power generating industry
AUO Manufacturing (Shanghai) Co., Ltd.	AUOSJ	2001/12/20	No. 3, Alley 58, Sanzhuang Rd., Songjiang Export Processing Zone, Shanghai, China	USD	108,000	leasing
AUO (Shanghai) Co., Ltd.	AUOSH	2005/9/22	5th Floor, Building B, No. 33, Guangshun Road, Shanghai, China	USD	15,000	Sales support of TFT-LCD panels
BHTC (Shanghai) Co., Ltd.	BHTCCN	2004/10/28	868 Guangzhong Road, Xinzhuang Industry Park, Minhang 201108, Shanghai, P.R.China	CNY	73,834	Research and Development, Project Management, Purchasing, Manufacturing, Supply Chain Management, Sales, Administration, Support Services of HMI business and automotive climate control systems
AUO (Kunshan) Co., Ltd.	AUOKS	2009/8/21	No.6 LongTeng Rd. Kunshan Economic&Technical Development Zone,Kunshan ,Jiangsu, China	USD	1,151,000	Manufacturing and sales of TFT-LCD panels
AUO (Suzhou) Co., Ltd.	AUOSZ	2001/6/19	No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	USD	466,000	Manufacturing, assembly, and sales of LCD modules
AUO Envirotech (Suzhou) Co., Ltd.	AETSZ	2018/2/24	No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	CNY	12,000	Planning, design and development of construction for environmental protection and related project management
AUO Megalnsight (Suzhou) Co., Ltd.	AMISZ	2018/8/28	No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	CNY	57,000	Development and sales and licensing of software and hardware relating to intelligent manufacturing, and related consulting services

Name of C	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
AUO Digitech (Suzhou) Co., Ltd.	ADTSZ	2020/12/7	Floor 4 , Building 9, No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	USD	18,000	Business management consulting, technology promotion, and application services,Industrial cloud platform services
AUO Care Information Tech.(Suzhou) CO., Ltd.	ACTSZ	2017/9/22	No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	CNY	50,000	Design, development and sales of software and hardware for health care industry
ProfetAI (Suzhou) Co., Ltd.	PFSZ	2023/2/15	Floor 4 , Building 9, No.398, SuHong Zhong Road, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone.	CNY	6,500	Sales and consulting services of virtual data scientist platform for manufacturing
Aedgetech Data Technologies (Suzhou) Corp., Ltd.	ATISZ	2018/8/28	No.398, SuHong Zhong Road, Suzhou Industrial Park, China	CNY	31,500	Design and sales of software and hardware system and equipment relating to intelligent manufacturing
AUO Display Plus Technology (Suzhou) Co., Ltd.	ADPSZ	2021/2/26	9-4, No. 398, Suhong Zhong Road, Suzhou Industrial Park, Suzhou, China	USD	5,000	Sales and sales support of displays
Fortech Electronics (Suzhou) Co., Ltd.	FTWJ	2002/8/30	No.399, Jin Hu Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiang Su Province, China	USD	35,000	Manufacturing and sales of backlight modules and related parts
Forhouse Electronics (Suzhou) Co., Ltd.	FHWJ	2001/10/9	No.399, Jin Hu Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiang Su Province, China	USD	6,500	Manufacturing and sales of backlight modules and related parts
Suzhou Forplax Optronics Co., Ltd.	FPWJ	2005/2/28	No.399, Jin Hu Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiang Su Province, China	USD	29,000	Manufacturing, sales and trading of precision plastic parts
AUO (Xiamen) Co., Ltd.	AUOXM	2005/12/13	No.1689, Xiang'An North Road, Xiang'An Branch, Torch Hi-tech Industrial Development Zone Xiamen, China	USD	454,000	Manufacturing, assembly, and sales of TFT-LCD modules
AUO Megalnsight (Xiamen) Corp., Ltd.	AMIXM	2021/4/20	1F Building T1, No.1689, North of Xiang'an Road, Xiang'an Branch, Torch Hi-tech Industrial Development Zone, Xiamen, China	CNY	12,000	Sales of software and hardware relating to intelligent manufacturing, and related consulting services

Name of Company	Abbreviation	Date of incorporation	Address	Paid-in Capital		Main Activities
				Currency (Note 1)	Amount	
BriView (Xiamen) Corp.	BVXM	2008/12/2	No. 1998, Fangshan West Road, (Xiang'an) Industrial Area, Xiamen Torch Hi-tech Zone, China	CNY	600,000	Sales of liquid crystal products and related parts; leasing
Darwin Precisions (Xiamen) Corp.	DPXM	2006/3/31	No. 3089, Xiangnan North Road, Torch High-Tech (Xiangnan) Industrial Development Zone, Xiangnan District, Xiamen City, Fujian Province, China	USD	70,000	Manufacturing and sales of liquid crystal products, backlight modules and related parts
Heilongjiang Talenda Smart Display Technology Co., Ltd.	Talenda	2022/6/10	No. 9, Xing Sui Road, Economic and Technological Development Zone, Suihua City, Heilongjiang Province, China	CNY	30,000	Manufacturing of electronic components
Darwin Precisions (Hong Kong) Limited	DPHK	2007/11/21	Room 1204 Yu Sung Boon Building, 107-111 Des Voeux Road Central, Hong Kong, China	USD	57,786	Holding Company

Note 1: The abbreviations for currencies are as follows: New Taiwan Dollar (TWD), United States Dollar (USD), Chinese Yuan (CNY), Euro (EUR), British Pound (GBP), Japanese Yen (JPY), South Korean Won (KRW), Canadian Dollar (CAD), Indian Rupee (INR), Bulgarian Lev (BGN), and Israeli New Shekel (ILS).

Note 2: ADPUSD begin capital injection starting in January 2025.

Note 3: CQIL is currently in the process of liquidation.

7.1.3. Shareholders of the companies presumed to have a relationship of control and affiliation: None.

7.1.4. Industries covered by all affiliates

The Company's overall business operations encompass various industries, with a commitment to becoming a solution provider focused on display technology. It continuously develops three main areas as its operational scope: "Display," "Mobility Solutions," and "Vertical Solutions."

7.1.5. Directors, supervisors and presidents of affiliates

December 31, 2024; Unit: in thousand shares; thousands of dollar; %

Abbreviation	Title	Name	Shareholding	
			Shares (Investment Amount)	%
ACTSZ	Director Supervisor GM	Alex JJ Yeh	-	-
		Na Li	-	-
		DC Liu	-	-
		AUOSH's investment CNY 50,000	-	100
ADPJP	Director	Seki Shih, Simon Nip	-	-
		AUPNL holds 1	-	100
ADPNL	Director	Frank Ko, Simon Nip	-	-
		ADPHQ holds 0.430	-	100
ADPSG	Director	Frank Ko, Smith Jeong, CHEE KOI LIN	-	-
		ADPNL's investment USD 1,000	-	100
ADPSZ	Director Supervisor GM	Shih-Hong Liao	-	-
		Richard Lee	-	-
		Apple Jiang	-	-
		ADPHQ's investment USD 5,000	-	100
ADPUS	Director	Frank Ko, Simon Nip	-	-
		ADPNL holds 1	-	100
ADPUSD	Director	Frank Ko, Simon Nip	-	-
		ADPNL holds 0	-	100
ADTCM	Director	Shuang-Lang (Paul) Peng	-	-
		AUO holds 2,700	-	100
ADTHLD	Director	Shuang-Lang (Paul) Peng	-	-
			AUO holds 21,300	88.75
			ADTCM holds 2,700	11.25
ADTSG	Director	Shuang-Lang (Paul) Peng, Chen Yi-Cheng, Daniel Yang	-	-
		ADTHLD holds 22,300	-	100
ADTSZ	Director Supervisor GM	Shuang-Lang (Paul) Peng	-	-
		Na Li	-	-
		Linda Zhao	-	-
		ADTSG's investment USD 18,000	-	100
AETSZ	Director Supervisor GM	HC Lee	-	-
		Na Li	-	-
		Kenny Yang	-	-
		AUOSH's investment CNY 12,000	-	100
AEUS	Director	TY Lin	-	-
		AUOSG's investment USD 196	-	100
AMISZ	Director Supervisor GM	Shuang-Lang (Paul) Peng	-	-
		Na Li	-	-
		Judy He	-	-
		ADTSZ's investment CNY 57,000	-	100

Name of business	Title	Name	Shareholding	
			Shares (Investment Amount)	%
AMIXM	Director GM	Shuang-Lang (Paul) Peng Judy He	-	-
			-	-
			ADTSZ's investment CNY 12,000	100
ATISZ	Director Supervisor GM	Shuang-Lang (Paul) Peng Na Li Michael Lai	-	-
			-	-
			ADTSZ's investment CNY 31,500	100
AUOJP	Director	James CP Chen, Chen, Yao-Tung, Koji Ishibashi	-	-
			AUOLB holds 3	100
AUOKR	Director	James CP Chen	-	-
			AUOLB's investment KRW 173,075	100
AUOKS	Director Supervisor GM	Frank Ko Yingying Luo Vincent Lin	-	-
			-	-
			AUOSG's investment USD 1,151,000	100
AUOLB	Director	Frank Ko	-	-
			AUO holds 2,051,189	100
AUONL	Director	James CP Chen	-	-
			AUO holds 50	100
AUOSG	Director	Shuang-Lang (Paul) Peng, Chen Yi-Cheng	-	-
			AUOLB holds 277,106	100
AUOSH	Director Supervisor GM	Shuang-Lang (Paul) Peng Na Li Robert Kuo	-	-
			-	-
			AUOSG's investment USD 8,145	100
AUOSJ	Director Supervisor GM	Frank Ko Na Li Robert Kuo	-	-
			-	-
			AUOSG's investment USD 133,749	100
AUOSK	Director	Chen Lung Ting	-	-
			AUOLB's investment EUR 6,000	100
AUOSZ	Director Supervisor GM	Frank Ko Na Li Robert Kuo	-	-
			-	-
			AUOSG's investment USD 549,192	100
AUOUS	Director	James CP Chen, Matt Ke, Linh Ha	-	-
			AUOLB holds 1,000	100
AUOVN	Director GM	Frank Ko YU, HSI-CHUNG	-	-
			AUOSG's investment USD 32,000	100
AUOXM	Director Supervisor GM	Frank Ko Vivian Shen David Lee	-	-
			-	-
			AUOSG's investment USD 480,490	100
AUST	Director	Ting-Li Lin, Chen Yi-Cheng	-	-
			AUOLB holds 907,114	100

Name of business	Title	Name	Shareholding	
			Shares (Investment Amount)	%
AUVI	Director	Paul KP Lee, Wei-Lung Liau, Hong-Jye Hong	-	-
			AUOLB holds 5,000	100
AVOCOR	Director	Frank Ko, Simon Nip, Jerry Lee, Scott Patrick Hix	-	-
			ADPNL holds 4,908	100
AVOCOR UK	Director	Frank Ko, Simon Nip, Scott Patrick Hix	-	-
			AVOCOR holds 1,000	100
BHTCBG	Director GM	Michael Jaeger, Willem Hofmann, Andreas Rinn Martin Nyland	-	-
			BHTCDE's investment BGN 29,337	100
BHTCCN	Director	Michael Jaeger, Bernd Kuhlhoff, Peter Schmidt, Larry Zhu	-	-
			BHTCDE's investment CNY 73,835	100
BHTCDE	Director	Tseng Yu-Chin, Michael Jaeger	-	-
			AUO holds 15,000	100
BHTCFI	Director GM	Ralph Trapp, Jörg Vogel, Dirk Nagel Vesa Pelli	-	-
			BHTCDE's investment EUR 3	100
BHTCIN	Director Director	Ralph Trapp, Willem Hofman, Mohammed Asif Khan Rajesh Nair	-	-
			BHTCDE's investment INR 15,999.99	99.99
			BHTCBG's investment INR 0.01	0.01
BHTCJP	Director	Michael Jaeger, Bernd Kuhlhoff, Tomohiro Nonaka	-	-
			BHTCDE's investment JYP 20,000	100
BHTCMX	Director	Michael Jaeger	-	-
			BHTCDE's investment MXN 410,049	99.9951
			BHTCBG's investment MXN 2	0.00049
BHTCUS	Director	Ralph Trapp, Rick Cassidy, Bernd Kuhlhoff	-	-
			BHTCDE's investment USD 1,200	100
BVXM	Director Supervisor GM	Ting-Li Lin Vivian Shen David Lee	-	-
			AUXM's investment CNY 600,000	100
CQCA	Director	Hank M. Liu, Simon Nip, Gregory Galvin	-	-
			CQHLD holds 110	100
CQHLD	Director	Hank M. Liu, Simon Nip	-	-
			CQIL holds 635,730	100
CQIL	Director	Hank M. Liu, Simon Nip	-	-
			AUO holds 39,974	100
CQUS	Director	Hank M. Liu, Simon Nip	-	-
			CQHLD holds 13	100
DPHK	Director	Darwin Precisions (L) Corp. Kuo-Hsin (Michael) Tsai	-	-
			DPLB holds 10	100
DPLB	Director	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang	-	-
			DPTW holds 76,846	100
DPXM	Director GM	Sheng-Kai (SK) Huang Allen Lan	-	-
			DPHK's investment USD 70,000	100

Name of business	Title	Name	Shareholding	
			Shares (Investment Amount)	%
FFMI	Director	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang	-	-
			DPTW holds 653	100
FHVI	Director	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang	-	-
			DPTW holds 22,006	100
FHWJ	Director GM	Sheng-Kai (SK) Huang CC Lee	-	-
			-	-
			FFMI's investment USD 6,500	100
FPWJ	Director GM	Sheng-Kai (SK) Huang CC Lee	-	-
			-	-
			FTMI's investment USD 10,000	34.48
			FWSA's investment USD 19,000	65.52
FTMI	Director	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang	-	-
			FHVI holds 6,503	100
FTWJ	Director GM	Sheng-Kai (SK) Huang CC Lee	-	-
			-	-
			FTMI's investment USD 35,000	100
FWSA	Director	Kuo-Hsin (Michael) Tsai, Sheng-Kai (SK) Huang	-	-
			FHVI holds 19,000	100
JRUK	Director	Hank M. Liu, Simon Nip	-	-
			CQUS holds 1	100
JRUS	Director	Hank M. Liu, Simon Nip	-	-
			CQUS holds 18	100
M.Setek	Director Supervisor	Shih-Kun Chen, Jim Lee, Hiroyuki Saito Betty Chen	-	-
			-	-
			SDMC holds 11,404,184	100
PFSZ	Director Supervisor GM	Linda Zhao, Michael Lai, Jerry Huang Forster Lin Harold Cheng	-	-
			-	-
			-	-
			ATISZ's investment CNY 6,500	51
RVI	Director	Frank Ko, Jerry Lee, Simon Nip, Brian Loosbrock	-	-
			ADPNL holds 29,564	100
RVU	Director	Jerry Lee, Simon Nip, Brian Loosbrock	-	-
			ADPNL holds 1	100
Talenda	Director Supervisor	Frank Ko, Shih-Hong Liao, Apple Jiang, Wen-Bo Wang, Dong-Fang Lu Eunice Lin, Hong-Liang Wen	-	-
			-	-
			ADPSZ's investment CNY 15,300	51
			TYW's investment CNY 14,700	49
YRTTW	Director Director Supervisor	Representative of AUO Corporation: Wei-Lung Liao, Simon Nip, Cloud Huang Representative of Lextar Electronics Corporation: Cun-Jhong Li, Chao-Nien Huang JC Chuang	-	-
			-	-
			-	-
			AUO holds 10,211	53.32
			Lextar Electronics Corp. holds 7,538	39.37
AET-YP	Director Supervisor	Representative of AUO Envirotech Inc. : HC Lee Representative of AUO Corporation: Eunice Lin	-	-
			-	-
			AUO holds 1,501	3.49
			AETTW holds 41,512	96.5
AETTW	Director	Representative of AUO Corporation : HC Lee	-	-
			AUO holds 83,050	100

Name of business	Title	Name	Shareholding	
			Shares (Investment Amount)	%
AHTW	Director	Representative of AUO Corporation: Frank Ko	-	-
			AUO holds 500	100
ACTW	Director	Representative of AUO Corporation : Shih-Kun Chen	-	-
			AUO holds 242,565	100
AMSC	Director	Representative of AUO Corporation: Frank Ko	-	-
			AUO holds 100	100
AUOPC	Director	Representative of AUO Corporation : TY Lin	-	-
			AUO holds 1,000	100
ADTTW	Director	Representative of AUO Digitech Pte. Ltd. : Shuang-Lang (Paul) Peng	-	-
	GM	Daniel Yang	-	-
			ADTSG holds 9,000	100
ACTTW	Director	Representative of AUO Corporation : Alex JJ Yeh	-	-
			AUO holds 3,000	100
ZYPC	Director	Representative of Ronly Venture Corp. : TY Lin	-	-
			Ronly holds 300	100
EGPC	Director	Representative of Star River Energy Corporation : Donald Tsai	-	-
			SREC holds 22,030	100
SREC	Director	Representative of AUO Corporation : TY Lin, Donald Tsai	-	-
		Representative of Fubon Financial Holding Venture Capital Co., Ltd : LIN SHU-CHEN	-	-
	Supervisor	Representative of Konly Venture Corporation : CHEN CHIU-HUA	-	-
			AUO holds 25,211	32.01
			Fubon Financial Holding Venture holds 1,171	1.49
			Konly holds 1,181	1.5
SDMC	Director	Representative of AUO Crystal Corp : Shih-Kun Chen	-	-
			ACTW holds 138,416	100
DentLabX	Director	Representative of AUO Display Plus Corporation: Shih-Hong Liao, David Chen, Jerry Chen	-	-
	Director	Representative of Hsiao Lin Chia Enterprise Ltd.: Hui-Chin Lin	-	-
	Supervisor	Richard Lee	-	-
	GM	Jerry Chen	-	-
			ADPHQ holds 1,700	85
			Hsiao Lin Chia Enterprise holds 300	15
Konly	Director	Representative of AUO Corporation : Shuang-Lang (Paul) Peng	-	-
			AUO holds 432,432	100
Jector	Director	Representative of AUO Display Plus Corporation : Jerry Lee, Sam Chen	-	-
	Director	Representative of JECTOR DIGITAL SYSTEM INC. : Wells Tong	-	-
	Supervisor	Eddie Ke	-	-
	GM	Angela Weng	-	-
			ADPHQ holds 12,000	76.92
			Jector Digital System Inc. holds 3,600	23.08

Name of business	Title	Name	Shareholding	
			Shares (Investment Amount)	%
S4M	Director	Representative of AUO Corporation : PH Lin	-	-
			AUO holds 22,000	100
SGPC	Director	Representative of Star River Energy Corporation : Donald Tsai	-	-
			SREC holds 47,811	100
Ronly	Director	Representative of AUO Corporation : Shuang-Lang (Paul) Peng	-	-
			AUO holds 422,432	100
DPMB	Director	Representative of Darwin Precisions Corporation: Kuo-Hsin (Michael) Tsai	DPTW holds 500	100
DPOS	Director	Representative of Darwin Precisions Corporation: Kuo-Hsin (Michael) Tsai	-	-
			DPTW holds 500	100
DPGE	Director	Representative of AUO Corporation : TY Lin	AUO holds 48,700	100
AUES	Director GM	Representative of Konly Venture Corp : Amy Ku Fran Yang	-	-
			Konly holds 400	100
DPTW	Director	Representative of AUO Corporation: Kuo-Hsin (Michael) Tsai, Frank Ko	-	-
	Director	Feng-Cheng Su	holds 100	0.02
	Independent	I-Shih Chen, Huei-Shih Lung	-	-
	Director	Sheng-Kai (SK) Huang	holds 424	0.06
	GM		AUO holds 190,108	28.56
			Konly holds 42,598	6.4
ADPHQ	Director	Representative of AUO Corporation: Frank Ko, Jim Liu	-	-
			AUO holds 200,000	100
DPUT	Director	Representative of Darwin Precisions Corporation: Kuo-Hsin (Michael) Tsai	DPTW holds 500	100
FYPC	Director	Representative of Ronly Venture Corp. : TY Lin	-	-
			Ronly holds 1,100	100

7.1.6. Overview of subsidiaries' operations

December 31, 2024; Unit: NT\$ thousands except for earnings per share

Name of business	Currency (Note 1)	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per Share (Note 2) (dollar; after tax)
ACTSZ	CNY	50,000	9,728	4,071	5,657	9,859	(8,257)	(8,057)	-
ADPJP	JPY	25,000	113,772	46,553	67,219	282,006	16,204	8,697	8,696.55
ADPNL	USD	53	79,858	7,018	72,840	40,774	413	(4,870)	(11,325.56)
ADPSG	USD	0	1,003	5	997	3	(3)	(3)	-
ADPSZ	CNY	34,461	68,090	21,558	46,531	106,527	7,516	4,654	-
ADPUS	USD	1,500	5,035	2,993	2,042	8,051	413	252	251.90
ADPUSD	USD	0	0	0	0	0	0	0	-
ADTCM	USD	2,700	348	0	348	0	0	(516)	(0.19)
ADTHLD	USD	24,000	3,095	0	3,095	0	(32)	(4,587)	(0.19)
ADTSG	USD	22,300	5,458	4,161	1,297	9,081	1,278	(4,645)	(0.21)
ADTSZ	CNY	122,707	15,958	27,167	(11,209)	7,541	(20,883)	(34,402)	-
AETSZ	CNY	12,000	62,135	85,037	(22,902)	40,172	(22,382)	(25,086)	-
AEUS	USD	1,194	575	1	574	0	(8)	11	-
AMISZ	CNY	57,000	29,782	24,867	4,915	42,919	(7,512)	(6,160)	-
AMIXM	CNY	12,000	17,749	14,861	2,888	21,591	(2,727)	(2,571)	-
ATISZ	CNY	31,500	23,602	20,561	3,041	34,358	(3,256)	(4,466)	-
AUOJP	JPY	90,000	428,406	82,630	345,777	579,759	32,860	18,932	-
AUOKR	KRW	173,075	3,546,268	1,356,972	2,189,296	3,132,478	176,505	443,251	-
AUOKS	CNY	7,311,232	8,917,489	3,331,511	5,585,979	4,894,703	(4,152)	69,567	-
AUOLB	USD	2,051,189	2,097,884	34	2,097,850	0	(38)	87,572	0.04
AUONL	EUR	50	2,583	1,297	1,286	4,326	248	220	4.40
AUOSG	USD	1,838,757	2,001,724	284	2,001,440	1,356	80	90,214	-
AUOSH	CNY	98,231	69,343	39,634	29,709	66,798	3,778	(28,545)	-
AUOSJ	CNY	866,978	1,023,615	13,213	1,010,402	0	(5,267)	25,583	-
AUOSK	EUR	6,000	16,906	6,630	10,276	4,403	446	446	-
AUOSZ	CNY	3,406,990	7,384,913	3,174,262	4,210,651	9,958,073	276,093	297,850	-
AUOUS	USD	1,000	8,095	3,868	4,227	18,546	872	795	0.79
AUOVN	USD	32,000	53,287	20,580	32,707	29,415	477	881	-
AUOXM	CNY	3,103,670	7,462,749	3,771,169	3,691,581	11,393,442	239,635	307,764	-
AUST	USD	348,867	56,735	36,648	20,087	91	(15,063)	(11,483)	(0.01)
AUVI	USD	5,000	6,619	36	6,583	720	147	(4)	0.00
AVOCOR	USD	0	18,498	20,492	(1,994)	5,039	(2,145)	(3,966)	(0.48)
AVOCOR UK	GBP	14,204	6,187	4,561	1,626	409	(1,393)	(1,163)	-
BHTCBG	BGN	29,337	271,902	175,647	96,254	304,865	7,581	5,958	-
BHTCCN	CNY	73,835	1,096,107	850,018	246,089	723,964	(32,291)	(22,488)	-
BHTCDE	EUR	15,000	392,416	279,166	113,250	270,793	6,483	7,699	-
BHTCFI	EUR	3	1,717	813	905	4,513	228	183	-
BHTCIN	INR	160,000	3,508,653	2,320,184	1,188,469	3,124,209	588,476	436,915	27.31
BHTCJP	JPY	20,000	96,046	13,177	82,869	185,596	8,690	1,129	-
BHTCMX	USD	21,641	77,719	68,021	9,698	101,258	6,438	3,797	9.26
BHTCUS	USD	1,200	2,744	949	1,795	2,942	125	90	90.00

Name of business	Currency (Note 1)	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per Share (Note 2) (dollar; after tax)
BVXM	CNY	600,000	326,127	5,596	320,532	0	(13,368)	5,240	-
CQCA	CAD	1,385	1,954	195	1,759	4,721	208	220	2,002.69
CQHLD	USD	27,638	20,795	0	20,795	0	(3)	(3)	0.00
CQIL (Note 3)	USD	44,909	26,431	36	26,395	0	(185)	321	0.01
CQUS	USD	25,857	18,469	3,882	14,587	14,450	66	18	1.38
DPHK	USD	57,786	163,549	0	163,549	0	0	13,776	1,377.57
DPLB	USD	76,846	163,550	0	163,550	0	0	13,776	0.18
DPXM	CNY	505,962	1,968,691	772,520	1,196,172	3,360,045	92,887	99,287	-
FFMI	USD	6,526	2,714	0	2,714	0	0	366	0.56
FHVI	USD	22,006	68,616	0	68,616	0	0	4,394	0.20
FHWJ	CNY	53,779	20,710	861	19,849	0	(5,759)	2,641	-
FPWJ	CNY	223,933	175,559	999	174,560	0	(5,948)	3,377	-
FTMI	USD	6,503	52,629	0	52,629	0	0	4,087	0.63
FTWJ	CNY	279,158	853,044	525,777	327,268	906,372	23,437	28,289	-
FWSA	USD	19,000	15,986	0	15,986	0	0	307	0.02
JRUK	GBP	1,141	1,645	494	1,151	932	(176)	(214)	(214.12)
JRUS	USD	8,000	6,976	874	6,102	2,133	(201)	(202)	(11.21)
M.Setek	JPY	18,000	8,540,215	975,547	7,564,667	2,483,136	(167,998)	90,317	0.01
PFSZ	CNY	6,500	2,375	670	1,705	1,661	(2,840)	(2,803)	-
RVI	USD	4,282	5,762	4,979	782	8,009	460	553	0.02
RVU	USD	1	555	338	217	2,177	76	(48)	(47.63)
Talenda	CNY	30,000	31,582	5,183	26,399	34,286	(2,454)	(2,553)	-
Yenrich	TWD	191,485	325,699	229,119	96,580	78,049	(94,108)	(82,598)	(4.31)
AET-YP	TWD	430,170	524,943	438,684	86,259	322,506	(163,909)	(172,352)	(5.63)
AETTW	TWD	1,119,050	755,017	250,716	504,301	1,541,790	(21,774)	(188,569)	(2.86)
AHTW	TWD	5,000	2,465	775	1,690	905	(778)	(767)	(1.53)
ACC	TWD	2,425,646	4,188,286	1,585,130	2,603,156	1,561,107	(656,576)	(673,060)	(2.77)
AMSC	TWD	1,000	1,001	0	1,001	0	0	1	-
AUOP	TWD	10,000	9,981	51	9,930	0	(132)	(70)	(0.07)
ADTTW	TWD	90,000	119,128	114,594	4,534	208,807	(33,952)	(31,858)	(4.77)
ACTTW	TWD	30,000	8,413	12,408	(3,995)	19,343	(8,132)	(8,185)	(2.73)
ZYPC	TWD	3,000	2,760	5	2,755	0	(100)	(85)	(0.28)
EGPC	TWD	220,300	748,183	449,217	298,966	114,471	35,176	54,407	2.34
SREC	TWD	787,508	982,510	230	982,280	0	(1,283)	113,205	1.31
SDMC	TWD	1,384,160	1,582,198	127	1,582,071	0	(891)	18,528	0.13
DentLabX	TWD	20,000	14,589	864	13,725	1,514	(4,494)	(4,304)	2,001,718.14
KONLY	TWD	4,324,320	10,096,132	6,133	10,089,998	0	(4,699)	497,872	1.15
Jector	TWD	156,000	247,079	126,048	121,031	311,001	(45,265)	(36,388)	(2.33)
S4M	TWD	220,000	247,346	49,301	198,045	179,343	13,956	12,788	2.01
SGPC	TWD	478,109	1,194,400	583,871	610,529	246,644	96,764	65,808	1.26
RONLY	TWD	4,224,317	5,132,287	133	5,132,154	0	(258)	(145,890)	(0.33)
DPMB	TWD	5,000	5,603	569	5,034	722	14	34	0.07
DPOS	TWD	5,000	6,339	1,328	5,011	1,276	0	11	-
DPGE	TWD	487,000	1,719,707	25,157	1,694,550	0	(4,881)	4,312	0.09

Name of business	Currency (Note 1)	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per Share (Note 2) (dollar; after tax)
AUES	TWD	4,000	51,673	34,701	16,972	75,272	15,087	11,867	29.67
DPTW	TWD	6,655,551	16,274,213	6,659,077	9,615,136	7,719,577	(850,871)	187,021	-
ADPHQ	TWD	2,000,000	12,832,398	5,660,782	7,171,615	29,986,558	5,293,451	4,199,925	21.00
DPUT	TWD	5,000	5,008	1	5,007	0	(12)	7	0.01
FYPC	TWD	11,000	10,920	29	10,891	0	(119)	150	0.14

Note 1: The abbreviations for currencies are as follows: New Taiwan Dollar (TWD), United States Dollar (USD), Chinese Yuan (CNY), Euro (EUR), British Pound (GBP), Japanese Yen (JPY), South Korean Won (KRW), Canadian Dollar (CAD), Indian Rupee (INR), Bulgarian Lev (BGN), and Israeli New Shekel (ILS).

Note 2: Calculation is based on the weighted average number of shares outstanding for each company as of December 31, 2024.

Note 3: CQIL is currently in the process of liquidation.

7.1.7. Combined Financial Statements

Representation Letter

The entities that are required to be included in the combined financial statements of AUO Corporation as of and for the year ended December 31, 2024 under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, AUO Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declared

AUO Corporation



Chairman: Shuang-Lang (Paul) Peng



February 13, 2025

7.1.8. Affiliation Reports

AUO Corporation is not a subsidiary of another company as defined in the specific chapter of the Company Act, thus we are exempted from preparing a report on the relationships between control and subsidiary companies.

7.2. Privately placed securities handling status in the most recent year up to the publication date of this annual report: None.

7.3. Other items that must be included: None.

7.4. Any event that results in substantial impact on the shareholders' equity or prices of the Company's securities as prescribed by Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this annual report: None.

