

2023

AAEON Technology Inc.

Sustainability Report



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About This Report

Introduction

AAEON Technology publishes its "Sustainability Report" to showcase AAEON's ongoing efforts and achievements in promoting sustainable development. In the future, we will publish this report annually to inform the public about AAEON's achievements in promoting sustainable development.

● Report Boundaries and Scope

This report details the achievements of AAEON in corporate governance and management, corporate commitment, social participation, and environmental protection from January 1, 2023, to December 31, 2023. The reporting scope is mainly Taiwan, and any exceptions will be annotated in the report. For the sake of considering the completeness of the disclosed data, if some content spans different year's operational activities, it will be explained separately in the body of this report. There is no re-compilation of the report this year.

● External Verification

- ✧ This report is primarily structured in accordance with the "GRI Standards 2021" as released by the Global Reporting Initiative (GRI) and complies with the requirements of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." It also draws reference from the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB). The appendix of this report includes a GRI standards comparison table, and information on climate-related information disclosure by listed companies, for stakeholders' reference.
- ✧ The data verification in this report focuses on the year 2023, with certain performance metrics tracing back to previous years (2022 and 2021) for reference. The data disclosed in this report has been verified by GREAT Certification according to the AA1000 Assurance Standard V3 for Type 1 Moderate Assurance Level. This verification confirms compliance with the GRI Standards 2021, and the assurance statement is provided in the appendix.
- ✧ Please refer to Appendix VII - Independent Assurance Statement for the Sustainability Report 2023.

● Report Management

The report content is composed in Traditional Chinese, with data and indicators collected by a cross-functional team responsible for relevant jurisdictions. The Sustainable Development Promotion Team compiles, revises, and proofreads the report. It is then reviewed by the head of the Sustainable Development Promotion Team and approved by the Chief Sustainability Officer. Third-party verification or assurance is obtained before presenting it to the CEO and Chairman for issuance.

● Issuance of the Report

Last report: Issued in June 2023.

Current Edition Release Date: August 2024

Next report: Scheduled for August 2025.

To implement green environmental protection and promote the paperless movement, the report will be published electronically on AAEON's official website.

● Contact Information:

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Letter From The Chairman

Since its establishment, AAEON has embraced the business philosophy and core values of "People-orientation, Honesty and Integrity, Excellence in Innovation, and Customer Respect." With the four major dimensions of corporate governance—"enhancing information transparency," "strengthening the structure and operation of the Board of Directors," "protecting shareholder rights and treating all shareholders equally," and "implementing sustainable corporate development"—as the objectives, we continuously promote sustainable policies—valuing corporate governance, fulfilling corporate commitments, expanding social engagement, and promoting environmental sustainability. With a keen focus on sustainable operations and ESG (Environment, Social & Governance) issues, we reference the United Nations' 17 Sustainable Development Goals (SDGs) to identify material topics. Through the Sustainability Development Promotion Team, we drive various initiatives, assessing risks and opportunities related to AAEON's core business, and report implementation results to the Board of Directors, actively addressing environmental and social issues to expand social impact.

In terms of product innovation, we collaborate with customers to launch various environmentally friendly innovative products in smart cities, smart healthcare, and smart transportation. The UP Squared V2 and UP Squared Pro 7000 were selected by MakeUseOf (MUO) as two of the top five x86 single-board computers in 2023. Other innovations include smart parking meters, smart AMR, in-vehicle solutions, intelligent inspections for factories and construction sites, electric bus battery management, the introduction of in vitro diagnostic (IVD) systems, and **real-time** molecular diagnostic systems. These advancements have led to consistently high revenue for AAEON. At the same time, we integrate social welfare with AAEON's core business, actively contributing to societal benefit by providing solutions through professional expertise.

In terms of industry-academia collaboration, AAEON Technology has always actively supported and promoted the development of vocational and technical education and has collaborated with universities of technology to advance front-end education integration with industry. Since joining the GOLF Alliance in 2020 - a system for industry-academia co-creation and integration of learning and application, academia and industry have collaborated to help university students connect with industries early, cultivate essential workplace skills, and enhance their immediate readiness for the workforce. By sharing resources between schools and enterprises, it promotes cross-sector industry knowledge exchange, assists schools in extending their reach into businesses, strengthens the advantage of Taiwan's industrial talent in advanced technologies, and improves the quality and quantity of Taiwan's manufacturing industry.

Since 2009, through the AAEON Foundation, we have called for companies to jointly promote rural art and technology education projects, actively investing in the education of rural children. Specific achievements include winning the Commonwealth Corporate Citizenship Award for several consecutive years. In 2023, the "Sustainable Rural Campus Art and Technology Education Project" received the First Prize in the "Education Promotion Category" of the Outstanding Solutions at the 19th Global Views ESG Corporate Sustainability Awards. We will continue to work with partner companies to promote more projects, focusing on the enrichment of educational resources for children in rural areas and actively practice the spirit of social philanthropy!

In recent years, we have actively promoted the Family-Friendly Workplace Enterprise Alliance led by AAEON Technology, inviting 21 companies to participate. In the future, we will continue to uphold a diligent attitude, contributing our efforts to society, and realizing AAEON's vision for sustainable development and commitment to sustainable development.



(Provided by Commonwealth Magazine)



Chairman

I. About AAEON

(I) Company Profile

Established in 1992, AAEON is one of the leading designers and manufacturers of advanced industrial and embedded computing platforms today. Committed to innovative engineering, AAEON produces integrated Industry 4.0 solutions, cutting-edge AI hardware, and IoT solution platforms that seamlessly consolidate virtual and physical networks. We also develop hardware and intelligent automated services for premier OEM/ODMs and system integrators worldwide. Our reliable, high-quality computing platforms include industrial motherboards and systems, industrial displays, rugged tablets, PC/104, PICMG and COM modules, embedded SBCs, embedded controllers, network appliances and related accessories. AAEON also offers customized end-to-end services from initial product conceptualization and product development through to volume manufacturing and after-sales service programs, and we are committed to the continuous advancement of the industry's management and development processes.

With its constant pursuit of innovation and excellence, AAEON became a member of the ASUS group in 2011, enabling the company to further strengthen its leadership, access advanced technology from ASUS, and leverage resources from within the group. AAEON is poised to offer more diversified embedded products and solutions at higher quality standards to meet world-class design and manufacturing demands in the years to come.

AAEON is a Titanium member of the Intel® Internet of Things Solutions Alliance. At the same time, we are also an elite partner of NVIDIA.

The New Taipei City Government aims to develop the Baogao Park into a major hub for smart city industries, targeting the introduction of production enterprises that comply with "Low and zero pollution" processes, with next-generation industries such as digital health, AI, information and communication technology, and cloud computing as key industries.

In recent years, AAEON has focused on AI edge computing and the development and planning of smart cities. Its applications in the five major areas of smart manufacturing, smart retail, intelligent security, smart cities, and smart healthcare align well with the concept and goals of the Baogao Smart Park. In 2023, AAEON relocated parts of its operations to the Baogao Smart Park, with the hope of eventually consolidating all AAEON Group companies into the second phase of the Baogao Smart Industrial Park. We hope to continuously contribute to AI-related innovation and R&D, jointly creating the next international-level smart city industrial cluster.



AAEON has been cultivated in Xindian for 30 years, and in 2023, the AAEON Headquarters officially moved into the Xindian Baogao Smart Industrial Park. The park is primarily constructed with a focus on high tech, smart tech, and environmental protection. Its overall landscape centers on "natural landscapes," "renewable energy," and "public art." The park is equipped with various smart facilities, a full life-cycle BIM smart building management system, environmental greenery, plantings, and detention ponds, as well as diverse habitats for various species, creating a technologically advanced industrial park that also takes ecology into account.

As an ESG low-carbon park, it incorporates the BIM smart building management system and has obtained the Silver Smart Building and Gold Green Building certifications. The park boasts comprehensive architectural planning and various smart and energy-saving carbon reduction designs.

To be environmentally friendly, the wastewater emissions from the building, including sewage, miscellaneous wastewater, and rainwater, are handled by separate independent drainage systems.

Recycled rainwater volume reached 823 cubic meters, an increase of 30% in recycling volume, with water retention at 7,830 cubic meters, exceeding the required amount by 2.5 times.

Water resource management in the park involves collecting rainwater from building facades and ground surfaces, incorporating it into a recycling system for use in landscape irrigation.

In terms of water and energy conservation: the park uses water efficiency labeled sanitary fixtures to reduce water consumption by 30%. Adopted energy-saving lighting fixtures, reducing electricity consumption by 35%.

Creative energy saving: installation of 100kW solar panels, wind power equipment, and energy-regenerating elevators, annually saving approximately NT\$400,000 in electricity costs.

All AAEON facilities are located within industrial zones, and we do not own, lease, or manage any facilities located in ecological protected areas or water resources protected areas. AAEON does not engage in any activities that negatively impact biodiversity. Additionally, the processes of product manufacturing and services do not affect the environmental ecology.



Source: Economic Development Department, New Taipei City Government

1. Business Philosophy

(1) Mission

AAEON contributes to our smart and sustainable planet by providing innovative industrial platforms to help customers increase efficiency, productivity and effectiveness.

(2) Vision

To become the best partner for innovation in the IoT era, with focus, agility and competitiveness.

(3) Business philosophy

✧ **People-Oriented Leadership**

Respect the diversity and difference of individuals. Stay open-minded and receptive to new ideas.

✧ **Integrity and Honesty**

Maintain social and ethical norms and adhere to ethical principles in all matters.

✧ **Excellence in Innovation**

Develop innovative and viable solutions through creative problem-solving techniques.

✧ **Customer Centered Care**

Provide exceptional customer experience and build strong customer relationships.

(4) AAEON Core Values

✧ **Focus:**

Do what we can be the best.

✧ **Agility:**

Quickly respond to environmental changes.

✧ **Competitiveness:**

Challenge ourselves to continuously improve.



(5) Core Competence

✧ **Product Innovation**

AAEON has excellent OEM/ODM capabilities to meet customers' specific requirements and product specifications. We are always expanding and investing aggressively in research & development, and continuously improving our product innovation to maintain our leading edge in the market.

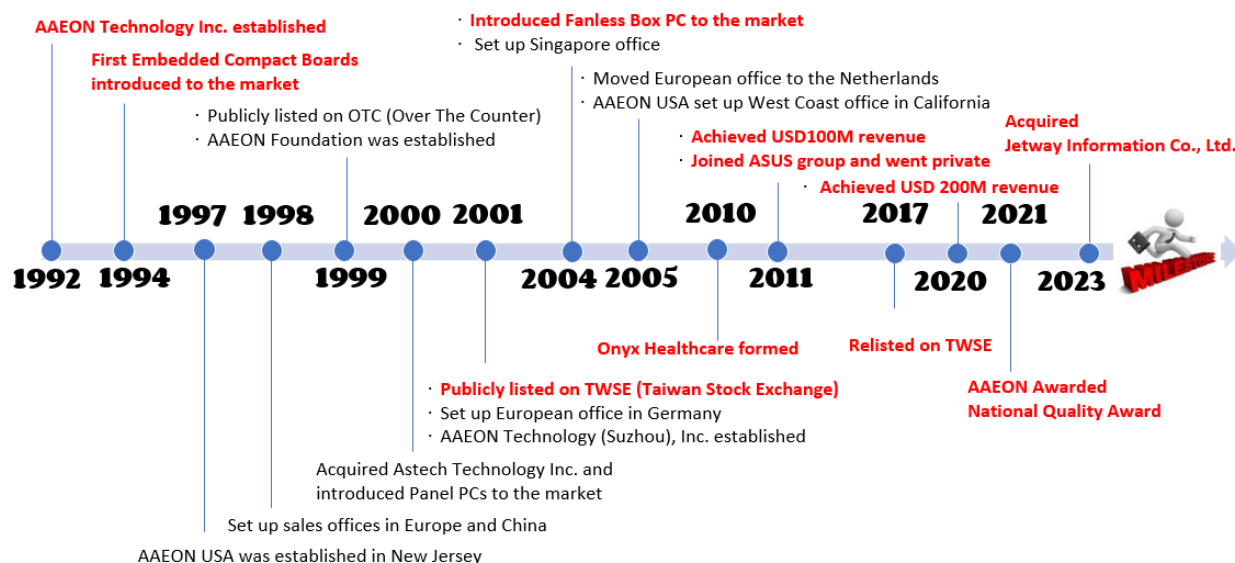
✧ **Design Capability**

AAEON has a superior research and development team with more than 20% of AAEON employees in R&D and 10% of annual sales revenue invested in products and solutions development. AAEON is prepared to handle the most demanding designs driven by the latest technologies. Continuous innovation has enabled AAEON to obtain many design patents and awards worldwide.

✧ **Customization Service**

AAEON has excellent customization capabilities to meet different requirements. Modulated design shortens development time and difficulties and reduces customization development costs. Flexible production processes also provide excellent customization quality and delivery time. Software customization ability can help customers quickly respond to market demands. AAEON's customization services have been highly recognized by customers over the years.

2. Company History and Key Milestones



Year	Key Milestones
1986 1992	- Engaged in the processing and manufacturing of computer peripheral equipment, terminal devices, and auxiliary components. - Fully committed to the Single Board Computer (SBC) OEM and ODM markets, successfully establishing the position and image of a professional SBC manufacturer.
1994	- Successfully obtained OEM orders from internationally renowned manufacturers. - Pioneered the successful launch of Little Board, becoming the leader in the manufacturing of this product. - Awarded the ISO 9001 Quality Assurance System international certification by the British Standards Institution (BSI).
1995	- AAEON expanded and relocated to the "Tongshuai Industrial Park" in Xindian. - Purchased SMT equipment and implemented fully automated production.
1996	- Established a subsidiary (AEI) in New Jersey, USA, to fully expand business marketing. - Several products were certified with the European Community CE Marking for safety. - Launched the new generation of All-in-one PC/104 CPU Model single-board computer. - AAEON's computer systems were adopted by Brazil's National Election Counting Center. - AAEON further expanded with employees surpassing 100 people, and additionally rented the seventh floor of the original factory building as an office. - Revised and established AAEON's corporate concept diagram formulated a five-year development plan. - Promote the 5S project to establish a good working environment and work quality. - Ranked among Taiwan's top 1000 enterprises according to surveys conducted by Common Wealth Magazine and Business Weekly.
1997	- Fully implemented and promoted ISO 14001, obtaining certification. - In response to AAEON's growth and expansion, purchased an OA office building. - Increased capital to NT\$210 million and completed the public offering.
1998	- Completed overall CIS planning and trademark registration in various countries. - Increased capital to NT\$252 million.

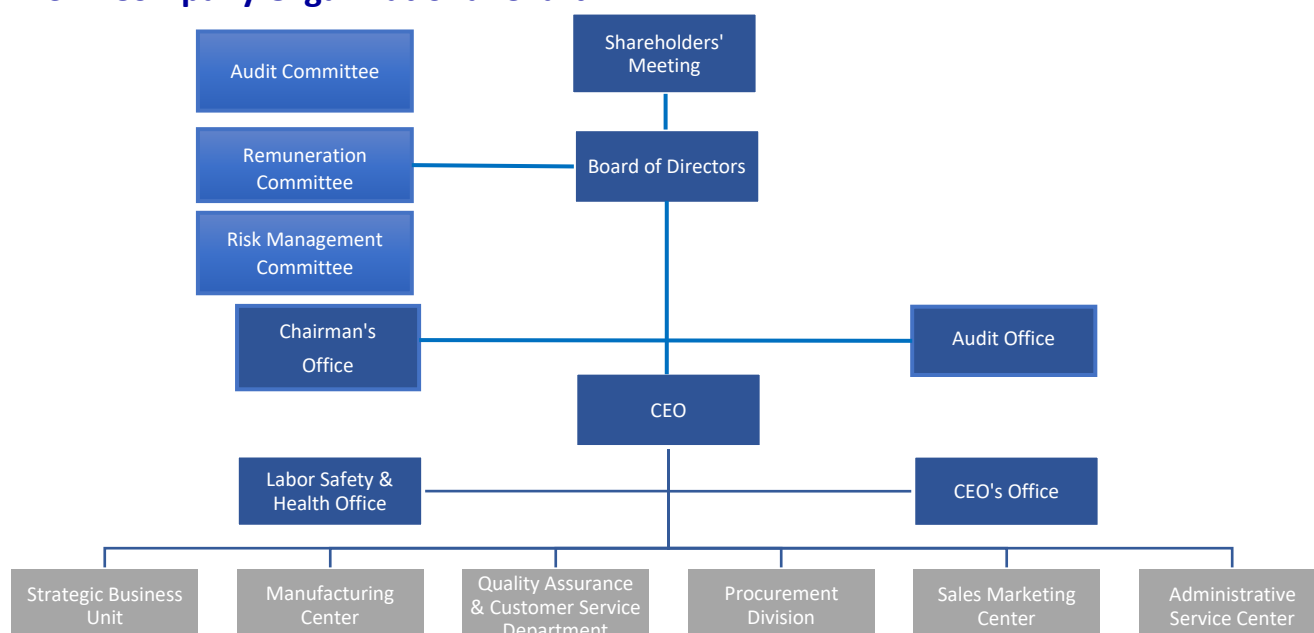
Year	Key Milestones
1999	♦ Fully implemented Oracle ERP. ♦ Successfully applied for over the counter (OTC) stock listing, becoming the first OTC industrial computer company in Taiwan. ♦ Purchased additional SMT equipment. ♦ Purchased and relocated to a new factory in the ABC Far East Industrial Park on Baoqiao Road, Xindian. ♦ Increased capital to NT\$346 million. ♦ Won the 8th National Award of Outstanding SMEs in Taiwan. ♦ The embedded single-board computer won the National Quality Award. ♦ Established the AAEON Foundation.
2000	♦ Merged with Astech Technology Inc. with the base date set as January 1, 2001. ♦ Due to expansion, purchased an office space on the fourth floor of the Baoqiao Road location in Xindian. ♦ Increased capital to NT\$421 million. ♦ Won the 7th Taiwan SMEs Innovation Award. ♦ The CPU short card series and ultra-compact single-board computer won the National Quality Award.
2001	♦ Increased capital to NT\$556 million. ♦ Ranked the 43rd among the fastest-growing top 100 in the Common Wealth Magazine survey of medium and small enterprises. ♦ Transitioned from an OTC company to a listed stock company in Taiwan. ♦ Four products won the National Quality Award.
2002	♦ Established a subsidiary in Suzhou, China. ♦ Joined the Intel Application Computing Platform Supplier Program. ♦ Increased capital to NT\$619.05 million. ♦ Became the first industrial computer manufacturer in the country to obtain TL9000 certification. ♦ Five products won the National Quality Award.
2003	♦ Obtained China Compulsory Certification (3C). ♦ Increased capital to NT\$637.438 million. ♦ Seven products won the National Quality Award--SBC-860, Gene-6330/6320, PCM-6892, AEC-206/6100, Onyx-158.
2004	♦ Established a subsidiary in Singapore. ♦ The subsidiary in Suzhou, China obtained ISO 9001 certification. ♦ Increased capital to NT\$664.2144 million.
2005	♦ Increased capital to NT\$737.984 million. ♦ Established a subsidiary in Brea, California on the US west coast. ♦ The European branch relocated to the Netherlands. ♦ VDC 2004-2005 Gold Vendors Embedded Board award. ♦ The ONYX-173 Wi-Fi medical imaging processing system was selected at Computex Taipei 2005 for the honor of "Best Export Information Product of Taiwan" in the "Product Design" category at Computex Taipei. ♦ AAEON received the honor of its operational headquarters being recognized by the Industrial Development Bureau.

Year	Key Milestones
2006	♦ Increased capital to NT\$770.97 million. ♦ Passed the GE Qualified Suppliers audit. ♦ Six products were honored with the 14th National Quality Award.
2007	♦ Increased capital to NT\$823.48 million. ♦ Obtain ISO 13485 Medical devices certification. ♦ Awarded the Industrial Sustainable Excellence Award by the Industrial Development Bureau. ♦ ONYX-195 was recognized as the "Best Export Information Product of Taiwan" in the "Product Design" category at Computex Taipei 2007. ♦ Seven products were honored with the 15th National Quality Award--Onyx-195, Onyx-2515, AEC-6920, AEC-6860, AEC-6800, TKS-G20, GENE-9310. ♦ AEC-6920 was the sole Taiwanese industrial computer awarded the GOLD Reader Award at ECE Reader Award 2007. ♦ Honored with the INTEL ECA – Best Customer Award.
2008	♦ Increased capital to NT\$875.4 million. ♦ Established a branch in Germany. ♦ Six products were honored with the 16th National Quality Award. ♦ Selected by Forbes Asia magazine as one of the "Best Under a Billion" small and medium listed enterprises. ♦ Ranked among the "2008 Taiwan Top 100 Technology Companies" according to a survey by Digital Times magazine.
2009	♦ Increased capital to NT\$909 million. ♦ Four products were honored with the 17th National Quality Award. ♦ Won the 2009 (17th) Ministry of Economic Affairs Excellent Innovation Enterprise Award. ♦ Won the 2009 Taiwan Excellent Brand Award. ♦ Established the subsidiary Yanyou Investment Co., Ltd., in Taiwan.
2010	♦ AAEON was awarded the 18th Taiwan Symbol of Excellence Award. ♦ AAEON was awarded the Growth in Intel® Atom™ Co-selling Award.
2011	♦ AAEON was awarded the Taiwan Excellence Achievement Award. ♦ AAEON was awarded the 19th Taiwan Symbol of Excellence Award. ♦ AAEON was awarded Siemens Star Supplier 2011 Award. ♦ AAEON was awarded the Computex Taipei 2011 Best of Choice Award. ♦ AAEON joins ASUSTeK Computer Inc. (ASUS). On June 1, 2011, Shou Yang Digital Technology Co., Ltd. merged with AAEON Technology Inc. (referred to as the original AAEON), with Shou Yang Digital Technology Co., Ltd. as the surviving company, which was renamed AAEON Technology Inc. with ASUSTeK Computer Inc. as the parent company.

Year	Key Milestones
2012	♦ AAEON was awarded the Golden Award of the Computex Taipei. ♦ AAEON was awarded the Computex Taipei 2012 Best of Choice Award. ♦ AAEON was awarded the 20th Taiwan Symbol of Excellence Award. Four products were awarded the Taiwan Excellence Award for their innovative energy-saving and carbon-reducing features, environmental protection, and balanced design aesthetics with product performance. ♦ AAEON was awarded Microsoft® Windows Embedded Partner of Year 2012.
2013	♦ AAEON was awarded the Computex Taipei 2013 Best of Choice Award. ♦ AAEON was awarded the 21st Taiwan Symbol of Excellence Award. All 8 products registered to participate in the Taiwan Excellence Award were favored by the judges and won Taiwan Excellence Awards.
2014	♦ AAEON was awarded the 22nd Taiwan Symbol of Excellence Award. All 4 products registered to participate in the Taiwan Excellence Award this year were favored by the judges and won the Taiwan Excellence Award. ♦ Received Intel® IoT Solutions Alliance Member Performance Award.
2015	♦ AAEON was awarded the 23rd Taiwan Symbol of Excellence Award. Six products won the Taiwan Excellence Award, ranging from rack-mounted network products to rugged tablets and single-board computers, highlighting the innovation and uniqueness of AAEON's products. ♦ Established a branch office in Japan to develop a distribution network and expand business in Japan.
2016	♦ The subsidiary, Onyx Healthcare Inc., was listed on the over-the-counter market for trading on December 21, 2016. ♦ Listed on the emerging stock market in the middle of the year. ♦ Selected as one of the top ten outstanding enterprises for the Golden Peak Award. ♦ Received the Commonwealth Magazine CSR Corporate Citizen Award. ♦ The PICO-BT01 series of products received the Info Month Top 100 Innovative Product Award.
2017	♦ AAEON's stock was officially listed on the Taiwan Stock Exchange on August 21, 2017. ♦ AAEON's ranking in the Commonwealth Magazine Top 1000 Manufacturers advanced from 537th place (2016) to 454th place. ♦ Received the 5th place in the Medium-sized Enterprise Group of the Commonwealth Magazine CSR Corporate Citizen Award. ♦ Honored with the Taiwan Excellence Award in 2017.
2018	♦ Conducted a share swap with IBASE Technology Inc. on September 29, 2018. ♦ Received the Commonwealth Magazine CSR Corporate Citizen Award. ♦ Received the TCSA Taiwan Corporate Sustainability Award. ♦ Received the Taiwan Excellence Award. ♦ Three products won the COMPUTEX Design & Innovation Award. ♦ The BOXER-6640M won the Vision Systems Design Award.
2019	♦ Received the Commonwealth Magazine CSR Corporate Citizen Award. ♦ Received the TCSA Taiwan Corporate Sustainability Award. ♦ Two products won the Taiwan Excellence Award. ♦ Two products won the COMPUTEX Design & Innovation Award. ♦ This year was honored with the "14th Arts & Business Awards - Permanent Award Bronze Award" by the Ministry of Culture.

Year	Key Milestones
2020	- Received the CommonWealth Magazine CSR Corporate Citizen Award. - One product won the Taiwan Excellence Award.
2021	- Received the 26th National Quality Award. - CEO, Howard Lin, received the Golden Merchant Award - Outstanding Businessman honor. - Received the CSR CommonWealth Magazine Sustainable Citizen Award. - Two products won the 30th Taiwan Excellence Award. - One product won the Computex Taipei Design & Innovation Award. - One product won the System Integration Output Award. - Received the Ministry of Education's Social Education Contribution Award - Group Award "Social Welfare Organization Award". - Received certification for ISO 27001.
2022	- Celebrated the 30th anniversary of AAEON Technology's founding. - Moved into the Baogao Smart Industrial Park, joining the new international smart city industrial cluster. - Received the CSR CommonWealth Magazine Sustainable Citizen Award. - BOXER-8240AI won the COMPUTEX Best Choice Award Gold Award. - Two products won the Taiwan Excellence Award. - Received the Mainland China Taiwan Businesses Award. - AAEON Technology and the AAEON Foundation were honored with the "15th Arts & Business Awards - Permanent Award Bronze Award" by the Ministry of Culture.
2023	- Awarded the First Prize in the "Education Promotion Category" of the Outstanding Solutions at the 2023 Global Views ESG Corporate Sustainability Awards. - Received the 3rd place in the Medium-sized Enterprise Group of the CommonWealth Magazine CSR Corporate Citizen Award in 2023. - Received the 5th place in the 2023 HR Asia Awards for Sustainable Talent Development. - Awarded the "2023 Taiwan Best Brand Value Rising Star Award." - Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared V2. - Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared Pro 7000. - The AAEON Foundation received the Ministry of Education 2023 Year Outstanding Group Award for Promoting Family Education.

3. Company Organizational Chart



4. Global Presence/Operational Sites

AAEON products are sold globally, with 17 sales offices in 12 countries. Marketed globally under the AAEON brand, with trademarks registered in over 32 countries, AAEON has established 6 subsidiaries and has over 200 distributors/agents worldwide.

<https://www.aaeon.com/tw/contacts/branch/>



5. Participation in Public Associations and Organizations

Name of External Association		Role	Description of External Association
 新北市電腦商業同業公會 New Taipei City Computer Association	Taipei Computer Association	Member	The Taipei Computer Association organizes exhibitions to provide a matchmaking platform for industry suppliers, while regularly hosting events to offer industry information and promote industry exchange and cooperation.
 智慧產業電腦物聯網協會 Intelligent Computer & AIoT Association	Intelligent Computer & AIoT Association (ICAA)	Director	The ICAA is dedicated to integrating resources from industry, government, and academia to create sustainable smart IoT platforms. The association is committed to promoting international business opportunities, facilitating technology exchange, supporting collaboration and training of Taiwan's industrial computer and IoT sectors, and implementing related government policies.
 台灣雲端物聯網產業協會 Cloud Computing & IoT Association in Taiwan	Cloud Computing & IoT Association in Taiwan	Member	The Cloud Computing & IoT Association in Taiwan is dedicated to connecting the government with association members, assisting in securing government cloud business opportunities. Members can participate in government-related work groups and enjoy privileges such as seminars, exhibitions, and overseas visits to expand business opportunities and facilitate technology exchange. In addition, the association provides a member-exclusive information database to help them acquire relevant information and support.
 VCCI 協會	Japan VCCI Council	Member	The fundamental policies of the Japan VCCI Association include coordination between member groups, acceptance of voluntary compliance measures reports, market reality investigations, research and formulation of technology standards, education for measurement technicians, investigation of international EMC regulations, implementation of measurement equipment registration systems, PR promotion for general users, and other related matters.

Name of External Association		Role	Description of External Association
 台北市電腦公會 TAIPEI COMPUTER ASSOCIATION	New Taipei City Computer Association	Member	The New Taipei City Computer Association is an organization composed of information-related companies in New Taipei City, dedicated to promoting the development of Taiwan's information industry. Member companies cover multiple fields including hardware manufacturing, software development, telecommunications, and digital content, and actively participate in domestic and international exhibitions to expand business opportunities.
 PC/104	PC/104 Consortium	Member	The PC/104 Consortium is an industry trade organization that specializes in developing and setting standards for various PC/104 products to ensure mechanical and electronic compatibility. The carefully designed and tested specifications ensure compatibility among all PC/104 product suppliers.
	PCI-SIG	Member	PCI-SIG is an organization composed of over 900 industry companies, dedicated to advancing non-proprietary PCI Technology. They define specifications, adjust for future applications, and support product development within the industry. Member companies collaborate to define, test, and refine specifications, making PCI technology a primary interconnection method between today's CPUs and external devices.
	PICMG	Member	PICMG is dedicated to developing open standards for the professional computer market, and its established standards are described as "COTS" or "MOSA".
	HDMI	Member	The HDMI Licensing Administrator is responsible for managing and promoting the licensing of HDMI Technology, ensuring that the specifications of each version are effectively authorized and managed.
	Standardization Group for Embedded Technologies (SGET)	Member	The SGET is responsible for developing and promoting open industry standards, advancing the development and application of embedded technology, and collaboratively working with participating companies and organizations to establish independent specifications for embedded computer technology.
 台灣人工智慧晶片聯盟 AI on Chip Taiwan Alliance	AI on Chip Taiwan Alliance (AITA)	Member	The AITA is composed of over 80 leading semiconductor and ICT companies, aiming to promote the development of AI chip technology to accelerate Taiwan's emergence as a global leader in AI chips and intelligent systems.

(II) Economic Performance

● Activities, Value Chain and Other Business Relationships

Industry	Computer and Peripheral Equipment Industry
Key products/ Services	Industrial system products, single-board computers, and peripheral devices
Product Output Unit: tons, pieces	The values of production in the recent two Years (see Appendix I) & The values of sales in the recent two Years (see Appendix II)
2023 Revenue (Consolidated) Unit: NT\$ thousand	8,073,203
Revenue Proportion by Region	Taiwan 39.24%, Europe 26.28%, United States 25.92%, China 6.41%, Others 2.15%

➤ Value of production over the past two years (see Appendix I)

Unit: Quantity: thousand units/items; Value: NT\$ thousand

Production Value Key products	Year	2022			2023		
		Capacity	Product Output	Production Value	Capacity	Product Output	Production Value
Single-Board Computers and Peripheral Devices		338	332	1,597,679	1,163	998	1,847,077
Industrial System Products		326	354	2,132,519	200	204	1,933,653
Total		664	685	3,730,199	1,363	1,202	3,780,730

➤ Value of Sales Over the Past Two Years (See Appendix II)

Unit: Quantity: thousand units; Value: NT\$ thousand

Production Value Key Products	Year	2022				2023			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Single-Board Computers and Peripheral Devices		83	373,045	672	3,710,957	61	382,663	823	3,552,834
Industrial System Products		13	127,024	392	3,576,418	28	254,640	368	3,358,484
Others		249	49,513	1,012	515,119	626	159,184	787	365,397
Total		363	549,582	2,077	7,802,494	715	796,487	1,979	7,276,716

1. Operational Results

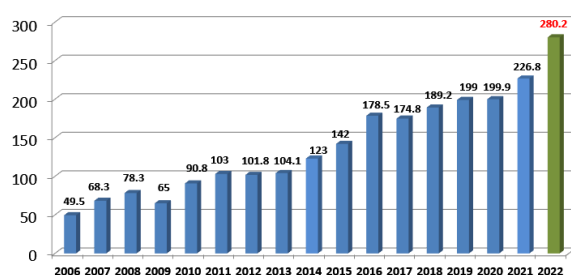
- ✧ The consolidated operating revenue in 2023 was NT\$8,073,203 thousand, with gross profits up by 2.95% compared to 2022.
- ✧ The net profit for the current period in 2023 (post-tax consolidated comprehensive income) was NT\$1,167,250,000, with earnings per share of NT\$8.42.

Unit: NT\$ thousand

Item \ Year	2022	2023	Increase (Decrease) Amount	Percentage Change %
Net Operating Revenue	8,352,076	8,073,203	(278,873)	(3.34)
Operating Cost	5,598,941	5,238,829	(360,112)	(6.43)
Operating Gross Profit	2,753,135	2,834,374	81,239	2.95
Operating Expenses	1,559,045	1,827,951	268,906	17.25
Net Operating Profit	1,194,090	1,006,423	(187,667)	(15.72)
Non-operating Income and Expenses	268,942	434,350	165,408	61.5
Profit Before Tax	1,463,032	1,440,773	(22,259)	(1.52)
Income Tax Expenses	285,196	273,523	(11,673)	(4.09)
Net Profit for the Current Period	1,177,836	1,167,250	(10,586)	(0.9)
1. The main reasons for significant changes in operating revenue, operating income, and net profit before tax in the most recent two years: (Analyze and explain for changes of more than 20% compared to the previous period, and for those with a change amount exceeding NT\$10 million) (1) Increase in Non-operating Income and Expenses: This was primarily due to an increase in valuation gains on financial assets measured at fair value through profit or loss, and a decrease in the share of profit or loss of associates and joint ventures recognized under the equity method. 2. Expected sales quantity and basis, potential impact on AAEON's future financial performance and business, and response plans As AAEON has not prepared or announced financial forecasts, the expected sales quantity and basis are not applicable. Additionally, AAEON's overall performance has no significant abnormalities, thus no response plan is deemed necessary.				

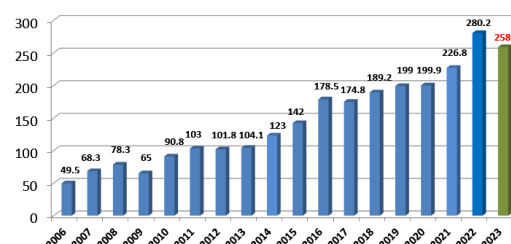
2022 AAEON Group Performance (23.5% Growth)

Revenue (USD M)


2023 AAEON Group Performance

(-7.7% Growth Include Jetway)

Revenue (USD M)



- In 2023, AAEON Technology did not receive any financial assistance from the government.

2. Consolidated R&D Expenses

The R&D Expenses Invested Annually up to the Latest Publication Date of the Year.

Unit: NT\$ thousand; %

Item \ Year	2022	2023
Consolidated R&D Expenses	599,554	624,360
Consolidated Net Revenue	8,352,076	8,073,203
Percentage of Consolidated Net Revenue	7.18%	7.73%

Note: As of the publication date of the annual report, the financial report for the first quarter of 2024 has not yet been reviewed and completed by the CPA.

3. Operational Policies and Strategy

AAEON's long-standing focus on the AI market is gradually bearing fruit. Especially in 2023, the entire AI market shifted from decision-making AI to generative AI, with ChatGPT becoming an instant hit. The application of AI across various industries has gradually unfolded, and previous POC projects have also begun to materialize and scale up. The business opportunities in the entire AI market are gradually shifting from the cloud to the edge. AAEON has maintained a solid position in the AI market, and it is expected that the proportion of revenue from AI will increase rapidly.

(1) Operational Policies

- Enhance customization services, improve customization processes, and provide flexible, fast, and high-quality customization services.
- Actively develop the AI edge computing platform market: Collaborate with partners to form a complete ecosystem, become a leading manufacturer in AI edge computing platforms.
- Continuously innovate by focusing on product and process innovation to launch competitive products and enhance operational efficiency.
- Enter new markets or expand market share through joint ventures and acquisitions.

(2) Key Strategies

- Provide a comprehensive AI hardware product portfolio to meet diverse needs, while integrating value-added software to enhance product differentiation.
- Enhance business training and develop AI projects.
- Enhance brand promotion by organizing AI seminars.
- Enhance partnerships and jointly organize marketing activities.

(3) Long-Term Development Strategy

The evolution of AI technology is becoming increasingly rapid, market acceptance is growing, and the range of applications is expanding. The overall growth direction is gradually developing from the cloud to the edge. AAEON possesses superior embedded design capabilities, centers its product development on continuous innovation, uses customization services as its core competitive strength, and commits to customers with superior quality. AAEON is both a hardware manufacturer and a technology service provider, offering hardware design, software development, production manufacturing, logistics management, and after-sales service. This enables customers to possess high-quality industrial computing platforms, making AAEON a trusted partner for customers.

4. Favorable Factors in Development Vision

(1) Rapid Development of Personal Computer Applications

Due to the rapid advancement of semiconductor and information hardware technology, the functionality of personal computers has become increasingly powerful. The current development of global information products, whether in software services or hardware products, is primarily centered around personal computer applications. This trend has given industrial computers developed with PC standard architecture a significant advantage in enhancing product functionality and reducing costs. Due to the rapid advancement of semiconductor and information hardware technology, the functionality of personal computers has become increasingly powerful. The current development of global information products, whether in software services or hardware products, is primarily centered around personal computer applications. This trend has given industrial computers developed with PC standard architecture a significant advantage in enhancing product functionality and reducing costs.

(2) Thriving Development of IoT and AI Driving Industrial Computer Industry Trends

With the continuous global development of information and communication technology, and the combined support of new technologies such as cloud computing, big data, artificial intelligence, and edge computing, AIoT (Artificial Intelligence of Things) applications which combine AI and IoT are thriving. In the past, the operational model of embedded IoT involved collecting data through sensors and embedded devices, transmitting data via the Internet of Things, using cloud AI to analyze big data, then sending the analyzed results back to the embedded devices for execution. With the integration of artificial intelligence, computing capabilities of devices are enhanced, and computing shifts from the cloud to the edge. The computing architecture consequently evolves to include a CPU along with a GPU, or a CPU paired with AI accelerator combinations such as VPU, TPU, or NPU. Multiple embedded computers conduct the analysis, ensuring uninterrupted operations even in the absence of network connectivity.

(3) Comprehensive Information Industry Framework

Taiwan's information technology industry has developed a comprehensive system with a well-established industrial structure. The advantages of both vertical integration and vertical specialization have already taken shape. In recent years, domestic companies have made significant progress in the development of upstream key components. This complete information industry architecture effectively supports the development of industrial computer businesses. For industry players, the supply of raw materials, an abundance of skilled technical personnel, and the ability for large-scale production and management all contribute to the industrial computer industry's competitiveness in product cost and quality, allowing it to compete with foreign manufacturers.

5. Unfavorable Factors Towards Development Vision and Countermeasures

(1) Rapid Changes in Market Product Specifications

Due to the rapid generational change in CPU specifications, the accompanying components must be produced or discontinued in line with their development pace. However, industrial computer products have a long-life cycle, and the CPUs and components used are inevitably at risk of discontinuation and shortages due to the rapid development of information products.

Countermeasures:

- In addition to Last Buy (final procurement before discontinuation) inventory preparation, a more proactive approach has been adopted to address the issues. This involves collaborating with the parent company, ASUS, to stay ahead of the competition in acquiring new technologies, accelerating the development of new products, and effectively reducing costs. This encourages customers to adopt new products for replacement and repair purposes. Maintain consistency between new and old product systems during the design process, reduce customer transition obstacles, increase parts interchangeability, and reduce AAEON's material inventory pressure.

(2) Surging Procurement Cost of Raw Materials

AAEON primarily engages in the R&D, manufacturing, and sales of industrial computer products, developing designs based on the specific needs of customers. These are customized products, with material procurement mainly dependent on the specifications and quantities provided by the customer. Once certified to meet the required specifications and quality standards, they are scheduled for mass production. Therefore, material procurement characteristics are of high-mix low-volume, making it difficult to achieve economic procurement volume, leading to relatively high procurement costs.

Countermeasures:

- Reduce material costs and enhance product competitiveness via joint procurement with the parent company ASUS.

(3) Rising Operating Costs Including Labor and Rent

In recent years, the number of employees in the manufacturing industry has steadily declined, and recruiting basic labor has become increasingly difficult. At the same time, employee wages and benefits, along with operational costs such as electricity, telecommunications, and rent, have risen year by year, leading to an increasing proportion of manufacturing costs. As a result, the profit margins of AAEON and its subsidiaries have been compressed.

Countermeasures:

- Strengthen process management for AAEON and its subsidiaries by developing automated equipment or adopting energy-saving devices and measures to increase production efficiency and yield. This approach reduces reliance on high-skilled labor to offset the negative effects of rising labor costs. Enhance employee education and training to improve employee quality and productivity, actively create economies of scale, and conduct more prudent evaluations on order pricing to reduce the impact of labor costs on economic performance.
- Strengthen R&D technology, develop new products, cultivate the vertical market for products, and proactively reach out to global retailers and system integrators to create and manage proprietary brand values, catering closely to customer needs. Provide rapid customer service while continuously working to achieve sustainable management goals.

AAEON uses "AAEON" as its brand, where "AA" represents striving for better, constantly challenging oneself, continuous innovation, and pursuing excellence. We will adhere to the core values of focus, agility, and competitiveness, ensuring sustainable growth and striving to become a leading manufacturer in AI edge computing.

6. Awards

- ✧ Awarded the First Prize in the "Education Promotion Category" of the Outstanding Solutions at the 2023 Global Views ESG Corporate Sustainability Awards.
- ✧ Received the 3rd place in the Medium-sized Enterprise Group of the Commonwealth Magazine CSR Corporate Citizen Award in 2023.
- ✧ Received the 5th place in the 2023 HR Asia Awards for Sustainable Talent Development.
- ✧ Awarded the "2023 Taiwan Best Brand Value Rising Star Award."
- ✧ Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared V2.
- ✧ Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared Pro 7000.
- ✧ The AAEON Foundation received the Ministry of Education 2023 Outstanding Group Award for Promoting Family Education.
- ✧ Awarded the Bronze Medal in the 2023 EcoVadis Evaluation.

(1) Awarded the First Prize in the "Education Promotion Category" of the Outstanding Solutions at the 2023 (19th) Global Views ESG Corporate Sustainability Awards

AAEON participated for the first time in the ESG Corporate Sustainability Awards and won the First Prize in the "Outstanding Solutions: Education Promotion" category with the "Sustainable Rural Campus Art and Technology Education Project."

Since 2009, the AAEON Foundation has continually promoted campus art and technology education projects in elementary schools in Chiayi County. During this period, in collaboration with partner companies, these programs have been replicated in Taitung, Yilan, Yunlin, Changhua, Taichung, and Taoyuan. In 2023, an investment of NT\$18,127,972 was made in partnership with Onyx Healthcare, Good Way Technology, Chenbro, ChenFull International, and Yonghe Investment. Together, they held a total of 4,203 events across 67 schools in the five counties and cities—Chiayi, Yunlin, Changhua, Taichung, and Taoyuan—with 151,049 participants taking part in the "Sustainable Rural Campus Art and Technology Education Project." The total funding reached NT\$80 million. Future plans include the continued promotion of projects such as the "Board Game Exploration Paradise," "Learn-Think Program," and "Environment Taiwan - School Environmental Education Promotion," incorporating digital teaching materials for thematic instruction, organizing environmental study tours to relevant educational sites, and hosting a campus environmental map competition to create an enriched environmental education learning environment.



(2) Social Participation, Sustainable Guardianship: Received the 3rd place in the Medium-sized Enterprise Group of the Commonwealth Sustainable Citizen Award

The AAEON Foundation has long been devoted to the Sustainable Rural Campus Art and Technology Education Project. Through the "Sustainable Rural Campus Art and Technology Education Project" and the "Vocational Education Development and Deepening Project - China University of Technology," it provides art, music, and technology-related educational resources to rural children, offering them broader and deeper learning opportunities. In recent years, the AAEON Foundation has further collaborated with the "Chi-Po-lin Foundation" to jointly conduct environmental education promotion courses, striving to deeply instill environmental education in the hearts of the next generation of students.



(3) Talent Development, Long-Term Operation: Received the 5th place in the Medium-sized Enterprise Group of the Commonwealth Sustainable Talent Development Award

AAEON Technology regards employees as family and partners, valuing their benefits and training. In addition to offering a wealth of training programs and various benefits as a happy workplace, AAEON is also actively engaged in talent cultivation, allowing employees to utilize their strengths and providing opportunities for self-improvement. In addition, a diverse remuneration incentive system is provided, designing bonus incentives for different job dimensions, allowing employees to receive immediate feedback and encouragement.

AAEON Technology also regularly organizes employee activities through the Welfare Committee, such as AAEON Family Day and overseas trips, to reward employees' hard work, hoping they can achieve physical, mental, and spiritual satisfaction in a friendly working environment.



(4) AAEON Technology was Awarded the "2023 Taiwan Best Brand Value Rising Star Award"

AAEON Technology participated in the "2023 Taiwan Best International Brand" awards ceremony organized by the Industrial Development Bureau of the Ministry of Economic Affairs and the Taiwan Institute of Economic Research. AAEON was shortlisted for the "Rising Star" category and received recognition from the global brand value assessment organization, Interbrand. AAEON has received widespread acclaim for its economic performance, brand performance, and outstanding performance in ESG issues. In the future, AAEON will continue to strengthen brand values, focus on the research, development, and manufacturing of edge AI solutions, and realize its vision and targets for sustainable operations.



(5) The AAEON Education Foundation Received the Ministry of Education 2023 Year Outstanding Group Award for Promoting Family Education

AAEON emphasizes the harmonious development between employees' families and AAEON, winning the Family Education Outstanding Group Award in 2023.

Since 2019, the AAEON Foundation has collaborated with relevant family education resources to initiate the "Family Month Activities" starting with AAEON Technology. Since 2020, in collaboration with the Ministry of Education, Hsinchu County Family Education Center, National Taiwan Normal University, and relevant family education promoters, existing family education resources have been utilized to jointly promote corporate weekend school parent-child courses, which have received enthusiastic response. In July 2022, 11 companies in New Taipei City were mobilized to form the "Friendly Family Workplace Enterprise Alliance" and collaborated with National Taiwan Normal University to establish related promotion and course modules. A total of 24 lunchtime family education lectures and 4 weekend school courses were conducted, bringing family education resources into enterprises through exciting courses and activities. A total of over 58 families and nearly a thousand corporate employees and their families participated.

In 2023, the scale of corporate participation was expanded, with AAEON Technology spearheading the family education initiative. In collaboration with the New Taipei City Family Education Center and the course resources of National Taiwan Normal University, 21 companies participated, organizing 63 lectures and 7 weekend school courses, thereby amplifying the project's impact.



(6) AAEON's Commitment to Product Quality Has Earned the 26th National Quality Award

AAEON was awarded the 26th National Quality Award for "Overall Excellence - Outstanding Management Award." This award evaluates eight major dimensions: leadership and business philosophy, strategic management, R&D and innovation, customer and market development, human resources and knowledge management, information strategy management, process management, and economic performance. AAEON's business management and product research and development both received the highest national quality recognition.



(7) Steady Management, Global Vision: AAEON Technology CEO Receives the Golden Merchant Awards - Outstanding Businessman Award

In 2021, AAEON Technology CEO Howard Lin was awarded the Golden Merchant Awards - Outstanding Businessman for his significant contributions to the prosperity of Taiwan's industry and commerce. President Ing Wen Tsai personally met with and thanked all the award recipients for their efforts in combating the challenges of the pandemic over the past year. She also acknowledged their continued dedication to achieving outstanding results in various fields, bringing positive energy to Taiwanese society.



(III) R&D Innovation



The Trusted Innovation Partner

Innovative Future Trusted Peers

Innovation

AAEON is always committed to innovation, whether in product design innovation, technology innovation, or marketing model innovation, we have unique approaches that lead the industry, ensuring that AAEON's products remain at the forefront.

Flexibility

AAEON's modular product design allows customer products to quickly upgrade to a new generation platform and provides rapid after-sales service, with specialists available to address any issues. Simultaneously, there are customization service centers worldwide, allowing customers' ideas to be quickly implemented.

Trusted Quality

AAEON places great emphasis on both design quality and service quality. During product development, strict validation methods and high-standard design evaluations are employed; after the product is launched, great emphasis is also placed on service quality. AAEON continuously improves processes and establishes global repair centers to ensure that services are immediate and fast. In addition to certifications from major companies such as Intel and NVIDIA, we stay up to date by introducing AI defect detection systems, which further enhance the production process and quality of products.



Vice Chairman
I.J. Lee



Chairman
Yung Shun Chuang



CEO
Howard Lin

The "brand value" of AAEON has a significant impact on both AAEON and its customers. For AAEON, a strong brand value can enhance corporate image and trust, attract more customers and partners, thereby promoting business growth.

The brand value of AAEON lies in three cores values: First, excellent flexibility to meet customer needs at the best speed at any time. The second is product innovation to increase added value, always providing the best cost-effectiveness. The third is customized service, providing the fastest customized service according to customer needs.

For business operations, AAEON's brand value can enhance persuasiveness, work efficiency, and drive business growth.

For customers, AAEON's "brand value" represents quality, reliability, service, and innovation, giving customers confidence in choosing AAEON's products and services, ensuring an excellent user experience.

For employees, AAEON's brand value will be regarded as a lifelong belief and vision, enabling them to deliver service quality that exceeds customer expectations.

In recent years, AAEON's hardware capabilities have significantly improved, and product development has gradually expanded from industrial computers to vertical market applications for industrial computers. Recently, we have also ventured into the manufacturing and development of edge AI products for global marketing. This robust capability is widely recognized by all. However, AAEON also possesses a less well-known area of soft power that has been quietly cultivated for 15 years.

Since 2009, AAEON has been integrating technology with elementary school education in rural areas, incorporating technology into arts, humanities, music, and environmental education. AAEON has promoted these projects to elementary schools in remote areas, with over fifty thousand schoolchildren participating so far. At the same time, by promoting modular tutorials and collaborating with sponsored partner companies, AAEON swiftly and comprehensively advances project resources to more counties and cities in Taiwan, enriching educational resources for elementary schools in rural areas.

AAEON places great emphasis on altruism, which has become an important part of its brand value.

What comes to mind when mentioning AAEON's brand value? Innovation? Flexibility? Trusted quality? All the above are valued attributes, and they are the brand images AAEON wishes to continuously forge and uphold.

AAEON's "innovation" extends beyond the common perceptions of product and technology innovation; it also includes innovative business models. In addition to e-commerce sales through platforms like the eShop and UP shop, AAEON offers a tech support community where users can interact, solve challenges encountered in product development, and share experiences.

Regarding "trusted quality," AAEON products not only adhere to high-standard industrial-grade specifications, components, and verification processes, but their strict manufacturing quality is also well-known. Recently, AI technology has been introduced into the production process, allowing even the smallest defects to be detected in a timely manner, thereby improving quality.

AAEON's most important brand value is "flexibility." AAEON engages in high-mix, low-volume customized production and modular design to best meet customer needs. AAEON has established Customization Service Centers (CSCs) worldwide to be closer to the customer side, offering direct customization services, allowing customers' ideas to be quickly implemented.

1. Innovative Products

- ✧ Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared V2.
- ✧ Selected by MakeUseOf as one of the top five x86 single-board computers in 2023: UP Squared Pro 7000.
- ✧ Launched various AI edge computing platform-related products, covering computing power from 5 TOPS to 2000 TOPS.
- ✧ Leading the industry by launching the Intel Alder Lake N product.

UP Squared V2 and UP Squared Pro 7000 were selected by MakeUseOf as two of the best x86 single-board computers in 2023.

AAEON's products, UP Squared V2 and UP Squared Pro 7000, were both selected by MakeUseOf (MUO) Media as one of the top five best x86 single-board computers in 2023.

MUO is one of the industry's renowned computer computing technology online media. Among the five single-board computers recommended by MUO, AAEON Technology's UP series development boards account for two, making them some of the best cost-effective products on the market.

- The first winning product, UP Squared V2, is a high-performance, low-power development board, featuring three simultaneous 4K display capabilities. For applications requiring support for three displays, UP Squared V2 is an excellent choice!
- The other winning product is the UP Squared Pro 7000, equipped with the latest 13th generation Intel Core/Atom series processors (formerly known as Alder Lake N series). Through a dedicated adapter board, it can support MIPI CSI cameras for mobile device applications. It is also an excellent product for developing robots, factory automation, and IoT solutions.
- These two products are newly developed by AAEON in collaboration with Intel's flagship processors. Intel is also actively promoting the MIPI CSI camera modules, allowing the MIPI camera modules to be used on the UP Squared Pro 7000 board. With the relevant software, AI recognition can be performed. It is extremely convenient for small, mobile, or wearable devices.



UP Squared V2



UP Squared Pro 7000

(1) Smart City - Green and Environmentally Friendly Energy-Saving Products

i. Smart Parking Meter BOXER-8221AI

According to statistics, there are over 100,000 roadside parking spaces in Taiwan. Enforcement officers need to patrol their designated area every 30 minutes to ensure correct fee collection. The repetitive patrol process generates a large number of environmental issues, including exhaust emissions from traditional motorcycles, wasted electricity from electric vehicles, and potential traffic accidents. The smart parking meter equipped with AAEON's BOXER-8221AI utilizes the NVIDIA® Jetson Nano™ module to perform multi-channel image AI analysis simultaneously. After a vehicle is parked, the embedded camera identifies the license plate, and combines cloud technology to send the license plate number/parking interval/parking fee to the driver for payment, achieving a completely paperless process.

The smart parking meter hands over parking problems to BOXER-8221AI, leading the city towards a more environmentally friendly future.

BOXER-8221AI



ii. Smart AMR and In-Vehicle Solutions - BOXER-8645AI

The BOXER-8645AI provides eight GMSL2 interfaces through FAKRA connectors, used in conjunction with AAEON partner e-con Systems™ NileCAM25 high-definition global shutter GMSL2 color camera. This combination elevates high-speed image transmission over longer distances, reducing image transmission delay while improving inference accuracy within a maximum range of 15 meters.

The system is E-Mark certified and supports a 9-axis sensor and GNSS, ensuring stable application in in-vehicle and AMR scenarios. At the same time, the system provides precise analysis suitable for solutions that rely on accurate movement and orientation.

BOXER-8645AI



iii. Smart City - Factory and Construction Site Intelligent Inspection

The RTC-710 is a rugged 7" tablet, specifically designed for the smart inspection needs of factories and construction sites. Features include: 2D BARCODE scanning functionality to help construction and factory personnel easily track and manage various equipment, materials, and resources, enhancing work efficiency; NFC, WIFI, and LTE modules allowing real-time data transmission to ensure instant synchronization with inspection systems, aiding in improving data accuracy and timeliness; a lightweight design making the device easy to carry and operate for construction and factory personnel, adapting to various inspection environments; compliance with military standards and passing multiple rigorous tests such as MIL-STD-810H and IP65, ensuring stable operation in harsh environments. This makes the RTC-710 suitable for smart inspections in industrial and construction sites, in addition to its powerful functionality and rugged design making it an ideal choice for internal inspections within factories. It can effectively enhance management efficiency; help reduce human errors and improve work safety.



iv. Green and Environmentally Friendly - Energy-Saving and Carbon-Reducing - Electric Bus Battery Management

Through the customer's proprietary battery management system, rigorous validation and continuous battery monitoring and control are conducted to reduce transportation carbon dioxide emissions. Customers using AAEON Technology RCD RISC products benefit from low energy consumption and reduced heat generation. The system can directly support -20 to 70°C WiTAS I under outdoor temperatures, and its lightweight and highly stable operating system ensures smooth operation outdoors. The system also supports wide voltage input of 9~36V, meeting basic automotive specifications, and supports WIFI/4G, 2 x USB 3.0 + 2 mini card, providing customers with flexible external connectivity options. Additionally, the product also offers accompanying wall-mount accessories, allowing customers to choose directly and conveniently integrate them into application areas.

SRG-IMX8P



v. Smart City - Green and Environmentally Friendly Energy-Saving Products - ARM Architecture Computers

The introduction of the Windows operating system on green energy-saving platforms - Microsoft's Windows operating system traditionally runs on more energy-consuming x86/x64 architecture computers. In 2023, AAEON is introducing ARM architecture computers, which are renowned for their energy efficiency, contributing to green initiatives in smart cities.

The number of ARM-based computers is approximately 20 times that of x86/x64 architecture computers. After integrating the Windows operating system, it is expected to achieve energy savings for the planet by a corresponding multiple.



(2) Smart Medical Series Innovative Products

As the COVID-19 pandemic continued to spread, having a huge impact on various industries, AAEON Technology upheld its specialization in industrial computers, actively pursuing R&D innovation and contributing its expertise in disease prevention and anti-pandemic efforts. Whether through independent research and development or collaboration with the industry, AAEON applies its professional technology to enhance medical efficiency and reduce the risk of cluster or contact infections, working together to combat the pandemic. With everyone's joint efforts, the pandemic was brought under control and lifted, allowing for a safe and healthy return to normal life. Although the pandemic is gradually receding, it is still necessary to closely monitor the resurgence of the virus.

i. GENE-ADP6 Integration into in Vitro Diagnostic (IVD) Systems , Enhancing the Accuracy of Blood Analysis Results



In the IVD market, AAEON has successfully mounted the latest platform with Intel processors on a 3.5-inch board. Customers expect to leverage a high computational power, low power consumption, fanless computing platform to handle the massive data volume in blood sample analysis processes. Therefore, the chosen solution must have superior computational performance to ensure that thousands of tests can be executed per hour, while maintaining accurate data output.

At the same time, high-speed DDR5 memory, compared to the previous generation DDR4, also exhibits excellent performance improvements. Multiple USB interfaces can support the CCD cameras required by the machine, facilitating the precise acquisition of blood analysis results and leading to a faster and more accurate analysis process.

ii. On the Medical Rescue and Epidemic Prevention Front Line, Ensuring Medication Safety for You and Me



According to global research statistics, errors occurring during the dispensing process by pharmacists account for approximately 49% of all medication events. In order to reduce and avoid errors in the medication dispensing process by pharmacists, customers have utilized AAEON Technology's ACP-1074 system combined with products for development. This allows pharmacists to scan the barcode on the prescription using the integrated barcode scanner, verifying the required medication quantity and dosage during dispensing. This system enables a second confirmation and cross-check by the dispensing personnel, preventing errors in the medication item, dosage, or quantity, thus avoiding harm to patients.

iii. Integrating the Gene-Whu6 Motherboard into Covid Testing Instrument to Assist with Virus Detection and Vaccine Development



The historically best-selling 3.5-inch embedded board from AAEON has been integrated into COVID testing instruments, assisting European pathology laboratories in the scanning and analysis of virus specimens, thereby accelerating the detection speed of COVID-19 cases. The product is equipped with a high-performance Intel processor, enhancing testing efficiency and precision. It also features 2 Ethernet ports, 6 USB ports, and 2 COM ports, allowing customers to simultaneously connect multiple detection modules for large-scale sample analysis. The advantages of industrial-grade, compact high-performance products enable seamless integration into large equipment while providing stable and high-speed computing capabilities, ensuring more reliable machine operation. At the same time, it has the capability to connect multiple monitors, allowing laboratory personnel to interpret virus sample analysis more quickly and clearly to obtain test results.

iv. Telepresence robot with TV and telephone functions - UP Board



Telepresence robots can be used for remote medical care or home care.

With this telepresence robot, healthcare personnel can easily operate the robot with a mobile phone to conduct daily observations and preliminary inquiries about the patient's condition and can also share medical records with relevant departments in real-time. There is no need for direct contact with patients, reducing the chances of exposure to infection, and subsequent cleaning and disinfection are also relatively convenient and swift.

v. PICO-ADN4 Molecular Diagnostic System for Real-Time Analysis



With an aging population and declining workforce, the labor gap in the healthcare industry continues to widen, highlighting the importance of fully automated platforms for real-time molecular diagnostic testing.

The deployment of mobile, on-site sampling PICO-ADN4 molecular diagnostic system for real-time analysis delivers precise clinical diagnosis, enables unmanned remote intelligent interpretation, and achieves one-stop full automation.

Through a 2-port network, test results can be uploaded to the cloud in real-time for interpretation. Additionally, personal health data is protected with encryption through a physical trusted platform module.

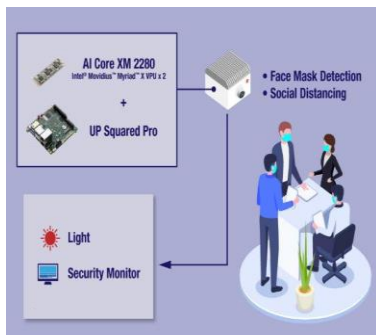
The average testing time only requires 15 to 25 minutes to extract and analyze results. Combined with the PICO-ADN4 board-to-board BIO expansion slots, customers can further expand with motion control cards. Equipped with an independent reaction module, the molecular diagnostic system can simultaneously perform testing on 4 different items.

vi. **BOXER-8240AI Won the 2022 Year Best Choice Award Gold**

BOXER-8240AI is a single-platform solution that integrates artificial intelligence, control, and communication. It features flexible I/O capabilities while ensuring no latency in real-time video processing streams.

The innovative fanless design allows the Jetson AGX Xavier SoC to operate in ambient temperatures ranging from -10°C to 55°C without performance degradation, while also blocking dust and other pollutants.

With the combination of AI, control, and communication, the BOXER-8240AI can be used in almost any application, whether it is navigating AGVs or helping smart factory robots avoid collisions—single, highly demanding tasks—or running multiple AI inferences in parallel to provide greater coverage for smart security and crowd monitoring, ensuring hygiene safety during the current pandemic.

vii. **Intelligent Public Health Practices Stay in Sync - AI Core XM2280 & UP Squared Pro**

Even though various pharmaceutical and biotech companies have continuously launched COVID-19 vaccines, most people and businesses around the world still maintain mask mandates and social distancing requirements to help prevent the unchecked spread of the COVID-19 virus. Many governments and businesses have also seen the value of maintaining this practice in a post-COVID world and have adopted countermeasures to mitigate the spread of epidemic viruses. A leading systems integrator specializing in artificial intelligence solutions and services is developing a system for detecting masks and measuring social distance.

They require a hardware platform solution with AI computing performance to simultaneously process masks and social distance detection. This type of application has been deployed in hospitals, train stations, and other areas. Once connected to relevant networked equipment, it assists facility managers in detecting, tracking, and alerting potential events.

AAEON Technology's UP Squared Pro with AI Core XM2280 integrates the circuitry board and camera system, providing essential OEM/ODM tasks and mechanical design. It combines the UP Squared Pro board and AI Core XM2280 in the camera with all necessary wiring and custom cooling solutions, delivering a fanless platform and all required components to assist customers in fully innovating the system's functionality.

viii. **Home-Based Work WFH Equipment Vanguard - FWS Series Products**

Many domestic and international enterprises have implemented remote or work-from-home measures, providing a comprehensive one-stop service for remote connections and online collaboration systems. This assists customers in selecting the most suitable package while maintaining high productivity.

The FWS-2360 and FWS-7360 uCPE White Box network devices can place the FWS-2360 desktop network platform in branch offices, regional offices, or personal studio environments; while the FWS-7360, a standard 1U rack-mounted network platform, is integrated into the enterprise's server room for large-scale data transmission and extraction. These two products also support Intel technologies to enhance data center performance (Intel® QuickAssist) and the SR-IOV feature on Intel® Ethernet server adapters, allowing the host to securely manage thousands of virtual machines. They are the best products for service providers to assist enterprises in deploying SD-WAN and executing WFH "Work from Home" strategies.



FWS 2360



FWS 7360

(3) Innovative Products in the Education Application Series

i. AAEON Technology's "UP" Extends into Academia, Assisting in the Development of Educational Robots

AAEON Technology teamed up with PlayRobot, the Robotics and Technology Education Application Team, to launch a development kit for educational robots. They presented and demonstrated it at national universities, garnering significant interest and collaboration intentions from academia. The UP-product line of AAEON Technology has always focused on the needs of makers and ODM/OEMs, aiming to assist startups, aspiring engineers and students interested in robot development with the latest platform for various AI edge computing applications development.

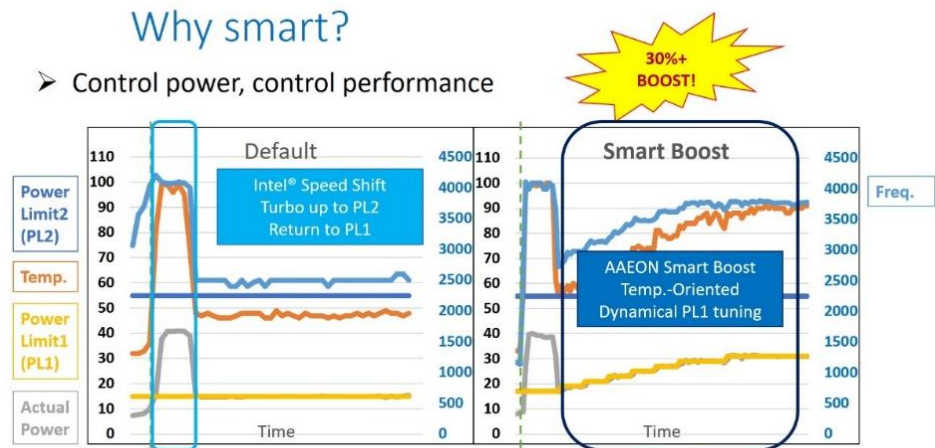
PlayRobot, the Robotics and Technology Education Application Team, collaborated with AAEON Technology to integrate Intel's "UP 4000" solution into educational robots. This includes the latest AMR/ROS2 cutting-edge technology, edge AI, edge AIoT, and information security, covering various fields promoted by the government in advanced technology. The collaboration integrates the capabilities of Taiwan's academic and industry sectors to assist developers aspiring to AI applications in realizing their ideas more swiftly.

UP 4000



ii. R&D Innovation: The magic of Smart Boost firmware (SDD) that enhances performance over long periods

A standard CPU can achieve overclocking effects by increasing power output for a short period; however, the downside is that the temperature of the computer or system may also increase with overclocking, and the performance boost is only temporary. The Smart Boost firmware function developed by AAEON Technology utilizes "Highest Privilege Interrupt" to monitor the system temperature. It optimizes power output continuously without exceeding the thermal threshold, allowing for long-term use without performance degradation, achieving a performance boost of up to 30%.



2. Marketing and Business Promotion

- (1) The traffic on AAEON's website continues to reach new highs, with annual traffic exceeding 1.8 million visits.
- (2) Participated in the InterBrand brand ranking selection for the first time. AAEON was awarded the Rising Star Award ranked in the 21st to 40th.
- (3) Focusing on the artificial intelligence edge computing platform market, AAEON has received recognition from major chip giants Nvidia and Intel and is collaborating with them to promote edge AI solutions. To promote the AAEON AI edge computing platform, a special AAEON AI logo was created, and the AAEON.AI website was launched. This platform integrates AAEON's AI products and ecosystem partners, offering more diverse information to AI developers. In 2023, it attracted a website traffic of 716,490. This initiative aims to promote the adoption of artificial intelligence technology, facilitate industry development, and provide users with a convenient platform to access relevant information and support.
- (4) In 2023, AAEON AI planned to add a Korean website, with the construction of the new language website expected to be completed in the first half of 2024. This aims to achieve greater online reach and strengthen AAEON's brand awareness.
- (5) In 2023, as the pandemic gradually eased, AAEON actively participated in and organized events, promoting its products both online and offline. There was a total of 27 online events, while the number of physical events reached as high as 82, totaling 109 events.

3. Core Technologies, Products, and Services

AAEON markets its products globally under the AAEON brand, with main products and services including industrial computer-related items such as embedded single-board computers, industrial-grade motherboards, embedded computer systems, in-vehicle computer systems, industrial-grade LCDs, rugged tablet systems, network security devices, IoT gateways, and DMS design and manufacturing services. AAEON's smart streetlight solutions and DMS design and manufacturing services offer comprehensive and professional software and hardware solutions for OEM/ODM customers and system integrators. The team provides exclusive customization services, assisting customers from the initial R&D concept to product creation, mass production, and after-sales service, offering professional consultation and services throughout each stage to tailor high-quality products for customers.

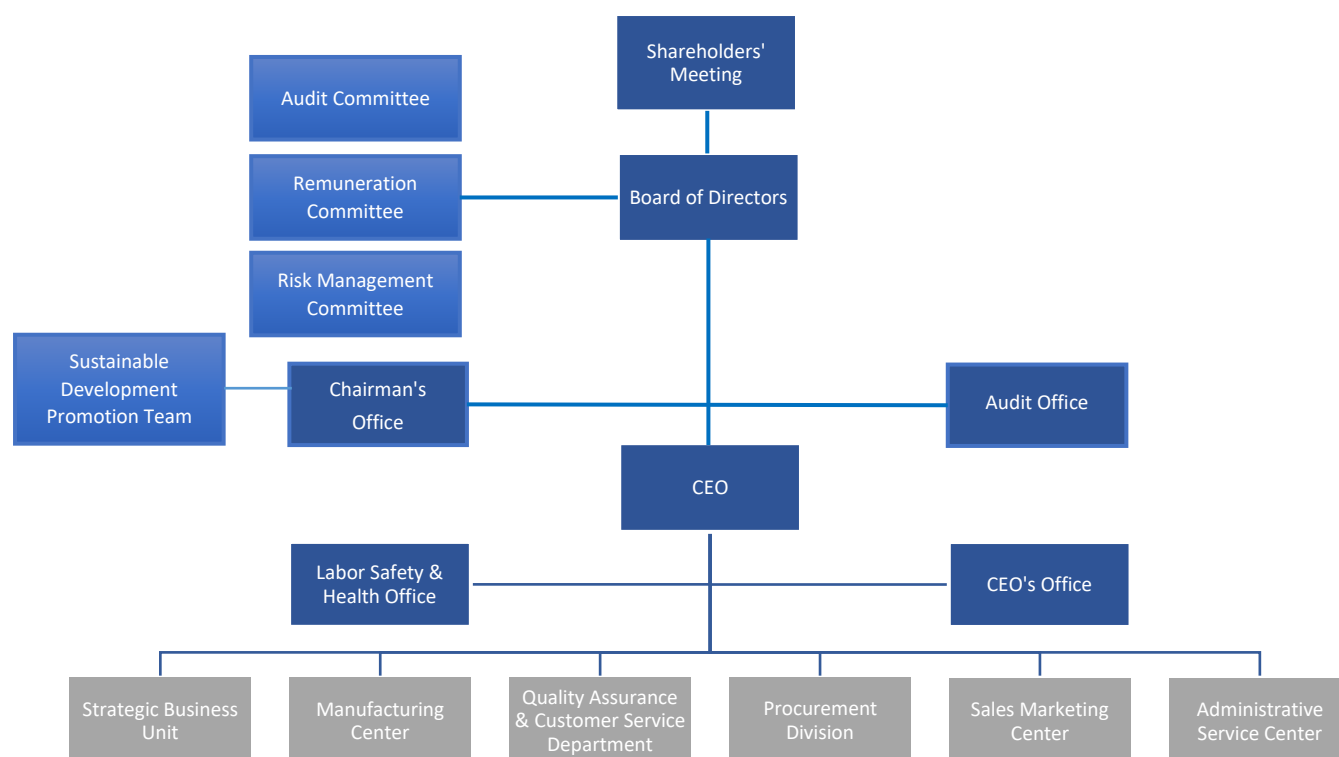
AAEON undertakes functions such as operational decision planning, research and development design, production manufacturing, brand establishment, channel integration, and logistics support. In response to global trends, the focus is on strengthening global strategy, building a global information platform, establishing distribution channels, and embracing diverse cultures and talents. This ongoing effort aims to continuously enhance AAEON's overall competitiveness and is a key direction for long-term development.

AAEON has always spared no effort in cultivating technology talents, creating employment opportunities, and promoting labor-management harmony. We also fulfill social responsibility, assisting rural schools in developing technological education, and addressing environmental protection issues. In the future, AAEON will continue to uphold the spirit of "Good is not enough, constantly challenging ourselves and innovating." The goal is to become a top performer in industrial computers and the best partner in the smart IoT industry.



II. Corporate Governance

(I) Governance Chart and Responsibilities



Company Department	Organizational Functions
Chairman's Office	Planning AAEON's business strategies, formulating operational targets, and supervising overall company operations, leading the ESG Office and the Sustainable Development Promotion Team, and coordinating stock affairs, Board of Directors, and shareholder meetings.
CEO's Office	Execution and management of the AAEON's operational strategy, promotion and execution of operational targets, communication and coordination, and directing the execution of tasks by various business units to achieve AAEON's operational targets.
Audit Office	Evaluate the operation of various internal control systems, audit, review, and provide recommendations for improvement.
Labor Safety & Health Office	Planning, supervision, and operation of AAEON's occupational health and safety management system.
Strategic Business Unit	Responsible for the research, development, design, and improvement of AAEON's products, as well as product planning.
Manufacturing Center	Responsible for the execution and progress control of overall production plans, product manufacturing quality management, enhancement and management of production efficiency.
Quality Assurance & Customer Service Division	Strategic planning, coordination, and operation of AAEON's quality and environmental management systems. It also manages and executes the functions of quality system management, product design quality assurance, production quality assurance, supplier quality management, and after-sales service departments.

Company Department	Organizational Functions
Procurement Division	Responsible for the domestic and international procurement of materials and equipment related to production and research and development, ensuring the supply of materials needed for production operations and various procurement units in the right quality, quantity, timing, and pricing.
Sales Marketing Center	Responsible for markets outside of overseas branches, sales projects, and customer development, including product marketing, collections, establishment of customer relationships, and sales business development and promotion, as well as sales business development and promotion in the Taiwan region.
Administrative Service Center	Finance, accounting operations and planning tasks, and coordinating communication for important meetings such as board and shareholders' meetings. Human resource management, administrative affairs, general affairs procurement, fixed asset management, and the establishment and implementation of systems. Information system operations planning, hardware equipment maintenance, data processing, and network information security management.

(II) Board of Directors

- ✧ Rated in the Top 6%~20% in the 10th evaluation (Assessment Year: 2023) of Corporate Governance results.
- ✧ The operation of the Board of Directors and committees is good. The Board of Directors, Risk Management Committee, Audit Committee, and Remuneration Committee self-evaluation results: excellent.
- ✧ The composition of the Board of Directors is diversified, with 1 female director seat, accounting for 9.09% of the director seats and 33.3% of the independent director seats.
- ✧ The attendance rate of the directors at the Board of Directors meetings was 98.48%, and the training hours of directors and supervisors met the training guidelines at a rate of 100%.

1. The Nomination and Selection Process of the Board of Directors and Various Committees

Description of the Nomination and Selection Process, Diversity, and Independence of the Board of Directors

AAEON's Board of Directors serves as the highest decision-making team, responsible for overseeing AAEON's overall operational responsibilities and supervising the execution results of the management's policies.

To establish a sound and effective operation of the Board of Directors, AAEON adopts the candidate nomination system in accordance with the "Articles of Association" and the "Director Election Procedures".

The election of AAEON's directors (including independent directors) adopts the candidate nomination system, where the shareholders elect directors from the list of candidates. If the number of independent directors falls below the number specified in the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, a supplementary election should be held at the next shareholders' meeting. If all independent directors are removed, an extraordinary shareholders' meeting must be convened within sixty days of the occurrence of the event to elect new independent directors.

AAEON currently elects 11 seats for the Board of Directors (including 3 independent directors, one of whom is a female independent director), with each term lasting 3 years.

2. Chair of the Highest Governance Body

AAEON's Board of Directors is the highest governance body, with Chairman Yung Shun Chuang serving as the Chair of the Board of Directors. The Chairman does not concurrently serve as a company manager.

All of AAEON's independent directors possess professional knowledge, and their shareholding should be restricted. In addition to complying with relevant regulations, they also hold positions as independent directors of other publicly issued companies. Independent directors concurrently serving as independent directors of other publicly issued companies shall not exceed three companies, and within the scope of their duties, they must maintain independence and shall not have any direct or indirect conflicts of interest with AAEON.

3. Corporate Governance Execution Results

The members of the Board of Directors faithfully carry out their duties and fulfill their obligations with the care of a good administrator. They exercise their authority with a high degree of self-discipline and prudence. In executing AAEON's operations, they strictly follow the resolutions of the Board of Directors, except for matters that, according to law or AAEON's articles of incorporation, require approval by the shareholders' meeting. The proceedings of AAEON's regular Board of Directors meetings follow government and company-related regulations, conducting reports and discussions on financial matters, internal audits, or other critical issues.

- (1) AAEON has established the "Rules of Procedure for Board of Directors Meetings" and the "Audit Committee Charter". If the discussion topics involve interests related to a director personally, their spouse, blood relatives within the second degree, or a company that has a controlling or subordinate relationship with the director, they should voluntarily recuse themselves and are not allowed to exercise voting rights on behalf of other directors.
- (2) Each director concurrently serves as a director of other companies.
- (3) The Board of Directors, according to the "Rules of Procedure for Board of Directors Meetings," is legally required to convene at least once per quarter. In 2023, the Board of Directors convened 6 times with an average attendance rate reaching 98.48%.
- (4) Functions and Performance of the Board of Directors in 2023 (Board Meeting Attendance)

1	Director Seats (Including Independent Directors)	11 seats
2	independent directors	3 seats
3	Female directors	1 seat
4	Ratio of female directors	9.09%
5	Number of directors with spouses or relatives within the second degree of kinship	4
6	Number of Board of Directors meetings held	6
7	Attendance rate of Board of Directors meetings	98.48%
8	Compliance rate of directors and supervisors meeting the required training hours according to the continuing education guidelines	100%

- (5) Investor Communication: AAEON held a total of 2 investor conferences for the year.

4. Diversity, Independence, and Professionalism of Directors

According to Article 23 of the "Corporate Governance Best Practice Principles," the Board of Directors should consider diversity in its composition. It should formulate appropriate diversity policies based on its operations, business model, and development needs. These policies should ideally include, but are not limited to, standards in the following two major dimensions:

1. Basic Criteria and Values: Gender, Age, Nationality, and Culture.
2. Professional knowledge and skills: A professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

To achieve the ideal targets of corporate governance, the overall capabilities that the Board of Directors should possess include operational judgment, accounting and financial analysis skills, management capabilities, crisis management skills, industry knowledge, international market perspective, leadership, and decision-making skills.

The members of AAEON's Board of Directors possess extensive experience, with 90% of directors being stable and outstanding professionals over the age of 41, having cultivated their expertise in various fields for many years. Currently, there are 11 directors, including 3 independent directors and 8 legal entity representative directors, all of whom are nationals of the Republic of China. Two directors also serve as AAEON employees.

(1) Diversity of the Governance Body (Directors)

AAEON implements a diversification policy for the composition of the Board of Directors, with diversity statistics categorized as follows.

Diversity Statistics/Annual			2021	
			People	Percentage
Directors	Gender	Male	10	90.91
		Female	1	9.09
	Age	Under 50	2	18.18
		50 to 60	3	27.27
		Above 60	6	54.55
	Educational Background	Graduate School	9	81.82
		Colleges and Universities	2	18.18
		Others	0	0

Note: Percentage of Female Directors = (Number of Female Directors at year-end / Number of Directors at year-end) * 100%.

(2) Collective Knowledge and Performance Evaluation of the Highest Governance Body

According to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," all newly appointed and reappointed directors in 2023 have met the required training hours. The circumstances of directors' training hours should be disclosed in the annual report, on the Market Observation Post System, and AAEON's website in accordance with relevant regulations.

Total Training Hours for the Entire Board of Directors	Proportion of ESG-Related Courses for Directors
72 hours	58.33%

(3) Self-Evaluation or Peer Evaluation of the Board of Directors

To effectively implement risk management and increase the willingness of professionals to serve as directors, the "Guidelines for implementing board self-evaluation or peer evaluation" approved by the Board of Directors serves as a reference basis for future director selection or nomination. In addition, directors are provided with liability insurance to alleviate concerns when performing their duties. The individual performance evaluation results of directors may also be used as a reference basis for determining their individual compensation, thus reducing and dispersing the risks of significant damage to AAEON and shareholders caused by errors or negligent actions by directors.

● Scope of Evaluation Implemented

Evaluation Period	Assessment Period	Scope of Evaluation	Evaluation Method	Evaluation Content
Annual	January 1 to December 31, 2023	Board of Directors	Board meeting unit evaluation questionnaire	1. Degree of participation in company operations 2. Improving the quality of the Board of Directors decision-making 3. Composition and structure of the Board of Directors 4. Election and continuing education of Directors 5. Internal control
		Board of Directors members	Self-assessment questionnaire for the Board of Directors	1. Understanding of company targets and tasks 2. Director's awareness of responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Professional expertise and continuing education. 6. Internal control
		Audit Committee	Self-assessment questionnaire for Audit Committee members	1. Degree of participation in company operations 2. Awareness of the responsibilities of the Audit Committee 3. Improving the quality of the Audit Committees' decision-making 4. Composition and selection of members of the Audit Committee 5. Internal control
		Remuneration Committee	Remuneration Committee self-assessment questionnaire	1. Degree of participation in company operations 2. Awareness of the responsibilities of the Remuneration Committee 3. Enhance the decision-making quality of the Remuneration Committee 4. Composition and selection of members of the Remuneration Committee 5. Internal control
		Risk Management Committee	Self-assessment questionnaire for Risk Management Committee members	1. Degree of participation in company operations 2. Awareness of the responsibilities of the Risk Management Committee 3. Improving the quality of the Risk Management Committee' decision-making 4. Composition and selection of members of the Risk Management Committee 5. Internal control

Note: The results of the 2022 Board of Directors self-evaluation were reported to the Board of Directors on January 9, 2023.

(4) Performance Evaluation of the Highest Governance Body

Internal Self-Assessment (Survey)	2021	2021	2021
Board of Directors/Directors	Excellent	Excellent	Excellent
Audit Committee	Excellent	Excellent	Excellent
Risk Management Committee	Excellent	Excellent	Excellent
Remuneration Committee	Excellent	Excellent	Excellent
Conduct an external evaluation of the Board of Directors every three years An external evaluation will be conducted in 2024	2021 external evaluation results of the Board of Directors: Compiling the results of each Director's self-assessment and interviews conducted by AAEON with each Director, it is concluded that the Board of Directors has established relevant policies and procedures for its operations in accordance with relevant laws and domestic corporate governance indicators. The Board of Directors is composed of Directors with relevant professional competencies, and work is allocated based on their different expertise and experience. The functions of the Board and each functional committee are effectively operational, and the evaluation results are excellent.		

5. Approach to Tax

(1) Key Points of the Tax Policy:

- Comply with the tax laws of each country and international tax standards, establish profit allocations that adhere to conventional transaction principles and avoid inappropriate tax planning, and honestly declare and fully pay taxes.
- Financial report information transparency and tax disclosures have been handled in accordance with relevant regulations and guidelines.
- Establish a relationship of mutual trust and honest communication with tax authorities and communicate on tax issues in a timely manner.
- All significant decisions and transactions take tax risks and impacts into account.
- Enhance tax professionalism and talent training to quickly assess and adapt to impactful changes in tax regulations.

(2) Tax Governance, Control, and Risk Management

Tax accountants conduct tax audits and alert to regulatory changes, implementing relevant response measures to avoid tax risks.

(3) Stakeholder Engagement and Management of Concerns Related to Tax

AAEON's routine tax declarations and payments, provisional tax filings, and annual tax filings are all completed in accordance with regulations and within the deadlines. The tax authorities of local governments are direct influences on AAEON's tax compliance. If there are any uncertainties regarding tax, AAEON proactively contacts personnel from the tax authorities for inquiries. Upon receiving a notice for a supplementary tax explanation, all relevant information is promptly prepared and responded to within the deadline.

(4) Country-by-Country Reporting

Unit: persons/NT\$ thousand

Item/Year	2022	2023
Tax Jurisdiction	Including the Republic of China, America, Europe, China, and Singapore	Including the Republic of China, America, Europe, China, and Singapore
Entity Name (Business Location)	The information of each affiliated company is shown in Figure 1	The information of each affiliated company is shown in Figure 1
Organization's Primary Activities	1. Manufacturing and sales of industrial computers and computer peripheral products 2. Design, manufacturing, and sales of medical computers	1. Manufacturing and sales of industrial computers and computer peripheral products 2. Design, manufacturing, and sales of medical computers
Number of Workers (Note 1)	841	1,168
Revenue from Third-Party Sales (Note 2 and Note 3)	8,777,510	8,238,357
Intercompany Transaction Revenue in Other Tax Jurisdictions (Note 2 and Note 3)	4,706,640	4,341,567
Pre-Tax Earnings (Note 3)	1,607,247	1,667,670
Tangible Assets Excluding Cash and Cash Equivalents (Note 3 and Note 4)	3,327,655	3,225,942
Income Tax Payments	121,811	406,319
Current Income Tax Expense	285,196	273,523

Note1: Number of employees in service as of the end of each year.

Note2: The main sources of income are operating income and non-operating income; non-operating income includes interest income, dividend income, rental income, gains on disposal of assets, gains on disposal of investments, impairment reversal gains, exchange gains, valuation gains on financial assets, investment gains, and other gains.

Note3: The amounts of income, earnings before tax, and tangible assets are aggregated financial figures of each company after auditing, and intercompany transactions within the group have not yet been excluded.

Note4: The total of tangible assets includes items such as inventory, real estate, plant and equipment, right-of-use assets, and investment property.

Figure1: Information of All Affiliated Companies

Country/Region	Company	Primary Business Activities
Taiwan	AAEON Technology Inc.	Manufacturing and sales of industrial computers and computer peripheral products
	AAEON Investment, Co., Ltd.	Investment in the industrial computers and computer peripheral business
	Onyx Healthcare Inc.	Marketing support and maintenance of medical computers and peripheral devices
	iHELPER Inc.	Research and sales of medical robots
	Jetway Information Co., Ltd.	Manufacturing and sales of industrial motherboards and computer peripheral products
United States	AAEON Electronics, Inc.	Sales of industrial computers and computer peripheral products
	Onyx Healthcare USA, Inc.	Sales of medical computers and peripheral devices
	Jet Way Computer Corp.	Sales and maintenance of computers and peripheral equipment
Europe	AAEON TECHNOLOGY (EUROPE) B.V.	Sales of industrial computers and computer peripheral products
	Onyx Healthcare Europe B.V.	Marketing support and maintenance of medical computers and peripheral devices
	Jet Way Computer B.V.	Sales and maintenance of computers and peripheral equipment
	AAEON Technology GmbH	Sales of industrial computers and computer peripheral products
China	AAEON Technology (Suzhou) Inc.	The production and sales of industrial computers and interface cards
	Onyx Healthcare (Shanghai) Inc.	Sales of medical computers and peripheral devices
	Fujian Candid Enterprise Co., Ltd.	Manufacturing and sales of computers and peripheral equipment
Singapore	AAEON Technology Singapore Pte. Ltd	Sales of industrial computers and computer peripheral products
Others	AAEON Technology Co., Ltd	Investment in the industrial computers and interface cards business
	Jet Way (Far East) Information Company Limited	Investment in the computer and peripheral business
	Top Novel Enterprise Corp.	Investment in the computer and peripheral business
	Scoretime Investment Limited	Investment in the computer and peripheral business
	Candid International Corp.	Investment in the computer and peripheral business

6. Corporate Governance Officer

(1) Corporate Governance Officer

The Board of Directors resolved on November 5, 2021, that Legal Department Manager Hsieh Ming-Han will assume the position of Corporate Governance Officer, responsible for matters related to corporate governance.

A total of 12 hours of training were completed in 2023, in compliance with Article 24, Paragraph 2 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers": ...Listed companies should arrange professional training for their Corporate Governance Officer...with at least 12 hours of training each year.

Date	Organizer	Course Name	Hours	Whether It is Included in the Statutory Continuing Education Hours
December 20, 2023	Securities and Futures Institute	Advanced Practical Seminar for Directors and Supervisors (including Independent) and Corporate Governance Officers - Code of Conduct for Ethical Business Operations	3 hours	Yes
December 21, 2023	Securities and Futures Institute	Advanced Practical Seminar for Directors and Supervisors (including Independent) and Corporate Governance Officers - How to Enhance the Credibility of Corporate Sustainability Reports	3 hours	Yes
December 21, 2023	Securities and Futures Institute	Advanced Practical Seminar for Directors and Supervisors (including Independent) and Corporate Governance Officers - 2024 Economic Outlook and Industry Trends	3 hours	Yes
December 22, 2023	Securities and Futures Institute	Advanced Practical Seminar for Directors and Supervisors (including Independent) and Corporate Governance Officers - Introduction and Case Analysis of Insider Short-Swing Trading	3 hours	Yes

(2) Actions for Compliance with Relevant Laws and Regulations

- Participated in the 2023 Corporate Governance evaluation for publicly listed/OTC companies, with evaluation results in the 6%~20% range.
- In 2023, AAEON Technology (including its overseas branches) did not experience any of the following situations that would result in fines or administrative sanctions by government authorities due to violations of company, securities trading law, information disclosure, or domestic and foreign local regulatory laws.

7. Risk Management

(1) Risk Management Policy and Scope

- Policies

Formulate risk management policies that encompass management targets, organizational structure, allocation of responsibilities, and risk management procedures for various risks, and implement these policies to effectively identify, measure, and control AAEON's various risks. Keep risks arising from business activities within acceptable levels to minimize potential harm and consequences, consider opportunities brought by risk crises, and ensure the achievement of operational goals and performance, as well as sustainable corporate operations.

- Scope

Includes "Strategic Risks", "Operational Risks", "Financial Risks", "Information Security", "Intellectual Property Patents", "Climate Change", "Environmental, Climate-related Regulations and Other International Regulatory Agreement Risks", "Public Health", as well as business activities related to company products, production, and services (covering six management aspects: production, marketing, human resources, R&D, finance, and strategic execution) as targets, formulate relevant appropriate procedures to implement risk management operations.

- i. Risk Assessment Standards

Based on materiality principles, provide appropriate risk management for all stakeholders through enterprise risk management operations. Use a risk matrix to assess the frequency of risk events and the severity of their impact on company operations, define risk priorities and levels, and adopt corresponding risk management strategies according to the risk levels.

- ii. Risk Management Procedures

- ① The disclosure covers the period from January to December 2023, focusing on the sustainability performance at major locations. The risk assessment boundary is primarily focused on AAEON's operations in Taiwan.

- ② The Sustainable Development Promotion Team conducts analyses based on the materiality principles of the sustainability report, engaging in communication with internal and external stakeholders and relevant assessment data. This forms the basis for evaluating material ESG issues, establishing effective identification, measurement, evaluation, monitoring, and control risk management policies, and undertaking concrete action plans to mitigate the impact of related risks.

- ③ Establish relevant risk management policies based on the assessed risks

The Risk Management Policy and Procedures include five key elements: risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms. It also details the procedures and methods for the practical implementation of each element.

- Risk Identification

Each business unit should conduct risk identification based on AAEON's strategic targets, and the Risk Management Policy and Procedures approved by the Board of Directors, with respect to the unit's short, medium, and long-term targets and business responsibilities. Risk identification should adopt various feasible analysis tools and methods, such as process analysis, scenario analysis, surveys, and PESTLE analysis. Based on past experience and information, and considering internal and external risk factors as well as stakeholder concerns, a comprehensive approach should be adopted. This includes both "bottom-up" and "top-down" analysis and discussion, integrating strategic and operational risks to identify potential risk events that could prevent the achievement of company goals, cause losses, or have negative impacts on AAEON.

- Risk Analysis

Primarily involves understanding the nature and characteristics of identified risk events, analyzing their likelihood and potential impact, and calculating the risk value based on this assessment. Each operational unit should analyze the likelihood of occurrence and the impact degree of identified risk events by considering the completeness of existing control measures, past experiences, and industry cases to calculate the risk value.

- Risk Assessment

The purpose is to provide a basis for decision-making by comparing the results of the risk analysis with AAEON's risk appetite. This process helps identify which risk events should be prioritized and serves as a reference for developing appropriate response measures. Each business unit should, based on the Risk Analysis results, compare the risk appetite approved by the Risk Management Committee, and plan and execute subsequent risk response plans according to the risk level. The relevant risk analysis and assessment results should be accurately documented and submitted to the Risk Management Committee for approval.

- Risk Response

Relevant action plans should be established to ensure that personnel fully understand and execute them. Continuous monitoring of the implementation of the action plan is necessary. Enterprises should consider business strategic targets, the perspectives of internal and external stakeholders, risk appetite, and available resources to select a risk response method. This ensures a balance between achieving targets and cost-effectiveness in the risk response plan.

- Monitoring and Review

The risk monitoring and review mechanism should be clearly defined within the Risk Management Procedures to ensure that the risk management processes, and related risk strategies continue to operate effectively, and to incorporate the relevant review results into performance measurement and reporting matters. Risk Management should be linked with the key processes within the organization to effectively monitor and enhance the benefits of implementing and executing Risk Management.

④ Risk Management Review and Operations

Based on the Risk Management Procedure and Risk Management Committee Organizational Guidelines, AAEON evaluates themes such as "Information Security", "Intellectual Property Patents", "Climate Change", "Environmental, Climate-related Regulations and Other International Regulatory Agreement Risks", "Public Health", or new types of ad-hoc risks, with participation and execution by members of the Risk Management Committee. This includes reviewing risk management policies, procedures, and frameworks, and regularly assessing their applicability and implementation effectiveness. AAEON approves risk appetite (risk tolerance), guides resource allocation, ensures that the risk management mechanism adequately addresses risks faced by AAEON and integrates it into daily operational workflows, approves the priority and level of risk control, reviews the implementation of risk management, provides necessary improvement suggestions, and regularly reviews the operations of the Risk Management Task Force at least once a year.

(2) Risk Management Committee

To implement corporate governance and enhance the risk management system, the Risk Management Committee was established under the Board of Directors in August 2020, with the Board's approval. The approval included the adoption of the "AAEON Technology Inc. Risk Management Procedure" and the "AAEON Technology Inc. Risk Management Committee Organizational Guidelines." The purpose is to mitigate potential operational risks by integrating risk management and mitigation into daily operations and decision-making.

- i. The Risk Management Committee reports to the Board of Directors at least once per year on business operations and executes the risk management decisions of the Board of Directors.

Organization Name	Basis	Description
Board of Directors	Article 19-2 of AAEON's Articles of Association	(1) AAEON has established functional committees under the Board of Directors, and the establishment and authority of these committees are governed according to the regulations set by the competent authorities. (2) The Risk Management Committee reports to the Board of Directors at least once per year on business operations.
Risk Management Committee	Risk Management Procedure, Risk Management Committee Organizational Guidelines	(1) Quarterly assessment. (2) Topics such as "Information Security", "Intellectual Property Patents", "Climate Change", "Environmental, Climate-related Regulations and Other International Regulatory Agreement Risks", "Public Health", or new types of ad-hoc risks are arranged upon proposal and agreement by the committee. (3) Review the operations of the Risk Management Task Force at least once a year.
Risk Management Task Force	QR2-002 Risk Management Operation Standards	(1) Review risk assessment items every June to July. (2) Risk assessment items include: "Strategic Risk", "Operational Risk", and "Financial Risk", as well as business activities related to company products, production, and services (covering six management dimensions: production, marketing, human resources, R&D, finance, and strategic execution).

- ii. Risk Management Committee Organization Name Structure, Basis, and Description

Members: The Risk Management Committee consists of five members, including three independent directors (one of whom serves as the chair), the chairman, and the CEO.

Name	Da Ho Yan	Kun Chih Chen	Xiu Lian Lin	Yung Shun Chuang	Howard Lin
Job Title	Independent Director (Convener)	Independent Director	Independent Director	Chairman	CEO
Professional Competence	Law	Accounting	Law, Finance, and Management	Operational Risk Management	Operational Risk Management

iii. Risk Management Committee - Member Attendance

Job Title	Name	Required Attendance	Actual Attendance	Actual Attendance Rate
Independent Director (Convener)	Da Ho Yan	1	1	100%
Independent Director	Kun Chih Chen	1	1	100%
Independent Director	Xiu Lian Lin	1	1	100%
Chairman	Yung Shun Chuang	1	1	100%
CEO	Howard Lin	1	1	100%

iv. Risk Management Committee - Meeting Date and Agenda

Meeting Date	Agenda
January 8, 2024	Risk Response Report for the New Announcement on "Internet Shopping Packaging Restrictions: Target Users and Implementation Methods"

Description: The 2023 Risk Management Committee meeting was originally scheduled to be held simultaneously with the Board of Directors at the end of December of that year. However, the Board of Directors meeting was postponed to January 8, 2024, so the 2023 Risk Management Committee meeting was also postponed to that day. Following the meeting, the business execution status will be reported to the Board of Directors on the same day, based on the above-mentioned risk management details identified and managed by the Risk Management Committee.

- Meeting Date: The 2023 risk issues will be reported to the Board of Directors on January 8, 2024.
- Agenda: Risk Response for the New Announcement on "Internet Shopping Packaging Restrictions: Target Users and Implementation Methods."
- Effectiveness and Feedback of the Risk Management Mechanism.

The risk matters for this year are due to the "Internet Shopping Packaging Restrictions: Target Users and Implementation Methods" established by the Ministry of Environment in July 2023. The potential negative impact of this regulation on AAEON and corresponding countermeasures have been assigned to the Marketing Department. They will propose relevant improvement measures based on the current packaging materials and situation.

● Risk - Negative Impact

Regulations		Current Situation and Countermeasures
Packaging Materials	No PVC used	The cushioning air cushion film in the packaging does not contain PVC. The raw material of the packaging tape is BOPP (Biaxially Oriented Polypropylene) film, which does not contain PVC.
	More than 90% recycled paper	The current cardboard recycling rate reaches 90%.
	25% recycled plastic materials	The cushioning air cushion film in the packaging contains more than 25% recycled materials.
Packaging Method	Complies with weight ratio regulations	A program can be developed to set the packaging material weight, allowing for automatic calculation during shipment weighing at the factory.
Annual Targets	Average packaging material reduction rate or recycled box (bag) usage rate	Unable to use recycled boxes (bags) for shipment, only the average packaging material reduction rate can be chosen.

● Risk - Corresponding Countermeasures

1. The business model of AAEON's eShop is B to B, and AAEON sent a letter with attached proof to the Ministry of Environment based on this point. The Ministry of Environment's reply did not deny it. Based on the information we have; we tend to believe that the Ministry of Environment accepts AAEON's claim regarding the eShop business model as B to B.
2. If in March 2024 the Ministry of Environment still requires AAEON to submit a report, the inventory of various risks and response plans are as follows:
 - (1) Packaging materials: Comply with three regulations, including no PVC used, 25% recycled plastic materials, and more than 90% recycled paper.
 - (2) The packaging method complies with the weight ratio regulations: Before the automated program is developed, manual operations can be used for calculations.
 - (3) Annual Targets: Average packaging material reduction rate. The first year's report focuses on establishing the base year, with 2023 as the base year. The main task is to retrieve shipment orders from the system and calculate the average packaging material weight, so there will be no issues with the first year's report. After reviewing the existing packaging materials, a smaller-sized box half the volume of the smallest box in current use, has been introduced. This will help comply with the weight ratio regulations and achieve the annual weight reduction targets.
3. Ministry of Environment officials repeatedly expressed during the briefing that they hope for cooperation from manufacturers and do not intend to impose penalties directly. The risks exposed to AAEON due to this bill are all within controllable levels.
4. For financial implications and other risks and opportunities due to climate change, please refer to <Appendix II> Climate-Related Financial Disclosure Report.

8. Audit Supervision

AAEON has established an Audit Committee, with 100% of its members being Independent Directors. The committee comprises of three members, including one serving as the convener, and at least one individual possessing expertise in accounting or finance. The term of office for Independent Directors on the committee is three years, and they may be re-elected. If the number of workers falls short according to the previous paragraph or the articles of association, a by-election should be held at the latest shareholders' meeting. When all Independent Directors are dismissed or vacancies occur, AAEON should convene a special shareholders' meeting for a by-election within 60 days of the occurrence. Independent Director members of the committee who have a conflict of interest with the meeting's matters that may harm AAEON's interests should recuse themselves. If the committee is unable to make a resolution due to the aforementioned regulations, it should report to the Board of Directors for a resolution.

The operation of the Audit Committee primarily aims to supervise the fair presentation of AAEON's financial statements, the appointment or dismissal and the independence and performance of the certifying accountants, the effective implementation of AAEON's internal controls, compliance with relevant laws and regulations, and the control of existing or potential risks.

The whistleblower grievance email mailbox Aaeon.direct@aaeon.com.tw is handled by the audit supervisor. When the grievance involves Board of Directors members or senior executives, the grievance mailbox Aaeon.AC@aaeon.com.tw is handled by the Chairman of the Audit Committee. No related grievance incidents were received during the year.

(1) Mechanisms for Seeking Advice and Raising Concerns

Grievance/Whistleblower Channels	Number of Cases Handled During the Year
Audit Mailbox (Corporate Governance Officer)	0
Independent Director Mailbox	0

A grievance mailbox is provided for stakeholders to report issues. Relevant personnel involved in the report must issue a written statement to ensure the confidentiality of the whistleblower's identity and the content of the report. AAEON also commits to protecting the whistleblower from any unfair treatment because of the report. The matter will be handled according to the following procedures:

- i. If the complaint involves Directors or senior executives, it should be reported to the Audit Committee.
- ii. The reported personnel should immediately investigate the relevant facts, with assistance provided by the compliance with laws and regulations or other relevant departments as necessary.
- iii. If it is confirmed that the reported party has indeed violated relevant laws or AAEON's integrity management policies and regulations, they should be immediately required to cease the relevant behavior and be subject to appropriate disposal. If necessary, legal action should be taken to seek damages to protect AAEON's reputation and interests.
- iv. Written documentation of the acceptance of the report, the investigation process, and the investigation results should be retained and preserved for 5 years, and such preservation may be done electronically. Before the expiration of the retention period, if litigation related to the whistleblower's content occurs, the relevant information should continue to be preserved until the conclusion of the litigation.
- v. For verified reports of wrongdoing, the relevant units should be tasked with reviewing the related internal control systems and operational procedures and proposing improvement measures to prevent the recurrence of similar behaviors.
- vi. The personnel receiving the report should present the complaint, its response measures, and the subsequent review and improvement measures to the Board of Directors.

(2) Audit Committee Meeting Status

In the most recent year (2023), the Audit Committee held a total of five meetings. Attendance of Independent Directors:

Job Title	Name	Actual Attendance	Actual Attendance Rate (%)
Audit Committee Member	Da Ho Yan	5	100
Audit Committee Member	Kun Chih Chen	5	100
Audit Committee Member	Xiu Lian Lin	5	100

(3) Practical Communication between the Independent Directors and Accountants During the Year

i. Methods of Communication between Independent Directors and accountants:

- The accountants explained the audit (review) of the financial statements and key audit matters for the current year's financial report during the Audit Committee meeting. There was a productive discussion with the independent directors, and the communication was smooth.
- In addition to communication within the Audit Committee, accountants and Independent Directors engage in thorough communication via phone, video conferencing, and correspondence whenever there are queries.

ii. Summary of the Communication between Independent Directors and Accountants for the Year 2023:

Date	Attendees	Key Communication Items	Treatment Execution Results
December 27, 2023	Independent Director Kun Chih Chen Independent Director Da Ho Yan Independent Director Xiu Lian Lin Accountant Shu Chiung Chang	The audit plan for the consolidated financial statements and individual financial statements before the 2023 audit has been updated.	1. The accountants reported exclusively to the independent directors on the "Update of Communication Matters with the Governing Body During the Audit Planning Stage." Communication topics included risk assessment, audit plans, overall audit materiality, and discussions of significant matters with management. The accountants explained these topics in detail and answered the independent directors' questions related to the audit plan. 2. All participating Independent Directors were informed and agreed.

9. Internal Audit and Internal Controls

AAEON Technology has established an Audit Department that reports to the Board of Directors, assisting the Board and management in overseeing various internal systems and processes. The Audit Department's mission involves checking and evaluating the effectiveness of internal control systems, the reliability of financial reporting, and compliance with relevant laws and regulations, providing timely recommendations for improvement to ensure the effective implementation of AAEON's internal systems.

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," annual self-assessments of internal controls are conducted, including "Control Environment," "Risk Assessment," "Control Activities," "Information and Communication," and "Monitoring Activities". An audit plan is also formulated based on the results of the risk assessment. Based on the evaluation results of the aforementioned plan execution, it is understood that the internal control systems related to the achievement degree of operational effectiveness and efficiency targets, reliability, timeliness, transparency of reporting, and compliance with relevant standards and laws are effectively designed and implemented, reasonably ensuring the achievement of targets.

Methods of Communication between Independent Directors and the Chief Internal Auditor

- (1) Based on the annual audit plan execution status, audit reports for the previous month are submitted by the end of each month, and improvement tracking reports are prepared quarterly for review by each committee member. Whenever there are queries, thorough communication is conducted via phone and correspondence.
- (2) At each quarterly meeting, the Chief Internal Auditor communicates with the independent directors, and the audit business report is presented to the Audit Committee and the Board of Directors. In the event of any significant irregularities, an immediate report will be made to inform the members.
- (3) As needed, the Chief Internal Auditor communicates directly with independent directors via phone, email, or face-to-face meetings. The communication is smooth and effective.
- (4) Summary of the Communication Between Independent Directors and the Chief Internal Auditor in 2023

Date	Attendees	Key Communication Items	Communication Results
February 24, 2023	Independent Director Xiu Lian Lin Independent Director Da Ho Yan Independent Director Kun Chih Chen Chief Internal Auditor Wan-Hui Chiu	1. Report on the implementation of internal audits from October 2022 to January 2023. 2. 2022 internal control system statement.	For the 2022 internal control self-assessment, the inventory loss issue of the subsidiary, Onyx Healthcare Inc., should be included as an item for internal control system enhancement and improvement planning. Additionally, the internal control self-assessment form should be revised accordingly to reflect this matter. In the proposal report for the 2022 Internal Control System Statement presented to the Audit Committee and the Board of Directors, it was additionally clarified that the inventory loss issue of the subsidiary, Onyx Healthcare Inc., was identified as an area for internal control system improvement. The follow-up and corrective actions were completed in January 2023.

Date	Attendees	Key Communication Items	Communication Results
May 10, 2023	Independent Director Xiu Lian Lin Independent Director Da Ho Yan Independent Director Kun Chih Chen Chief Internal Auditor Wan-Hui Chiu	Report on the Implementation of Internal Audit from January to March 2023.	None.
August 9, 2023	Independent Director Xiu Lian Lin Independent Director Da Ho Yan Independent Director Kun Chih Chen Chief Internal Auditor Wan-Hui Chiu	Report on the Implementation of Internal Audit from January to June 2023.	None.
November 8, 2023	Independent Director Xiu Lian Lin Independent Director Da Ho Yan Independent Director Kun Chih Chen Chief Internal Auditor Wan-Hui Chiu	1. Internal audit implementation report for January to September 2023. 2. 2023 revision proposal for internal control and internal audit systems. 3. 2024 internal audit plan.	None.

10. Remuneration Management

(1) Remuneration Policies

AAEON has established a Remuneration Committee, which is composed entirely of Independent Directors. The total number of committee members is three, with one member serving as the convener. The professional qualifications of its members, the exercise of their duties, the formulation of organizational rules, and related matters are handled in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".

The Remuneration Committee, in fulfilling its duties with the care of a prudent manager, diligently reviews the organizational regulations on a regular basis and proposes amendments as needed. The committee is responsible for establishing and periodically reviewing the performance goals and remuneration policies, systems, standards, and structures for both directors and executives, covering both annual and long-term objectives. It regularly assesses the achievement of performance goals by AAEON's directors and executives and determines their individual remuneration packages and amounts. These recommendations are then submitted to the Board of Directors for discussion.

- **Directors**

The compensation for AAEON's directors is determined in accordance with the articles of incorporation and the regulations for director and manager compensation. It is based on their degree of participation in AAEON's operations and the value of their contributions, while also considering domestic and international industry standards, AAEON's economic performance, future operations, and risk appetite, and is authorized by the Board of Directors. The distribution of directors' remuneration, according to AAEON's articles of association, is based on the profits of the current year (i.e., earnings before tax minus employee and director remuneration expenses). After deducting accumulated losses, if there is any remaining amount, not more than 1% should be allocated for directors' remuneration. Additionally, Independent Directors do not participate in the distribution of remuneration for other Directors.

- **CEO and Deputy CEO**

According to the regulations on remuneration for Directors and managerial officers, the compensation for the CEO and Deputy CEO includes salary, bonuses, and employee benefits. The salary level is determined based on the position held, responsibilities undertaken, performance achievements, attainment of company targets, and contributions to AAEON, while taking into consideration industry benchmarks. The distribution criteria for employee compensation follow AAEON's articles of association and are submitted to the Board of Directors and approved by a resolution at the shareholders' meeting before disbursement.

- **Procedure for Setting Remuneration in Relation to Operational Performance and Future Risks**

In addition to considering the overall economic performance of the entire company, individual performance achievement rates and contributions are also taken into account to provide reasonable remuneration. In order to mitigate future operational risks, AAEON will continuously review the remuneration system in accordance with actual business conditions and relevant regulations, seeking a balance between sustainable operations and risk management. In summary, AAEON's policies for paying compensation to the Directors, CEO, and Deputy CEO, as well as the procedure for determining remuneration, have a positive correlation with economic performance.

(2) Process to Determine Remuneration

i. Operation of the Remuneration Committee

AAEON's Remuneration Committee consists of 3 members.

Term of Office for Committee Members: Fourth Term: May 27, 2022, to May 26, 2025. In the most recent year (2023), the Remuneration Committee held three meetings. The qualifications and attendance of the members are as follows:

Job Title	Name	Actual Attendance	Number of Meetings Attended by Proxy	Actual Attendance Rate (%)	Committee Member Information
Member	Da Ho Yan	3	0	100	AAEON official website https://www.aaeon.com/tw/article/detail/payroll-committee
Member	Kun Chih Chen	3	0	100	
Member	Xiu Lian Lin (Female)	3	0	100	
Other Matters to be Recorded:					
1. If the Board of Directors does not adopt or modify the recommendations of the Remuneration Committee, it should specify the date of the Board meeting, the session number, the agenda content, the resolution of the Board, and how the opinions of the Remuneration Committee were addressed (if the remuneration approved by the Board is more favorable than that recommended by the Remuneration Committee, the differences and reasons should be stated): None.					
2. For decisions made by the Remuneration Committee, if any members have dissenting or reserved opinions recorded or in written statements, the report should specify the date, session, content of the proposals, all members' opinions, and how those opinions were addressed.: None.					

ii. Annual Total Compensation Percentage

Unit: NT\$ thousand

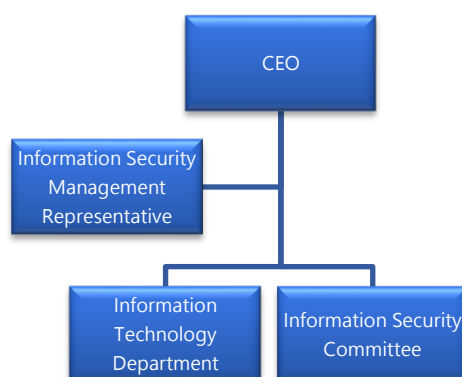
AAEON's Highest Total Compensation Individual (A)	18,239
Median Total Compensation of Other Employees at Major Locations (B)	894
Ratio (A/B)	20
Percentage Increase in Total Compensation for the Highest-Paid Individual Compared to the Previous Year (C)	1.07
Percentage Increase in Median Total Compensation of Other Employees Compared to the Previous Year (D)	0.93
Ratio (C/D)	1.15

11. Information Security Management

(1) Information security policy: Information security is everyone's responsibility

(2) Information Security Management Framework

- AAEON Technology Inc. established the Information Security Committee in 2021 with the aim of creating a stable international standard Information Security Management System (ISMS) to provide a solid foundation for global deployment. Actively implement ISO 27001 principles to enhance its information security and protect customer data and transaction information. Ensure the establishment of information security policy and targets align with the strategic direction of the organization and integrate regulatory requirements into the organization's operations.
- The CEO appointed Chin-Tang Peng, the head of the Information Technology Department, as the representative for the ISO 27001 Information Security Management System. The Information Security Committee is composed of upper management, including heads of various divisions/departments, with the Information Technology Department responsible for promoting, managing, coordinating, planning, and auditing related information security matters.



(3) Information Security Management Responsibility

- Deliberation, establishment, and evaluation of information security policies, plans, and technical specifications.
- Deliberation, management, and protection of data and information system security requirements.
- Confidentiality maintenance and security audits.
- Information security policies and targets, regular review and reporting.

(4) Information Security Certification

- i. Obtained DNV ISO27001 Information Security Certification in 2021, valid from October 18, 2021 to October 18, 2024.
- ii. The certificate will be renewed in 2024, extending its validity from October 18, 2024 to October 18, 2026.



- iii. By introducing certification processes, a framework standard for information security maintenance and risk management is established. This involves assessing the organization's information security management needs to reduce threats and conflicts arising from information security incidents. Understand opportunities and risks, set clear implementation objectives, and promote information security awareness and system implementation among all employees within the organization to ensure the system operates in an orderly and stable manner. The organization can effectively demonstrate its commitment to information security, the protection of critical information, and important assets, thereby enhancing customer trust in AAEON and its products.
- iv. Prioritizing Customer Information Security: Cross-departmental information security assessments and internal auditor training are conducted, along with annual information security education (eLearning ISMS) for all employees. This approach is being integrated into the daily work of the entire workforce.
- v. Purpose and Guidelines of Information Security Policy: AAEON has established an information security policy to enhance information security management, ensuring the confidentiality, integrity, and availability of information. This includes the reliability of information equipment (such as computer hardware, software, peripherals) and network systems, as well as raising employee awareness of information security. The policy is designed to protect these resources from interference, damage, intrusion, or any harmful actions or attempts.
- vi. The implementation plan for information security management standards is as follows, with execution status regularly reported to the Information Security Committee.
 - (i). Status of past management review proposals.
 - (ii). Changes in internal and external issues related to the Information Security Management System.
 - (iii). Feedback on information security performance, including the following trends:
 - Non-conformities and corrective actions
 - Monitoring and measurement results
 - Information security audit outcomes
 - Achievement of information security objectives

- (iv). Feedback from stakeholders.
- (v). Risk Assessment Results and Status of Risk Treatment Plans
- (vi). Opportunities for Continuous Improvement

vii. Information Security Training

AAEON has established an Information Security notification mechanism on the portal, allowing employees to promptly report to the Information Technology Department. This enables the Information Technology Department to implement corresponding disposal measures based on the incident level, reducing the harm and loss to critical operational service information systems and important information assets and operations.

To continuously enhance information security awareness among all employees, AAEON conducts irregular awareness campaigns and provides information security training. The training courses cover topics such as fundamental information security concepts, customer data protection, and the implementation of company-mandated information security protocols.

The total hours of information security training in 2023 amounted to 926 hours.

- ISO 27001 Information Security Management System Training: Internal audit personnel training included 47 participants, totaling 282 hours; general training for all employees included 503 participants, totaling 503 hours.
- ISO 27701 Privacy Information Management System Training: Internal audit personnel training included 47 participants, totaling 141 hours.

12. Customer Privacy Management

Information security and customer privacy are crucial management focuses on corporate operation governance. Customer privacy is the cornerstone of building mutual trust. AAEON complies with privacy regulations to protect customer personal data, establishes information security policies, and legally manages the collection, processing, and utilization of personal data.

The Information Technology Department operates through the Information Security Management System and network security management, and regularly conducts compliance with laws and regulations assessments to assist senior management in making favorable operational decisions. This prevents infringement of personal privacy, unauthorized access, use, disclosure, destruction, modification, loss, or other forms of improper handling or damage, and protects data security.

To protect confidential information, the "Procedures for Ethical Management and Guidelines for Conduct" as well as the "Code of Ethical Conduct" have been established. All personnel should properly protect confidential information known in the course of their duties. The use of confidential information should be authorized by AAEON and limited to what is necessary for business needs, and may only be disclosed to those with a need to know. Confidential information owned by third parties must comply with the terms of the confidentiality agreement signed between AAEON and the third party. Personnel are required to sign a confidentiality agreement, and even after the termination of their contract, they are obligated to continue protecting any confidential information they became aware of during the contract period.

(1) Management Strategy and Targets

- Information security is everyone's responsibility.
- Zero customer complaints.
- Invested resources: NT\$2.14 million.

(2) Management Measures

- Ensure the encryption and access control of customer data.
- Use encryption technology to protect customer sensitive data.
- Implement access controls to restrict employees and external personnel's access to customer data.
- Train employees to understand the importance of customer privacy and information security, ensuring they know how to properly handle customer data.

- Emphasize the risks of social engineering attacks and phishing scams to prevent customer data breaches.
- Monitor systems, detect abnormal activities, and timely patch vulnerabilities to reduce the risk of customer data breaches.
- Comply with relevant regulations, such as the EU's General Data Protection Regulation (GDPR).

(3) Management Performance

- No complaints or breaches of customer privacy from any parties or regulatory authorities occurred in 2023. In 2023, there were zero complaints regarding customer privacy and information security.
- The number of major information security incidents per month is less than or equal to one, with no major incidents occurring in 2023.
- In the information asset risk management plan, the completion rate for high-risk issues is 100%.
- ERP disaster recovery verification exercises (one in each half-year) were completed in June and December 2023.
- Windchill disaster recovery verification operation drills (conducted once a year) were completed in October 2023.
- In 2023, ISO 27701 Privacy Information Management System training courses were conducted with 47 internal auditors, totaling 141 hours.

13. Anti-Corruption and Anti-Competition Behavior

Anti-Corruption and Anti-Competition	
Policies/Commitments	Strengthen integrity and anti-corruption concepts among employees, customers, and suppliers, implement AAEON's anti-corruption policies, and thoroughly eradicate the occurrence of illegal business activities.
Targets	No corruption or anti-competition behavior events
Measures	1. Incorporate anti-corruption and anti-competition education into new employee onboarding and ensure signing of relevant policy documents. 2. Conduct risk assessments and improvements. 3. Perform regular internal audits
Responsible Departments/Grievance Mechanism	The whistleblower grievance email mailbox Aaeon.direct@aaeon.com.tw is handled by the audit supervisor. When the grievance involves Board of Directors members or senior executives, the grievance mailbox Aaeon.AC@aaeon.com.tw is handled by the Chairman of the Audit Committee.
Resources Invested	Human resources 4 people
Management Results/Evaluation Mechanism	Conducted anti-corruption and anti-competition training in 2023, with 534 participants and a total training duration of 534 hours. The participation percentage for all employees was 99.2%. In 2023, the signing rate of the "Employee Code of Conduct Agreement," which includes regulations related to anti-corruption, reached 100%. In 2023, AAEON provided the "Quality and Environmental Management System and Code of Conduct Survey" to suppliers and other partners, which includes an integrity transaction investigation, totaling 669 companies.

AAEON places importance on anti-corruption management and has established internal control systems, including accounting systems, based on relevant laws and regulations. Each year, self-examinations and evaluations of the effectiveness of these systems and their implementation are conducted, and the audit unit performs reviews. Before establishing business relations with external agents and suppliers, the "Quality and Environmental Management System and Code of Conduct Survey" is signed according to the supplier evaluation criteria.

To ensure that employees fully understand the anti-corruption and anti-competition regulations, AAEON implemented education and outreach programs. In 2023, the signing rate for the "Employee Code of Conduct Agreement," which includes anti-corruption regulations, reached 100%. Furthermore, all employees participated in integrity and ethics training, with 534 participants, representing 99.2% of the total workforce.

AAEON's management team implements transparency in various aspects of operations and financial information, using ethical business standards and commitments as their target for corporate governance. "Integrity and Sincerity" is one of the important principles of AAEON's sustainable management. We comply with laws and regulations and emphasize the openness and transparency of information both internally and externally to gain the trust of internal and external stakeholders as well as the public.

AAEON has established a Code of Conduct for Ethical Business Operations, stipulating that business activities must comply with relevant competition regulations and prohibiting price fixing, bid rigging, limiting product output and quotas, or sharing or dividing markets by allocating customers, suppliers, operational areas, or types of commerce. AAEON fully recognizes that adhering to fair trade practices is a critical component of business activities. To address any unethical behavior or violations of business ethics, AAEON encourages all internal employees, external partners, and stakeholders to report such issues through designated channels. Reports can be submitted anonymously via the complaint email address provided on AAEON's official website(AAeon.AC@aaeon.com.tw). AAEON is committed to protecting whistleblowers from retaliation to strengthen a transparent corporate culture, with the audit department and audit committee serving as the primary recipients of these reports.

To establish a corporate culture of integrity and a reference framework for sound business operations, the Board of Directors has reviewed and approved the "Code of Ethical Conduct" and the "Code of Conduct for Ethical Business Operations." In accordance with Article 6 of the "Code of Conduct for Ethical Business Operations," the "Code of Conduct and Operational Procedures for Integrity Management" was formulated to specifically describe practices of integrity management and measures to prevent dishonest behavior.

The Chairman Office serves as a dedicated unit, annually planning, executing, evaluating, and improving various affairs based on the provisions of various guidelines, codes, operating procedures, and codes of conduct according to its authority. These affairs include procedures for handling political contributions, charitable donations or sponsorships, reporting unethical behavior, anti-competitive monopolistic behavior, illegal activities, and ensuring the normal operation of mechanisms such as organizational integrity and corporate governance. The results are regularly communicated through multiple channels to provide references and insights to internal and external stakeholders.

Based on the provisions of the various guidelines, codes, operating procedures, and codes of conduct such as the "Code of Ethical Conduct," "Code of Conduct for Ethical Business Operations," "Procedures for Ethical Management and Guidelines for Conduct," "Corporate Governance Best Practice Principles," and "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," AAEON has established the "Code of Conduct for Ethical Business Operations" and "Procedures for the Prevention of Insider Trading" to promote integrity management and prohibit internal personnel such as company directors or employees from using non-public information to gain profit.

AAEON Technology conducts annual training courses on ethical business principles (including anti-corruption), insider trading prevention, and human rights policies. Relevant information is disclosed on AAEON's official website.

AAEON Technology strictly complies with relevant laws and regulations in all aspects. In 2023, no significant abnormalities occurred, and there were no penalties from regulatory authorities due to violations of business ethics, competition, or monopoly measures. Additionally, there were no incidents of corruption, anti-competitive behavior, or anti-trust and monopoly regulations occurring. No suppliers were involved in corruption or breaches of ethical integrity.

(1) Operations Assessed for Risks Related to Corruption

Significant Corruption Risks Identified Through Risk Assessment	Insider Trading
Total Number of Operational Sites That Have Undergone Corruption Risk Assessment	1
Percentage of Operational Sites That Have Undergone Corruption Risk Assessment	100

(2) Communication and Training on Anti-Corruption Policies and Procedures

Type	Total Number of People Who Have Received Anti-Corruption Training	Percentage of People Who Have Received Anti-Corruption Training (%)	Total Number of People Who Have Signed Anti-Corruption Commitments	Percentage of People Who Have Signed Anti-Corruption Commitments (%)
Number of People in Class	534	100	752	100

(3) Confirmed Incidents of Corruption and Action Taken

Item	2021	2022	2023
Total Number and Nature of Confirmed Corruption Incidents	0	0	0
Total Number of Employees Dismissed or Disciplined Due to Corruption Incidents	0	0	0
Total Number of Contract Terminations or Non-Renewals with Business Partners Due to Corruption Violations	0	0	0
Public Legal Cases Involving Corruption by AAEON or Its Employees and Their Outcomes	0	0	0

(4) Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices

Item	2021	2022	2023
Total Number of Ongoing Anticompetitive and Antitrust Litigation Cases	0	0	0
Total Number of Lawsuit Resolutions	0	0	0
Facts of the Cases and Outcomes of Resolved Legal Actions	NA	NA	NA

(5) 2023 Internal Training and Education Status

Type	Training Date	People	Hours	Completion Rate %	Qualification Rate %
Code of Conduct for Ethical Business Operations (including anti-corruption)	November 24, 2023 to December 31, 2023	534	534	99.2	100
Insider Trading Prevention	November 24, 2023 to December 31, 2023	534	534	99.2	100
Human Rights Policies	November 24, 2023 to December 31, 2023	534	534	99.2	100

III. Stakeholders

(I) Stakeholder Identification

In the pursuit of economic performance and profitability, companies also bear significant responsibilities towards stakeholders. AAEON Technology provides diverse communication platforms and smooth channels for interaction with stakeholders. Through these interactions, we understand the issues stakeholders are concerned about and their expectations of the enterprise. By internal management mechanisms and measures, we meet the reasonable needs of stakeholders, create mutual benefits, and fulfill AAEON's corporate social responsibility. In 2023, six primary stakeholder categories were identified: employees, shareholders, customers, suppliers, government agencies, and community groups.

1. Primary Stakeholder Identification Process



中文	English
股東/投資	Shareholders/Investors
供應商	Suppliers
政府機關	Government Agencies
客戶	Customers
社區團體	Community Groups
員工	Employees



Five Attributes of AA1000 SES 2015
Dependency
Responsibility
Tension
Influence
Diverse Perspectives

2. Stakeholder Communication Channels

Issue	Stakeholders	Responsible Departments	Communication Channels	Response Methods	Communication Frequency
Remuneration and Benefits	Employees	Human Resource Department Welfare Committee	Phone: (02)8919-1234 ext. Human Resource Department, Welfare Committee	Survey Meetings Phone Email	Irregular
Economic Performance	Investors Shareholders	Stock Affairs Agent: KGI Securities Co., Ltd., Stock Affairs Agency Division	Phone: (02)2389-2999	Investor conference Shareholder meeting	Annual
Product Information	Customers	Sales Division Quality Assurance & Customer Service Division	www.aaeon.com/tw/contact/form/	Survey Meetings Phone Email	Irregular
Raw Material Components	Suppliers	Procurement Department Quality Assurance & Customer Service Division	Phone: (02)8919-1234 ext. Procurement Division	Survey Phone Email	Irregular
Charity Activities	Community groups	Foundation	Phone: (02)8919-1234 ext. Foundation	Phone Email	Quarterly
Socioeconomic	Government agencies and others	Spokesperson	Name: Yun Chen Tu, Job Title: Senior Assistant V.P. Phone: (02)8919-1234 Email: speaker@aaeon.com.tw	Phone Email	Irregular
Grievance Channels	Various stakeholders	Audit Office Audit Committee	The grievance mailbox for matters involving general personnel is Aaeon.direct@aaeon.com.tw , and it is handled by the audit supervisor. Grievances involving senior executives and Directors are addressed through the grievance mailbox Aaeon.AC@aaeon.com.tw , which is handled by the Chairman of the Audit Committee.	Email	Irregular

**For other relevant information, please refer to <https://www.aaeon.com/tw/csr/stakeholders-area>

3. Stakeholder Concerns and Responses

In order to understand the concerns and responses of stakeholders, AAEON has established a Stakeholder Section on the official website, providing open and direct communication channels, with responses from a dedicated department.

Stakeholders' Communication Channels and Collection of Topics of Concern

Stakeholders	Issues	Communication Channels	Communication Frequency	Response Unit
Employees	- Labor/Management Relations - Talent Recruitment and Retention - Employee Benefits - Labor/Management Relations - Employee Rights and Human Rights - Occupational Health and Safety - Communication and Consultation Mechanism	Labor-management Meeting Occupational Safety Committee Employee Welfare Committee Performance Review Employee Education and Training Employee Suggestion Box Quarterly Meeting Activities AAEON - Listening to You Kickoff Meeting	Quarterly Quarterly Monthly Annual Semi-annual Irregular Quarterly 24-hour service Quarterly each year	Human Resource Department Occupational Health and Safety
Investors	- Economic Performance - Corporate Governance - Ethical Business and Regulatory Compliance - Risk Management - Information Disclosure - Shareholder Rights	Shareholders' Meeting The Market Observation Post System Company website Stakeholder Section Spokesperson Contact Information	Annual Released as required by regulations irregularly Irregularly at any time	Finance & Accounting Department
Customers	- Sales Services and Support - Product Quality and Technology Development - Product Innovation - After-sales Services - Market Presence - Customer Privacy - Customer Satisfaction	Dedicated Sales Services Team Company website Customer service/technology consultation mailbox and overseas exhibitions Product Training and Education Information System Security Mechanisms Customer Satisfaction Survey	24-hour response Irregular 24-hour service During the exhibition period Irregular Irregular Annual	Sales Division Corporate Marketing Division Quality Assurance & Customer Service Division Information Technology Department
Suppliers	- Supply Chain Management - Fair and Open Procurement - Occupational Health and Safety	Supplier Evaluation. Visit Suppliers/Contractors Phone/Email	Conducted when necessary Irregular 24-hour service	Procurement Division
Government Agencies	- Regulatory Compliance - Corporate Governance - Corporate Sustainability Development	Correspondence Major Information Attend policy advocacy workshops/seminars/forums Publication of the Annual Report.	Irregular Released as required by regulations Irregular Irregular Released as required by regulations	Finance & Accounting Department Corporate Governance Officer Human Resource Department
Community Groups	- Social Participation - Social Welfare - Environmental Protection	Volunteer Services and Philanthropic Activities Promote Environmental Protection Education Invite/participate in community activities	Annual, at any time periodically	Foundation Volunteer Groups

4. Process for Communicating Key Significant Incidents

- (1) Each department within AAEON regularly interacts with stakeholders through routine communication channels. In the event that stakeholders or sustainability issues pose a potential significant negative impact, the responsible department will initiate communication with the relevant stakeholders. This could involve conducting due diligence on various aspects such as financial performance, compliance records, environmental concerns, and labor rights. The findings are then reported to the CEO and the Chairman. The Chairman will assess whether the specific situation poses a significant risk to operations and, if so, will report to the Board of Directors. The Board will review the department's report, make a resolution, and assign tasks to the appropriate departments for implementation.
- (2) In 2023, AAEON had no potential significant negative incidents. The nature and total number of significant incidents reported during the year were 0.

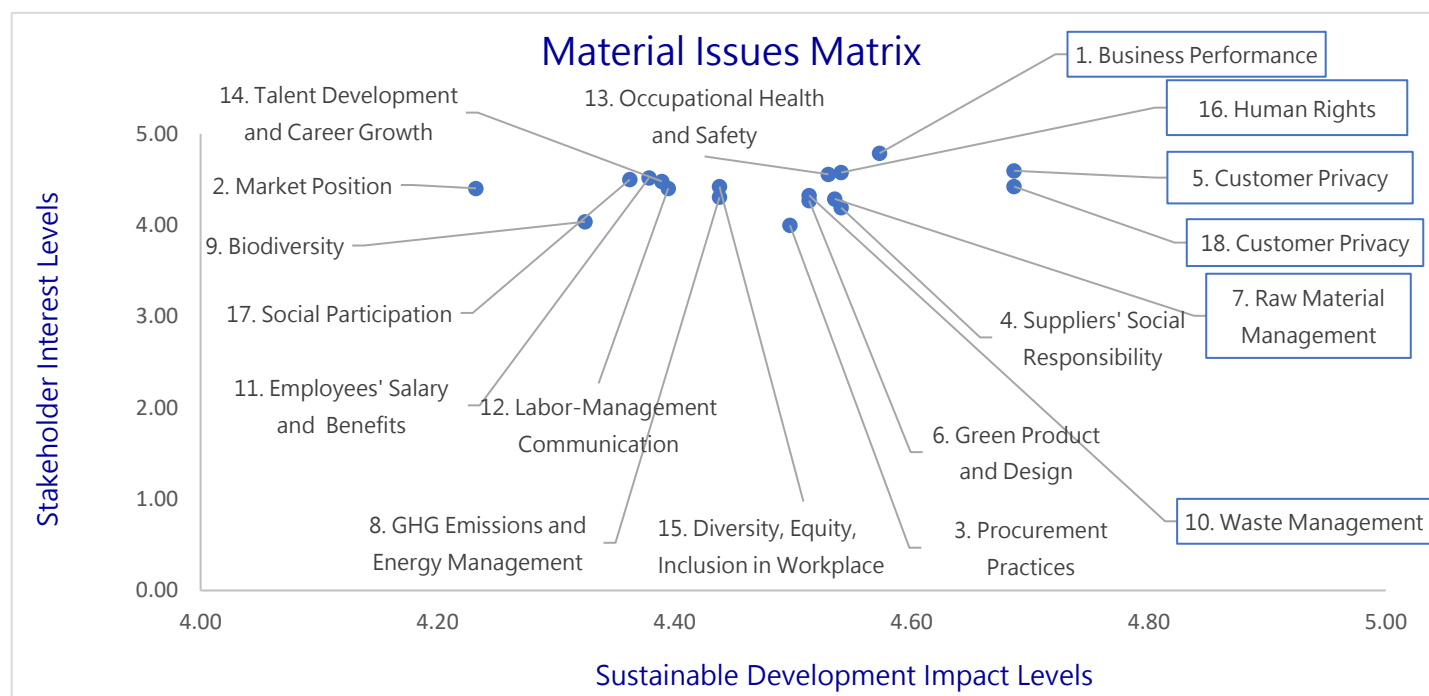
(II) Disclosures on Material Topics

1. Material Topics Identification Process

Item	Task Description	Description
1	Identifying Stakeholders	The identification of stakeholders is primarily conducted by AAEON's Sustainable Development Promotion Team. The five main principles for stakeholder identification and engagement include dependency, responsibility, influence, diverse perspectives, and tension of concern. The key identified stakeholder groups are employees, customers, suppliers, investors, government agencies, and community organizations.
2	Summary of Sustainability Issues	The collection of topics considers the context of sustainability, referencing the GRI Standards as the foundational guideline for sustainability reporting. Additionally, the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" is taken into account. AAEON also considers its operational and industry-specific characteristics, identifying 18 key topics, including corporate governance, environmental, and social issues, which serve as the basis for designing the stakeholder questionnaire.
3	Survey of Topics of Concern	To understand the significant impact of stakeholders on AAEON's sustainable operations, an online survey was distributed to investigate the impact of stakeholder issues. The internal survey targeted mid- to senior-level managers, and the combined internal/external results will serve as a reference for ranking. In 2023, 238 stakeholder questionnaires were collected (53 internal/185 external).
4	Material Topics Identification Process	Through questionnaire analysis, the attention scores for each topic were analyzed alongside the management's impact scores on sustainable operations. After discussions and confirmation by the Sustainable Development Promotion Team and external consultants, a total of 6 material topics were identified for 2023, with relevant management actions disclosed.
5	Review and Discussion	Following the identification of material topics, response sections, and boundary analysis, AAEON will continuously strengthen management and disclose relevant information in the sustainability report. Based on stakeholder questionnaires, material topics will be reviewed annually to determine if adjustments are necessary.

2. List of Material Topics

(1) Through stakeholder communication and an internal management impact assessment questionnaire, a statistical analysis of 18 sustainability topics is conducted. The two highest-scoring topics from each dimension are selected as the key sustainability issues, which are then designated as the material topics.



(2) Material Topics for Sustainability in 2023

Sustainability Dimension	Material Topics for Sustainability	Corresponding Topics of the GRI Standards
Economic Dimension	Economic Performance	GRI 201
Economic Dimension	Anti-Corruption and Anti-Competition	GRI 205/206
Social Dimension	Human Rights	GRI 405/406/407/408/409/410
Social Dimension	Customer Privacy	GRI 418
Environmental Dimension	Waste Management	GRI 306
Environmental Dimension	Raw Material Management	GRI 301

(3) No internal/external stakeholder-related surveys were conducted in 2022, and the analysis of material topics was only conducted in 2023, so there is no comparative data with the previous year.

(III) Impact and Risk Analysis of Material Topics

Material Topics	Positive and Negative Impacts	Actual and Potential Impacts	Action Measures	Material Topics Value Chain Impact Boundary						Disclosure Section
				Employees	Customers	Government Agencies	Suppliers	Investors	Community Groups	
Economic Performance	Positive	Operational performance is strong, and shareholders/investors, employees, and suppliers are willing to cooperate long-term.	The Board of Directors effectively monitors market trends, practices governance with integrity, and conducts regular performance evaluations and reviews.							I. About AAEON (II). Economic Performance
	Negative	Operational performance is poor, leading to a lack of willingness to invest from shareholders/investors, reduced employee benefits, and decreased transaction amounts with suppliers.	Implement risk management operations to reduce potential risks.	■	■	□	■	■	□	
Anti-Corruption and Anti-Competition Behavior	Positive	Relevant personnel sign the integrity statement and conduct audits periodically.	The anti-corruption and anti-competition policies are integrated into employee onboarding training and the signing of relevant regulatory documents.							II. Corporate Governance (II). Board of Directors
	Negative	Employees accepting hospitality or bribes from vendors or other stakeholders	Conduct risk assessment and improvement. Regular internal audits	■	■	□	■	■	□	
Waste Management	Positive	Legally handle waste and reduce waste generation.	The product's green design incorporates recycled materials and promotes material reuse.							VII. Environmental Sustainability (IV). Climate Action
	Negative	The waste disposal contractor did not legally handle the waste.	Audit the compliance of the final waste disposal process by the contractor at any time periodically.	■	□	□	□	■	□	

Material Topics	Positive and Negative Impacts	Actual and Potential Impacts	Action Measures	Material Topics Value Chain Impact Boundary						Disclosure Section
				Employees	Customers	Government Agencies	Suppliers	Investors	Community Groups	
Raw Material Management	Positive	Materials meet green product requirements without causing negative environmental impact, fulfilling corporate social responsibility.	Establish green design guidelines to ensure that all materials meet green product requirements.	■	□	□	□	■	□	VII. Environmental Sustainability
	Negative	Raw materials that do not meet green product standards cause negative environmental impacts, damaging AAEON's image.	Conduct green product testing on incoming materials to ensure that the materials meet green product requirements.							
Human Rights	Positive	Commit to reasonably ensuring the safety of employees and the work environment, where individuals are treated with respect and dignity.	Provides a safe and healthy work environment, offer training on human rights protections in a friendly workplace, and have a grievance system in place.	■	□	□	■	■	□	V. Corporate Commitment (I). Happy Workplace
	Negative	The supply chain has not implemented the human rights management policy.	Conduct regular audits to ensure that the supply chain has implemented AAEON's human rights management policy.							
Customer Privacy	Positive	Relevant personnel sign confidentiality agreements and conduct regular information security confidentiality education.	Relevant personnel sign confidentiality agreements Regular information security confidentiality education Regular information security education and training	■	■	□	□	■	□	II. Corporate Governance (II). Board of Directors
	Negative	Data transmissions were intercepted without encryption.	Conduct regular information security education and training.							

(IV) Stakeholder Communication

1. AAEON and Employees

Employees are AAEON's most important asset. Competent personnel contribute their efforts to AAEON, thereby enhancing economic performance and creating profits. Therefore, in the face of intense international competition and current challenges, the effective utilization and development of human resources is a crucial issue for AAEON Technology. In view of this, AAEON Technology continues to build a quality environment of "Technology, Art, and Beautiful Life" by fostering employees, planning benefits, and providing a healthy work environment to attract and retain talent.

(1) Internal/External Grievance Channels

Through the establishment of an employee suggestion box and complaint hotline, employees can express their opinions at any time.

- Grievance submissions related to general personnel internal grievance mailbox: Aaeon.direct@aaeon.com.tw, are handled by the internal audit supervisor.
- Grievance submissions related to senior executives and directors' grievance mailbox: Aaeon.AC@aaeon.com.tw, are handled by the chairman of the audit committee.

(2) Collective Agreement: Since AAEON's employees have not independently formed a union, there is no need to sign a collective agreement in accordance with the Collective Agreement Act.

(3) Labor-management Meeting

AAEON Technology does not have unions, so collective bargaining agreements are negotiated and decided through labor-management meetings. The method and process are described as follows:

- Labor representatives at AAEON Technology are directly elected by all employees, with a term of four years for labor-management meeting representatives.
 - i. Number of labor representative nominations: 8 for indirect personnel, 2 for direct personnel.
 - ii. According to the percentage of the number of workers, the list of candidates is nominated by the unit supervisor. Qualification requirements:
 - Employment tenure of 5 years or more.
 - Colleagues who actively engage in public affairs and demonstrate stable job performance.
 - iii. Election Results:
 - The top 1 to 4 vote-getters among indirect personnel will serve as regular representatives, while the 5 to 8 vote-getters will be alternate representatives.
 - The direct personnel candidate with the highest votes will serve as the regular representative, while the other will be an alternate representative.
 - When a regular representative is unable to serve for any reason, an alternate representative will fill in.
- By law, regular labor-management meetings are held, where labor representatives and company representatives communicate face-to-face. In 2023, four labor-management meetings were held on March 2, June 29, September 28, and December 28, with a total of 35 participants from both sides. There was 1 proposal throughout the year, which was successfully resolved.

(4) Occupational Safety Committee Meeting

Labor representatives serve as occupational safety committee members in labor-management meetings, and regular Occupational Safety Committee Meetings were held on June 29, September 28, and December 28, 2023, and March 29, 2024. Throughout the year, there was a total of 48 participants. There was 1 proposal for the year, which was successfully resolved. In 2023, a total of 2,096 hours of public safety-related education and training (such as fire evacuation drills and first aid training) were conducted, with 524 participants.

(5) In 2023, there were no improper labor practices, no fines, administrative penalties, or issuance of administrative guidance letters.

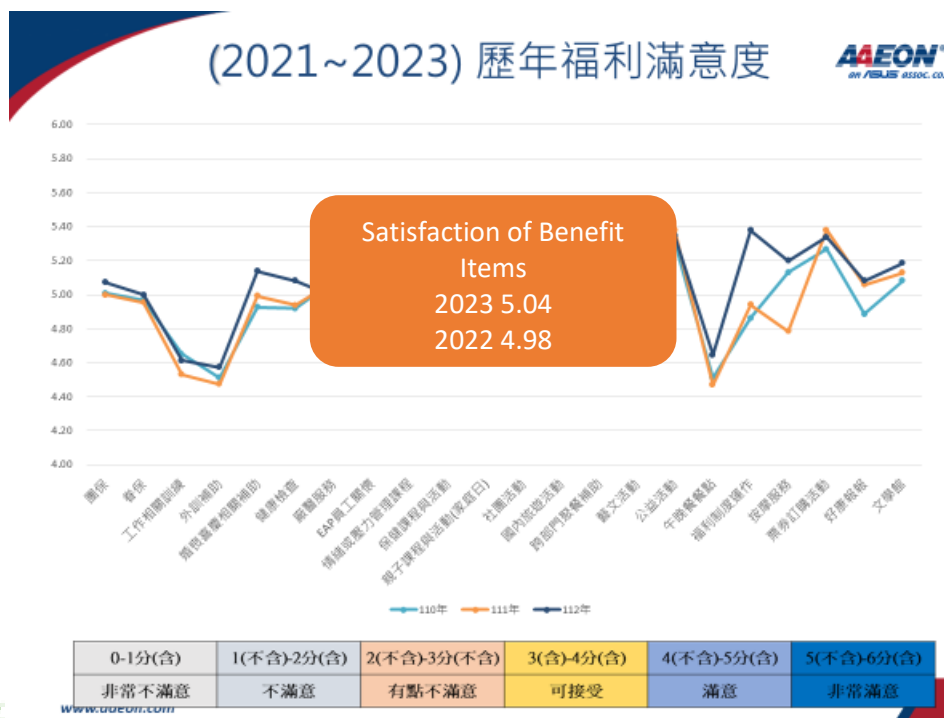
(6) Friendly Workplace Satisfaction Survey

- Conduct regular "Friendly Workplace Satisfaction Surveys," and pay attention to the voices of internal customers—employees.
- The average score of the Friendly Workplace Satisfaction Survey in 2023 was 5.03 (indicating a level of satisfaction).
- Survey Scope: Taiwan headquarters and overseas subsidiaries.
- Satisfaction Survey Response Rate: 42.18% (531 distributed, 224 returned)
- The survey score range is 1 to 6, and the results are reported to the Chairman and the CEO, with proposals for continuous improvement.

Employee Benefits Satisfaction in 2023



Historical Benefit Satisfaction (2021~2023)



2. AAEON and Shareholders (Investors)

The actual operation of AAEON Technology's ownership structure and shareholder rights, the composition and responsibilities of the Board of Directors, the establishment of communication channels with stakeholders, and information disclosure are carried out in reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" published by the Taiwan Stock Exchange and in compliance with the "AAEON Technology Corporate Governance Best Practice Principles." In addition to the annual publication of the annual report, AAEON's financials, business operations, equity changes, and other information are regularly disclosed to investors and the public on AAEON's company website and the Market Observation Post System.

Shareholders (Investors) Section: <https://www.aaeon.com/tw/article/list/aaeon-shareholder-area>

Annual Report Section: <https://www.aaeon.com/tw/article/list/aaeon-annual-report>

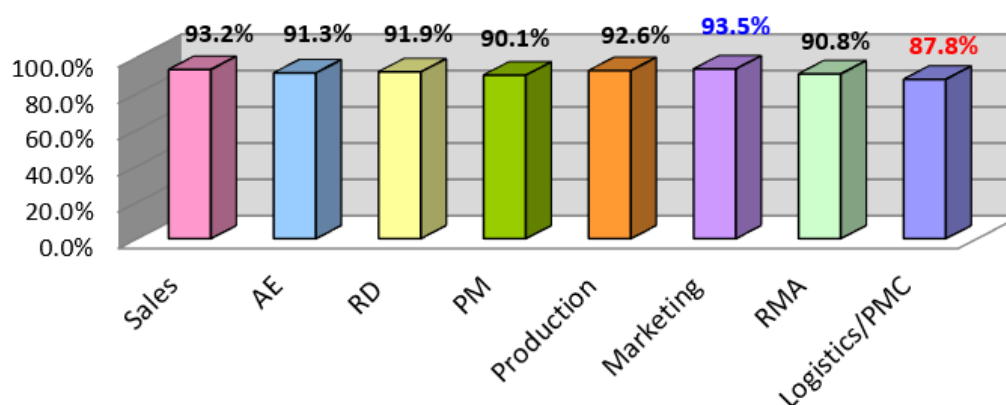
3. AAEON and Customers

AAEON Technology's primary target customers are system integrators, value-added resellers, direct sellers, and retailers, all of whom operate in various vertical markets for industrial computer applications. Forming partnerships with customers is one of AAEON's core values, and meeting customer needs is the top priority. The success of customers is also AAEON's success, creating a win-win situation. Continuously establish deep and lasting partnerships with customers, while also being a trusted and long-term partner for them. Customer partnership is one of AAEON Technology's competitive advantages for sustainable operations.

Conduct an annual global "customer satisfaction survey," focusing on the dimensions of marketing and business support, product management, logistics, quality, and service. At the annual key meeting, AAEON sets the target percentage for the customer satisfaction survey for the following year. The customer satisfaction survey is an important basis for AAEON's continuous improvement. AAEON regularly holds distributor seminars and participates in product exhibitions worldwide to directly communicate and respond to customer needs.

In 2023, the customer satisfaction survey was distributed via email and systems, with a total of 656 sent out and 179 responses received, resulting in a response rate of 27.29%. The scoring standard ranges from a minimum of 10 points (represented as 10%) to a maximum of 100 points (represented as 100%) using a 10-point scale. Survey results indicate customer satisfaction with marketing services at a high of 93.5%; customer satisfaction with the logistics/PMC department services is lower at 87.8%. Responsible units will review and complete the follow-up items within the deadline.

2023 Question/Department-based CS Rate



4. AAEON and Suppliers

AAEON, a leading manufacturer in the industrial IoT sector, is committed to sustainable development principles. AAEON has established a sustainable IoT supply chain ecosystem to meet international sustainability standards. By balancing quality and cost, AAEON aims to build stable and friendly relationships with supply chain partners, jointly fulfilling corporate social responsibilities. In addition to its commitment to ISO 9001 and ISO 13485 quality management systems and ISO 14001 environmental management system, AAEON also encourages its suppliers, subcontractors, and outsourced vendors to adhere to business conduct standards related to human rights and labor protection, environmental sustainability, and ethical business practices. AAEON follows relevant government environmental regulations and advocates for energy conservation and resource waste reduction. By embracing a spirit of continuous improvement, we work collaboratively to build a sustainable supply chain with the goal of environmental protection. At the same time, we understand whether suppliers have committed any major violations of relevant laws and regulations. In line with global trends that increasingly emphasize issues such as GHG emissions, water resources, and waste, AAEON plans to integrate these key topics into supply chain management.

In 2023, on-site audits were conducted for 21 material suppliers, with all qualifying suppliers (925) having a percentage of 2.27%.

Management Process Content	Number of Suppliers to be Completed	Number of Suppliers Completed	Notes
Basic Information	925	925	Fully completed
Quality and Environmental Management System and Code of Conduct Survey	678	669	9 are still in progress.
Quality and Environmental Concept Advocacy Letter	900	879	21 are still in progress.

Item	Qualified Suppliers	Number of Suppliers Completed	Achievement Rate
Environmental Management	678	669	99%
Social Responsibility Management	678	669	99%

5. AAEON and Community Groups

Through the Foundation's cultural promotion and public welfare activities, community businesses and organizations are periodically invited to participate in art and cultural seminars, blood donation drives, tree planting, beach cleanups, and other charitable activities. Proactively arrange photography and artwork displays in public areas, offering industry park vendors and employees opportunities to engage in cultural activities and cultivate cultural literacy and appreciation. This initiative aims to create a friendly, diverse living environment and foster a refreshing, comfortable space that enriches the spirit.

6. AAEON, the Government, and Others

Actively attend workshops or forums organized by the government or competent authorities.

Participate in external associations/institutions to gain access to education and training, as well as market or exhibition-related information through membership; collaborate with healthcare facilities related to employee health promotion to conduct health examinations or health seminars.

Participate in community management committees, such as regularly attending industrial park management committee meetings to exchange and discuss matters related to the development of the park.

IV. Sustainable Development

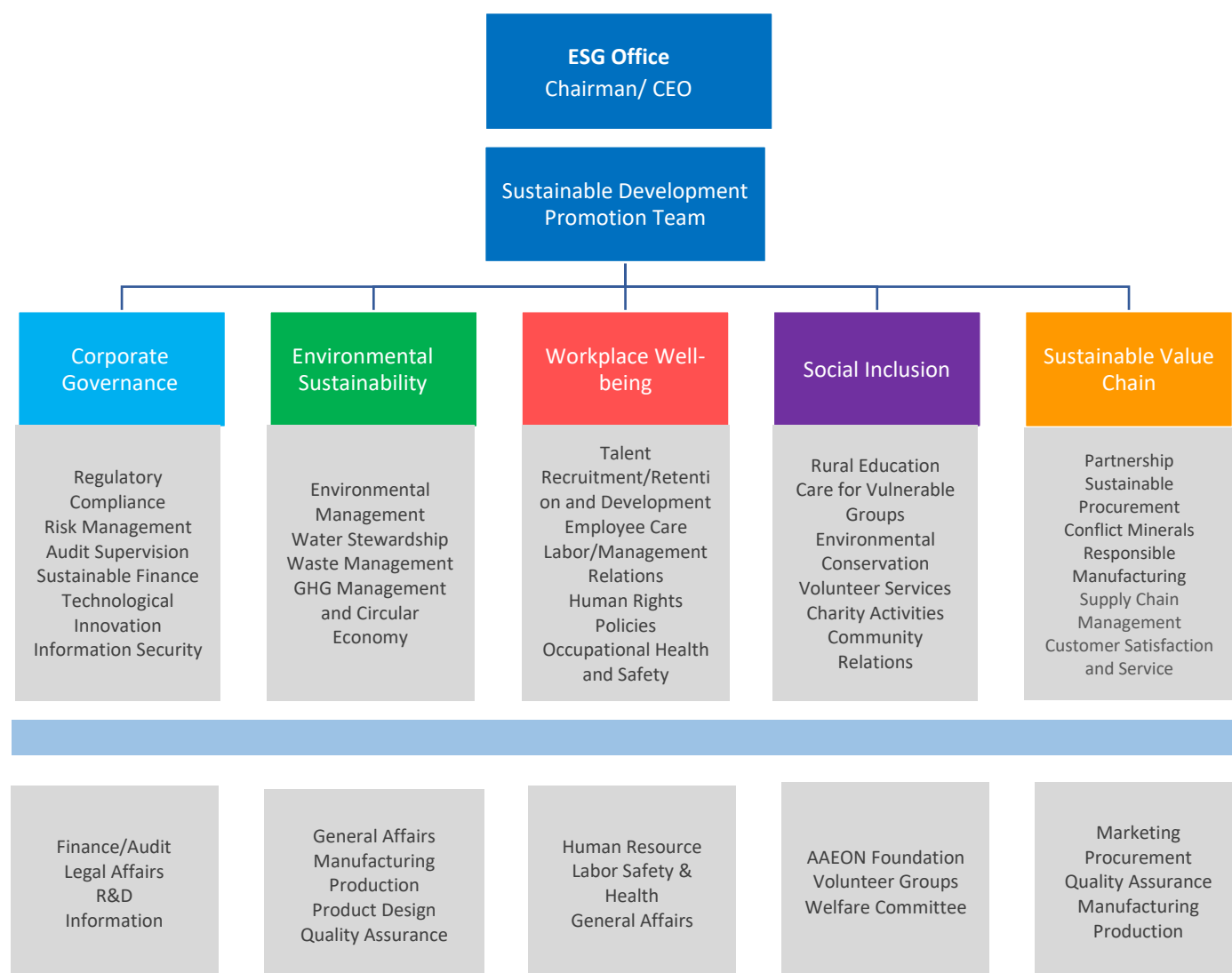
(I) Sustainable Development Organization

According to Article 9 of the "AAEON Technology Inc. Sustainable Development Best Practice Principles," the ESG Office has been established under the Chairman's Office to strengthen the management of corporate sustainability development. The ESG Office has established a Sustainable Development Promotion Team comprised of groups focusing on corporate governance, environmental sustainability, workplace well-being, social inclusion, and a sustainable value chain. This initiative is to fulfill AAEON Technology's commitment to corporate management, stakeholders, environmental protection, and social welfare, thereby fulfilling its responsibilities as a corporate citizen and achieving the goal of corporate sustainability.

1. ESG Office

AAEON Technology Inc.

Sustainable Development Organization Chart



2. Responsibilities of the ESG Office

- (1) Develop, promote, and strengthen AAEON's sustainable development policies, annual plans, and strategies.
- (2) Review, track, and revise the implementation and effectiveness of sustainable development efforts.
- (3) Supervise sustainability information disclosure matters and review the sustainability report.
- (4) Supervise the operations of the AAEON's Sustainable Development Code or the execution of other sustainable development-related tasks as resolved by the Board of Directors.

(II) Commitment to Sustainable Development

AAEON is committed to pursuing corporate growth and sustainable operations, with the continuous advancement of corporate sustainability development as its primary goal. This involves compliance with regulations, enhancing employee care, ensuring workplace health and safety, protecting the environment, improving shareholder rights, maintaining financial transparency, encouraging employees to develop physical well-being, organizing internal company sports competitions, actively promoting social welfare and charitable activities, sponsoring or participating in external sporting events, and fulfilling corporate citizenship responsibilities. We remain steadfast in implementing and demonstrating AAEON's commitment to the principles of sustainable operations and sustainable development:

- Adherence to local laws and regulations.
- Providing a healthy and safe workplace environment.
- Protecting labor rights and improving working conditions.
- Conserving energy and reducing environmental pollution.
- Ensuring financial transparency.
- Creating company value and enhancing shareholder equity.
- Establishing win-win partnerships with suppliers and customers.
- Participating in social welfare and philanthropic activities.
- Group-wide (Global) Greenhouse Gas (GHG) Reduction Goals:
 - ◆ By 2030: Group-wide reduces Scope 1 and Scope 2 carbon emissions by 50% from the 2021 baseline.
 - ◆ By 2030: Group-wide reduces Scope 3 carbon emissions from the procurement of goods and services and the use of sold products by 30% from the 2021 baseline.

(III) Vision for Sustainable Development

We take the aforementioned corporate commitments as targets, establishing a vision aligned with sustainable operations through regular reviews and stakeholder communication and feedback. To achieve the targets of corporate sustainability development. With the concerted efforts of all colleagues, we will continue to strive towards being a good corporate social citizen. Therefore, we are committed to realizing AAEON Technology's Vision for Sustainable Development as follows:

- Joint growth of AAEON and its employees, providing employees with a healthy and safe work environment, encouraging employees to participate in internal and external sports competitions, and enhancing employees' knowledge and skills.
- We cultivate the public welfare and service spirit of employees to unleash AAEON's energy and fulfill our social responsibility.
- We adhere to local government laws and policies, sharing profits with our shareholders, securing a sound operating structure and improving operational processes to create benefits for shareholders.
- Enterprises, suppliers, and customers achieve a three-way win by upholding ethical and environmentally friendly procurement, production, and sales principles.

- We adhere to environmentally friendly procurement, production, and sales principles to achieve corporate and environmental sustainability, actively practicing "Environmental Protection, Energy Saving, Love the Earth" by implementing Environmental Protection measures.
- AAEON collaborates with the government, adhering to government policies and regulations, and actively explores corporate development directions.
- Friendly relations between AAEON and the community are fostered, leveraging collective strength to preserve the community environment and create spaces for arts and culture.
- Corporate and social co-prosperity, continuous promotion of arts, humanities, and technological education, participating in social welfare activities, creating a beautiful life and spiritual environmental protection.
- Introduce non-profit organization concepts and management to maximize functionality, connecting with related organizations and groups to expand public welfare efforts.

(IV) Sustainable Development Policies

The sustainable development policies of AAEON Technology include "valuing corporate governance," "fulfilling corporate commitments," "expanding social participation," and "promoting environmental protection." By referencing the United Nations' 17 Sustainable Development Goals (SDGs), the Sustainable Development Promotion Team of the ESG Office executes various initiatives, achieving tangible results such as receiving recognition from the Commonwealth Corporate Citizenship Awards for consecutive years.

1. Valuing Corporate Governance

We adhere to local government laws and policies, sharing profits with shareholders. Each year, we participate in corporate governance evaluations, analyzing the results and ensuring compliance with legal policies. Areas identified for improvement, based on available resources, are prioritized. Specific measures are implemented to enhance outcomes, which are reflected in subsequent evaluations.

2. Fulfilling Corporate Commitments

We foster partnerships, advancing together with customers, suppliers, and employees. Each year, we conduct regular surveys on customer satisfaction and employee-friendly workplaces. We evaluate the results of these surveys, making immediate adjustments and improvements where existing resources allow. For aspects that cannot be addressed immediately, we communicate and explain them at appropriate times. Regarding suppliers, we require all to sign a "Quality and Environmental Concept Advocacy Letter". Long-term, key partners who collaborate with us multiple times a year are asked to complete a "Quality and Environmental Management System and Code of Conduct Survey" and sign an "Integrity Transaction Statement", ensuring aligned goals for mutual progress and growth.

3. Expanding Social Engagement

We cultivate the spirit of public welfare and service to unleash AAEON's energy and fulfill social responsibility. In addition to inviting employees and their families to volunteer in charitable activities, we also engage in public service with customers, suppliers, and companies within the industrial area to spread goodwill and amplify positive societal impact.

4. Promoting Environmental Sustainability

We adhere to environmentally friendly procurement, production, and sales principles to achieve corporate and environmental sustainability. We actively seek government guidance and resources on green energy, aiming to enhance efficiency in R&D, production, and sales while contributing to environmental protection.

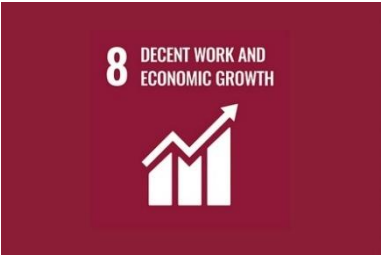
AAEON Technology is committed to addressing the impact of climate change on the environment and ecology by achieving "corporate voluntary carbon reduction." We establish systems, set measurable environmental goals, and implement specific plans or actions to reach a low-carbon society.

(V) Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs), launched in 2015, outline 17 goals and 169 targets to guide member states and global corporations towards sustainable development by 2030.

AAEON Technology integrates the SDGs into its business strategy, expanding its focus from purely economic performance to include environmental protection and regulatory compliance. We aim to improve employee benefits, retain talented employees, eliminate workplace inequalities, reduce waste and lower GHG emissions, and engage suppliers to work together on green initiatives and human rights. We continue to make significant contributions to the Sustainable Development Goals and fulfill corporate social responsibility.

SDGs	Targets	AAEON's Response
 1 NO POVERTY	1.4 Ensure that all men and women, especially the poor and vulnerable groups, have equal rights and access to economic resources.	- We offer wages above legal requirements and competitive benefits, allowing employees to work with dignity and improve their personal and family economic standards. - Employee salaries are adjusted based on company profitability to enhance team loyalty. 2023 Annual Salary Adjustment Percentage ranged from 3% to 5%.
 3 GOOD HEALTH AND WELL-BEING	3.9 Significantly reduce the number of deaths and illnesses caused by hazardous chemicals, air pollution, water pollution, soil pollution, and other types of pollution.	- We strictly adhere to regulations regarding the use of specific chemicals, demanding that suppliers restrict or prohibit listed hazardous substances. - We use environmentally friendly and non-toxic raw materials that comply with the standards of WEEE (Waste Electrical and Electronic Equipment Directive), RoHS (Restriction of Hazardous Substances Directive), and REACH (European Union's Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals), including SVHC (Substances of Very High Concern) and Annex 17 restricted substances.
 4 QUALITY EDUCATION	4.5 Eliminate education disparity and ensure that disadvantaged groups have access to education at all levels and vocational training, including persons with disabilities, indigenous peoples, and disadvantaged children. 4.7 Promote education on sustainable development, sustainable lifestyle models, human rights, gender equality, and peace and non-violence.	- Employees from different business sectors are provided with occupational training to ensure equal access to professional development opportunities. - Courses on sustainable development, workplace equality, and labor rights are offered to encourage participation among colleagues.
 5 GENDER EQUALITY	5.1 Eliminate all forms of discrimination against women. 5.4 Recognize and value women's family caregiving through social protection policy commitments.	- Gender is not a factor in employee recruitment, evaluation, or promotion processes. - All employees, regardless of gender, have the right to apply for parental leave.

SDGs	Targets	AAEON's Response
 6 CLEAN WATER AND SANITATION	6.6 Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.	• Our ten-year tree planting commitment aims to protect forests by planting 15,000 saplings. It is estimated to reduce carbon emissions by approximately 946,080 kg over ten years. • A total of 6,015 saplings have been planted, cumulatively reducing the earth's carbon emissions by 189,360 kilograms, which can further assist in preserving local pollinator ecosystems and nurturing water sources.
 8 DECENT WORK AND ECONOMIC GROWTH	8.5 Achieve full and productive employment, ensuring that all men and women, including young people and persons with disabilities, have a good job, and achieve equal pay for equal work. 8.7 Prohibit child labor and eliminate oppressed labor 8.8 Protecting labor rights and promoting workplace safety, especially for women and workers engaged in hazardous jobs.	• Gender is not a factor in employee recruitment, evaluation, or promotion processes. • Employee salaries are adjusted based on company profitability to enhance team loyalty. • Labor rights are respected, including the prohibition of child labor and any form of workplace discrimination. • Duties for maternity employees are adjusted according to the law to reduce workload and provide substantial protection. • An occupational safety and health management system is implemented to effectively improve workplace safety.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.5 Encourage innovation and increase the number of R&D personnel, along with increasing R&D spending.	• The number of R&D team members increases annually, accounting for 37% of the total workforce. • R&D accounted for 7.73% of the total revenue, an increase of 0.55% compared to 7.18% in 2022.
 10 REDUCED INEQUALITIES	10.2 Promote socio-economic and political inclusion, regardless of age, gender, disability, religion, economic status, or other identities. 10.3 Ensure equal opportunity, reduce inequality, and implement practices that eliminate discrimination.	• Recruitment, evaluation, and promotion mechanisms do not consider age, gender, disability, race, nationality, religion, economic status, or any other identity differences. • An employee whistleblower channel is in place, along with a comprehensive process to protect whistleblowers.

SDGs	Targets	AAEON's Response
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 Significantly reduce waste generation through prevention, reduction, recycling, and reuse.	Continuously improve production processes to reduce the waste generated.
 13 CLIMATE ACTION	13.3 Improve education, raise awareness, and enhance the capabilities of people and institutions on climate change risk reduction, adaptation, impact mitigation, and early warning.	- An energy-saving and carbon reduction strategy is integrated into organizational management systems, with ISO 14064-1 and GHG Protocol GHG management project management systems established in 2023. - The medium-term plan will introduce the ISO14067 carbon footprint management system, while the long-term plan aims to drive social sustainable development
 14 LIFE BELOW WATER	14.1 Prevent and significantly reduce all types of marine pollution, particularly from land-based activities, including marine debris and nutrient pollution.	Beach cleaning activities focus on "plastic reduction" and "waste reduction" to care for the planet. Since 2020, AAEON Technology has adopted the Wanli coastline in New Taipei City to combat marine pollution and protect marine ecosystems. Over the years, beach cleaning activities have involved a total of 751 participants, collecting a cumulative total of 1,631 kg of beach waste.
 15 LIFE ON LAND	15.2 By 2020, further implement sustainable management of all types of forests, halt deforestation, restore degraded forests, and increase afforestation globally.	In 2023, we collaborated with the Luodong Forest District Office to adopt a 4.01-hectare forest in Yuhu Yuheng Pingding, Ruifang District, New Taipei City. Through AAEON's tree planting sponsorship, we assisted the office in reclaiming this illegally cultivated land and planned to plant 6,015 saplings.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6 Develop effective, accountable, and transparent institutions at all levels. 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels.	- Corporate governance is strengthened through internal controls to ensure compliance with company regulations, supported by independent reporting channels and a complete whistleblowing process. - Through stakeholder communication, we understand their requirements and expectations of AAEON and report to the Board of Directors regularly.

(VI) Sustainability Risk Management

Dimension	Risk Assessment Items	Description
Environmental	Environmental Impact and Management	1. AAEON effectively reduces pollution emissions and the impact on the environment by executing process and management safety management and institutionalized management cycles. 2. Since the United States and the European Union are our main markets, our products are required to meet environmental regulations. Therefore, AAEON obtained the ISO 14001 Environmental Management certification in 1997 and has continued to obtain certification regularly. 3. AAEON completed the ISO 14067 certification for the carbon footprint of a single product in 2021. 4. We have commenced GHG inventory operations based on the GHG Protocol to assess the impact faced by AAEON's operations. In the future, based on the carbon inventory results, we will continue to implement carbon reduction measures to effectively reduce the risk of Scope 1 emissions and the Scope 2 GHG indirect emissions caused by electricity usage. 5. An annual internal audit plan has been devised, focusing on the relevant environmental laws and regulations that AAEON must comply with. All operational processes are audited internally to ensure compliance with these regulations.
Social	Occupational Health and Safety	1. Fire drills and occupational safety education and training are conducted regularly each year to cultivate employees' emergency response and self-safety management.
	Product Safety	1. Our company ensures all products comply with government regulations and adhere to the EU RoHS directive, containing None of the hazardous substances. At the same time, to ensure the quality of customer service, we have established a customer service hotline and communication website. Each year, we proactively conduct regular customer service satisfaction surveys to strengthen our cooperation with customers. 2. To transfer product liability risks, mitigate financial losses, and enhance product safety, AAEON has secured product liability insurance in the amount of USD 15,000,000. The policy number is 0800-12PDW00112, and it is valid from 2023.4.24 to 2024.4.24. 3. DNV ISO 27001 Information Security Certification, valid from October 18, 2021, to October 18, 2024.
Corporate Governance	Regulatory Compliance, Social Economy	4. By establishing a governance team and implementing internal control mechanisms, AAEON ensures that all personnel and operations fully comply with relevant laws and regulations. 5. AAEON applies for patents for its R&D products to protect its rights.
	Enhancement of Directors' Functions	1. Plan relevant training topics for directors, annually providing them with updates on the latest regulatory systems and development policies. 2. Directors' liability insurance has been procured to protect them from lawsuits or claims.
	Stakeholder Communication	1. To avoid differing positions between stakeholders and AAEON and the risk of misunderstanding leading to operational or litigation risks, AAEON annually analyzes stakeholders' major topics of concern. 2. Establish various communication channels to actively engage, reduce confrontation and misunderstandings, and set up a mailbox (Speaker@aaeon.com.tw) for investors managed and responded to by the spokesperson.

V. Corporate Commitment

(I) Happy Workplace

2023
Highlights

Creating a Friendly and Enjoyable Work Environment

- ✧ Benefits Exceeding Legal Requirements
 - The childbirth allowance has been increased to NT\$10,000 per child.
 - The monthly cap for the childbirth transportation allowance is NT\$3,000.
 - For female employees who have been employed for less than 6 months and apply for 5-day, 1-week, or 4-week maternity leave for any reason, full wages will be paid.
 - A new paid birthday leave has been added, with full-time employees receiving one day annually.
 - Female employees are entitled to apply for 1 day of menstrual leave per month.
- ✧ Employee Assistance Program (EAP) care services served a total of 20 participants.
- ✧ 431 employees participated in health examination programs that exceed the benefits under the Labor Standards Act.
- ✧ Employee health consultation services were provided a total of 105 times.
- ✧ Employee feedback and communication platform - "AAEON Listening to You" responded to a total of 77 inquiries.

Employees are AAEON's most important asset. Competent employees contribute their efforts to AAEON, thereby enhancing performance and creating company profits. Therefore, in the face of current intense international competition and challenges, the effective utilization and development of human resources are critical issues for AAEON Technology. Create a friendly and joyful work environment by planning benefits exceeding legal requirements, empowering employees, and providing a healthy work environment to create a quality environment of "Technology, Art, and Beautiful Life," attracting and retaining talent.

AAEON Technology, in accordance with the United Nations Universal Declaration of Human Rights, does not allow discrimination based on race, religion, color, nationality, gender, etc. The Human Rights Declaration is posted on bulletin boards, and AAEON does not discriminate against employees based on race, gender, age, political affiliation, religion, or disability. Employees are hired in accordance with local laws and meet the minimum age requirements as stipulated by RBA-related regulations. The Responsible Business Alliance (RBA) Code of Conduct is a set of standards established for the electronics industry and its supply chain to ensure a safe working environment for employees, dignified and respectful work, adherence to environmental regulations, and compliance with business integrity and ethics. Organizations involved in the design, sale, and manufacturing, or those providing goods and services to produce electronic products, are considered applicable to the RBA Code of Conduct.

AAEON Technology protects the safety of its colleagues and implements the Act of Gender Equality in Employment, strictly prohibiting any form of sexual harassment. AAEON has established measures for the prevention of sexual harassment, grievance, and disciplinary procedures, and conducts regular training related to the prevention of sexual harassment.

In 2023, the internal training courses on human rights policies were conducted with a completion rate of 100%.

No complaints related to human rights, sexual harassment, or various labor issues were received in 2023.

1. Human Rights Declaration

AAEON does not discriminate against people based on race, sex, age, political affiliation, religion, and disability status. We follow the local minimum age requirement, local regulations, RBA and other relevant provisions as well as announce our Declaration on Human Rights policy in accordance with the United Nations Universal Declaration of Human Rights. AAEON Declaration on Human Rights policy is as follow:

Human Rights Policies	Description
No Child Labor	Comply with local minimum age laws and requirements and do not employ child labor.
Minimum Wages	Compensate our employees with wages and benefits that meet or even exceed the local legally required minimum.
Working Hours	Provide employees with periodic or more than local labor law holidays with pay. Do not force our employees to work more than the maximum hours of daily labor set by local laws. Comply with overtime pay requirements or compensations where required.
Non-Discrimination	Prohibit discrimination based on race, color, age, gender, sexual orientation, ethnicity, religion, disability, union membership or political affiliation. All are entitled to equal protection against any discrimination.
No Harsh or in Human Treatment	Prohibit physical abuse, harassment, or the threat of either.
Freely Chosen Employment	Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. Ensure that the overall terms of employment are voluntary. As part of the hiring process, employees must be provided with a written labor contract in their native language. Employer may not hold employees' identity or immigration documents or Work Permits or Resident Certificate, unless such holdings are required by law.
Health and Safety	Provide all our employees with a healthy and safe working environment with mutual trust and respect.
Employee Training and Development	Provide facilities, training programs, time and subsidies to support our employee professional knowledge and self- development.
Freedom of Association	Employees have the right, with or without a union, to associate or work with fellow employees for the purpose of addressing common workplace issues. This association can result in the employees choosing to be represented by a labor organization (e.g., trade union, employee association, works council) and bargaining collectively with their employer, if they so choose. The supplier should not punish or prevent employees from choosing to exercise their right to associate for a common good. The organization and the way in which employees choose to associate must be compliance with local country law.

2. Human Rights Management

Item	Human Rights Management (Employees/Suppliers)
Policies/Commitments	1. AAEON acknowledges and supports the human rights protection spirit and fundamental principles as set forth in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and International Labor Conventions, and adheres to relevant labor regulations in its operating locations. 2. AAEON has established a "Human Rights Policy" applicable to the entire company. In addition to respecting and safeguarding internationally recognized fundamental human rights, the Human Rights Policy commitments oppose any acts of discrimination and human rights violations, such as gender discrimination or sexual harassment. AAEON strictly adheres to relevant labor laws to protect the legitimate rights of employees. 3. AAEON uses its human rights policy as the highest guiding principle for human rights protection and establishes relevant regulations and systems in accordance with this policy and applicable laws. For example, it has implemented "Work Rules" to protect employee rights; promoted anti-sexual harassment measures, complaint and disciplinary procedures; conducted educational training; and set up dedicated physical and email reporting channels to provide a work environment free from discrimination and harassment. 4. Establish the "Employee Overtime Management Guidelines" and set up a time management system with reminder mechanisms to help employees maintain a balance between work and life. New employees sign the "Employee Code of Conduct Agreement," and the "Work Rules" are announced on AAEON's internal website. 5. Respect all employees' rights to freely assemble and associate, and their right to join or not join legally recognized local unions. Employers must not interfere with or prohibit these rights. 6. Comply with local government regulations regarding the minimum legal working age and prohibit child labor. 7. Prohibit forced or compulsory labor.
Targets	Number of human rights violations: 0
Measures	1. AAEON's human rights policies clearly prohibit actions that violate human rights, including the employment of child labor, discrimination, and sexual harassment. 2. Employees with disabilities were hired in excess, and in accordance with the law, indigenous employees are granted leave benefits during their respective tribal festivals and ceremonies. 3. AAEON implements equal pay for equal work, and for the remuneration of employees, there is no differential treatment based on gender or sexual orientation. AAEON also continues to focus on issues related to gender pay gap. 4. Human rights education and training is conducted annually, covering the prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, implementation of working hours management, ensuring humane treatment, and providing a healthy and safe workplace environment. 5. Through advocacy statements to prevent workplace violence, conduct annual surveys on workplace friendliness and satisfaction, encouraging employees to understand their responsibility to help prevent unlawful incidents in the workplace while performing their duties. Provide grievance channels and hotlines to create a friendly work environment.

Item	Human Rights Management (Employees/Suppliers)
	6. AAEON strictly adheres to the laws and regulations related to personal data protection to ensure that the collection, processing, and utilization of personal data complies with legal requirements, in order to maintain and protect personal data rights. 7. AAEON provides the "Quality and Environmental Protection Philosophy Advocacy Letter" to suppliers and other partners, which includes AAEON's quality policies, environmental policies, environmental protection philosophy, human rights policies (including labor hours, no employment of child labor, wages, freedom of association, and non-discrimination), safety and health, business ethics, corporate social responsibility, and an integrity transaction declaration (no bribery and no acceptance of bribes). Have suppliers sign and return, working together to focus on human rights issues and emphasize risk management.
Responsible Departments/Grievance Mechanism	1. AAEON has established smooth grievance channels. Employees facing various issues internally can file a grievance through grievance channels to department/unit supervisors or the Human Resources Department. 2. To maintain gender equality in the workplace and provide job seekers and employees with an environment free from sexual harassment and unlawful harm, there are dedicated grievance mailboxes and channels for sexual harassment prevention and the prevention of unlawful harm. 3. During the grievance investigation, confidentiality is maintained, and the name of the complainant or any other information that could identify the complainant is not disclosed, in order to protect the complainant.
Resources Invested for the Year	The focus is mainly on internal training, with each new employee assigned internal education and training. In 2023, there were a total of 93 new employees.
Management Results/Evaluation Mechanism	Implemented human rights-related training for employees in 2023, with a total duration of 534 hours and a total of 534 participants completing the training. The completion rate was 99.2%. In the future, we will continue to focus on human rights protection issues and promote relevant educational training to raise awareness of human rights protection and reduce the likelihood of related risks occurring. • No incidents of discrimination or sexual harassment grievances occurred in 2023. • In 2023, there was no interference with or prohibition of all employees' rights to freedom of assembly and freedom of association. • There was no employment of child labor in 2023. • In 2023, there were no incidents involving withholding of identification documents, demanding compulsory deposits, or involuntary overtime work enforced through dismissal threats.

Every AAEON employee must sign and comply with the Employee Code of Conduct Agreement, which stipulates that employees must not engage in any discrimination or other human rights violations. To ensure that all employees understand and comply with the above policies, the "Code of Conduct for Ethical Business Operations" and compliance education and training are conducted annually. The content includes providing whistleblowing channels for employees to report and disciplines, ensuring confidentiality of the whistleblower's identity and the reported content.

The 2023 Code of Conduct for Ethical Business Operations education and training coverage rate was 100% (direct/indirect employees), with a completion rate of 99.2%.

3. Human Capital Structure

(1) Legally Employed

AAEON Technology strictly abides by all labor laws in its hiring practices, ensuring employment is irrespective of age, gender, race, religion, color, nationality, and there is no illegal employment of child labor. By increasing stable social contributions, AAEON ensures that wages and working hours specified in employment contracts are agreed upon by both parties. Recruitment channels include traditional job listings as well as partnerships with educational institutions, summer internships, and other diversified programs, providing opportunities for young individuals in society to develop professional competence and for job seekers to gain employment.

i. Employee Diversity Statistics

● <Table 1>

Employee Diversity Statistics/Annual				2023	
				Number of Workers	Percentage%
Employees	Direct	Gender	Male	45	8.52
			Female	103	19.51
		Age	Under 30	25	4.73
			30 and Above but Under 50	94	17.80
			50 and Above	29	5.49
		Educational Background	Graduate School	0	0.00
			Colleges and Universities	48	9.09
			Others	100	18.94
	Indirect	Gender	Male	258	48.86
			Female	122	23.11
		Age	Under 30	44	8.33
			30 and Above but Under 50	249	47.16
			50 and Above	87	16.48
		Educational Background	Graduate School	93	17.61
			Colleges and Universities	259	49.05
			Others	28	5.30%

1. In 2023, the gender percentage of employees was 57.28% male and 42.72% female. Due to industry characteristics, the male employee percentage is higher than the female. Among all age groups, the largest number of workers falls within the 30–49 age range, accounting for 65.71% of the total. This indicates that AAEON is primarily composed of a productive and relatively experienced generation, reflecting a more stable demographic structure.

2. Data is compiled up to December 31, 2023.

● <Table 2>

Year	2023			2022			2021			2020		
Item	Total Number of Workers	Male Percentage (%)	Female Percentage (%)	Total Number of Workers	Male Percentage (%)	Female Percentage (%)	Total Number of Workers	Male Percentage (%)	Female Percentage (%)	Total Number of Workers	Male Percentage (%)	Female Percentage (%)
Full-time employees in Taiwan	522	57.28	42.72	512	56.4	43.6	482	58.51	41.49	483	58.8	41.2
29 and Under	63	49.21	50.79	83	50.6	49.4	61	54.10	45.90	47	61.71	38.29
30 to 49	343	58.89	41.11	344	59.3	40.7	330	61.21	38.79	367	61.58	38.42
50 and Above	116	56.9	43.1	85	51.76	48.24	91	51.65	48.35	69	46.38	53.62

Note: Data is compiled up to December 31, 2023.

(2) Status of Non-Fixed and Fixed (Typical/Atypical) Employees

Employee employment status over the past three years (Taiwan region, excluding overseas branches and subsidiaries).

- Permanent Employees (Non-Fixed): Typical Employment
- Permanent Employees (Fixed): Typical Employment (including hourly, part-time, contractual staff, etc.)
- Informal Employees (Fixed): Atypical Employment (Dispatched Staff)

i. Full-Time Worker

Statistics/Annual		2021		2022		2023	
Total Number of Employees (Note 1)		490		519		528	
Labor Contracts (Note 2)		Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term	Non-Fixed Term	Fixed Term
Total Number of Employees		482	8	512	7	522	6
Gender	Male	281	6	290	6	299	4
	Female	201	2	222	1	223	2
Type of Personnel	Direct	134		149		148	
	Indirect	356		370		380	

The change in the number of workers in the same type over the past 3 years:

1. In 2023, the distribution of non-fixed and fixed employees was 522/6, with percentages of 98.86% and 1.15%, respectively. This shows that AAEON employs a small portion of its workforce for temporary, interim, and project-based positions. Temporary positions - such as substituting for employees on maternity or parental leave; Interim positions - which arise from an increased demand for labor due to emergencies like a pandemic requiring immediate response to production plans; Project-based positions - like hiring students or assistant personnel for collaborative public interest products or research projects with schools or non-profit organizations.
2. Among the total number of employees in 2023, which is 528, there are 512 nationals and 16 foreign nationals.
3. Data is compiled up to December 31, 2023.

ii. Informal Employees (Dispatched Staff)

Statistics/Annual		2021		2022		2023	
Total number of workers who are not employees (Note 1)		8		14		1	
Type of Contract		Dispatched	Other types	Dispatched	Other types	Dispatched	Other types
Gender	Male	4	0	6	0	0	0
	Female	4	0	8	0	1	0
Nationality	Taiwan	8	0	14	0	1	0
	Overseas	0	0	0	0	0	0
Type of Work		Technician/ Operator	Technical Consultant	Technician/ Operator	Technical Consultant	Technician/ Operator	Technical Consultant
Gender	Male	4	0	6	0	0	0
	Female	4	0	8	0	1	0
Nationality	Taiwan	8	0	14	0	1	0
	Overseas	0	0	0	0	0	0

Note 1: The total number of workers is based on the end-of-year count (12/31), or the average obtained by summing the Number of Workers at the end of each month and dividing by 12.

iii. Employment

(i). Statistics of New Employees

Year		2023		2022		2021	
Item/Type		Number of Workers	Percentage %	Number of Workers	Percentage %	Number of Workers	Percentage %
Age	Under 30	39	57	60	75	32	57
	30 and Above but Under 50	54	16	69	21	51	15
	50 and Above	3	3	4	4	6	7
Gender	Male	62	21	67	23	52	18
	Female	34	15	66	30	37	18
Educational Background	Graduate School	21	23	23	24	12	14
	Colleges and Universities	52	17	70	23	63	22
	Others	23	18	40	32	14	12
Region	Operational Sites	96	18	133	26	89	18

Reasons for the change in the number of new hires over the past 3 years:

1. In 2022, AAEON's capacity increased and it opened to hiring foreign labor, thereby employing more employees in direct production, with the majority being females under the age of 30.
2. In recent years, AAEON has continuously promoted industry-academia collaboration projects, resulting in a slight increase in the hiring percentage of those under 30.
3. In 2023, the focus was primarily on filling vacancies due to resignations, so the number of workers hired remained stable, with no significant increase.
4. Data is compiled up to December 31, 2023.

(ii). Employee Turnover Statistics <Table 1>

Year Item/Type		2023		2022		2021	
		Number of Workers	Percentage %	Number of Workers	Percentage %	Number of Workers	Percentage %
Age	Under 30	34	49	30	38	22	39
	30 and Above but Under 50	43	13	69	21	56	16
	50 and Above	9	8	8	8	12	13
Gender	Male	54	18	63	21	51	18
	Female	32	14	44	20	39	19
Educational Background	Graduate School	21	23	20	21	21	24
	Colleges and Universities	44	14	58	19	58	20
	Others	21	16	29	23	11	9
Region	Operational Sites (Taiwan)	86	16	107	21	90	18

Note: Description of changes in the number of workers for employee turnover:

1. In 2022, as the pandemic subsided, the external job market became more active, leading to a slight increase in the turnover rate compared to the previous year (2021).
2. In 2023, the job market stabilized, and the relevant data returned to a fair state.
3. Data is compiled up to December 31, 2023.

(iii). Employee Turnover Statistics <Table 2>

Item/Year	2023	2022	2021	2020
Full-Time Employee Turnover Rate	10.9%	17.2%	13.4%	8.9%
Full-Time Employee Turnover Rate (Excluding Retirement)	10.6%	16.6%	13.2%	8.7%
Full-Time Employee Turnover Rate in Taiwan	10.9%	17.2%	13.4%	8.9%
Full-Time Employee Turnover Rate in Taiwan (Excluding Retirement)	10.6%	16.6%	13.2%	8.7%
Involuntary Turnover Rate	1.3%	1.0%	0.8%	1.2%
Turnover Rate of New Employee Hires within One Year	29.3%	37%	21%	25.9%

- (iv). In 2023, 6 employees with disabilities were hired, accounting for 1.14% of the total employees, surpassing the legal standard.
- (v). In 2023, four indigenous peoples were employed, and there were no incidents of violations involving rights of indigenous peoples.
- (vi). In 2023, foreign personnel hired included 1 from the United Kingdom, 14 from Vietnam, and 1 from the Philippines.
- (vii). Security Personnel: Employed by the industrial park management center, AAEON Technology did not hire security personnel in 2023.

- iv. Proportion of senior management hired from the local community at significant operational sites

Major Operational Sites	Total Number of Senior Executives	Number of Senior Executives Hired from the Local Community	Percentage
Taiwan Region	24	24	100%

1. AAEON defines the scope of "senior executive" as including senior manager level and above.
2. (Number of senior executives hired from the local community at each site / Total number of senior executives at each site) * 100%.
3. Data is compiled up to December 31, 2023.

- v. Gender Ratio of Mid-Level and Senior Executives

Item/Year	2023	2022	2021	2020
Percentage of Males (%)	91.3	90.24	92.5	92.68
Percentage of Females (%)	8.7	9.76	7.5	7.32

1. Data is compiled up to December 31, 2023.

- vi. The percentage of female managers in 2023 was 19.8%, an increase of 3.1% compared to 16.7% in 2022.

4. Employee Benefits Exceeding Legal Requirements

AAEON, in accordance with the Labor Standards Act, implements employee benefits, providing a legally compliant leave system and additional benefits that exceed legal requirements.

- (1) The childbirth gift is NT\$10,000 per child.
- (2) Pregnancy transportation allowance: Employees who are pregnant can apply once a month within three months before the due date, with a monthly limit of NT\$3,000.
- (3) Female employees who have been employed for less than six months and apply for 5 days, 1 week, or 4 weeks of maternity leave for any reason will receive full pay.
- (4) Birthday Leave: Full-time employees are entitled to one day of paid birthday leave annually.
- (5) Menstrual Leave: Female employees may apply for 1 day of menstrual leave each month, with a maximum of 12 days per year. Combined sick leave, with an annual limit of 42 days at half pay.
- (6) Overall benefit

Employee Benefits	Full-Time Employee
Group insurance	Life insurance, accident insurance, medical insurance, cancer insurance
Subsidies for Weddings, Funerals, and Celebrations	Maternity Subsidies, Maternity Transportation Subsidies, Hospitalization Subsidies, Marriage Subsidies, Condolence and Funeral Subsidies
Wednesday festival bonuses	Mid-Autumn Festival bonus, Dragon Boat Festival bonus, year-end bonus
Employee health exams	Exceeding legal requirements, conducted annually
Employee stock ownership	Employee stock warrants

(7) Overview of the Implementation of Parental Leave

Item/Year	Gender	2021	2022	2023 (Note 4)
Number of Employees Eligible for Parental Leave	Male	36	26	22
	Female	10	9	10
Number of Employees Applying for Parental Leave	Male	0	0	0
	Female	3	1	2
Number of Employees Scheduled to Return to Work After the End of Parental Leave (A)	Male	0	0	0
	Female	1	3	2
Actual Number of Employees Who Returned to Work After the End of Parental Leave (B) (Including Early Returns)	Male	0	0	0
	Female	1	2	1
Reinstatement Ratio (B/A)	Male	0	0	0
	Female	100%	67%	50%
Number of Employees (C) Who Were Still Employed Twelve Months After Returning from Parental Leave the Previous Year	Male	0	0	0
	Female	1	1	2
Retention Rate (C/Previous Year B)	Male	0	0	0
	Female	50%	100%	100%

Note1: Number of employees eligible for parental leave is based on those who applied for maternity or paternity leave in the past three years.

Note2: Return-to-Work Rate: (Actual number of returning employees / Expected number of returning employees) * 100%.

Note3: Retention Rate: (Number of employees still employed twelve months after returning / Actual number of returning employees) * 100%.

Note4: In 2023, the number of employees eligible for parental leave: employees whose children are under 3 years old as of 2023/12/31.

Note5: Data is compiled up to December 31, 2023.

5. Smooth Communication Channels

(1) Labor-Management Meeting

AAEON Technology has always upheld the philosophy of "People-oriented and Social Care", and we value the opportunity to communicate with our employees. To establish smooth communication channels, labor-management meetings are held quarterly, with the CEO and senior executives (including the financial and manufacturing managers) in attendance. AAEON also sends a senior executive from each unit to participate in the meeting and communicate with labor representatives on business management and labor-management-related matters. The meeting also provides an opportunity for them to interact and exchange opinions.

According to the law, four labor-management meetings were held on March 2, June 29, September 28, and December 28 in 2023. A total of 35 representatives from both labor and management participated, with one proposal made during the year, all of which were successfully concluded.

(2) Occupational Health and Safety Committee

According to the law, the Occupational Health and Safety Committee is established with 100% of the labor representatives from the labor-management meeting. Meetings are held at least once every three months, chaired by the chief committee member, with the possibility of convening extraordinary meetings if necessary. The committee reviews, coordinates, and advises on safety and health-related matters, and meeting records are kept for three years. On June 29, September 28, December 28 in 2023, and March 29 in 2024, a total of 48 participants attended, with one proposal made during the year, which was successfully concluded.

(3) Annual Kick-Off Meeting

AAEON's important Annual Kick-Off meeting is held every January, inviting supervisors at the department level and above as well as designated employees to participate. Approximately 200 supervisors and colleagues attended the event. Led by the Chairman and CEO, senior executives from each unit expressed gratitude to all employees for their hard work and dedication over the past year. During the meeting, they report and describe the operational performance of the past year and share future outlooks and targets. This event aims to unite everyone under common objectives and provide an opportunity for cross-departmental interaction among colleagues.

(4) Employee Listening Strategy - Setting up an Employee Feedback and Communication Platform - "AAEON Listening to You"

In order to enhance communication and interaction opportunities with colleagues, a special online employee feedback and communication platform, "AAEON Listening to You," has been established. Before each quarterly meeting, supervisors are requested to prepare their responses in advance. After the CEO reviews them, the supervisors will provide their responses on-site during the meeting and enter all the responses into the system, making it available for employees to access at any time. In 2023, a total of 77 colleague inquiries were answered on the "AAEON Listening to You" platform.

Type of Question	Number of Inquiries
Human Resource	13
General Affairs	11
Labor Safety & Health	1
Health Promotion	5
Information	6
Marketing	1
Foundation	5
Welfare Committee	25
Manufacturing Center	4
Others	6
Total	77

(5) Quarterly Meeting Activities

Quarterly meetings activities are held each season, inviting supervisors from various units to lead their colleagues in participating. The meeting agenda includes quarterly financial reports, introductions of new employees, announcements of important company information, reports and previews of Welfare Committee activities, award ceremonies, club activity reports and recruitment, etc. After the meeting, a buffet is provided for employees to enjoy freely, fostering opportunities for cross-departmental communication!

(6) Other Communication Channels

Aside from various meetings with management, employees can express their opinions or suggestions to the management via phone or email. A physical employee mailbox is also set up for employees to provide feedback or suggestions at any time.

Since AAEON's employees have not formed a union, no collective bargaining agreements have been signed. However, through regular labor-management meetings and Occupational Health and Safety Committee meetings, representatives of both labor and management can communicate and coordinate on relevant issues.

In summary, AAEON Technology complies with relevant legal regulations. Provide each employee with labor insurance, national health insurance, and labor pension contributions. At the same time, a comprehensive group insurance plan is arranged for colleagues, including life insurance, accident insurance, medical insurance, cancer insurance, etc., allowing them to focus on work without worrying about life, thereby achieving operational targets through cooperation between labor and management.

中文	English
勞動條件	Working Conditions
勞資關係	Labor/Management Relations
勞工福利	Labor benefits



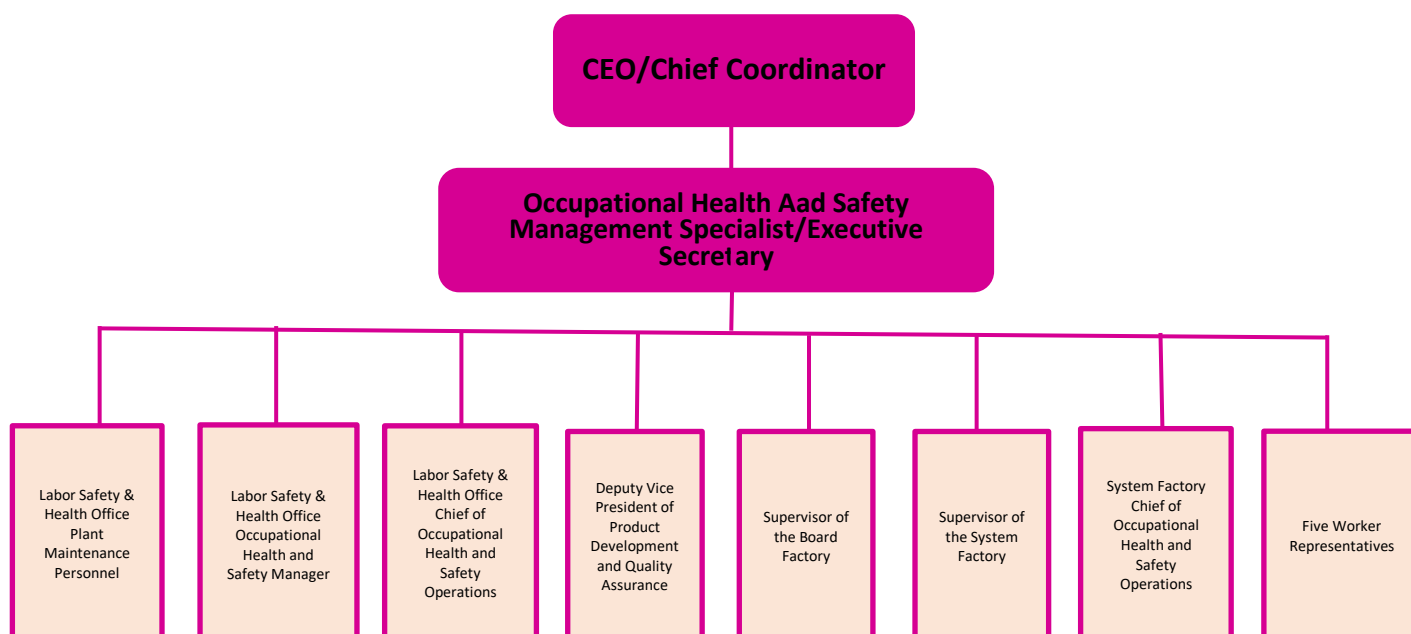
6. Occupational Health and Safety Management

(1) Occupational Health and Safety Management System

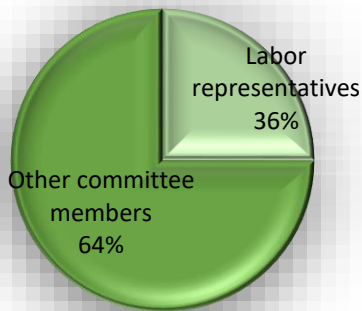
AAEON places great importance on employee health and safety. To provide a safe and healthy work environment, prevent diseases, and reduce the risks faced by personnel while performing tasks in the workplace, AAEON has independently established an occupational health and safety management system in accordance with the "Regulations on Occupational Health and Safety Management." The "Occupational Health and Safety Management Regulations (SH1-001 Occupational Safety Management System Manual)" covers all workers, including regular and contract employees.

(2) Organizational Structure of the Occupational Health and Safety Committee

The "Occupational Health and Safety Management Committee" (hereinafter referred to as the Occupational Health and Safety Committee) is established, consisting of 14 members. The chief committee member is the representative of Occupational Health and Safety Management, and one executive secretary is appointed. The committee members consist of department heads, occupational health and safety personnel, engineering technicians, plant maintenance personnel, and labor representatives. Among them, five labor representatives are selected from various units, making the labor representatives' ratio 36%, which exceeds the legal requirement of one-third.



Occupational Safety Committee



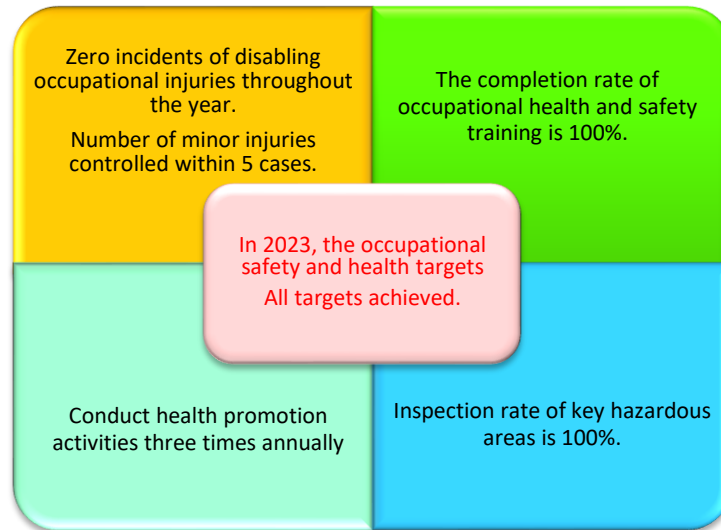
(3) Occupational Safety Committee operation execution

- i. Held once every three months, responsible for reviewing, coordinating, advising on occupational health and safety-related matters, resolving occupational accident investigation results, discussing work environment monitoring results, and proposing health management and health promotion initiatives, as well as assessing on-site safety and health management performance to prevent occupational hazards and ensure a safe and healthy work environment for employees.
- ii. In response to various occupational accidents and emergencies, establish the "Emergency Response Operation Method and Occupational Accident (Injury) Handling Operation Method," creating an accident investigation flow, and determine the emergency treatment method for accidents.
- iii. In 2023, four fire drills were completed with a total of 524 participants, amounting to a total drill time of 2,096 hours.
- iv. Four committee meetings were held in 2023, with no major occupational accidents occurring this year.



- v. Set up grievance channels and suggestion boxes to encourage employees to provide suggestions on AAEON's occupational health and safety policies, or raise concerns about the work environment, health issues, safety hazards, etc., to be handled by the labor safety and health personnel.
- vi. No complaints related to occupational health and safety were received in the year 2023.

(4) Occupational Health and Safety Targets and Achievements



(5) Occupational Safety and Health Training

An annual plan for fair occupational safety training and professional training for all employees is established, based on which work safety training and assessments are conducted. This ensures that employees operate in accordance with work safety rules, reducing the occurrence of work injuries. If there are news reports regarding occupational accidents in related industries, an analysis and description of the causes of such accidents are conducted during internal training sessions, and risk safety advocacy is regularly carried out at the facility. All training and education are free and stored in individual folders.

The Number of Workers/Hours for occupational safety and health training in 2023

Training Item	Total Number of Workers Participating	Total Training Hours
Internal Training	93	262
External Training	10	54
Emergency Response	524	2,096
Total	627	2,412

Note: Data is compiled up to December 31, 2023.



(6) Number of Workers Covered by an Occupational Health and Safety Management System Statistics

Management System/Regulation	Type of Inspection	Number of Workers	Percentage
Occupational Safety and Health Act	Internal Audit	528	100%
	Occupational Inspection	528	100%

Note: Data is compiled up to December 31, 2023.

(7) Statistical Analysis of Occupational Hazards

Based on the statistical analysis data of employees' work-related injuries and work-related ill health shown in the table below, there were no fatalities due to work-related injuries or cases of work-related ill health (including recordable work-related ill health) for all employees from 2021 to 2023, achieving the target of zero occupational incidents.

Statistics Year		2023	2022	2021
Total Work Hours		1,059,919.5	1,033,956.5	988,074.5
Fatal Accidents due to Work-Related Injuries	Number of Workers	0	0	0
	Percentage	0	0	0
High-Consequence Work-Related Injuries (Excluding Fatalities)	Number of Workers	0	0	0
	Percentage	0	0	0
Recordable Work-Related Injuries	Number of Workers	1	4	4
	Percentage	18.87%	77.37%	80.97%
Work-Related Ill Health	Number of Workers	0	0	0
	Percentage	0	0	0
Recordable Work-Related Ill Health	Number of Workers	0	0	0
	Percentage	0	0	0

Note: Data is compiled up to December 31, 2023.

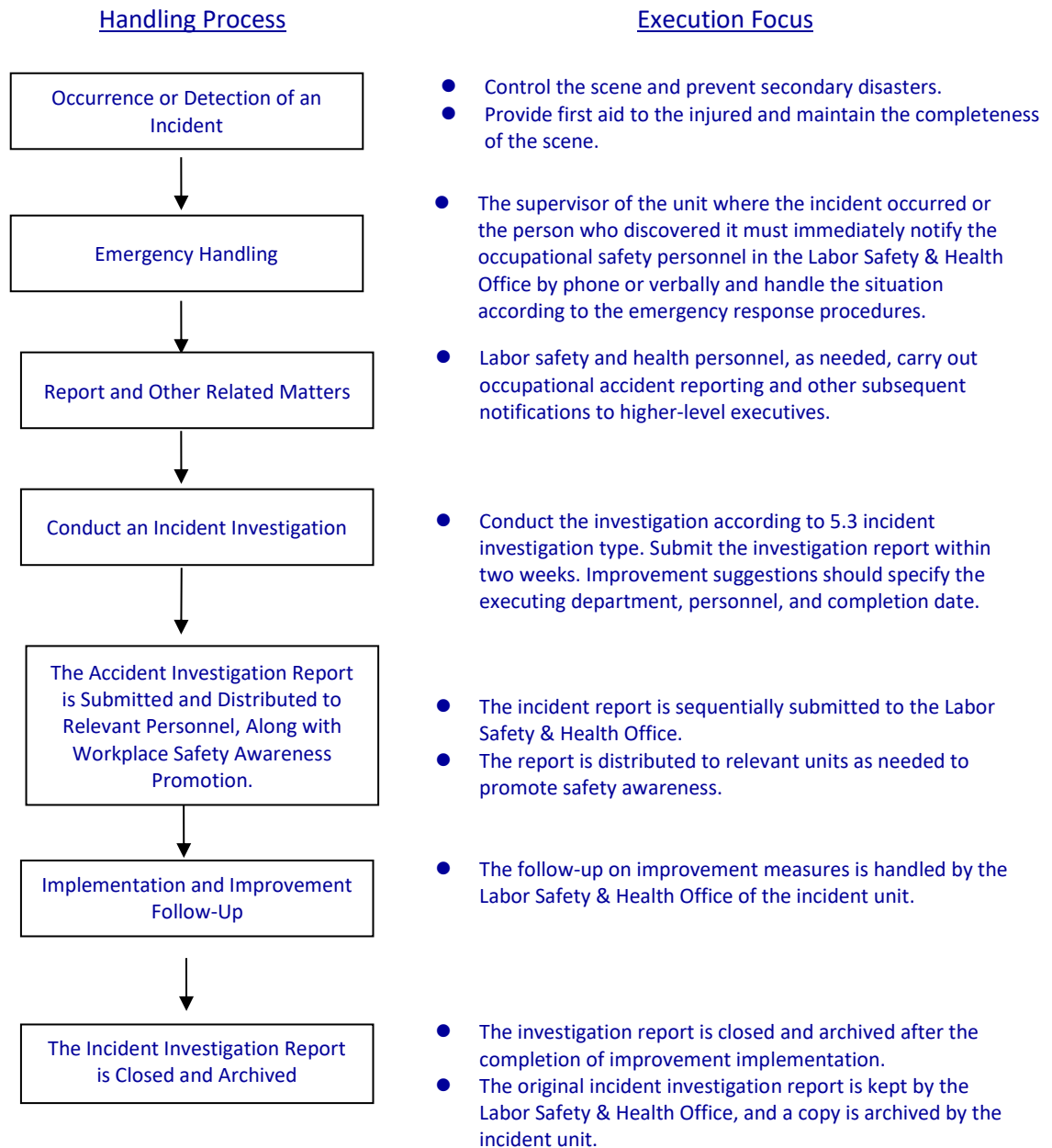
(8) Hazard Identification, Risk Assessment, and Incident Investigation

- i. Establish a risk hierarchy of controls team responsible for formulating a safety production risk grading management system. This system addresses risk points that could potentially lead to incidents, including safety foundation management, hazardous chemical management, storage and transportation systems, and fire protection systems. It clarifies the relevant responsible departments, personnel, and control measures.
- ii. Establish a "Risk Assessment Management Procedure" to ensure the effective operation of hazard identification and risk assessment. The management scope covers controllable operational locations, the handling of internal and external activities, hardware infrastructure, employees' work in production processes and storage, as well as non-employee operations providing services or workplaces within AAEON (such as on-site suppliers, contractors, subcontractors, co-op students, contract workers, and dispatched laborers).

- iii. **Hazard Identification:** Inventory and compile operational behavior patterns that may lead to unsafe hazard risks (such as chemical hazards, radiation hazards, human factor hazards), environmental areas (such as plant area infrastructure utility supply areas, hazardous chemical or radiation use areas, storage and fire protection systems), or various machinery and equipment used in operations.
- iv. **Risk Assessment:** For the potential unsafe hazards arising from the aforementioned daily operations or temporary changes, a comprehensive evaluation is conducted based on the likelihood of occurrence, severity, detectability, and reversibility. These are then graded into high, medium, and low risks based on a cumulative scoring system. Items assessed as low risk are approved by the occupational health and safety management representative, who then establishes occupational health and safety target programs for the responsible units to implement. The implementation results are tracked for effectiveness at each quarterly occupational health and safety committee meeting. Potential types of occupational illnesses in office work environments include overwork, while the types of occupational injuries that may occur in operational areas include cuts, falls, burns, and crushing injuries.
- v. Establish the "Accident and Occupational Accident (Injury) Handling Operation Method" for accident investigations to implement the investigation and management of accidents. This includes the recording of false alarm incidents and policies and requirements that allow workers to leave work situations they perceive as potentially leading to work-related injury or ill health. The notification and handling improvement processes for any work-related accident are implemented based on the following procedures. The results of the investigation of occupational injuries and the effectiveness of improvements are reported at the Occupational Safety Committee meetings and announced on AAEON's internal website and at personnel workplaces for awareness.



vi. Emergency Handling and Investigation Procedures For Incidents



7. Employee Health Management

Employee Health Management Plan



(1) Occupational Health Service Measures

i. Health Examination Management

Employees are a valuable asset to AAEON. AAEON creates a high-quality work environment, offering annual health examinations with packages that exceed legal requirements. Family members can also enjoy the same health examination benefits at their own expense. Health Examination Planning: For assistant manager-level supervisors and above, AAEON provides in-clinic health examination every two years, offering a budget and high-specification examination items such as endoscopy, CT scans, and ultrasounds. Abnormal health examination reports are followed up by dedicated nurses who provide ongoing care and concern, and consultations with occupational doctors are arranged for advice and recommendations. On a mental wellness level, AAEON periodically provides articles on mental well-being, organizes stress-relief courses and activities, and offers a consultation hotline for emotional support. This approach aims to achieve both physical health and mental balance.

(i). Health Examinations Exceeding Those Required by the Labor Standards Act

"Prevention is better than cure" is the guiding principle for health examination planning. In addition to providing health examination items that exceed legal requirements and meet employees' needs, the professionalism of medical staff and the planning of discreet examination facilities are also crucial aspects of the check-up activities. AAEON meticulously plans the check-up process and details to enhance employees' sense of safety and trust.

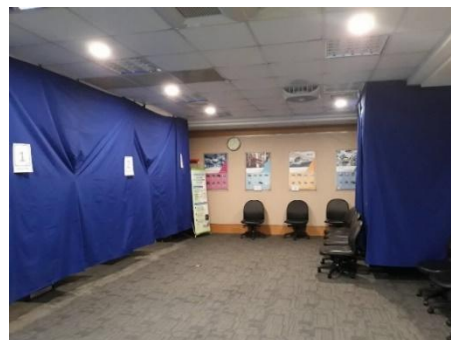
AAEON provides preliminary recommendations from physicians to help employees with their choice of follow-up medical departments. After the health examination, physicians patiently explain the reports and provide suggestions, which received positive feedback from employees.

Each year, health examinations are arranged that exceed the requirements of the Labor Standards Act. The following details the number of participants, participation rate, and expenses incurred for health examinations over the years:

Year	2021	2022	2023
Health Examination Method	Fixed quota health examination (all employees)	General employee fixed quota health examination + Managers on-site health examination	Fixed quota health examination (all employees)
Number of Participants	420	431	444
Percentage of Subjects Examined %	95	97	90
Total Expenditure	\$419,000	\$885,000	\$444,000



Medical technicians with patient and professional



Ultrasound rooms with discreet service



Professional explanations and recommendations provided by physicians



Mobile X-ray unit

ii. Health Promotion

(i). Employee Mental and Physical Health Risk Assessment:

- On-site Medical Staff: In accordance with legal requirements, AAEON employs on-site medical personnel and contracts regular factory physicians on a scheduled basis.
- Each year, AAEON plans health examination items that exceed legal requirements. Through analysis of abnormal check-up reports, occupational health staff invite employees with irregular results to consult with on-site doctors. They provide guidance on diet and healthy lifestyle habits, and if necessary, refer employees to specialist doctors for medical treatment.
- Before the health examination, employees are provided with a musculoskeletal and abnormal workload assessment questionnaire to understand issues related to musculoskeletal pain and work-related stress.
- Through abnormal analysis, employee needs are understood, and health promotion activities are planned accordingly.

Labor Health Protection Four Major Plans



(ii). Diverse Sports Clubs (Aerobic Boxing, Basketball, Table Tennis, Badminton, Yoga)

Exercise not only strengthens the body but also reduces the incidence of abnormalities in health examinations. To promote a culture of fitness, AAEON organizes annual sports competitions (table tennis, badminton, basketball) and establishes diverse sports clubs (boxing aerobics, basketball, table tennis, badminton, and yoga). The Welfare Committee and club funds subsidize employees' sports expenses, and AAEON provides dedicated sports facilities for clubs to enhance participation and promote an active sports culture.



Diverse Sports Clubs

(iii). Health Lectures

Through the analysis of abnormal health examination results and musculoskeletal questionnaires, AAEON offers health seminars. These seminars educate employees on how to change their health habits and address health issues through detailed course explanations.

Number	Health Lectures Topics	Number of Participants
1	A Brief Discussion on Anxiety Disorder	60
2	Understanding Gastric Cancer Metrics and Gastric Diseases	51
3	Back Pain is not a Problem; Recover with Flexible and Good Bones and Muscles	60
4	Kidney-Profit Life	60

Lecture Activities



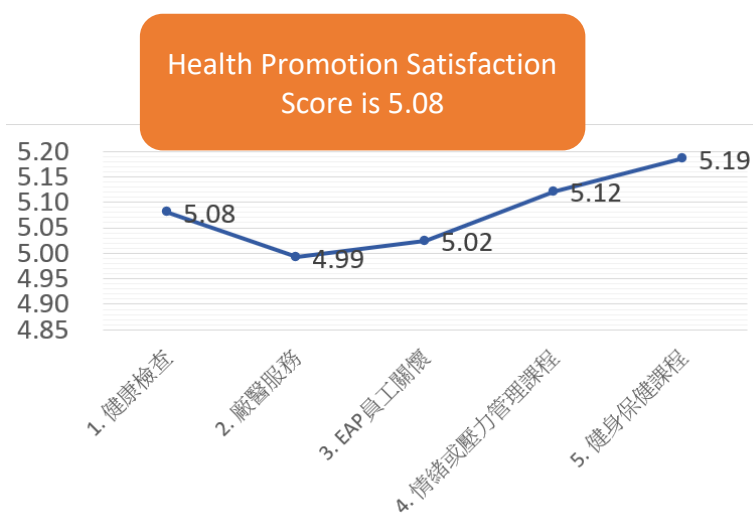
(iv). Statistics on Participation in Health Promotion in 2023

Health Promotion Item	Number of Participants
Health Examination	444 People
Factory Medical Services	85 People
Health and Stress Relief Lectures	349 People
Employee Assistance Program (EAP) - Good News (Article Sharing)	12 Articles
Employee Assistance Program (EAP) - 080 Phone Consultation	1 Person

中文	English
兼顧工作與生活	Work-Life Balance
社團活動	Club Activities
員工旅遊	Employee Trip
家庭日	Family Day
美麗人生	Beautiful Life
藝文活動	Arts and Cultural Activities
志工服務	Volunteer Services



(v). Health Promotion Satisfaction



0-1分(含)	1(不含)-2分(含)	2(不含)-3分(不含)	3(含)-4分(含)	4(不含)-5分(含)	5(不含)-6分(含)
非常不滿意	不滿意	有點不滿意	可接受	滿意	非常滿意

iii. Employee Assistance Program (EAP)

Work and life are like the two ends of a balance scale; excessive pressure on one side can lead to imbalance. To promote employees' mental and physical well-being, AAEON has developed an Employee Assistance Program (EAP). AAEON Technology collaborates with the Taoyuan Lifeline Association to offer a range of services, including Initial consultation services, free counseling hotline (all communication is protected by privacy policies), periodic mental health seminars, monthly articles on mental well-being. These services provide multifaceted support for employees, addressing their needs related to work, family, and mental health.

Stress-relief courses and activities are organized periodically, and employees can use the Teacher Chang Foundation consultation hotline for emotional support. This approach aims to achieve a balance between work, physical health, and mental well-being.

(i). Regular Employee Assistance Program (EAP) Article Sharing

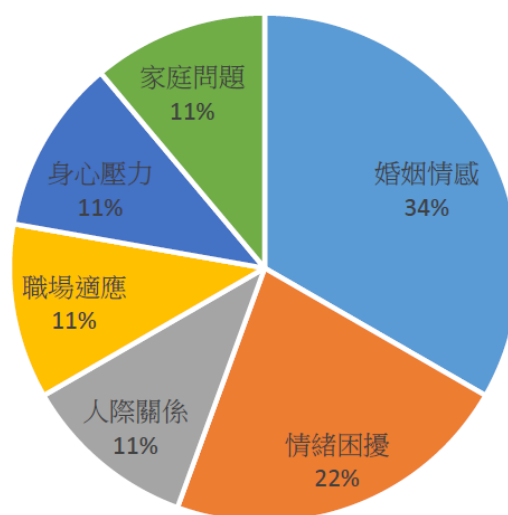
Month	Featured Article Topics in 2023
1	The Body as the Mind's Ally
2	Encounter with Aromatherapy
3	Finding the Courage to Restore Personal Well-being
4	Is the Non-Compete Clause Reasonable?
5	Beware! The Anxiety Virus of an Out-of-Control World: How to Keep Your Emotions in Check
6	The Legendary Thief's Formula
7	Coexisting with Past Scars and Embracing the Future
8	Pressing the Play Button on Happiness
9	Nutritional Choices for Better Vision: Comprehensive Wellness
10	Forest Bathing: Healing Through the Forest
11	Seasonal Aromatherapy for Health: Autumn Moisturizing for the Lungs
12	Three-Way Parenting Solutions: Becoming Oxygen-Providing Parents

(ii). In 2023, Psychological Counseling and Guidance Seeking

Location	Company	External Location	Total
Consultation Services	8	1	9
Number of Workers Requiring Consultation	10	1	11

(iii). Types of Psychological Consultation Questions/Percentage

中文	English
家庭問題 11%	Family issues 11%
身心壓力 11%	Physical and mental stress 11%
職場適應 11%	Workplace adaptation 11%
人際關係 11%	Interpersonal relationships 11%
情緒困擾 22%	Emotional distress 22%
婚姻情感 34%	Marriage emotion 34%



(iv). Employee Assistance Program (EAP) Professional Consultation

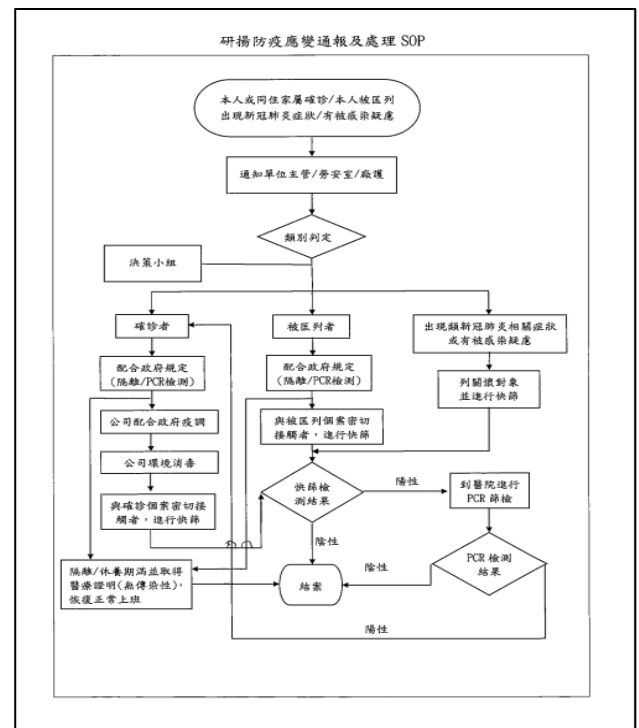
- Taoyuan Lifeline Employee Assistance Hotline: 0800-800-590 Free Consultation
- E-mail: eapcenter.service@gmail.com
- Psychological Counseling: Career planning, work stress, prevention of overwork, interpersonal interactions, communication in relationships and with children, emotional adjustment.
- Health Counseling: Smoking addiction and alcohol abuse, menopause, exercise and wellness, nutritional health, etc.
- Legal Counseling: Real estate or vehicle accident disputes, marriage rights, civil and criminal law interpretation, civil litigation.
- Management Counseling: Personnel management, organizational management, communication effectiveness, team leadership skills, etc.



(v). Epidemic Prevention Measures Response and Advocacy

In the area of occupational safety and health risk prevention, AAEON continues to align with government guidelines on infectious disease prevention. This involves implementing rolling management and responsive measures, regularly providing the latest epidemic prevention information and company management policies and reminding employees to strictly adhere to preventive measures.

- (1) Establish epidemic prevention response notification and handling management procedures.
- (2) Rolling management, continually adjusting epidemic prevention policies.
- (3) Continuously promote AAEON's epidemic prevention policies - reminders about the escalation of epidemic alert levels.
- (4) Promote adherence to and implementation of AAEON's epidemic prevention policies to safeguard the health and safety of all employees and external visitors.



(vi). Health Care

- (1) Planning for maternal protection, preventing overwork, human factors engineering, and preventing workplace illegal harm.
- (2) To address maternal needs, AAEON has established two dedicated breastfeeding rooms, providing female employees with private spaces for breastfeeding and rest.
- (3) Dedicated storage cabinets for female hygiene products have been installed in the women's restrooms for the convenience of female employees.
- (4) Two massage rooms have been established, staffed by one male and one female therapist who are visually impaired. They offer massage services four days a week to help employees relieve work-related fatigue and ease shoulder and neck pain.
- (5) AAEON continues to promote a smoke-free workplace policy. In 2021, it applied for and was recognized with an honorable mention in the Northern Region Health Workplace Promotion Center's Excellence in Health Workplace Evaluation.

(vii). Other Activities

(1) Organized art and cultural lectures (In 2023, 2 lectures were held, with 97 participating employees)

Periodically hold lunchtime arts and cultural lecture activities and provide boxed lunches, allowing employees face-to-face interaction opportunities with the speakers. These guides and encourages employees to use their leisure time to participate more in arts and cultural activities and informal art learning, achieving the targets of lifelong learning.

(2) Promote participation in arts and cultural activities (In 2023, 3,385 tickets were purchased, with a total investment exceeding NT\$1.61 million)

AAEON has long supported artistic and cultural groups and encourages employees to participate in various types of arts activities, including musicals, concerts, stage plays, dance performances, family-friendly shows, and exhibitions. In 2023, a total of 1,638 tickets were purchased for these events, with an expenditure of nearly NT\$920,000. Additionally, AAEON sponsored tickets and private events for a total of 1,747 attendees, with an expenditure of approximately NT\$700,000. Overall, AAEON's annual sponsorship of arts and cultural activities amounted to 3,385 tickets/attendees and a total expenditure exceeding NT\$1.61 million.

(3) Organized family education lectures (In 2023, 7 lectures were held, with 280 colleagues participating)

The lectures cover six major themes: emotional relationships and management, marital relationships, parent-child relationships, family resource management, emotional education, and intergenerational relationships. These engaging and diverse courses are offered during lunchtime, allowing employees to gain new family-related knowledge. AAEON aims to provide more comprehensive support, working together to promote family harmony among employees.

(4) Reading Promotion – AAEON Literature Hall (In 2023, a total of 594 books were purchased, with a total expenditure exceeding NT\$430,000)

In conjunction with the AAEON Literature Hall activities and through collaboration with the books.com.tw online bookstore, 14 new books are recommended each month and placed in the open shelf reading area for colleagues to freely browse and choose. Encourage colleagues to develop the habit of reading books. Artistic learning integrated into daily life helps achieve the goal of lifelong learning.



8. Remuneration Policies

Talent is the most valued asset at AAEON Technology. Through a competitive remuneration system, AAEON strives to recruit outstanding elites from various fields and attract employees to remain. The standards for determining remuneration are based on individual professional abilities, performance, and degree of contribution while also referencing market trends. There are no differences or unfair treatment based on race, gender, religion, skin color, politics, or marital status. In addition to providing all colleagues with a monthly salary, AAEON Technology distributes various bonuses after the regular economic performance settlement, based on the degree of company profitability and individual performance. An annual bonus is distributed before the Lunar New Year. In addition, AAEON Technology also implements an employee profit-sharing system, allocating surplus to employees to thank them for their hard work and dedication.

Full-time employees' annual salary includes a fixed monthly salary, fixed holiday bonuses (Dragon Boat Festival and Mid-Autumn Festival), and various bonuses (based on AAEON's profitability, individual employee performance, and achievement rate of organizational targets, including year-end bonus, profit-sharing bonus, quarterly bonus, business bonus, quality bonus, employee stock warrants, and the global top sales incentive program).

(1) The overall employee compensation level considers external competitiveness and internal equity as important factors, aiming to effectively attract and retain talent.

(2) Ratio of basic salary and remuneration of women to men

Basic Salary and Remuneration Ratio			2023	
Major Operational Sites	Employee Category	Item	Male	Female
Taiwan	Direct	Basic Salary (Note 1)	1	1.01
		Remuneration (Note 2)	1	1.03
	Indirect	Basic Salary	1	0.8
		Remuneration	1	0.76

Note1: Basic salary refers to the minimum fixed amount paid to employees for their duties, excluding any additional compensation such as overtime pay, bonuses, or various allowances. The average basic salary for each specific gender/employee category should be disclosed separately.

Note2: Remuneration refers to the basic salary plus additional payments made to workers, including seniority allowances, bonuses (cash and equity), benefits, overtime pay, compensatory leave, and any other subsidies (such as transportation, living expenses, and childcare allowances). The average remuneration for each specific gender/employee category should be disclosed separately.

(3) The performance management system links employee compensation to performance, providing development motivation and driving positive company growth.

(4) Remuneration is linked to the achievement of AAEON's targets, the position held, and overall job performance to motivate employees.

- (5) A Remuneration Committee is established to regularly report to the Board of Directors, effectively assessing the overall compensation for AAEON's directors and managers. The total remuneration paid to directors, the CEO, and deputy CEO in the recent two years as a percentage of the net profit after tax according to individual or separate financial reports (as shown in the table below). The remuneration of AAEON's directors, as stipulated in the Articles of Association, is determined by the Board of Directors based on the degree of the directors' participation in AAEON's operations and the value of their contributions, while also taking into consideration the standards of both domestic and international industries. The distribution of director remuneration, as stipulated in the Articles of Association, is based on the profit of the year (i.e., the pre-tax profit before deducting employee and director remuneration expenses). After subtracting accumulated losses, if there is a remaining balance, the allocated amount for director remuneration should not exceed 1%.

Unit: NT\$ thousand; %

Item/Year	2023		2022	
	AAEON Technology Inc.	Consolidated Financial Statements	AAEON Technology Inc.	Consolidated Financial Statements
The total remuneration paid to AAEON's directors, the CEO, and deputy CEO as a percentage of the net profit after tax	5.68%	6.82%	6.68%	7.26%

- (6) The average salary adjustment for regular employees in 2023 was 3% to 5%. Compared to the statutory minimum wage in 2022 (NT\$26,400), the average starting monthly salary for AAEON's university graduates last year was 30% to 50% higher.
- (7) The annual salary for full-time employees of AAEON not holding supervisory positions (total salary, stock options, profit-sharing, and bonuses)

Item	Unit	2023	2022	2021	2020
Average Annual Salary	NT\$	1,035,000	1,150,000	946,000	896,000
Median Annual Salary	NT\$	891,000	959,000	817,000	801,000

- (8) The 2023 individual financial report includes disclosures on employee benefits and salary expenses.
- The average employee benefit expenses in 2023 and 2022 were \$1,291 and \$1,396, respectively.
 - The average employee salary expenses in 2023 and 2022 were \$1,152 and \$1,258, respectively.
 - The adjustment change in average employee salary expenses was -8.43%.

(9) Defined benefit plan obligations and other retirement plans

Explanation of AAEON's Retirement System: AAEON's retirement system follows the regulations of the Labor Standards Act and the Labor Pension Act. For each employee, AAEON allocates 6% of their salary to the pension fund. In addition to AAEON's fixed contribution, employees have the option to voluntarily contribute between 1% and 6% of their salary to their personal pension accounts, depending on their preference.

In summary, AAEON Technology complies with relevant legal regulations. Provide each employee with labor insurance, national health insurance, and labor pension contributions. At the same time, a comprehensive group insurance plan is arranged for each employee, including life insurance, accident insurance, medical insurance, cancer insurance, etc., allowing them to focus on work without worrying about life, enabling AAEON and employees to jointly achieve operational targets.

(10) Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage

Employee Category	Gender	Ratio of Standard Salaries Compared to Local Minimum Wage
Entry-Level Employees at Major Operational Sites (Taiwan)	Male	1.12
	Female	1.13
Significant Percentage of Workers	Male	2.93
	Female	2.34

Note1: The definition of entry-level employees is based on AAEON's internal human resource system, including roles such as direct employees, production line workers, technicians, and operators; entry-level employees are limited to full-time positions and do not include interns or temporary staff.

Note2: The standard wage is the monthly salary provided to regular entry-level employees (as defined by the Labor Standards Act's regular wages).

9. Talent Development and Career Growth

(1) Training Development Policies and System

Talent is the most important asset at AAEON Technology, and education and training are essential tools to ensure that human capital continues to increase in value. AAEON Technology provides a diverse range of learning opportunities to promote internal knowledge flow within the organization to improve the efficiency of employees' knowledge acquisition.

i. Training Policies



Follow AAEON's strategy and Targets.
Construct a Comprehensive Training



Benchmark Learning
Continuously Improving AAEON's Training System



Encourage Employees to Pursue Lifelong Learning
Create a Learning Organization

ii. Training Blueprint



iii. Training System

Complete training system Type - by type, management functions, common general knowledge, company culture

- **"Onboarding Training - Orientation Training for Newcomers"**

AAEON provides comprehensive onboarding training for new employees to help them quickly integrate into the AAEON family, apply their strengths, and lay the foundation for future learning and growth. This includes - New Employee Learning Courses (Online): Company organization introduction, corporate culture, business philosophy, human resource policies, code of conduct, ethical guidelines, and company products introduction. On the first day of onboarding, new employees receive an orientation covering the work environment, work processes, relevant systems and benefits, as well as professional competency training. During the probationary period, new employees receive three months of functional training and evaluation.

- **"Management Course Study"**

AAEON Technology focuses on developing the management skills required for entry-level, mid-level, and senior executives.

- **"Professional Course Study"**

Based on different professional skill enhancement needs, AAEON Technology conducts comprehensive job skills training and continually improves colleagues' professional abilities through internal training, external training, and job rotation, encouraging colleagues to participate in various external professional courses.

- **"General Education Course Studies"**

Provide general courses on ISO quality awareness, environmental protection, safety and hygiene, ethical behavior guidelines, and electrostatic protection, ensuring all colleagues have a foundational understanding of product quality, corporate governance, and environmental protection. These courses are routinely updated with business and regulatory adjustments and followed by timely retraining. Additionally, to build and enhance employees' emergency response capabilities for disasters through continuous training and drills, employees are assigned to various emergency response teams. Regular team training sessions are organized to ensure that employees remain composed during disasters and avoid accidental injuries.

- **"Self-growth Learning Workshop"**

Through periodic self-growth seminars, book clubs, and activities organized by the AAEON Foundation, such as the "AAEON Literature Hall" and "Good Books on a Journey," employees are encouraged to broaden their horizons and expand their thinking through reading and sharing.

(2) Talent Development

i. Individual Development Plan (IDP)

Conduct planning and development on an annual basis. With the assistance of supervisors, roles and positions within the organization are regularly reviewed and evaluated. These are integrated based on the current capabilities, potential abilities and characteristics, and personal intentions of employees, aligning with the needs of the organization to plan suitable training and development paths and career development plans for employees. Description of the operational method is as follows:

- Annual performance evaluations are conducted, during which supervisors assist subordinates in formulating their development plans. They listen to the subordinates' self-development expectations, and after focused discussions between both parties, a consensus on training and development is reached.
- Subordinates, due to insufficient or immature thinking and contemplation, may be unable to clearly identify or plan their career development directions. With the guidance and assistance of supervisors, they can produce an annual personal development plan. Supervisors assist subordinates in planning and setting growth plans at different stages: short, medium, and long-term.
- The short-term training plan begins with the Year Targets. The annual targets jointly set by supervisors and subordinates involve assessing current capability gaps and determining the training items needed to enhance skills, thereby achieving the set targets.
- The Human Resource Department collects and compiles the information provided by the supervisors of each unit, consolidating it into the annual training needs. Based on individual medium to long-term development plans, employee development courses are planned.

ii. Internal Transfer or Rotation Policy

- Reason:

- 1) Organizational Changes/Demands
- 2) Employees' Competence and Suitability
- 3) Employees' Personal Career Planning

- Type:

- 1) Non-Scheduled Rotations

Due to the immediate needs of projects/tasks or a manpower shortage in a certain department, internal manpower is temporarily allocated to meet short-term demand.

- 2) Scheduled Rotations

2-1 Personnel rotations are arranged based on the expansion of new business areas.

2-2 Based on the characteristics of the product line and the region, AAEON reviews and readjusts annually. The personnel responsible for the project are transferred to new units following the adjustments of the production line.

2-3 In a unit's organization, division-level supervisors plan the transfer and adjustment of personnel within the organization according to changes such as additions or eliminations in personnel organizational development.

2-4 While conducting the annual promotion activities, job rotations are arranged to assist in employee development.

2-5 For project needs in new business areas or new product development, personnel rotations are conducted.

iii. Overseas Assignment Mechanism

- Development of the overseas assignment mechanism:
 - 1) In response to business needs, employees with relevant skills who are willing to accept assignments abroad are selected for overseas work.
 - 2) Utilize expatriate opportunities to develop outstanding employees' international management experience.
 - 3) Overseas work experience helps employees quickly gain work experience and enhance their management skills.
- Expatriate Process Management:
 - 1) Coordinate and communicate with representatives stationed at overseas offices for execution of tasks.
 - 2) Confirm the expatriate employment terms (job title, remuneration, benefits, work location, etc.) with the senior executives assigned overseas.
 - 3) Communicate with expatriate employees to confirm employment terms and content, including salary and benefits.
 - 4) Initiate the expatriate reporting process and notify the headquarters and the liaison at the stationed location.
- 5) Duration of Assignment:
 - Short-term: Three to twelve months.
 - Long-term: One to three years.
 - Permanent: After completing short-term training at the parent company, the employee is transferred to the appointed location as a new employee.
- Salary and Benefits for Expatriate Staff
 - 1) According to the items in the employment contract, relevant salaries and allowances are paid.
 - 2) Determine salary and benefits based on the length of the assignment, task positioning, and the individual employee's family situation.
 - 3) Consideration items: expatriation allowance, medical insurance, housing allowance, cost of living allowance, and assistance for new employees to integrate into the new environmental setting.
- Regularly gather feedback from expatriates and offer improvement plans, showing understanding and concern for whether their expatriate experiences are smooth, demonstrating AAEON's commitment to taking care of overseas personnel.

iv. Elite Talent Development and Growth (Talent program)

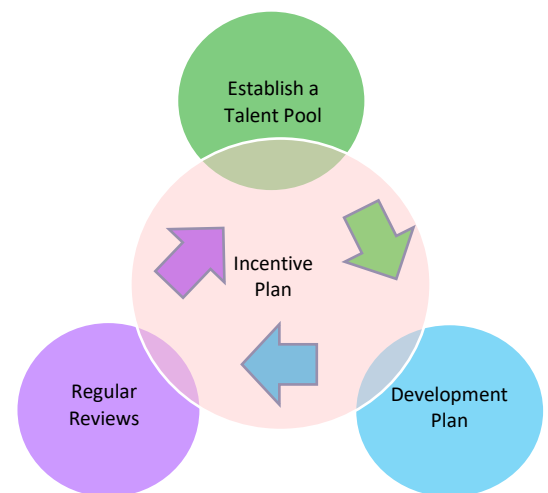
To cultivate potential elite talent within the organization and ensure the continuity of management levels, AAEON Technology designs a training program for elite talent through a systematic process. This involves examining the current and future core competencies required as a direction for training and development.

In order to promote the sharing and inheritance of knowledge internally, AAEON Technology actively cultivates internal instructors. AAEON establishes explicit knowledge in standardized internal guidelines and also preserves tacit knowledge on the corporate shared website. Through the sharing and teaching by internal instructors, employees gradually develop a habit and enthusiasm for sharing, making the training results more sustainable.

Plan a talent program in conjunction with Individual Development Plans (IDP), where divisional supervisors, based on employees' roles and positions within the organization, conduct regular reviews and assessments. By analyzing and integrating employees' current abilities, potential capabilities and traits, and personal preferences, and in collaboration with the Human Resource Department, the most suitable training and development pathways and career development plans are planned in alignment with organizational needs. Training and developing a reserve of professional and managerial talent for AAEON.

● Talent Assessment Methods and Steps

- 1) The list of talents is submitted by division/department supervisors.
- 2) Fill in the talent nine-grid by the department supervisor, conduct talent inventory, collect data, consolidate analysis, and review the item:
Current status of talent / Plan for next stage / Whether ready / Management competency gap
- 3) Identify High Performance/High Potential Talent (Ready / Not Ready)
- 4) Formulate competency management training courses
- 5) Regularly (annually) review/update list
 - Establish a talent pool database and regularly update the list.
 - Conduct talent competency training courses



(3) Assessment of Training Effectiveness

AAEON Technology utilizes a variety of evaluation tools and objective criteria to assess the effectiveness of training and establishes a feedback mechanism as the basis for decision-making. The application of evaluation tools is as follows:

Level 1_Reaction Level: Understand the learners' satisfaction with the training course through questionnaires.

Level 2_Learning Level: Measure training effectiveness through methods such as written tests, oral exams, practical exercises, certification acquisition, interviews, and experience sharing. After training, examine whether learning targets are achieved through changes in learners' knowledge, skills, and attitudes.

Level 3_Behavior Level: This level of evaluation is conducted within 3 to 6 months after the training ends. The evaluation method involves observation or interviews carried out by the trainees' supervisors to understand whether the expected targets of the training are achieved through the colleagues' behavioral performance.

(4) Resources Invested in Training / Training Performance

Through regular performance management evaluations, understand the educational and training skills at AAEON Technology that employees need to develop, serving as the basis for training and development. Incorporating traditional classroom lectures, hands-on exercises, online learning, and blended learning models. In 2023, the total number of internal training attendances was 6,566, with total training hours amounting to 12,040. Each full-time employee received an average of 23.07 hours of training.

(5) Type of Training and Average Hours

<Table 1>

Item/Year		2023	2022	2021
Average Training Hours per Employee		23.07	21.72	18.89
Gender	Male	25.28	25.78	22.43
	Female	20.10	16.41	13.94
Type	Direct	24.59	25.03	23.34
	Indirect	22.11	19.97	16.79

<Table 2>

Item	Unit	2023	2022	2021	2020
Total Number of Regular Employees	People	522	512	482	483
Total Expenses for Employee Training	NT\$	3,868,921	2,293,223	2,140,000	2,310,000
Total Training Hours	Hours	12,040	11,337	9,527	8,682
Total Number of Training Participants	People	6,566	6,365	5,282	3,798
Operating Revenue (Consolidated)	NT\$ thousand	8,073,203	8,352,076	6,347,704	5,898,185
Total Expenses for Employee Training as a Percentage of Operating Revenue	%	0.05	0.03	0.03	0.04
Average Expenses for Employee Training	NT\$	7,412	4,479	4,440	4,783
Average Training Hours per Employee	Hours	23.07	21.72	18.89	17.98

(6) Regular Performance Review

Employees Reviewed in 2023		Number of Employees Reviewed	Total Number of Employees	Percentage
Gender	Male	303	303	100%
	Female	225	225	100%
Employee Category	Direct	148	148	100%
	Indirect	380	380	100%

Note: A probationary evaluation is conducted for new employees three months after onboarding.

(7) Retirement and Termination of Employment Relationship, Employment Promotion Measures

Employees who retire terminate their employment relationship. If there is a continued professional need for the role and the position is vacant, the unit supervisor may follow the recruitment and hiring process to employ retired employees on a fixed-term contract basis.

10. Company Activities

(1) Family Day

Every year, AAEON hosts a Family Day, inviting employees and their families to participate and enjoy the event together. In addition to appreciating employees, it allows their families to understand AAEON's philosophy and care for employees, enhances the opportunity for family interaction during holidays, and expresses AAEON's gratitude to all employees and their families.

In 2023, the number of employees and their families who participated in AAEON's Family Day set a new high. A total of 728 people participated. There were 261 employees and 467 family members. At the well-known indoor amusement park - Miaoli Shangshun Entertainment World, not only were all the facilities completely free of charge, AAEON also prepared a variety of abundant gifts, allowing employees and their families to not only have fun but also return home with gifts, enjoying a wonderful day!



(2) Year-End Party

At the beginning of each year, AAEON hosts a year-end party for company employees, suppliers, and key customers throughout the event. The primary purpose is to thank employees for their hard work and dedication over the past year. At the same time, it is also an opportunity to express gratitude to upstream and downstream suppliers and customers for their support and assistance to AAEON. In the coming year, AAEON will continue to make its utmost efforts and commitment to reward employees for their dedication, hard work, and contributions. This is to express gratitude for their efforts! In 2022, AAEON's year-end party was attended by 521 employees and 48 guests; in 2023, the event had 561 employees and 62 guests. AAEON's operational scale continues to grow, with suppliers and important guests taking the time to attend and join AAEON employees in celebrating the fruitful achievements of the past year's hard work!



(3) Special Benefit: Employee Benefits Points

Each year, employees receive 10,000 points in welfare benefits: 8,000 points for activities and 2,000 points for cultural and artistic events. (1 point = 1 dollar), the usage of benefit points is described as follows:

- Voucher purchases (once every 6 months): May use up to 3,000 points in total (announced by the Welfare Committee and adjusted based on actual execution).
- Magazine Subscription/Literature Hall Monthly Book Purchase (once every 6 months) may use up to 4,000 points in total (5,000 points for employees in the Taichung Office).
- Arts and cultural appreciation: Points limit is 2,000 points.
- Club membership fees: Can be paid with benefit points, with a limit of 1,500 points per quarter, and 6,000 points per person per year for club activities.
- Inter-departmental dining/travel points: Inter-departmental dining limit of 1,000 points; mutual willingness activities domestic travel: one-day tour limit of 1,000 points, two-day tour limit of 2,000 points.
- Overseas travel: Limit of 6,000 points per person.

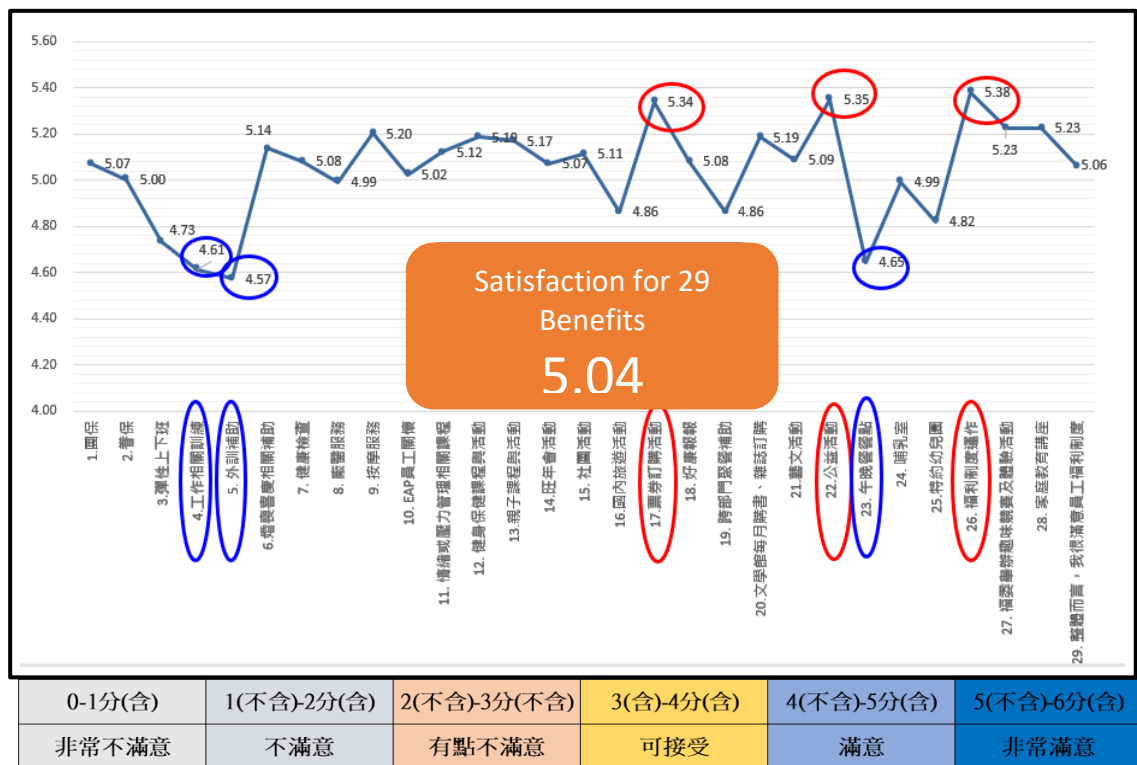
(4) Achievements of Activities organized by the Welfare Committee

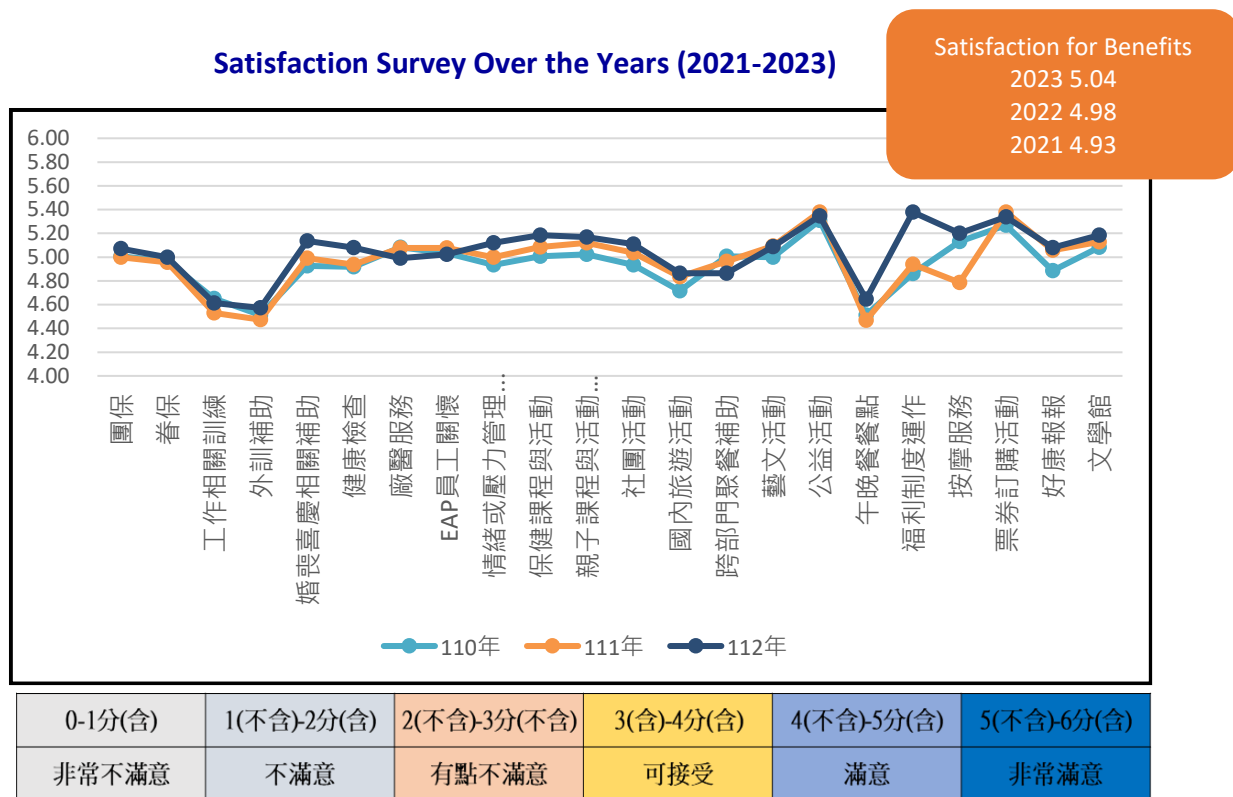
In 2023, the Welfare Committee, upholding the highest principle of seeking benefits for employees, organized a variety of activities, including fun competitions, sports contests, New Year's markets, Spring Festival couplet calligraphy, Turkish lamp mosaic DIY, holiday gift boxes, and 1- and 2-day domestic tours. From the beginning to the end of the year, these activities brought employees joy and numerous benefits. The Welfare Committee cares for employees' health and well-being across all dimensions—physical, mental, and emotional.



11. Employee Satisfaction Survey

Employee Benefits Satisfaction in 2023





(II) Customers

1. Customer Partnership

The main customers of AAEON Technology are system integrators, value-added resellers, direct sellers, and retailers long dedicated to industrial computer products. We view our clients' competitiveness as a reflection of our own. By helping them solve problems and enhance service value, we aim for mutual success and establish long-term, stable partnerships, thereby enhancing our competitive advantage.

2. Marketing Promotion and Customer Communication

AAEON Technology quickly understands product demands and services in different regions, introducing new products and technologies to distributors through various channels. Through hosting retailer conventions, regular communication, enhancing online marketing, participating in physical exhibitions, and attending international trade shows, we maintain close communication with customers, meet customer needs, create market opportunities, and enhance competitiveness.

(1) Prompt Service

Strengthen AAEON's internal and external e-systems to provide customers with comprehensive product information and prompt services.

(2) Regular Communication

Regularly release new product announcements so that customers can grasp the latest product information from AAEON Technology promptly.

(3) Online Marketing

Enhance AAEON's official website ranking on major portal search engines through Search Engine Optimization (SEO), and implement new marketing techniques such as keyword advertising and remarketing to increase opportunities for AAEON to engage with existing and potential customers.

(4) In-Person Events

Regularly participate in major industrial computer-related vertical application exhibitions, staying close to customers and listening to customer needs.

(5) Attending International Trade Shows

Regularly hold international distributor meetings, engaging in face-to-face communication with distributors from around the world.

3. Customer Service

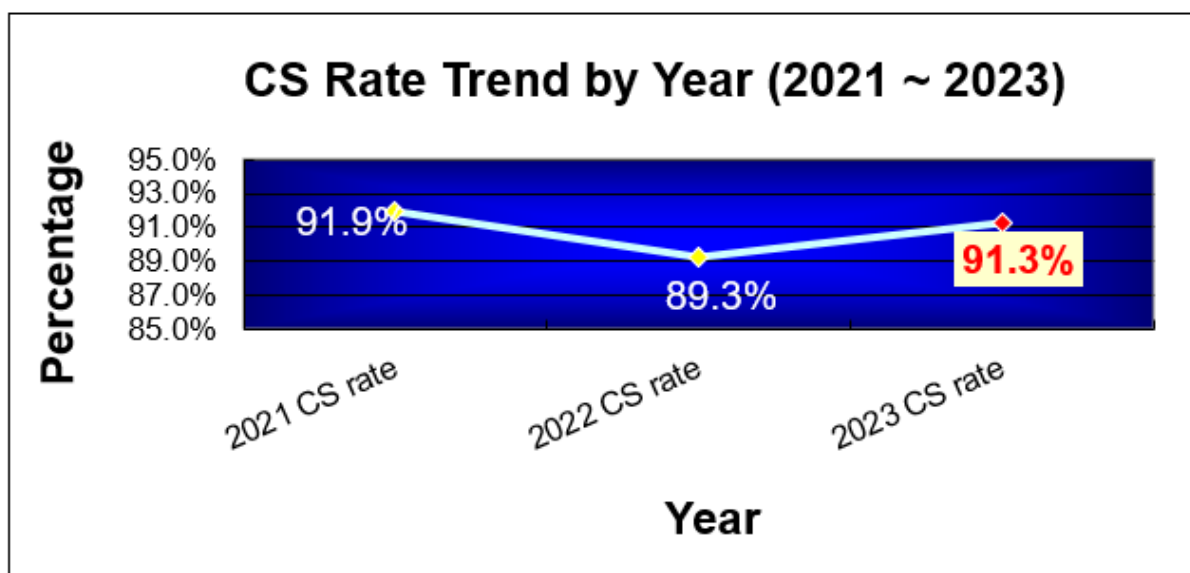
AAEON Technology shares internal data through the website, allowing customers to understand product progress and status, to quickly respond to their service needs. Simultaneously, in the aspect of return repairs, when AAEON receives repair requests, front-line customer service personnel and repair staff proactively understand customer needs and prepare the necessary repair supplies in advance, enhancing repair efficiency, and promptly returning the product to the customer. AAEON also provides an online maintenance information system to ensure transparency in the maintenance process to satisfy customer demand.

4. Customer Satisfaction

AAEON Technology regularly visits clients, holds distributor seminars, and participates in regional exhibitions to gather feedback on AAEON products. Additionally, an annual customer satisfaction survey is conducted to understand clients' responses in areas such as marketing operations, product management and design, logistics management, technical services, and repair services. Customers are also invited to provide suggestions to ensure their needs are understood and properly addressed. Through this survey, AAEON continuously improves its operational processes and adjusts its annual strategies to address customer pain points, aiming to enhance customer experience, strengthen trust, and increase customer value.

At the same time, the annual customer satisfaction survey serves as a basis for AAEON to assess whether its improvements effectively address customer needs. Through the continuous cycle of identifying issues, refining processes, and evaluating improvement effectiveness, AAEON gains deeper insights into customer requirements, provides appropriate and comprehensive services, develops the most marketable products, and creates a win-win situation for both AAEON and its customers.

In 2023, AAEON's customer satisfaction survey distributed a total of 656 surveys via email and system. Of these, 179 customer responses were received, achieving a response rate of 27.29%. Customer satisfaction was 91.3, which represents an increase of 2% compared to 2022.



VI. Supply Chain Management

(I) Sustainable Supply Chain - Procurement Management

As a major manufacturer in the industrial Internet of Things, AAEON has established a sustainable supply chain ecosystem for IoT guided by the business philosophy of achieving international sustainability procurement standards via sustainable corporate development. This involves fostering stable and friendly relationships with supply chain partners, ensuring quality and cost efficiency, and collectively fulfilling corporate social responsibilities. In addition to being committed to ISO 9001, ISO 13485 quality management systems and ISO 14001 environmental management systems, AAEON also requires suppliers, partners, and subcontractors to adhere to business conduct standards in areas such as human rights and labor protection, environmental protection, and business ethics. Compliance with relevant government environmental regulations is promoted, along with advocating for energy conservation and reduced resource waste. By upholding the spirit of continuous improvement, AAEON collaboratively builds a sustainable supply chain aimed at achieving environmental protection. Regularly check if suppliers have significant violations of related regulations. Global trends are gradually placing more emphasis on issues such as GHG emissions, water resources, and waste, and future plans include integrating these important topics into supply chain management.

(II) Increase the Localized Procurement Percentage

Suppliers are AAEON's partners in business coexistence and prosperity. AAEON prioritizes collaborating with local suppliers to reduce carbon emissions produced during manufacturing and transportation processes, gradually forming a green supply chain through communication, guidance, and collaboration. AAEON's target is to cooperate with local suppliers above 90%, and gradually increase the localized procurement percentage annually.

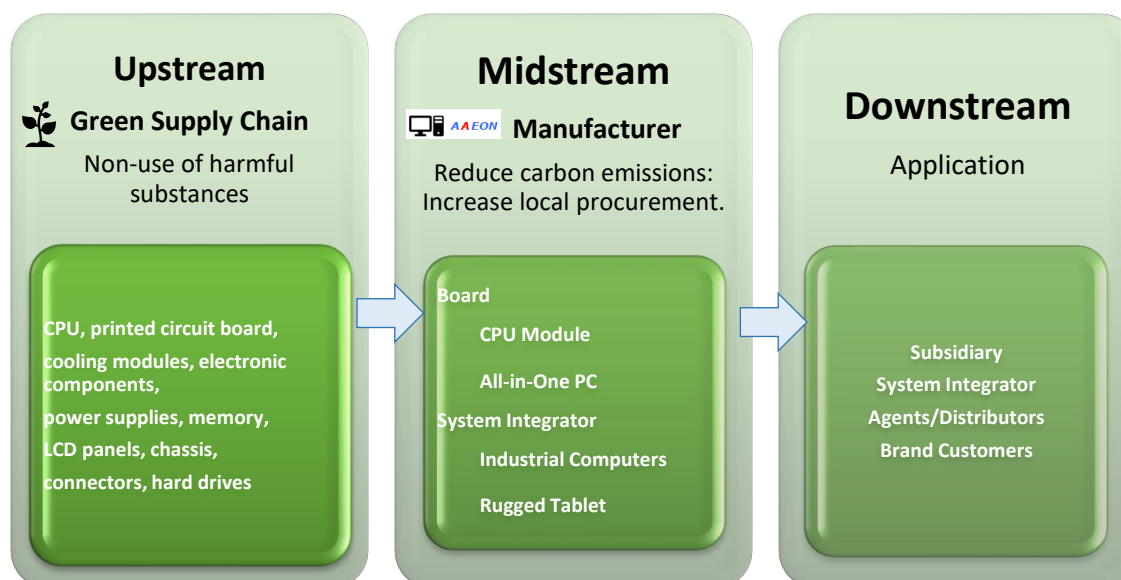
Percentage of Local Procurement Expenditure (%)	2023	2022
	91%	90.08%

(III) Green Supply Chain

AAEON understands the necessity to take precautionary measures against substances and materials currently used that are known, possible, or suspected to have an impact on people and the environment. We are committed to taking preventive measures in advance in the selection and use of substances and materials. To minimize the negative impact of the production environment and achieve the goals of resource conservation, improved energy efficiency, and reduced carbon emissions in the green supply chain, while ensuring product quality and sustainability, AAEON provides suppliers with the latest international environmental regulations to follow as legal guidelines. Together with its suppliers, AAEON is working towards net-zero carbon emissions, fostering a sustainable and mutually beneficial cycle.

Material suppliers are required to comply with AAEON Technology's raw material approval standards by providing test reports from third-party certified laboratories or certificates proving the non-use of hazardous regulated substances. Relevant controls are incorporated into the procurement process to ensure that purchased parts meet specification requirements. Through the green procurement platform, AAEON provides partner suppliers with the necessary documentation workflows for part approval, including RoHS, REACH, and others.

Supply Chain Sustainability Management	
Policies or Commitments	Key suppliers should follow the "Quality and Environmental Management System and Code of Conduct" to be aware of the standards that must be adhered to.
	Set short to medium-term targets and formulate specific approaches to effectively promote and implement them.
	Require major suppliers to regard the "Quality and Environmental Management System and Code of Conduct" policy as the highest target, complying with and enhancing labor human rights, safety and health, environmental protection, business ethics, and management system performance.
	Encourage suppliers to follow ESG social and environmental standards, complying with conduct standards in labor, environmental protection, and business ethics.
Short-Term Targets	100% of key raw materials sourced from non-conflict mineral areas.
	100% of key raw materials comply with RoHS/REACH international restrictions requirements.
Medium to Long-Term Targets	Screen new key raw material suppliers via ESG environmental and social standards.
	Screen existing key raw material suppliers via ESG environmental and social standards.
Resources Invested for The Year Specific Outcomes	Monthly manpower input: 2 people
	48 key raw material suppliers: 100% of key raw materials are not sourced from conflict mineral areas.
	48 key raw material suppliers: 100% of key raw materials comply with RoHS/REACH international restrictions requirements.
Responsible Departments	Procurement Department



1. Selection of New Suppliers

Assess potential suppliers to determine their capability, reliability, and suitability. This includes the assessment of suppliers' financial stability, production capacity, quality control systems, and delivery capability. Based on the assessment results, select suitable suppliers to meet AAEON's needs.

(1) Key Material Suppliers and General Material Suppliers

Primary Materials	General Materials
CPU, Chipset, PCB, Memory, HDD LCD, Touch Screen, Power Supply Molded components that require tooling Large plastic housings that require tooling	General electronic components, connectors, cables, fans, screws, packaging materials, etc.

(2) Searching and Reviewing New Suppliers

Purchasing identifies key suppliers and general suppliers capable of providing materials based on production or company operational needs, or suppliers may reach out proactively.

After procurement and quality assurance personnel jointly review the basic information form filled out by the supplier, the evaluation method is determined based on the importance of the material.

(3) Supplier Assessment Criteria

- Environmental Management Survey
- ISO 14001 or signing a declaration of compliance for components and packaging materials with RoHS (Restriction of Hazardous Substances), or signing a declaration of compliance for components and packaging materials with the REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) mechanism.
- Social Responsibility Survey
- The supplier self-assessment form includes items such as safety and health, business ethics guidelines (e.g., no bribery, no accepting bribes, data confidentiality, etc.), and related corporate social responsibility activities and measures.
- Number of Qualified Suppliers in 2023

Item	Qualified Suppliers	Number of Suppliers Completed	Achievement Rate
Environmental Management	678	669	99%
Social Responsibility Management	678	669	99%

2. Supplier Conflict Minerals

Suppliers are required to ensure that the parts provided to AAEON comply with international human rights management regulations. For the supplied parts, a commitment must be signed to adhere to the CMRT (Conflict Minerals Reporting Template), confirming that tin, tantalum, tungsten, and gold are not sourced from the Democratic Republic of the Congo and surrounding countries, including the Congo, Uganda, Sudan, Tanzania, Rwanda, Angola, Zambia, and Burundi.

In 2023, a total of 48 key suppliers completed the signing of CMRT (Conflict Minerals Reporting Template).

3. Supplier Audit Performance

- (1) To ensure the stability of delivery quality from suppliers, the quality control department compiles and analyzes supplier lists and delivery performance at the end of each year. After discussions with the Purchasing Division, an audit schedule for suppliers is established.
- (2) For qualified suppliers based on transaction performance, the quality control unit takes the lead to conduct evaluations every six months, and the evaluation results are recorded in the "Supplier Annual Evaluation Statistics Table."

Audit Items	Percentage
Incoming Material Quality	15%
Process Quality	15%
Customer-Side Quality	20%
Service Evaluation	20%
Delivery Schedule Evaluation (On-time Delivery Rate)	10%
Cost Evaluation	10%
Environmental and Quality Evaluation	10%

(3) Feedback on Supplier Performance Data

The Purchasing Division provides feedback on the results of the annual supplier evaluations to suppliers that fall below grade B from the previous year. Additionally, continuous feedback on quality improvement data is provided to important raw material suppliers, such as those for PCBs and METEL.

The quality control unit conducts a semi-annual assessment based on the "Data Analysis Application Control Procedure (QQ2-025)" to serve as the basis for supplier monitoring and re-evaluation.

(4) 2023 Quality Performance Evaluation

Item	Number of Suppliers Evaluated	Excellent Suppliers	Suppliers Needing Improvement	Notes
First Half Year	258	251	7	3 suppliers discontinued after evaluation
Second Half Year	278	272	6	2 suppliers discontinued after evaluation
Evaluation Results		Increased procurement ratio to maintain qualified suppliers	Meetings held for guidance and assessment	

4. Explanation of Raw Material Supply from Key Suppliers

(1) Supply Status of Key Raw Materials

The raw materials used in production are mainly categorized into electronic materials, structural materials, and packaging materials. Apart from some IC semiconductors and LCDs sourced from abroad, most electronic materials are procured domestically. Most structural and packaging materials are self-designed and molded, with procurement primarily from domestic suppliers, ensuring a normal and reasonable supply status. The supply status of key raw materials is summarized as follows.

Key Raw Materials	Supply Status
IC, CPU	Good
Operating System	Good
DRAM	Good

(2) Supplier Names and Their Purchase Amounts and Ratios for the Last Two Years

Suppliers Accounted for More than 10% of Total Purchases in Any Given Year.

Unit: NT\$ Thousand

Item	2022				2023			
	Name	Amount	Percentage of Total Annual Net Purchase Amount (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Annual Net Purchase Amount (%)	Relationship with the Issuer
1	A	1,284,764	22.40	Parent Company	A	661,080	15.91	Parent Company
2	B	1,063,826	18.54	None	B	428,370	10.31	None
3	Others	3,389,324	59.06	-	Others	3,066,257	73.78	-
4	Net Purchase Amount	5,737,914	100.00	-	Net Purchase Amount	4,155,707	100.00	-

Note: There were no significant changes in key suppliers in 2023 and 2022.

VII. Environmental Sustainability

- ✧ GHG Inventory - Establish SBTi Group-wide (Global) Reduction Goals - Short- and Medium-Term Targets:
 - Advanced Deployment: Complete the inventory by 2024 and obtain the GHG Protocol Verification Certificate for 2021-2023.
 - 2030: Group-wide reduces Scope 1 and Scope 2 carbon emissions by 50% from the 2021 baseline.
 - By 2030: Group-wide reduces Scope 3 carbon emissions from the procurement of goods and services and the use of sold products by 30% from the 2021 baseline.
- ✧ Net Zero Policy: Self-declared public commitment in 2023, with a baseline year of 2021 and a target year of 2050.

(I) Environmental Protection Policy

AAEON Technology is dedicated to the R&D, production, and sales of single-board computer technology products for life automation. With the mindset of being a global citizen and the aim of Beautiful Life, AAEON expects to make the greatest effort in improving the environment. In addition to adhering to relevant environmental laws and regulations, AAEON promotes and advocates for environmental improvement activities based on the principles of continuous improvement and pollution prevention, from the inside out. AAEON Technology's environmental declaration is "Customer Satisfaction, Environment First." In its design and production activities, AAEON commits to implementing the 3Rs (Reduce, Reuse, Recycle) to minimize and prevent pollution wherever possible.

AAEON Technology Environmental Philosophy:

- A People-Centric Heart: Promote activities that care for and improve the planet.
- A Heart of Integrity and Sincerity: Implement environmental regulations and management with purpose.
- A Heart of Excellence and Innovation: Provide technology that meets environmental and quality standards.
- A Global Perspective: Fulfill social responsibilities in environmental protection and public welfare.
- A Commitment to Sustainability: Pledge to environmental improvement with ongoing determination.

(II) Green Production

1. Green Energy Product Development Policy

In the new product development process, environmentally friendly and non-toxic raw materials are used in product design to ensure compliance with ISO 9001, ISO 13485, ISO 14001, 3C China Compulsory Certification, CE, and FCC standards. Plans are in place to implement the GHG Protocol, with a cross-functional team composed of product development, product planning, engineering center, design verification and testing, procurement, and marketing personnel working collaboratively.

Green design is promoted during the product design phase, requiring that the raw materials used comply with environmental principles. The potential environmental impacts of the product are considered from the initial design stage, as environmentally friendly design can reduce the possible future impacts of the product on the environment. Emphasis is also placed on green and energy-saving design, ensuring that product functionality is maintained under fanless and low-power conditions, without compromising high performance.

On the other hand, AAEON Technology incorporates considerations for WEEE (2012/19/EU Waste Electrical and Electronic Equipment) disposal at the end of the product's lifecycle into the design and production processes. To enhance recycling efficiency and reduce the environmental pollution caused by discarded electronic products, AAEON Technology has established product disassembly diagrams in accordance with the EU Waste Electrical and Electronic Equipment (WEEE) requirements. These diagrams include information on components that should be removed and separately processed, as well as procedures for disassembling the product. This information serves as an important reference for recycling and processing companies in the disassembly of products.

2. Green Product Design

(1) Requirements for Product and Service Information and Labeling

Year	Number of New Products	CE	FCC	Recycling Label (WEEE)
2023	47	100%	100%	100%

Note: The number of new products for the Year completed by AAEON refers to the number developed, with the number of products with CE/FCC certification and Recycling Label WEEE indicating those that have passed certification.

(2) Principles

- Incorporate power management features and low energy consumption in energy-saving product design.
- Through the selection of raw materials, avoid or reduce the use of harmful substances.
- In design, prioritize the use of materials that are easy to reuse, recycle, and disassemble.

(3) Measures

- The new product development phase includes verification of green and energy-saving design as well as environmentally friendly packaging design.
- The approval process for new raw materials in source management complies with 100% of regulations related to harmful substances and customer specifications.

3. Management Performance

(1) Management Goals

- Develop and design green products with low power consumption, accounting for over 60% of new products.
- Achieved 100% compliance with RoHS in research and design.

(2) R&D Expenses: NT\$624.36 million

(3) Management Results

- Green products with low power consumption account for 83% of new product designs.
- Achieved 100% compliance with RoHS in research and design.
- The statistics for 2023 show the achievement ratios for low power consumption and RoHS compliance in new green products, as detailed in the table below.

Green Design	2022	2023
Low Power Consumption Quantity	37	50
RoHS Compliance	53	60
New Product Completion	53	60
Low Power Consumption Ratio (%)	70	83
RoHS Compliance Ratio (%)	100	100

(4) Statistics of Recyclable Materials

Year	Procurement Material Weight (tons)	Recyclable Materials			Recyclable Materials Ratio	Non-recyclable Materials Ratio
		Item/Weight (tons)		Total Weight		
2023	420.075	Structure	Enclosure-Plastics	16.280	72.213	17%
		Packaging Materials	Packaging Boxes (Outer Boxes or Color Boxes), Manuals	53.708		
		Production Materials	Lead-Free Solder Bar, Lead-Free Solder Paste, etc.	2.225		

Explanation: AAEON Technology's business and transaction model is B2B, meaning it does not produce consumer products nor sell directly to end customers. As a result, it cannot recycle materials and products, making it impossible to calculate the percentage of recycled and reused materials, as well as the percentage of recycled products and their packaging materials.

(5) In 2023, AAEON Did Not Experience the Following Incidents

- Violations of health and safety regulations related to products and services.
- Incidents of non-compliance with information and labeling regulations for products and services.
- Incidents of non-compliance with marketing communication regulations.
- Complaints related to confirmed violations of customer privacy or loss of customer data.

4. Eco-friendly Packaging Design

In product packaging, AAEON aims to achieve resource conservation and reuse, starting from the consideration of "resource conservation" to the recycling process of used products. By adopting a green packaging design strategy rooted in "environmental protection," we comprehensively integrate considerations, from packaging materials, production methods, and design and operation, to the handling of packaging waste, minimizing the negative environmental impact.

In establishing internal packaging design guidelines, emphasis is placed not only on the basic labeling functions and protective specifications of the product, but also on environmental and recycled resource considerations. This includes packaging material specifications, requirements for packaging materials and even printing ink, the use of recycled materials, and recycling symbols for packaging materials. Material requirements are executed by suppliers through the Procurement Division. For recycling symbols, all packaging materials have fully adopted international recycling symbols to raise customer awareness of environmental protection.

5. Green Processes

In the product manufacturing process, environmentally friendly and non-toxic raw materials are used, and products are made compliant with ISO 9001, ISO 13485, ISO 14001, 3C China Compulsory Certification, CE, and FCC standards. Plans are underway to implement compliance with the GHG Protocol. The team consists of cross-functional personnel from the engineering center, design verification and testing laboratory, production engineering and process inspection, procurement, marketing, and customer service.

(III) Environmental Management

1. Obtaining Environmental-related Management Marks/Certifications (International Environmental/Quality Management Systems)

AAEON Technology has consistently pursued excellence and stability in quality, obtaining ISO 9001 Quality Management System and ISO 14001 Environmental Management System certifications. In its commitment to the medical industry, it has also achieved ISO 13485 certification for quality management systems in the medical field, truly embodying the requirement to regulate product quality from the customer's perspective. In 2021, AAEON obtained ISO 14067 certification for the carbon footprint of a single product, reinforcing its quality policy of "Customer Satisfaction, Quality First." This commitment extends to implementing "Total Quality Management" across all operational phases, continually seeking opportunities for improvement to achieve sustained customer satisfaction and recognition.

- ISO 14067: 2018
- ISO 13485: QMS Standards, 2016
- ISO 9001: QMS Standards, 2015
- ISO 14001: EMS Standards, 2015
- 3C: China Compulsory Certification
- CE and FCC: All AAEON products undergo and meet CE and FCC test standards which prove their design quality and integrity



ISO 14001 Certification



ISO 9001 Certification



ISO 13485 Certification



ISO 14067 Certification

2. Management of Restricted Hazardous Substances

In response to the trends and market demands for green product design in the international community, AAEON Technology is actively managing the project implementation of green materials and components. The environmental requirements for AAEON products not only necessitate green design before production to achieve the goal of reducing environmental impact, but also extend these environmental requirements upstream through green procurement to components and raw materials. This approach encompasses the entire product lifecycle, including usage and disposal after the product's end of life. AAEON strictly adheres to relevant regulations regarding specific chemicals and imposes stringent requirements on suppliers to limit or prohibit the use of regulated hazardous substances. AAEON Technology defines hazardous chemicals as those with characteristics such as persistence, bioaccumulation, toxicity, carcinogenicity, mutagenicity, reproductive toxicity, and endocrine disruption.

In managing hazardous chemicals, AAEON Technology prioritizes compliance with the EU RoHS (2011/65/EU Directive on the Restriction of Hazardous Substances) requirements, and all new products fully comply with the EU RoHS directive. In addition to the hazardous chemicals regulated by the RoHS directive, such as lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs), AAEON Technology is also committed to complying with the EU 2015/863 amendment directive. This includes requiring suppliers to meet the non-hazardous substance requirements for phthalates—DEHP, BBP, DBP, and DIBP—as well as adhering to relevant regulations concerning batteries and packaging materials.

3. China RoHS

AAEON Technology complies with the requirements of the Measures for the Prevention and Control of Pollution from Electronic Information Products in China. According to the "Marking Requirements for the Restriction of Hazardous Substances in Electrical and Electronic Products" (SJ/T11364-2014), products must not only display the markings shown in Figure 1, but also provide explanations in the user manual regarding whether each part of the product exceeds the limits specified in GB/T26572-2011 "Limits for Pollution Control of Electronic Information Products." All packaging materials for electronic information products marketed in China by AAEON Technology are labeled according to GB/T18455-2010 "Recyclable Packaging Marking."

AAEON Technology has designed a dedicated online information platform within the employee portal for the RoHS management system. This platform transparently compiles hazardous substance data, enabling quicker responses to customer inquiries and related issues. The system's main features include the regulatory status of each product, frequently asked questions, the latest updates on RoHS information, and the maximum allowable concentration values of hazardous substances in material declarations.

Figure 1



(IV) Climate Action

In response to climate change and global warming, AAEON is committed to energy-saving and environmental protection goals. In product design, it focuses on lightweight and low-energy consumption design, while in manufacturing, it emphasizes green recycling and the classification, recycling, and reuse of waste materials. The manufacturing of products prohibits the use of hazardous substances, and their design and development comply with EU RoHS, REACH, and WEEE standards. Additionally, there are specific measures and initiatives in place to promote energy and water conservation.

1. Climate Risk Management

In recent years, extreme weather events have become increasingly frequent. In addition to identifying operational risks, AAEON references the TCFD (Task Force on Climate-Related Financial Disclosures) for climate-related financial information disclosure. It establishes a risk framework based on four core disclosure areas: governance, strategy, risk management, and metrics and targets, to understand the impacts of climate change risks on AAEON Technology and propose corresponding response measures.

Recognizing the impact of climate change on industry and company development, AAEON Technology identified potential climate risks and opportunities. In 2022, following the lead of its parent company, ASUS, it implemented a greenhouse gas reduction policy and initiated greenhouse gas inventory operations, using 2021 as the baseline year. This analysis allows for the assessment of greenhouse gas emission trends and hotspots, serving as the basis for setting future greenhouse gas reduction targets. (Refer to Appendix II, Climate-related Financial Disclosure Report)

(1) Establish Reduction Targets to Continuously Expand Areas of Improvement

AAEON's environmental management system includes water resource and waste management, as well as considerations for climate change and greenhouse gases. It adheres to environmental regulations as a fundamental principle and gradually implements initiatives to promote environmental sustainability.

Governance	Regarding climate change issues, AAEON conducts discussions and management through meetings of the Sustainable Development Promotion Team. Meetings are held annually to discuss potential climate change risks to AAEON's operations, efficiency in resource usage, and various environmental impacts. Additionally, the status of greenhouse gas inventory operations is reported to the Board of Directors quarterly.
Strategy	The risks and opportunities related to policies, regulations, and climate are as follows: Regarding greenhouse gas inventory regulations, after evaluation, AAEON follows the short-, medium, and long-term goals and policies of its parent company's greenhouse gas inventory, establishing relevant environmental policies and objectives.
	Operational Risks 1. Changes in local regulations where operations are conducted may lead to increased operational costs. 2. Changes in customer demand may result in reduced orders or rework. 3. Increased expenditures in research and development.
	Physical Risks 1. Rising Temperatures: Changes in raw material sources increase costs, cooling equipment raises energy consumption, and electricity shortages become a crisis. 2. Typhoons Disasters: Supply chain disruptions lead to raw material shortages, damage to public infrastructure, and work stoppages due to flooding. 3. Rising Sea Levels: Road interruptions cause raw material shortages, damage to public infrastructure, and work stoppages due to flooding.
	Opportunities Supply Chain Management: Develop new local suppliers for key raw materials, continuously develop green energy products, manage the upgrade and replacement of equipment systems, and promote energy-saving and carbon reduction initiatives in the office environment.
Risk Management	Through meetings, members discuss climate change risks and opportunities, identifying the following risks and proposing action plans 1. Monitor the latest regulatory developments, assess AAEON's current status against compliance requirements, and formulate measures to ensure adherence to regulations. 2. Integrate the concept of reducing environmental impact into all stages of the product life cycle, working collaboratively with the supply chain to continuously develop energy-efficient products. AAEON will continue to implement the ISO 14001 environmental management system, conduct annual audits for effective execution, review results, and pursue continuous improvement to mitigate risks to manageable levels.
Indicators and Targets	Group-wide (Global) Greenhouse Gas (GHG) Reduction Goals: • By 2030: Group-wide reduces Scope 1 and Scope 2 carbon emissions by 50% from the 2021 baseline. • By 2030: Group-wide reduces Scope 3 carbon emissions from the procurement of goods and services and the use of sold products by 30% from the 2021 baseline.

2. Environmental Management

(1) GHG management

- **Set Group-Wide (Global) Reduction - Short, Medium, and Long-Term Targets**

- ◆ Obtain the GHG Protocol verification/certification review notification letter in 2024.
- ◆ By 2030: Reduce Scope 1 and Scope 2 carbon emissions by 50% from the 2021 baseline.
- ◆ By 2030: Reduce Scope 3 carbon emissions from the procurement of goods and services and the use of sold products by 30% from the 2021 baseline.
- ◆ By 2050: Achieve net zero targets

Item	Public Commitment Year (Self-Declared Year)	Base Year	Target Year
Net Zero Targets	2023	2021	2050

- **Operation Method:**

AAEON established a GHG inventory task force to report relevant progress and implementation status to the Board of Directors quarterly. The task force conducts an inventory of greenhouse gases generated from AAEON's internal operations. Using 2021 as the baseline year, the inventory results categorize the largest carbon emissions under Scope 1 (procurement of products and services) and Scope 3 (sales products used).

Regarding carbon reduction planning, detailed strategies will be developed based on the categories with the highest carbon emissions. The short-term goal is to obtain GHG Protocol verification/assurance by 2024. The mid-term goal is to achieve a 50% reduction in Scope 1 and Scope 2 emissions by 2030. For Scope 3, using 2021 as the baseline year, the goal is to achieve a 30% reduction. External consultants will assist in greenhouse gas inventory guidance, and relevant internal operations and information systems will be modified based on the inventory items to streamline processes, facilitate data aggregation, and management, thereby achieving short-, medium-, and long-term carbon reduction targets.

- Scope 1: Direct GHG Emissions (emissions that come directly from sources owned or controlled by the organization)

Item	Unit	2023	2022	2021
Emissions	Tons of CO ₂ e	135.9340	131.2779	103.5175

- Scope 2: Indirect GHG Emissions from Energy (indirect GHG emissions resulting from the generation of purchased electricity, heat, or steam)

Item	Unit	2023	2022	2021
Electricity	kWh	2,816,175	2,831,708	2,786,360
Carbon Emission Factor (Taipower)		0.494	0.495	0.509
Emissions	Tons of CO ₂ e	1,391.1907	1,401.6956	1,418.2547

- Scope 3: Other Indirect GHG Emissions (GHG emissions from the value chain, both upstream and downstream)

Item	Unit	2023	2022	2021
Emissions	Tons of CO ₂ e	74,520.7570	118,612.0584	95,369.2958

● 2023 Scope 3 - Inventory Item/Carbon Emission Quantity

Scope 3 - GHG Emissions from the Value Chain, both Upstream and Downstream		Carbon Emissions (tons of CO ₂ e)
C1	Emissions from procurement of upstream raw materials, products, or service categories	42,007.9633
C2	Emissions from the procurement of capital goods	431.7132
C3	Emissions from fuel or energy activities	274.0139
C4	Emissions from upstream transportation and distribution of goods	17.9135
C5	Emissions from the waste generated by operations	72.2156
C6	Business travel	48.1321
C7	Employee commuting	207.7080
C8	Emissions from the use of upstream leased assets	-
C9	Emissions from downstream transportation and distribution of goods	788.4774
C10	Emissions from the processing of sold products	125.1310
C11	Emissions from the use of sold products	30,474.0675
C12	Final disposal stage of sold products	6.6506
C13	Indirect emissions from downstream leased assets	66.7708
C14	Franchise rights	-
Total		74,520.7570

iv. Carbon Emissions Status over the Past Five Years

Item	Unit	2023	2022	2021	2020	2019
Scope 1 Emission Quantity	Tons of CO ₂ e	135.934	131.2779	103.5175	41.63	41.63
Scope 2 Emission Quantity	Tons of CO ₂ e	1391.1907	1401.6956	1418.2547	1351.03	1366.55
Scope 1 + 2 Carbon Emissions Growth Rate	%	-0.38	0.74	9.27	-1.10	-2.17
Scope 1 Emission Data Proportion of the Scope to the Operational Scope	%	39	39	39	39	39
Scope 2 Emission Data Proportion of the Scope to the Operational Scope	%	39	39	39	39	39

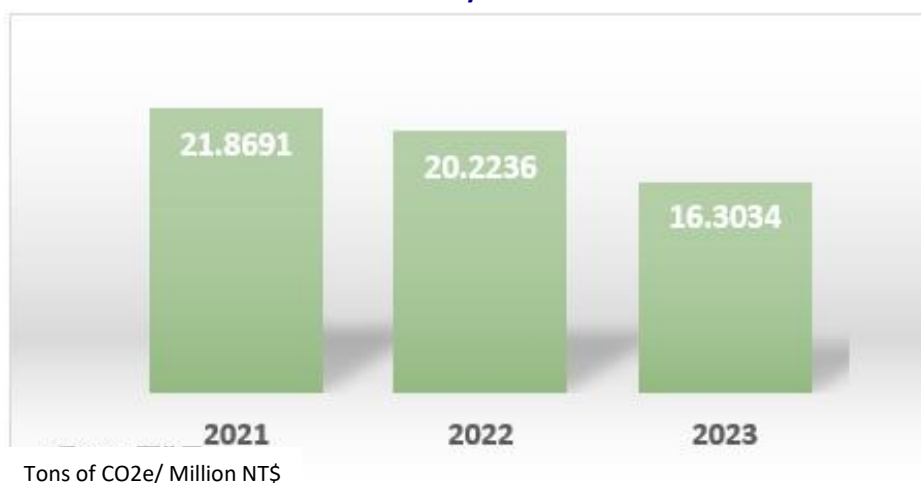
- v. Data for Scope 1, 2, and 3 from 2021 to 2023 have completed external verification and validation, and the greenhouse gas verification report will be obtained in July 2024.

- vi. GHG emissions intensity: Emission intensity has decreased year by year.

Item	Unit	2023	2022	2021
Total Amount of GHG Emissions	Tons of CO ₂ e	76,047.8817	120,145.0589	96,891.0707
Revenue (Individual)	Million NT\$	4,665	5,941	4,430
GHG Emissions Intensity (Note)		16.3034	20.2236	21.8691

Note: GHG emissions intensity = Total GHG emissions quantity / Revenue (Individual)

GHG Emissions Intensity from 2021 to 2023



- vii. Reduction of GHG emissions: Plan to set "absolute reduction" targets in 2024 and gradually implement reduction measures, setting short, medium, and long-term carbon reduction targets.

Item Unit	Target Year	Method for Setting Absolute Reduction Targets Absolute Value or Percentage	Absolute Reduction Targets (%)
Base Year for Carbon Reduction	2021	76047.8817 (Tons of CO ₂ e)	
Short-Term Carbon Reduction Targets	2026	Percentage	10
Medium-Term Carbon Reduction Targets	2030	Percentage	50 (Note)
Long-Term Carbon Reduction Targets	2050	Percentage	90

Note: Scope 1 + Scope 2

- viii. AAEON has no ozone-depleting substances (ODS), nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions.

3. Waste Management

In order to achieve sustainable resource utilization and ensure proper waste management, AAEON adopts a proactive approach to waste management, promoting energy-saving and waste-reduction initiatives. Source management is actively implemented by sorting and recycling resources, with regular records of waste quantities maintained.

中文	English
一般垃圾	General Waste
由大樓物業管理公司將垃圾集中儲放於臺北大樓一樓停車場旁	Garbage is centrally stored by the building property management company next to the parking lot on the first floor of the Taipei building.
由合格廢棄物清理公司運至焚化廠處理	Transported to the incineration plant by qualified waste disposal companies.
資源回收	Recycling
由專業合格的清潔場管理，依紙類、玻璃、塑膠、鐵鋁罐等類別進行資源回收	Managed by professionally qualified cleaning facilities, recycling is conducted according to the type of materials such as paper, glass, plastic, and metal cans.
通資社會弱勢族群進行清運	Waste removal is conducted in collaboration with socially disadvantaged groups.

廢棄物管理

為了達到資源永續利用及確保廢棄物妥善處理，本行採取主動式管理廢棄物，推動節能減廢活動，從源頭管理積極落實資源回收分類，定期記錄廢棄物數量。



(1) Business Waste Management

In 2023, the total weight of waste amounted to 32.7150 metric tons (hazardous substances: 0.1400 metric tons, non-hazardous substances: 32.5750 metric tons). To continuously reduce waste, in 2024, AAEON plans to implement the replacement of the DIP soldering furnace (including nitrogen generator measures), with an estimated investment of NT\$8.5 million. This initiative is expected to reduce waste generation, particularly by decreasing incineration or disposal volumes, thereby directly minimizing environmental impact.

● Waste Intensity

Year	2023	2022	2021	2020
Waste (Metric Tons)	32.7150	29.6520	11.9230	10.7980
Individual Revenue (Million NT\$)	4,665	5,941	4,430	4,086
Waste Intensity Waste/Individual Revenue	0.0070	0.0050	0.0027	0.0026
Percentage of Operational Coverage for The Data Collection on Usage (%)	39	39	39	39

(2) Waste Management

- All business waste management partners comply with the Environmental Protection Administration (EPA) regulations. AAEON verifies the partners' information through the EPA's Business Waste Management Control Information System, using the "Permit Information Inquiry" to access the necessary data. Waste management companies handling waste categories such as C-0301 waste liquids, D-0299 mixed plastic waste, and E-0221 metal-containing printed circuit board scraps and powders have provided valid waste disposal or treatment permits issued by the EPA. AAEON signs waste disposal contracts in accordance with the specific waste types, ensuring compliance with regulations.
- Management Performance: In 2023, AAEON outsourced waste disposal 76 times and conducted 1 on-site audit, with all results confirmed as compliant.

(3) 2023 Waste Recycling and Disposal

Type	Waste Item	Weight (Metric Tons)	%	Treatment Method	On-Site/Off-Site Processing
Hazardous Business Waste	C-0301 Waste Liquid	0.1400	0.43	Physical	Off-Site
General Industrial Waste	D-0299 Mixed Waste Plastics	14.7100	44.97	Physical	Off-Site
	R-0201 Waste Plastics	15.0060	45.87	Recycling	Off-Site
	Waste Iron	0.4290	1.31	Recycling	Off-Site
	Waste Miscellaneous Aluminum	0.1840	0.56	Recycling	Off-Site
	Waste Boards	0.1380	0.42	Recycling	Off-Site
	Board Edges	2.1080	6.44	Physical	Off-Site
Total Weight		32.7150	100	-	-

(4) Waste Recycling Management

The recycling and reuse rate of waste in 2023 was 48.16%.

Item	2023
Total Recycling Weight (Metric Tons)	15.7570
Total Waste Weight (Metric Tons)	32.7150
Recycling Rate %	48.16

(5) Recycling Benefits - Circular Economy

Recycling Gains in 2023: A total of 1,997 kilograms of tin slag was recycled, resulting in the recovery of 940 kilograms of lead-free tin bars. Additionally, other industrial waste recycling generated a revenue of NT\$18,278.

(6) Regulatory Compliance

In 2023, AAEON Technology had no violations of environmental protection regulations. Environmental violations/fines (annual): 0 cases, environmental pollution (annual): 0 cases.

4. Energy Management

(1) Electricity Usage

In 2023, AAEON Technology used 2,816,175 kWh of electricity, estimating direct GHG emissions at 1,391.1907 tons of CO₂e. In 2022, the electricity usage was 2,831,708 kWh, with estimated emissions of 1,401.6956 tons of CO₂e. This represents a slight decrease of 0.75% in GHG emissions compared to the previous year. Continuously promote to employees the importance of turning off unnecessary power sources to save energy and reduce GHG emissions. Data is compiled up to December 31, 2023.

<Table 1>

Item	2023		2022		2021	
Purchased Electricity	kWh	Gigajoules (GJ)	kWh	Gigajoules (GJ)	kWh	Gigajoules (GJ)
	2,816,175	10,138.23	2,831,708	10,194.15	2,786,360	10,030.90

Note: The formula for converting electricity kWh to joules is kWh x 3.6/1000

<Table 2> Global

Item	Unit	2023	2022	2021	2020
Electricity Usage	MWh	2,816.175	2,831.708	2,786.360	2,69.,287
Carbon Emissions	Tons of CO ₂ e	1,391.1907	1,401.6956	1,418.2547	1,351.0261
The ratio of the scope of data collection for usage volume to the operational range	%	39	39	39	39

(2) Energy Consumption Outside of the Organization

Item	2023		2022		2021	
Automotive Gasoline	Liters	Gigajoules (GJ)	Liters	Gigajoules (GJ)	Liters	Gigajoules (GJ)
	0.00	0.00	0.00	0.00	0.00	0.00
Total Energy Consumption Outside of the Organization	Gigajoules (GJ)		Gigajoules (GJ)		Gigajoules (GJ)	
	0.00		0.00		0.00	

Note: AAEON has no official vehicles; there is no energy consumption outside of the organization.

(3) Energy Intensity (GJ)

Unit	Energy Consumption (GJ)	Total Revenue (Individual Revenue/NT\$10,000)	Energy Intensity
2023	10,138.23	4,665	2.1733
2022	10,194.15	5,941	1.7159
2021	10,030.90	4,430	2.2643

**Adopts absolute reduction targets

(4) Energy Intensity (Degree)

Year	2023	2022	2021	2020
Electricity Usage Amount (kWh)	2,816,175	2,831,708	2,786,360	2,691,287
Individual Revenue (Million NT\$)	4,665	5,941	4,430	4,086
Energy-Electricity Intensity Electricity Usage/Individual Revenue	603.6817	476.6383	628.9752	658.6605

(5) Renewable Energy Usage Ratio

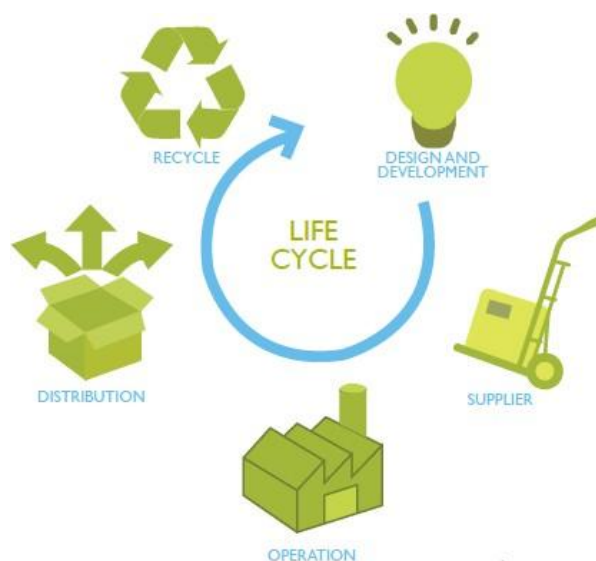
There has been no use of renewable energy in the past 2 years, and there are no plans to use renewable energy in the next 2 years.

(6) Policies for Enhancing Energy Efficiency

- Improvements in equipment or operational behavior will continue to drive production line process enhancements, with plans to execute these changes in 2024. The effectiveness will be assessed by the end of 2024.
 - 1) Improvement in Equipment Energy Efficiency
 - 2) System Optimization Adjustments
 - A new DIP soldering furnace with nitrogen is proposed in the procurement application submitted in 2023. Budget: 7.65 million.
 - An assessment will be made to replace the air compressor to enhance machine efficiency and reduce electricity consumption, aiming to achieve carbon reduction targets. Budget: Approximately 1.25 million.
 - 3) Gradually replace lighting with energy-efficient fixtures
 - 4) Transform to an electronic signature system
- Plan to use low-carbon energy or purchase green electricity

5. Fossil Fuel Usage Status

AAEON's operations and production processes do not use any fossil fuels, nor are there official vehicles, so there is no data on fossil fuel usage.



6. Water Stewardship

AAEON Technology operates in New Taipei City, with the primary water usage for air conditioning and circulation in office areas, as well as for employee domestic use. The main water source is the Feicui Reservoir, which is not located in a water-scarce area, and water is not sourced from seawater, surface water, groundwater, or any other organizational water sources. All wastewater from employee use is discharged through the building's sewage pipeline into the local sewage system.

AAEON is located in the Baoqiao Industrial Park, where individual water meters for each user are not installed. The monthly management fee includes water charges, and in 2023, the water usage (measured in degrees) was apportioned based on the percentage of users. In daily management, AAEON continues to implement water management measures and promotes water conservation among employees.

(1) Management of Drainage-Related Impacts

The production process does not use water resources; only domestic wastewater is discharged, which is managed by the building management committee.

- **Water Withdrawal:** The industrial area where AAEON is located does not have an independent water meter; water usage is based on a shared supply from the building, calculated proportionally according to the number of units in the building.
- **Wastewater Discharge:** The production process does not utilize water resources, and only domestic wastewater is discharged, which is managed collectively by the building management committee.
- **Water Consumption:** Water usage is based on the shared supply from the building, without an independent water meter, and is calculated proportionally according to the number of units in the building.

(2) Water Consumption Estimated

Industrial Park Area		Total Number of Units in the Building	AAEON Number of Units	Percentage %	Building Water Usage (Year)	AAEON Water Usage	Total Water Usage
Baoqiao Industrial Park (Note 1)	Building A	135	29	21.48	32,384	6956.56	9571.42
	Building B	128	18	14.06	17,407	2447.86	
Baogao Smart Industrial Park (Independent Water Meter Data)	Building B	-	4	-	167	167.00	

Note1: Calculation Method for Water Usage in Baoqiao Industrial Park: The industrial park does not have individual water meters for each user. The monthly management fee includes water charges; therefore, the water usage (measured in degrees) is calculated using the "percentage of the number of units."

Note2: Data is compiled up to December 31, 2023.

(3) Water Intensity

Year	2023	2022	2021	2020
Water Consumption (Metric Tons)	9,571	4,678	4,635	4,426
Individual Revenue (Million NT\$)	4,665	5,941	4,430	4,086
Water Intensity Water Consumption/Individual Revenue	2.0517	0.7874	1.0463	1.0832
Percentage of Operational Coverage for the Data Collection on Usage (%)	39	39	39	39

Supplementary Notes

1. The Baoqiao Industrial Park, where AAEON is located, does not have individual water meters for each user. The monthly management fee includes water charges, and in 2023, the water usage (measured in degrees) was apportioned based on the percentage of the number of units, with the water usage apportionment table provided by the management committee.
2. Before 2022, water usage was estimated based on the number of workers. In 2023, due to the change in the estimated calculation method for water usage, the water usage (measured in degrees) was apportioned based on the percentage of the number of units. Compared to previous years, there was a greater difference in water usage.

(4) Drinking Water Management

AAEON Technology has outsourced equipment maintenance operations to a professional contractor that conducts maintenance in accordance with the contract. The details of periodic maintenance are recorded in the "Drinking Water Quality Inspection and Equipment Maintenance Record Form", which is placed in a conspicuous location on the equipment for inspection purposes.

In accordance with the Occupational Safety and Health Act, AAEON establishes a safe working environment. Regular testing of water dispenser quality and carbon dioxide levels is conducted, and the results are publicly displayed on AAEON's bulletin board. Each quarter (January, April, July, and October), water dispensers in the office are randomly tested for water quality, including tests for E. coli and total bacterial count. In compliance with regulations, the results of these periodic water quality tests are made public near the water dispensers to ensure the safety of drinking water for employees.

Regular Testing of Carbon Dioxide Levels: Every six months (January and July), carbon dioxide levels are tested, and the results are publicly disclosed.

(5) Energy Conservation and Management

i. Equipment Improvement Measures

Lighting equipment uses T5 electronic high-efficiency energy-saving lamps, and halogen lamps are gradually being replaced with LED tubes or energy-saving bulbs, all while adhering to national standards for illumination levels in various office areas. Energy-saving lights and dual switches are installed in all corridors, allowing the lights to be turned on and off from both ends of the corridor. Lights are turned on only in the specific areas where overtime work is being conducted on holidays, which helps save electricity and reduce air conditioning usage. The lighting equipment that remains constantly on, such as emergency exit signs, floor indicator lights, emergency escape indicators, and fire warning lights, has been replaced with energy-efficient products. Evaluate the energy consumption, illumination levels, and color rendering properties of various lighting fixtures to select suitable energy-efficient products.

ii. Use Air Conditioning that Meets Energy-Saving Standards and Design Ventilation Equipment

Electric fans are added to areas of the warehouse where air conditioning cannot be installed. The facility is equipped with a total of four water-cooled chillers, each with a capacity of 60 tons, for a total of 240 tons. These chillers operate efficiently, allowing for adjustments in the number of compressors based on overall environmental needs to achieve cooling and energy-saving goals. Adjust the air conditioning systems and the airflow areas to maximize efficiency.

iii. Water Consumption Equipment

AAEON implements various measures internally, including regular inspection of water shut-off points and water usage, strengthening the management of water-saving facilities across different areas, installing water-saving valves on faucets in pantries and restrooms, posting water conservation slogans, and educating employees to change water usage habits through various advocacy measures. Externally, during meetings held in the industrial park, AAEON proposes that the management committee implement measures for managing domestic water usage, such as posting water-saving slogans in public restrooms and pantries, to encourage compliance among all facilities in the park.

iv. Business Waste

In compliance with government regulations, entrust qualified processing vendors to properly handle the business waste and waste liquids generated during the production process. Regularly record and submit the relevant data to the government website in accordance with the law. For outsourced processing vendors, irregular inspections are conducted to verify their disposal processes and conditions. In the plant area, regularly inspect the waste storage and temporary storage areas.

v. Domestic Waste: Actively promote the implementation of garbage classification, recycling, kitchen waste recycling, and other related tasks

vi. Promoting Environmental Beautification: Conduct planting and beautification in the office, and regularly perform greenery management

vii. Installation of Digital Meters on The Distribution Board for Energy Usage

Installing digital meters allows monitoring of equipment such as air conditioning, lighting, and nitrogen machines. In terms of process improvement, installing a power factor meter on the distribution panel has enhanced electricity efficiency, resulting in cost savings on electricity bills. AAEON's power meter effectively controls the power factor, allowing it to receive a maximum monthly discount of 28.5 per thousand on electricity bills, in accordance with Article 69 of the Electricity Act. After installing exhaust equipment in the compressor room, the temperature in the room has significantly decreased, allowing the equipment to operate normally again. After replacing the old machinery in the production facility, energy usage efficiency has significantly improved.

(6) Carbon Reduction Measures -

Sustainable Improvement Measures and Daily Management

Office Promotion - Energy Saving and Carbon Reduction, Love the Earth

Item	Energy Conservation Measures
Lights	"Remember to Turn Off the Lights" Sign on Switches.
	Reduce the number of lights or light tubes in areas like corridors, passageways, and warehouses where illumination needs are lower.
	Turn on only the necessary lighting during meetings (for example, if recessed lights are not needed, they should remain off).
	During the lunch break, turn off or reduce lighting in some areas. Turn off personal desk lamps when leaving the seat.
	Employees working overtime after 7:00 PM and on weekends should only turn on the necessary lights and avoid illuminating the entire area.
	Before leaving the office after work, employees should check if all the lights in the department's area are turned off.
Air Conditioning	Summertime air conditioning is set to 26°C.
	Labels indicating temperature settings should be placed on switches (Labels are provided by the General Affairs Section.)
	Doors/windows that isolate outside air should be kept closed to prevent the escape of cool air or the intrusion of hot air, which can increase the load on the air conditioning system.
	Windows equipped with curtains should be opened according to the direction of sunlight to block solar radiation heat from entering the indoor space.
	After using the meeting room and restaurant, the air conditioning and the meeting room doors should be closed immediately.
	Requests to use air conditioning after 19:00 and during consecutive holidays must be submitted, and a minimum of 10 people is required to justify operation, in order to avoid low load, inefficiency, and high operating costs for the main unit.
Power Sources	Promote the disconnection of computers and electrical equipment during long holiday periods to reduce standby power losses.
	Choose equipment with energy-saving labels that can automatically enter energy-saving mode based on daily routines.
	Test two to three identical boards simultaneously in the chamber.
	Schedule high electricity usage to avoid peak hours (Monday to Friday from 10:00 to 12:00 and 13:00 to 17:00 during summer.)
Computers	Set personal computers to turn off the monitor and hard drive after 5 minutes of inactivity, and enter standby mode after 30 minutes.
	Shut down computers and turn off the power source every day after work.
	Turn off the monitor power source for the unmanned burn-in test station.
Elevators	Encourage employees to take the stairs instead of the elevator for better physical and mental health.
Paper	A paper recycling box is set up in the office machine area.
	For non-essential documents, use "double-sided copying" to save paper and reduce the waste of paper and toner.
	Before photocopying documents, properly set the output color, paper size, and quantity to avoid increasing ineffective copies.
	Documents that can be viewed or operated on a computer should not be printed out.
	Communicate as much as possible via email, rather than sending by fax.
	Storing files through scanning instead of making photocopies for archiving.
	For training and education sessions and various meetings, it is advisable to display the material content on a computer as much as possible to avoid printing.
	Make use of the blank side of paper for notes and drafts.

Item	Energy Conservation Measures
	During the meeting, written materials should ideally be shared by 2 people per copy.
Water Usage	Installing flow control valves on faucets to conserve water and prevent waste.
	Any leaks or damage in the faucets or toilets should be immediately reported to the General Affairs Section.
Green Beautification	Place small potted plants on personal desks to beautify the environment and absorb carbon dioxide.
	Assist in caring for potted plants in the public area.
Stationery	Use binder clips or paper clips instead of staples as reusable stationery.
Paper Towels	Encourage everyone to carry a handkerchief to reduce the use of hand dryers and paper towels.
Paper Cups	Use ceramic cups for visitors to reduce the use of paper cups.
Tableware	Encourage employees to bring their own reusable utensils and avoid disposable tableware, reducing the use of bamboo chopsticks and plastic spoons.
Resource Recycling	A simple resource sorting and recycling bin is set up at individual workstations.
	AAEON has designated specific locations for recycling bins. Please place recyclable items at these designated spots.
	The recycling bins are divided into categories: "Paper Recycling Bin," "PET Bottle and Aluminum/Steel Can Recycling Bin," and "Battery Recycling Bin."
Transportation	Electronic component waste is collected in AAEON's waste recycling area, with waste identification labels attached for proper sorting and management.
	Please use public transportation as much as possible for commuting.
	Carpool with colleagues to reduce fuel consumption.
Attire	Make use of teleconferencing and video conferencing equipment to hold meetings simultaneously, avoiding unnecessary travel and improving meeting efficiency.
	Wear light and appropriate clothing in the office.

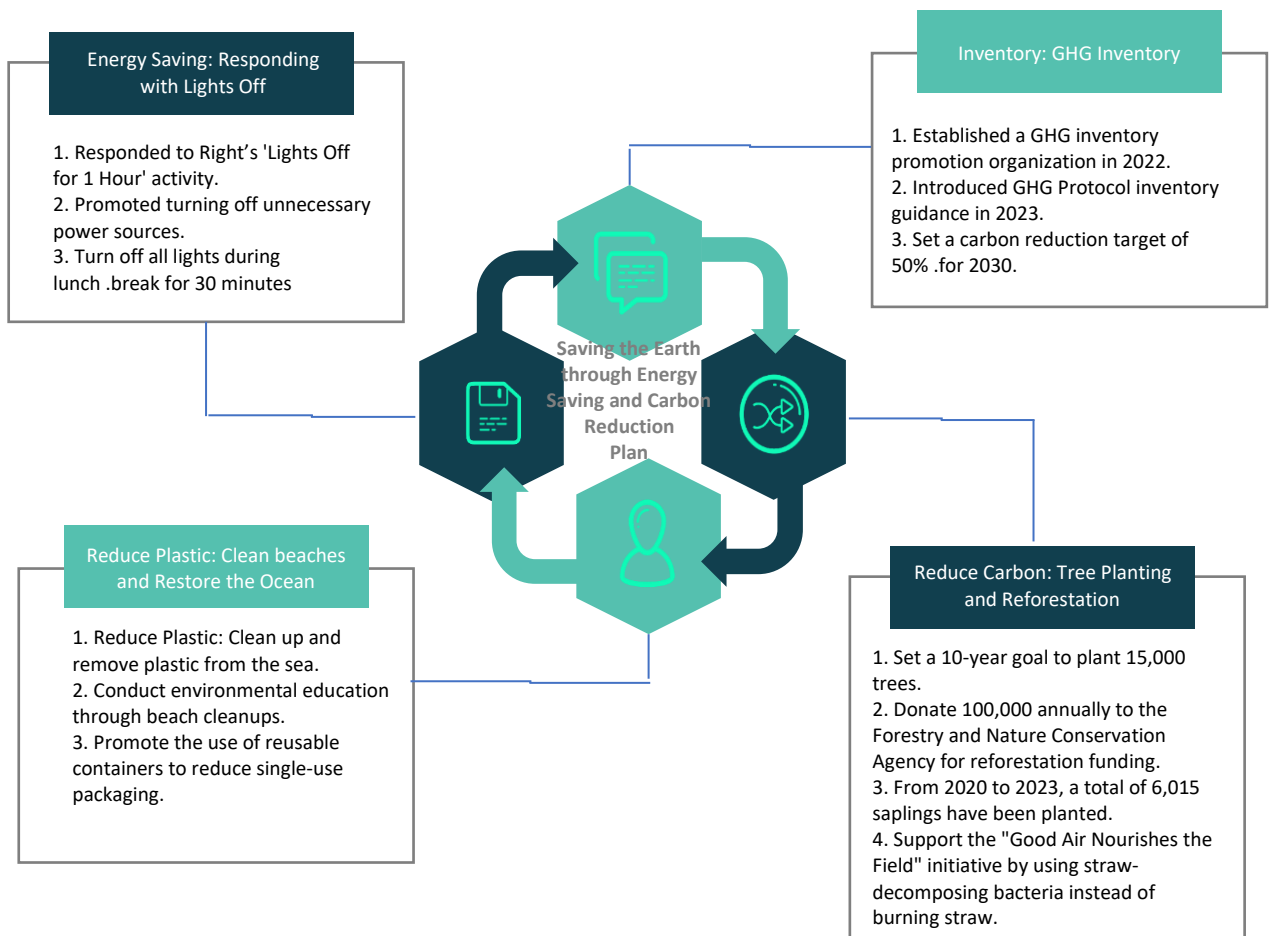
(V) Public Welfare and Environmental Protection

2023
Highlights

- ✧ **Ten-year Public Welfare Afforestation Plan: Set a goal to plant 15,000 trees over ten years.** Since 2017, a total of 6,015 tree saplings have been planted, resulting in an accumulated reduction of 189,360 kilograms of carbon emissions.
- ✧ **In collaboration with customers and suppliers, AAEON Technology has been involved in marine waste cleanup efforts.** From 2020 to 2023, a total of 1,631.2 kilograms of waste has been collected from the sea.
- ✧ **Circular Economy Initiative: AAEON Technology has participated in ASUS' Recycle Computers to Save the Earth project.** Since 2022, this initiative has cumulatively reduced carbon emissions by 3.321 metric tons, equivalent to preventing the deforestation of 276.759 trees.
- ✧ **In 2024, recognized as an Excellent Manufacturer by CommonWealth Sustainable Business Awards for controlling the temperature increase within 1.5 degrees Celsius.**

In recent years, extreme climate changes have occurred rapidly. According to the Intergovernmental Panel on Climate Change (IPCC) report, a global average temperature increases of 1.5 degrees Celsius will lead to an increase in the frequency of extreme weather events. Energy conservation and carbon reduction have become a nationwide movement to save the Earth. AAEON Technology is concerned about the impact of climate warming on global ecological issues. AAEON leverages its corporate energy and fulfills its social responsibility by starting with initiatives in "reducing plastic," "minimizing waste," and "saving electricity" to protect the Earth.

Action Plan for Saving the Earth through Energy Saving and Carbon Reduction



1. Invite Suppliers and Customers to Participate in Joint Tree Planting and Beach Clean-ups

● Joint Beach Clean-Ups - Clearing Ocean Waste

Since 2017, AAEON Technology has adopted a beach and has organized annual beach cleanup activities in collaboration with suppliers, customers, and affiliated companies. For seven consecutive years, AAEON Technology has not interrupted its efforts, accumulating a total of 1,631.2 kilograms of trash collected, with 751 volunteer participants.

AAEON Technology has been focused on the impact of climate change on global ecological issues since 2017. The chairman and his wife lead the AAEON Volunteer Group members and their families each year, inviting clients to join in cleaning up marine waste, promoting reduction of plastic, beach cleanups, and caring for the ocean. According to the beach cleanup waste registration form, the top three types of waste collected are bottle caps, PET bottles, and straws, which represent the largest portion of our daily waste. Through these cleanup activities, educating colleagues and their families to reduce the use of disposable utensils or containers is fundamental to restoring our oceans. Start with the sources: "Reduce Plastic" and "Reduce Waste" to show love for the Earth, make a personal effort for the marine environment!

Statistics of Beach Cleanup Activities over the Years

Event Year	Area of Beach Cleanup Activities	Number of Volunteers	Waste (kg)
2017	Riverbank adjacent to AAEON	18	20.44
	Shimen Kite Park	32	80
2018	Riverbank adjacent to AAEON	21	450.26
	Jinshan Zhongjiao Bay	120	108.5
2019	Shimen Kite Park	120	Adjusted the itinerary due to typhoon
2020	Datianliao Beach	48	100
2021	Xialiao Beach	102	403.2
2022	Xialiao Beach	130	324.5
2023	Xialiao Beach	160	144.3
Total		751	1631.2



2. Community Tree Planting for Carbon Reduction - Inviting Suppliers and Customers to Participate in Tree Planting for Carbon Reduction

(Committed to planting 15,000 trees in ten years; estimated to reduce carbon emissions by 946,080 kg in ten years)

AAEON Technology prioritizes environmental sustainability goals and has collaborated with the Luodong Forest District Office for five consecutive years, alongside affiliated companies, to promote public-private partnerships in tree planting initiatives through donations. Under the leadership of the chairman, senior executives and employees are educated on the benefits of forest conservation, aiming to achieve the United Nations Sustainable Development Goals (SDGs) by establishing diverse partnerships. This promotes a sustainable vision and fulfills the corporate social responsibility of the tech industry, advancing toward environmental sustainability milestones!

In 2023, AAEON planted native landscape trees such as *Bretschneidera sinensis* in the national forest land of Ruifang District. This initiative not only creates a nectar-rich forest but also enhances the diverse ecological service value of the forest ecosystem.

Event Year	Donation Funds (NT\$)	Number of Volunteers	Adopted Areas	Area (hectares)	Planted Saplings	Carbon Emissions Reduced (kg) Seedlings/1 year * 12 kilograms * years
2020	200,000	24	Pinglin	1.27	1,905	91,440
2021	165,200	28	Shiding, Shuangxi	0.85	1,275	45,900
2022	200,000	40	Shiding, Pinglin	1.00	1,500	36,000
2023	200,000	50	Ruifang	0.89	1,335	16,020
Total	765,200	142		4.01	6,015	189,360

The chairman and volunteer colleagues joined together to plant trees and promote afforestation



3. Support for the "Good Air Cultivates Blessed Fields" Project

AAEON Technology supports and participates by sponsoring land, assisting the association in providing rice straw decomposition bacteria to farmers to replace the burning of rice straw. In 2023, AAEON designated Changhua and Hualien as the target areas, donating 40 hectares of land and contributing NT\$100,000, with an estimated reduction of 360 metric tons of carbon dioxide emissions to achieve environmental sustainability. To ensure the establishment of a sustainable food production system, the project will implement productivity-enhancing and resilient agricultural practices that help maintain ecosystems and strengthen adaptability to climate change, extreme weather, droughts, floods, and other disasters. There are plans to continue supporting this initiative in 2024, with a focus on gradually improving land and soil quality.



Changhua presents "good fortune" rice grown after ending rice straw burning.

4. Continue Supporting "Earth Hour"

AAEON Technology is actively engaged in the "Earth Hour" initiative, emphasizing the importance of turning off unnecessary power. This includes shutting off lights and air conditioning after meetings and during lunch breaks, with the chairman personally reminding staff to foster a culture of energy conservation. In daily life, focus on effective energy management by choosing smart, energy-efficient lighting and products. The goal is to harness the power of unity to protect the Earth—our one and only home! Make the Earth cleaner and better.





5. Responding to Earth Day on April 22: Advocating for the River

In 2022, AAEON Technology joined the "CSR@CommonWealth" initiative organized by Commonwealth Magazine, enterprises, and citizens, launching the "Tamsui River Convention" April 22 World Earth Day "Advocating for the River!" action initiative. The Tamsui River quietly nurtures over 8 million people in northern Taiwan, like a tirelessly dedicated mother. Since 2020, AAEON Technology has signed the Tamsui River Convention. During this period, we have implemented the following "Do One Thing for the Tamsui River" Plan:

1. Factories in the river basin do not discharge untreated wastewater.
2. Enterprises in the river basin monitor waste disposal contractors to prevent improper dumping.
3. Support the "CSR@CommonWealth" initiative to raise awareness for the rivers.
4. Leverage influences customers and the supply chain to reduce waste.
5. Minimize the use of single-use packaging and avoid excessive product packaging.
6. Encourage employees to actively participate in the public governance of the Tamsui River system, becoming responsible corporate citizens.

To ensure that this mother river remains healthy, AAEON Technology will continue to take action and calls for more people to pay attention to river pollution issues. You are invited to join the 2022 "Do One Thing for the Tamsui River" action area <https://bit.ly/CSR422EarthDay>. Share your river protection initiatives, learn about our great river, and raise your voice for our mother river together!



6. Circular Economy

(1) Participated in Recycled Computer Donation - Love Earth Project

From 2022, environmental benefits include a reduction of 3.321 metric tons of carbon emissions, equivalent to preventing the felling of 276.759 trees

Since 2022, AAEON Technology has participated in ASUS's "Recycled Computer Donation for Earth" project, recycling and donating obsolete information equipment to the ASUS Foundation. To date, the accumulated recycling totals are: 56 LCDs, 71 notebooks, 61 PCs, and 149 other items, totaling 337 pieces. This initiative has resulted in environmental benefits by reducing carbon dioxide emissions by 3.321 metric tons, which is equivalent to saving approximately 276.759 trees from being cut down.

The recycled computers have been donated to domestic and international non-profit organizations, establishing computer classrooms, digital learning centers, and after-school tutoring programs. This initiative has provided digital learning opportunities and enhanced digital skills for disadvantaged children, youth, women, seniors, and individuals with disabilities in over 27 countries. AAEON will continue to invite affiliated companies and suppliers to participate in the "Recycled Computer Donation - Love Earth Project."

Company	Recycled Item	Recent Recycling Volume	Cumulative Recycling Volume	Estimated Environmental Benefits
研揚科技股份有限公司	LCD	11	56	減少 3.321 公噸二氧化碳排放 換算約少砍伐 276.759 顆樹木
	NB	12	71	
	PC	13	61	
	其他	7	149	
	總計	43	337	

(Excerpt from the ASUS Foundation official website)

中文	English
研揚科技股份有限公司	AAEON Technology Inc.
減少 3.321 公噸碳排放・換算約少砍伐 276.759 棵樹木	Reduction of 3.321 metric tons of carbon emissions, equivalent to preventing the felling of 276.759 trees.
其他	Other
總計	Total

(2) Second-Hand Goods Charity Donation Event (Total Collection of 120 Boxes).

The "2023 AAEON With Love - Second-Hand Goods Donation Event," jointly organized by AAEON Technology and the AAEON Foundation, collected a total of 120 boxes of goods. AAEON Technology holds an annual second-hand item collection and donation event. By reusing these items, they assist rural schools, providing children in the community with different learning experiences. Collected items include daily necessities, books, stationery, clothes, shoes, bags, toys, and more. These were transported by logistic services to the "Hualien Woodpecker Life Association", "Taitung A Kernal of Wheat Foundation", and "New Taipei Christmas Charity Sale", serving as supplies for disadvantaged families or items for charity sales. The funds raised from these sales support community development projects like training youth in community participation, community care, and resource reuse, ensuring these efforts reach the next generation. Each box is expected to sell for NT\$500, contributing to community funding.

2023
Highlights

VIII. Social Inclusion

- ✧ Social Welfare Investment Amount: A total of NT\$28,238,269 was invested.
- ✧ Chairman Chuang participated in the "1919 Love in Motion" Cycling Around Taiwan Fundraiser, with the cycling team's total fundraising amount being NT\$18,097,466.
- ✧ Charity second-hand goods collection/donation event: A total of 120 boxes collected/donated throughout the year.
- ✧ Let There Be Love in Life - Joint Blood Donation Campaign: 468 brave donors contributed 250cc each, totaling 881 bags.
- ✧ Enrichment of Educational Resources for Children in Rural Areas: Nearly NT\$18.13 million was invested in 2023, organizing a total of 4,203 sessions at 67 schools, with 151,049 participants.
- ✧ Promoting the Family-Friendly Enterprise Alliance.
- ✧ Course: Happiness Boost: In 2023, 65 sessions with 2,182 participants, reaching a high satisfaction rate of 98%.
- ✧ Parent-Child Education Project - AAEON Technology Weekend School: From 2020 to present, in 2023, 7 parent-child courses were held, with 127 families and 402 participants.
- ✧ Promoting the development of vocational education: In 2017, Chairman Chuang donated NT\$100 million to China University of Technology. By 2023, we have accumulated: 60 interns, 105 participants in industry-academic courses, 15 new immigrants/international students obtaining certificates, and 99 students attracted by scholarships for enrollment.
- ✧ Continuously supporting the GOLF Alliance to create an innovative collaborative platform for integrated learning and industry-academia collaboration.



中文	English
研揚科技 ESG 社會參與重點	Key Areas of Social Engagement for AAEON Technology's ESG
產學合作	Industry-Academia Collaboration
結合台科大、中國科大&元智大學推動相關專案	Partnering with National Taiwan University of Science and Technology, China University of Technology, and Yuan Ze University to promote related projects.
偏鄉教育	Rural Education
自 2009 年起於嘉義縣市推動藝術、科技教育專案	Promoting arts and technology education projects in Chiayi County and City since 2009.
環境保護	Environmental Protection
持續推動二手物募集&種樹、淨灘活動	Ongoing initiatives for collecting second-hand goods and organizing tree planting and beach cleanup activities.
家庭教育	Family Education
號召 21 家企業加入聯盟共同打造友善家庭職場	Mobilizing 21 companies to form an alliance to create family-friendly workplaces.

Harnessing the Power of Public Welfare to Create a Good Society

In June 1999, AAEON Technology's Chairman, Yung Shun Chuang, donated to establish the "AAEON Foundation," guided by the principle of "people-oriented and social care." The foundation aims to "promote technological education and cultural development," focusing on supporting disadvantaged groups, encouraging appreciation of arts and culture, participating in social welfare, and advancing technology education. The foundation places particular emphasis on promoting arts education in rural areas, continuously investing in support for disadvantaged groups and promoting appreciation for the arts, music, and technology education. The AAEON Foundation serves as a key unit for AAEON Technology in implementing sustainable development initiatives.

The AAEON Technology Sustainable Development Promotion Team has established a Social Inclusion Group to collaborate with the AAEON Foundation on community and social welfare initiatives, supporting the underprivileged, promoting rural education, and giving back to society. AAEON is dedicated to long-term involvement in specific social issues, exerting a positive influence.



(I) Assessment of Social Welfare Benefits (Total investment amount of NT\$28,238,269)

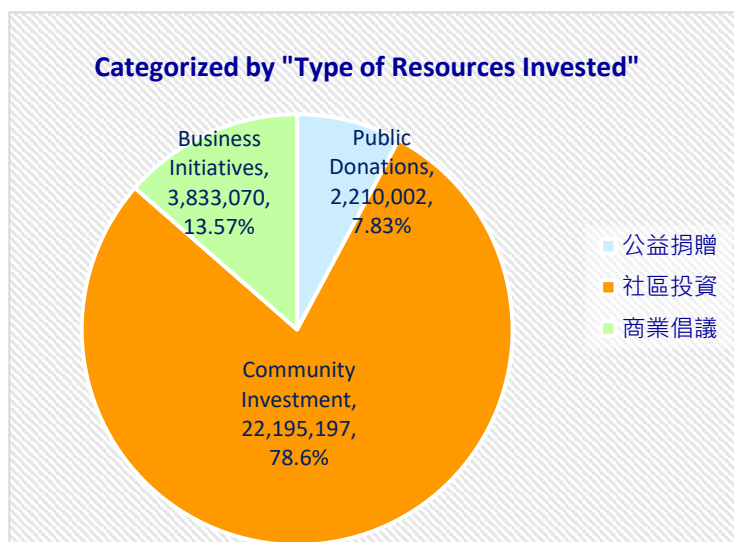
AAEON Technology has long been committed to social welfare, adhering to the attitude of "taking from society, using for society." AAEON transforms its abundant love and warmth into concrete actions, dedicating itself to the land where its business is rooted, and fulfilling its corporate civic responsibility and effort to create shared benefits for society.

To effectively assess overall benefits, all expenditures related to social welfare, including time invested, costs, material donations, and management expenses, will be meticulously recorded. The positive impact of these social contributions will also be evaluated. In the realm of social welfare, outputs include not only actual financial expenditures and benefits but also intangible impacts. These encompass initiatives like tree planting, beach cleanups, support for vocational education, and efforts to bridge the educational resource gap between urban and rural students. Such initiatives aim to address the deficiencies faced by children in remote areas, instilling values in students, building a positive corporate image, and exemplifying sustainable development in business practices.

The total amount invested in public welfare participation and activity sponsorship in 2023 was NT\$28,238,269, categorized by "Type of Resources Invested" and "Form of Resources Invested." Data is compiled up to December 31, 2023.

(1) Categorized by "Type of Resources Invested"

Public Donations: NT\$2,210,002 (7.83%), Community Investment: NT\$22,195,197 (78.6%), Business Initiatives: NT\$3,833,070 (13.57%)



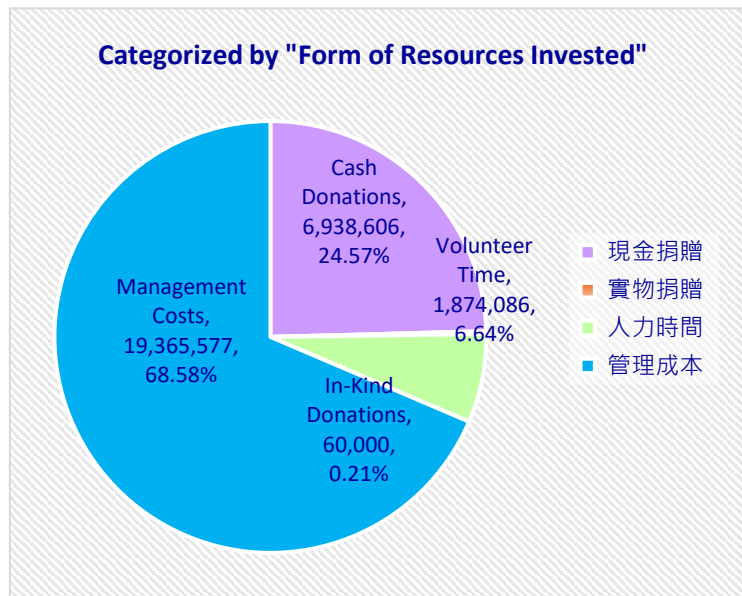
Unit: NT\$

Public Donations	2,210,002	7.83%
Community Investment	22,195,197	78.60%
Business Initiatives	3,833,070	13.57%
Total	\$28,238,269	100%

公益捐贈	Public Donations
社區投資	Community Investment
商業倡議	Business Initiatives

(2) Categorized by "Form of Resources Invested"

Cash Donations: 24.57%, In-kind Donations: 0.21%, Volunteer Time: 6.64%, Management Costs: 68.58%



Unit: NT\$

Cash Donations	6,938,606	24.57%
In-Kind Donations	60,000	0.21%
Volunteer Time	1,874,086	6.64%
Management Costs	19,365,577	68.58%
Total	\$28,238,269	100%

現金捐贈	Cash Donations
食物捐贈	In-Kind Donations
人力時間	Volunteer Time
管理成本	Management Costs

(II) AAEON Volunteer Group

In 2009, AAEON Technology established the "AAEON Volunteer Group," bringing together 50 founding members who share the same enthusiasm and vision, pledging to actively participate in promoting various charitable activities. Through the formation of this volunteer group, we hope to inspire others to extend their goodwill from individual actions to families and groups. Our goal is to spread love from groups to communities and influence society as a whole. We recruit new members annually and introduce social welfare activities during new employee orientation courses. Regular volunteer service training courses and events are held to encourage colleagues to join and participate in volunteer activities actively. Each year, we organize public welfare activities such as "Artpoint - Educational Tours," public welfare tree planting, beach cleanups, blood donation drives, and the collection/donation of second-hand goods.

To encourage every employee to participate in volunteer activities, the volunteer incentives are as follows, expressing gratitude for their compassion and dedication!

- Provide each employee with one day of paid volunteer leave annually.
- For each event, AAEON covers the full cost of transportation, meals, tickets, and insurance for the volunteers.
- Gift-giving with exquisite items.
- At the annual gala, the Chairman and his wife publicly acknowledge the volunteers' efforts by presenting appreciation certificates.

Number of Volunteers/Hours Statistics

Item	Unit	2023	2022	2021	2020
Total Number of Employees	People	528	518	490	483
Number of Volunteer Participants	People	206	226	132	299
Total Hours of Volunteer Services	Hours	964	1208	752	2040
Granted Volunteer Leave (Including Paid and Unpaid)	Hours	432	296	260	440

*Data is compiled up to December 31, 2023.



(III) Social Welfare Participation

1. "Cycling Around Taiwan - 1919 Love in Action" Charity Fundraising

(Team fundraising amount NT\$18,097,466)

On December 23, 2023, the Chairman led two senior executives on a 15-day cycling tour around Taiwan during the winter. Each day, the Chairman documented his reflections in short films shared with all colleagues, detailing the kilometers traveled, places visited, and interactions with disadvantaged families and schoolchildren in rural areas. Accompanied by fellow cycling warriors, they distributed food packages from the 1919 Rescue Association's food bank to these families as part of their outreach activities. During cycling, colleagues at AAEON Technology were invited to join the "I Ride, You Donate" fundraising event to support families in urgent need, giving them the opportunity to become "1919 Love in Action" charity angels!

Below is a letter from the Chairman to colleagues - "2023 Cycling Warriors - 1919 Love in Action".





因為有您 愛能轉動

永順誠摯邀請您成為公益天使

親愛的研揚集團夥伴們 您好：

許多經濟弱勢家庭雖然收入少，平常或許還可勉強度日，但一旦遇到天災、重大傷病、失業等令人措手不及的意外，因不符合社會救助法補助標準，無法得到政府的補助，而成為所謂的「急難家庭」。

為了幫助這些家庭，社團法人中華基督教救助協會於1998年成立，至今救助超過16,000戶急難家庭、資助70,000人次的弱勢孩子、送出30萬份食物包（運作全台最大的全國性食物銀行）。

永順，將在12/23—2024.01/06參加由『中華基督教救助協會』發起的『2023環台勇士—1919愛走動』公益活動，在寒冷冬季的15天中從台北出發，順時鐘繞行台灣一圈，進行「急難家庭救助計畫」的環台募款長征，我將與61位環台勇士，親自用雙腳踩踏1300公里，探訪29個1919位於原鄉的服務中心和個案，透過「我騎車·你捐款」為急難家庭募款，為貧困家庭而騎。

『中華基督教救助協會』今年預計籌募1800萬，請大家一起來幫助走不下去的「急難家庭」，得到走下去的勇氣，擁抱希望的明天，「因為有您，愛能轉動！」，誠摯邀請您與我一同成為公益天使期待透過您的支持與贊助，留下難忘的公益足跡！！






「我騎車·您捐款」
募款連結

2. Second-Hand Goods & Old Shoes Charity Collection/Donation Activities

(Total of 120 boxes collected/donated throughout the year)

AAEON Technology holds two annual second-hand item collection and donation events. By gathering and reusing these items, we supported rural communities, giving children the chance to learn from diverse experiences. AAEON Technology not only excels in its core business but also enriches the lives of its employees through charitable services, fulfilling its responsibility as a corporate citizen. The collected items were transported by logistic services to the "Hualien Woodpecker Life Association" and "Taitung A Kernal of Wheat Foundation", serving as supplies for disadvantaged families or items for charity sales. The funds raised from these sales support community development projects like training youth in community participation, community care, and resource reuse, ensuring these efforts reach the next generation. Each box of second-hand goods is estimated to sell for NT\$500, contributing funds to community development work.



3. Let There Be Love in Life - Joint Blood Donation Campaign

(468 brave donors contributed 250cc each, totaling 881 bags)

To encourage colleagues to develop a habit of blood donation and support the belief that "one bag of blood can save a life," the AAEON Foundation and AAEON Technology have, since 2001, rallied companies in the park to participate in the "Let There Be Love in Life" joint blood donation events held in March, June, September, and December annually. With the collaboration of industrial park companies such as AAEON Technology, Onyx Healthcare, Litemax, and Good Way Technology, we collectively amplify our social impact.



Blood Donation Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2022	154 people 231 bags	109 people 164 bags	119 people 179 bags	138 people 197 bags	520 people 771 bags
2023	220 people 239 bags	77 people 125 bags	155 people 240 bags	165 people 223 bags	468 people 881 bags

4. Enrichment of Educational Resources for Children in Rural Areas

In response to the United Nations SDG's 4th goal: Quality Education, ensuring inclusive and equitable quality education, and promoting lifelong learning opportunities for all.

In 2023, an investment of NT\$18,127,972 was made, combining the efforts of companies such as Onyx Healthcare, Good Way Technology, Chenbro, ChenFull International, and Yonghe Investment to organize a total of 4,203 sessions with 151,049 participants across 67 schools in the five counties and cities of Chiayi, Yunlin, Changhua, Taichung, and Taoyuan!



中文	English
研揚偏鄉專案推動起始年份	AAEON Rural Project Initiation Years
藝術教育	Art Education
2009 藝術光點圓夢計畫	2009 Artpoint - Cultural Promotion Plan
藝術教育	Art Education
2016 藝術光點攜手計畫	2016 Artpoint - Cultural Collaboration Plan
科技教育	Technology Education
2017 發現科技新樂園計畫	2017 Discovery Tech Wonder Land
藝術教育	Art Education
2018 古典音樂魔法屋計畫	2018 Classical Music Magic House
環境教育	Environmental Education
2021 環境台灣計畫	2021 Environment Taiwan
翻轉教育	Transformative Education
2022 桌遊探索樂園計畫	2022 Board Game Exploration Paradise Project
好好學思達計畫	Learn-Think Program
研揚/醫揚科技暨文教基金會董事長&創辦人 莊永順先生	Chairman & Founder of AAEON Technology/Onyx Healthcare & AAEON Foundation, Mr. Yung-Shun Chuang



(1) Artpoint Cultural Promotion Plan & Cultural Collaboration Plan, Classical Music Magic House Project

In 2009, Typhoon Morakot severely affected southern Taiwan. AAEON Technology's Chairman, Mr. Yung Shun Chuang, initiated a one-day donation campaign among colleagues, along with donations from directors, supervisors, and AAEON Technology, raising a total of NT\$15 million for the reconstruction of affected schools in the south. We chose to implement the "AAEON Artpoint - Rural Campus Arts and Culture Promotion Plan" in Chiayi County over the long term. By providing modular arts and cultural resources, we enrich the arts and cultural perspectives of students in rural areas. In 2013, with the response and support from other enterprises, the project was replicated and promoted to elementary schools in the counties and cities of Yunlin, Taitung, Yilan, Changhua, Taoyuan, and Taichung. The AAEON Foundation has planned projects in rural basic education, covering areas ranging from arts, technology, and music to marine and environmental education, enriching the educational resources of elementary schools in rural areas. In response to the United Nations SDG's 4th goal: Quality Education, ensuring inclusive and equitable quality education, and promoting lifelong learning opportunities for all.

i. Artpoint - Cultural Promotion Plan

Planned the following four sub-projects: the "World Picture Book and Illustration Touring Exhibition," the "e-School Picture Book Creative Digital Teaching Materials," the "Taipei Art Exploration and Study Tour," and the "Art is Fun School Drama Tour." These initiatives will be implemented over the course of one year across various schools. In the first semester, the "World Picture Book and Illustration Touring Exhibition" and the "e-School Picture Book Creative Digital Teaching Materials" projects will be executed. In the second semester, the "Taipei Art Exploration and Study Tour" and the "Art is Fun School Drama Tour" projects will be implemented.

In 2023, a total of 308 extended teaching activities were held in five elementary schools in Taichung City (Dazhi, Jhong Hua, Jyun Gong, Wenya, San Ho), with 13,935 participants.



ii. Artpoint - Cultural Collaboration Plan

Planned the following four sub-projects: the "Art of Taiwan Themed Touring Exhibition," the "Digital Teaching Materials for Art Appreciation," the "Taipei Art Exploration and Study Tour," and the "My Beautiful Hometown Map Competition." These initiatives were implemented over the course of one year across various schools.

In 2023, a total of six elementary schools in Taoyuan City (Guan-Yin, Jia-Dong, Shiang-An, Ke Jian, Ding She, She-Zi) and five elementary schools in Changhua County (Jing Shio, Yongfeng, Wen Chang, Hu Dong, Fu-Sing) hosted a total of 1,576 extended teaching activities, with 41,205 participants.



iii. Artpoint Campus Music Education Promotion - Classical Music Magic House

Since 2009, the AAEON Foundation and AAEON Technology have been promoting a series of art education activities through the Artpoint Project, receiving significant acclaim. In the realm of art education encompassing visual arts, performing arts, and music, there is a recognized disparity in music education resources between urban and rural schools. To enhance the promotion of music education resources in rural schools, thanks to the sponsorship of AAEON Technology and the integration of resources from related NPOs and industries, the "Classical Music Magic House - Rural School Music Education Promotion Plan" was launched since 2018. This initiative aims to leverage resource integration and professional expertise to enrich the musical literacy and horizons of students in rural areas.

In 2023, a total of five elementary schools in Chiayi County (An Dong, Longshan, YiRen, Guang Hua, Shui Shang) and six elementary schools in Yunlin County (Liouhe, Shang-De, Dadong, An Cing, Damei, Sha lun) organized 891 extended teaching activities, with a total of 20,025 participants.



(2) Campus Technology Education Promotion - Discovery Tech Wonder Land

Since 2009, the AAEON Foundation and AAEON Technology have been promoting a series of art education activities in rural schools in Chiayi, Taitung, Yunlin, Yilan, and Changhua through the Artpoint Project, receiving significant acclaim. However, during the promotion process, there was a noticeable disparity in technology education resources between urban and rural schools. To enrich technology education resources in rural schools, since 2017, AAEON Foundation, AAEON Technology, and Onyx Healthcare have collaborated with relevant NPOs and related corporate resources to plan and promote the "Discovery Tech Wonder Land - Rural Campus Technology Education Theme Tour." This initiative, through resource integration, enters campuses to promote and enrich the technological perspectives of rural students.

In 2023, a total of six elementary schools in Yunlin County (Dadong, Heping, Mingli, Chiou May, Singhua, Lianmei) and five elementary schools in Changhua County (Xishi, Yuh Shin, Yu De, Nanshing, Lu Fong) hosted a total of 698 extended teaching activities, with 28,126 participants.



(3) School Environmental Education Promotion Project - Environment Taiwan

With the growing severity of global warming, environmental issues have become a major focus of international attention and discussion. In 2021, the AAEON Foundation collaborated with Chenbro, Chen-Source, and the Chi-Po-lin Foundation to plan and promote the "Environment Taiwan: School Environmental Education Promotion Project," inviting five elementary schools in Yunlin County as seed schools. It is hoped that the results of the initiative will be replicated in elementary schools across other counties and cities to jointly advance environmental education in the country!

In 2023, a total of five elementary schools in Yunlin County (Jiuxiong, Dayou, Zhongxiao, Chongxing, Xinghua, Lianshi) and five elementary schools in Chiayi County (Minhe, Antong, Zhonghe, Liulin, Xinpi) organized 377 extended teaching activities, with a total of 9,808 participants.



(4) Transformative Education Project - Learn-Think Program / <Campus Learn-Think Teaching Application Promotion Project>

With the implementation of the 2019 Curriculum Guidelines, core competencies have become a primary educational goal of the 12-year national education program. Core competencies refer to the knowledge, skills, and attitudes necessary for individuals to adapt to contemporary life and meet future challenges. The AAEON Foundation has long been committed to promoting education in rural areas, combining resources with the Sharestart Educational Foundation since 2021. It uses primary schools in Chiayi City as demonstration sites for the implementation of the Learn-Think Program at various grade levels. The aim is to serve as a model for promoting educational innovation and learning in rural areas, thereby accelerating the speed and breadth of educational development and innovation in those regions!

The Foundation has invited Chiayi City primary schools to serve as seed schools for the project since 2021, using grades implementing the new 12-year national education curriculum as promotion targets. The Sharestart Educational Foundation provides training courses and teaching materials for the Learn-Think teaching method. The AAEON Foundation focuses on enhancing the visual design of teaching materials for Chinese language Learn-Think booklets and invites participating schoolteachers to engage in Learn-Think Program training, integrating the booklets into classroom instruction.

In 2023, a total of seven elementary schools in Yunlin County (Tuku, Min Sheng, Ming-De, Dong Rong, Lu-Chang, Yung Ming, Singnan) and seven elementary schools in Chiayi County and City (Sing-An, Min-Tzu, Giao Ping, Linsen, Da Lun, Taibao, Chong-Liao) participated, with a total of 4,291 participants.



2023執行縣市：雲林縣&嘉義縣

5. Board Game Exploration Paradise - Campus Promotion Project

Research shows that board games are not just a pastime but can help children express unpleasant emotions, reduce aggression, and alleviate resentment. Playing board games provides families with opportunities for relaxation and high-quality interaction, enhancing relationships while offering children rich learning experiences that benefit their emotional development. This project uses board games as a medium, aligning with the 2019 Curriculum's "core competencies", focusing on elementary school subject learning. It initially plans five learning themes, aiming to provide teachers with diverse resources and support to inspire students to engage in more autonomous learning opportunities.

In 2023, the project was implemented in five elementary schools in Chiayi County (Wan Nei, Da Lun, San-Hsing, Pin Lin, He Mu), hosting a total of 353 extended teaching activities with 11,411 participants.



嘉義縣 Board Games Wonderland 桌遊探索樂園

用桌遊提升課綱素養 讓遊戲啟發學生潛能

研揚科技 x 財團法人研揚文教基金會 x 遊聯有限公司 Draw Now Kids

- 五大領域主題桌遊校園體驗
- 模組化數位教材&延伸活動
- 五大領域教學桌遊開發



6. The Family Friendly Enterprise Alliance promotion

In response to the Ministry of Education's policy of promoting family education in the workplace, the AAEON Foundation in 2022 collaborated with 11 companies in New Taipei City for the first time to promote the "Family Friendly Enterprise Alliance," providing workplace family education activities to help employees balance work and family life. The "Family Friendly Enterprise Alliance" held a total of 23 lunchtime seminars and 4 lectures in 2022, with nearly 820 participants and a satisfaction rate of 98%. To express gratitude towards the allied enterprises, the Ministry of Education held a results sharing and training event on April 19, inviting personnel from local government family education centers and workplace representatives from the 11 collaborating enterprises to participate in the event. Deputy Director-General Yen Pao-Yueh of the Department of Lifelong Education personally attended and presented certificates of appreciation to thank the enterprises for joining the alliance, promoting collaboration between industry, government, and academia, and assisting in the trial implementation of workplace family education programs to promote family education.

In 2023, the Ministry of Education progressively proposed the "Family Friendly Enterprise Alliance Promotion Program - Phase 2: Encouraging Workplace Family Education Pilot Project," with the hope of continuously bringing family education to the workplace and creating a winning atmosphere for both the workplace and employees.

友善家庭職場企業聯盟 家庭教育講座

產官學攜手合作!! 堅強講師陣容! 邀您一同打造幸福家庭!

情感關係 愛情捉迷藏 戀愛補習班

婚姻關係 隊友神助攻 新手爸媽不慌亂

親子關係 用桌遊玩出天賦好個性 教你讀懂孩子的心 家庭法律大小事

代間關係 預防失智 中年子女與老年父母的關係

情緒教育 讀懂青少年親子間的情緒對話

每堂課程費用 500元/人 全額補助 名額有限 報名從速

鑽石級講師群

- 潘慶輝
- 張純吉
- 黃之盈
- 陳家雄
- 黃乙白
- 李智兒
- 王雅迪
- 劉奕枝
- 王明玲



友善家庭職場企業聯盟
Family-Friendly Enterprise Alliance

企業齊攜手 幸福家庭GO

財團法人 研揚文教基金會
AAEON FOUNDATION

i. Happiness Booster: Family Education Lectures (In 2023, 2,182 participants, with a satisfaction rate of 98%)

To promote parenting education courses in 2023, the AAEON Foundation invited 21 technology companies (AAEON Technology, Onyx Healthcare, GIGABYTE Technology, Good Way Technology, EverFocus, Litemax, BYTE International, IBASE Technology, Chenbro, GIGAIPC, and AtechOEM) to join the alliance for promotion. Collaborating with National Taiwan Normal University's "Happiness Booster" program, a total of 65 "Happiness Booster" lunchtime lectures were conducted with 2,182 participants from July to December, and the satisfaction survey reached 98%, indicating effective promotion.



友善家庭職場企業聯盟 家庭教育講座

產官學攜手合作!! 堅強講師陣容! 邀您一同打造幸福家庭!

情感關係

用對方法 “愛” 瞭解表達情感的方式，設計情感表達的能力

愛情地圖 瞭解溝通與分享，瞭解相互關係的程度

愛情密碼 瞭解在生活中的溝通，瞭解關係中的具體方法

代間關係

樂齡健康密碼 中高龄階段的身心健康，與中老父母的相處與照顧

當父母老了 瞭解高齡者的身心健康，以及人際互動的關係

長照資源，這樣用 瞭解高齡者中高龄階段的身心健康，以及人際互動的關係

親子關係

親子共讀樂趣多 兒童身心發展與學習，親子共讀，親子共讀的意義與價值

3C教養大作戰 認識孩子不同發展階段及3C使用建議，家長執行有效的3C教養策略

用桌遊玩出好關係 善用桌遊以親子良好關係，家庭關係中的情緒與溝通技巧

每堂課程費用 500元/人 (全額補助) 名額有限，報名請早

鑽石級講師群

林如萍 資深人士關係與家庭 專家、心理師	吳志文 資深人士關係與家庭 專家、心理師	余佳玟 資深人士關係與家庭 專家、心理師	林煜捷 Family-Friendly 企業聯盟
羅惠群 資深人士關係與家庭 專家、心理師	戴東恩 資深人士關係與家庭 專家、心理師	鄭淑子 資深人士關係與家庭 專家、心理師	陳景寧 資深人士關係與家庭 專家、心理師
韓麗雲 資深人士關係與家庭 專家、心理師	歐玲靜 資深人士關係與家庭 專家、心理師	鄧昭怡 資深人士關係與家庭 專家、心理師	

幸福報名專線: 02-89191234#1091 活動網址: found.aeeon.com.tw



家庭教育資源進入企業

系列課程獲得企業同仁熱烈迴響

ii. Parent-Child Education Project – AAEON Weekend School (In 2023, 127 families, 402 participants)

In response to the Ministry of Education's family friendly workplace policy, AAEON Technology has collaborated with relevant family education promotion units since 2020, utilizing corporate office space on weekends to organize a series of parent-child education courses. These courses enhance the parenting education skills of company employees, encourage family participation in activities, deepen learning effectiveness, promote gender diversity in parenting roles by encouraging male (father) involvement, and reward families for participating together.

2023假日學校		07/02(日)	07/30(日)	08/20(日)
7場 特色課程		玩出 桌遊 夢想家	繪本 親子 纏繞畫	玩出 科技 大未來
		09/24(日) 親子 趣味 科學go	10/29(日) 繪本 律動 嘉年華	11/26(日) 泰國 文化 體驗趣
				12/24(日) 親子 餐桌 遊寶島



7. Supporting and Promoting the Development of Vocational and Technical Education

(In 2017, AAEON donated NT\$100 million to the China University of Technology. By 2023, we have accumulated: 60 interns, 105 participants in industry-academic courses, 15 new residents/international students obtaining certifications through counseling programs, and scholarships attracting 99 enrollees.)

Chairman Chuang of AAEON, with a spirit of giving back to society and nurturing talent, donated NT\$100 million to China University of Technology. The funds are utilized for the school's "Industry-Academic Cooperation Development Scholarship", "Digital Teaching Development and Chinese Language Center Establishment", "Teaching Enhancement Plan for Smart Industry Development", and "Outstanding Faculty and Staff Welfare Fund." This aims to cultivate more outstanding vocational talents and assist China University of Technology in innovating and transforming into a unique science and technology university, serving as a model for vocational colleges and universities.

AAEON Chairman Yung Shun Chuang expressed, "Having personally benefited greatly from the solid training in vocational education, which allowed me to fully express myself on the professional stage, I deeply recognize the importance of vocational education in our country. However, the current societal and environmental focus on academic advancement means that vocational systems often lack resources and environments compared to general higher education systems. This results in many students facing difficulties with insufficient skills and professional expertise. Therefore, I contemplated how to apply an innovative spirit to implement social corporate responsibility and assist the continuous transformation of education. By a fortunate turn of events, a connection was established with China University of Technology. AAEON has long been dedicated to talent development and career growth in the technology information industry, and the educational philosophy of China University of Technology aligns with my core values of long-term commitment to information education development. Therefore, AAEON is willing to contribute to the development of this university and assist China University of Technology in transforming and developing into a model vocational university."

To contribute to public welfare and giving back to society, AAEON hopes to leverage its efforts to inject resources into vocational education, aiming to inspire others to join in addressing the funding shortages in vocational education. We strive to enhance the value of vocational education by cultivating outstanding talent for the nation and society. At the same time, this responds to the implementation of SDG 4: Quality Education. AAEON is committed to strengthening educational system reforms, enhancing the quality of education and teaching standards, and boosting the innovation and technological literacy of vocational schools.

AAEON donated NT\$100 million to China University of Technology, with a total resource investment from 2017 to 2023 including: 28 participants in industry-academic collaborations as industry experts, 15 board directors from affiliated companies, and 21 entrepreneurs participating and offering support; accumulated 60 interns, 105 participants in industry-academic courses, 15 new residents/international students obtaining certifications through counseling programs, and scholarships attracting 99 enrollees.



8. Joining the GOLF Alliance to Create an Innovative Platform for Integrated Learning and Industry-Academia Collaboration

The GOLF (Gap of Learning & Field) Alliance aims to unite the strengths of businesses and educational institutions to create an innovative platform for "integrated learning and industry-academia collaboration". This initiative provides high-quality internship and training opportunities, promotes industry knowledge dissemination, and shortens the time students need to adapt to the workplace. It also allows companies to secure talent early, implementing the spirit of corporate social responsibility through resource sharing. By leveraging the rich training resources of the GOLF cloud-based digital learning platform, students can clarify their career aspirations while still in school. They gain early exposure to companies, learning the skills and knowledge required by the industry, thereby enhancing their readiness for the workforce. This approach enables companies to secure talent early and provides comprehensive talent development. The platform equips students with the foundational skills needed to thrive and realize their personal goals before entering the workforce after graduation. It offers diverse learning fields and internship opportunities, addressing the shortage of skilled professionals in the industry.

The GOLF Alliance has established an effective model for connecting businesses and campuses, completing the creation of the "GOLF Learning Map", "Industry Digital Academy", and "School-Enterprise Course Collaboration". It offers nearly 300 free online resources for students to learn without cost. To ensure smooth platform operations, a non-profit organization was founded in 2020 to promote the sustainable development of GOLF. With structured operations, we hope to see more businesses and schools join in fulfilling social responsibility and creating a shared benefit for society, exerting a profound influence on both CSR and USR.

AAEON will continue to invest resources, support, and participate in GOLF to further expand its social impact, striving to nurture young talent and secure future professionals. We aim to achieve three major goals: deeply embedding workplace readiness in students, securing top talent for companies, and sharing resources for a win-win scenario in industry-academia collaboration. AAEON GOLF Collaboration - Course Provision and Experience Sharing:

Through online courses, students can gain an early understanding of AAEON's corporate philosophy and core values. When providing and creating courses, we consider the content that will most benefit students. Challenges and Solutions Faced by AAEON:

1. Identifying Suitable Course Topics and Instructor Selection: AAEON first evaluates existing in-person courses and seeks appropriate courses and instructors for digitization. It is also essential to define the target audience, learning objectives, and plan course duration for the GOLF project.
2. Assisting Instructors with Digital Course Creation: HR independently researches methods and steps for creating digital courses, seeks practical advice and considerations from other companies, and finally provides relevant information to instructors. Simultaneously, AAEON is promoting the digitization of training courses internally, hoping to share more industry knowledge with GOLF students.
3. Additional Course Creation Tips:
 - 1) Offer examples of GOLF courses from other companies to give instructors clear guidance.
 - 2) Provide resources for course recording to instructors, such as screen recording software, video software, or other free resources.
 - 3) Identify suitable teaching spaces that are not too spacious and can minimize noise. Ensure consistent distance between the instructor and the microphone.
 - 4) Consider recording in segments based on knowledge nodes, with each unit lasting ten minutes, to maintain audience focus. A course can be composed of several smaller topics.



APPENDIX I

GRI Standards Index

Declaration of Use	AAEON has reported the content for the period from January 1 to December 31, 2023, in accordance with GRI Standards.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standards	None of the Applicable GRI Sector Standards			
Topic	Disclosure Item	Item Description	Corresponding Report Sections	Page Number
The Organization and Its Reporting Practices	2-1	Organization Details	About This Report	2
	2-2	Entities Included in the Organization's Sustainability Reporting	About This Report	2
	2-3	Reporting Period, Frequency and Contact Point	About This Report	2
	2-4	Restatements of Information	About This Report	2
	2-5	External Assurance	About This Report	2
Activities and Workers	2-6	Activities, Value Chain and Other Business Relationships	I. About AAEON (II). Economic Performance	14
	2-7	Employees	V. Corporate Commitment (I). Happy Workplace	81
	2-8	Workers Who are Not Employees	V. Corporate Commitment (I). Happy Workplace	83
Governance	2-9	Governance Structure and Composition	II. Corporate Governance (I). Governance Structure	11,34
	2-10	Nomination and Selection of the Highest Governance Body	II. Corporate Governance (II). Board of Directors	35,36
	2-11	Chair of the Highest Governance Body	II. Corporate Governance (II). Board of Directors	37
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	II. Corporate Governance (I). Governance Structure	2,37,46
	2-13	Delegation of Responsibility for Managing Impacts	II. Corporate Governance (VII). Corporate Governance Officer	43-46,76
	2-14	Role of the Highest Governance Body in Sustainability Reporting	IV. Sustainable Development (I). Sustainable Development Organization	69
	2-15	Conflicts of Interest	II. Corporate Governance (II). Board of Directors	38
	2-16	Communication of Critical Concerns	III. Stakeholders (I). Stakeholder Identification	62
	2-17	Collective Knowledge of the Highest Governance Body	II. Corporate Governance (II). Board of Directors	38
	2-18	Evaluation of the Performance of the Highest Governance Body	II. Corporate Governance (II). Board of Directors	40
	2-19	Remuneration Policies	II. Corporate Governance (II). Board of Directors	51-52
	2-20	Process to Determine Remuneration	II. Corporate Governance (II). Board of Directors	52
	2-21	Annual Total Compensation Percentage	II. Corporate Governance (II). Board of Directors	53
Strategy, Policies and Practices	2-22	Statement on Sustainable Development Strategy	Letter From The Chairman	3

	2-23	Policy Commitments	IV. Sustainable Development (IV). Sustainable Development Policies	71-72
	2-24	Embedding Policy Commitments	IV. Sustainable Development (I). Sustainable Development Organization	71
	2-25	Processes to Remediate Negative Impacts	II. Corporate Governance (II). Board of Directors	43-47
	2-26	Mechanisms for Seeking Advice and Raising Concerns	II. Corporate Governance (II). Board of Directors	48-49
	2-27	Compliance with Laws and Regulations	II. Corporate Governance (II). Board of Directors	36,42
	2-28	Membership Associations	II. Corporate Governance (III). Innovation and R&D	12-13
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	III. Stakeholders (I). Stakeholder Identification	60
	2-30	Collective Bargaining Agreements	III. Stakeholders (IV). Stakeholder Communication	64
GRI 3: Material Topics				
GRI 3: Material Topics	3-1	Process to Determine Material Topics	III. Stakeholders (I). Stakeholder Identification	62
	3-2	List of Material Topics	III. Stakeholders (II). Disclosures on Material Topics	63

Economic Dimension				
GRI 201	GRI 3: Material Topic	3-3	Management of Material Topics	
	Economic Performance	201-1	Direct Economic Value Generated and Distributed	I. About AAEON (II). Economic Performance 14
		201-2	Financial Implications and Other Risks Due to Climate Change	II. Corporate Governance (II). Board of Directors 47
		201-3	Defined Benefit Plan Obligations and Other Retirement Plans	V. Corporate Commitment (I). Happy Workplace 104
		201-4	Financial Assistance Received from the Government	II. Corporate Governance (II). Economic Performance 13
GRI 202	Market Presence	202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	V. Corporate Commitment (I). Happy Workplace 104
		202-2	Proportion of Senior Management Hired from the Local Community	V. Corporate Commitment (I). Happy Workplace 85
GRI 203	Indirect Economic Impacts	203-1	Infrastructure Investments and Services Supported	I. About AAEON (II). Economic Performance (V). Public Welfare and Environmental Protection 16 148-162
		203-2	Significant Indirect Economic Impacts	I. About AAEON (II). Economic Performance 17-18
GRI 204	Procurement Practices	204-1	Proportion of Spending on Local Suppliers	VI. Supply Chain Management (II). Increase the Localized Procurement Percentage 116
GRI 205	GRI 3: Material Topic	3-3	Management of Material Topics	
	Anti-Corruption	205-1	Operations Assessed for Risks Related to Corruption	II. Corporate Governance (II). Board of Directors 56-58

		205-2	Communication and Training on Anti-Corruption Policies and Procedures	II. Corporate Governance (II). Board of Directors	56-58
		205-3	Confirmed Incidents of Corruption and Action Taken	II. Corporate Governance (II). Board of Directors	56-58
GRI 206	Anti-Competition Behavior	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	II. Corporate Governance (II). Board of Directors	56-58
GRI 207	Tax	207-1	Approach to Tax	II. Corporate Governance (II). Board of Directors	39
		207-2	Tax Governance, Control, and Risk Management	II. Corporate Governance (II). Board of Directors	39
		207-3	Stakeholder Engagement and Management of Concerns Related to Tax	II. Corporate Governance (II). Board of Directors	39
		207-4	Country-by-Country Reporting	II. Corporate Governance (II). Board of Directors	40

Environmental Dimension					
GRI 301	GRI 3: Material Topic	3-3	Management of Material Topics		
	Materials	301-1	Materials Used by Weight or Volume	VII. Environmental Sustainability (II). Green Production	120-121
		301-2	Recycled Input Materials Used	VII. Environmental Sustainability (II). Green Production	120-121
		301-3	Reclaimed Products and Their Packaging Materials	VII. Environmental Sustainability (II). Green Production	120-121
GRI 302	Energy	302-1	Energy Consumption Within the Organization	VII. Environmental Sustainability (IV). Climate Action	124-125
		302-2	Energy Consumption Outside of the Organization	VII. Environmental Sustainability (IV). Climate Action	124-125
		302-3	Energy Intensity	VII. Environmental Sustainability (IV). Climate Action	124-125
		302-4	Reduction of Energy Consumption	VII. Environmental Sustainability (IV). Climate Action	124-125
		302-5	Reductions in Energy Requirements of Products and Services	VII. Environmental Sustainability (II). Green Production	120
GRI 303	Water and Effluents	303-1	Interactions with Water as a Shared Resource	VII. Environmental Sustainability (IV). Climate Action	124
		303-2	Management of Water Discharge-Related Impacts	VII. Environmental Sustainability (IV). Climate Action	124
		303-3	Water Withdrawal	VII. Environmental Sustainability (IV). Climate Action	124
		303-4	Water Discharge	VII. Environmental Sustainability (IV). Climate Action	124
		303-5	Water Consumption	VII. Environmental Sustainability (IV). Climate Action	124
GRI 304	Biodiversity	304-1	Operational Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	AAEON's operational sites are not located in protected areas and have minimal ecological impacts, therefore no reporting is conducted.	NA
		304-2	Significant Impacts of Activities, Products and Services on Biodiversity		NA
		304-3	Habitats Protected or Restored		NA

		304-4	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations		NA
GRI 305	Emissions	305-1	Direct (Scope 1) GHG Emissions	VII. Environmental Sustainability (IV). Climate Action	126
		305-2	Energy Indirect (Scope 2) GHG Emissions	VII. Environmental Sustainability (IV). Climate Action	126
		305-3	Other Indirect (Scope 3) GHG Emissions	VII. Environmental Sustainability (IV). Climate Action	127
		305-4	GHG Emissions Intensity	VII. Environmental Sustainability (IV). Climate Action	128
		305-5	Reduction of GHG Emissions	VII. Environmental Sustainability (IV). Climate Action	128
		305-6	Emissions of Ozone-Depleting Substances (ODS)	VII. Environmental Sustainability (IV). Climate Action	128
		305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	VII. Environmental Sustainability (IV). Climate Action	128
GRI 306	GRI 3: Material Topic	3-3	Management of Material Topics		
	Waste	306-1	Waste Generation and Significant Waste-Related Impacts	VII. Environmental Sustainability (IV). Climate Action	129-130
		306-2	Management of Significant Waste-Related Impacts	VII. Environmental Sustainability (IV). Climate Action	129-130
		306-3	Waste Generated	VII. Environmental Sustainability (IV). Climate Action	129-130
		306-4	Waste Diverted from Disposal	VII. Environmental Sustainability (IV). Climate Action	129-130
	Supplier Environmental Assessment	306-5	Waste Directed to Disposal	VII. Environmental Sustainability (IV). Climate Action	130
		308-1	New Suppliers that were Screened Using Environmental Criteria	VI. Supplier Management (III). Green Supply Chain	116-117
GRI 308		308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	VI. Supplier Management (III). Green Supply Chain	116-119

Social (Including Human Rights) Dimension

Employment	Employment				
GRI 401	Employment	401-1	New Employee Hires and Employee Turnover	V. Corporate Commitment (I). Happy Workplace	83-84
		401-2	Benefits Provided to Full-Time Employees that are Not Provided to Temporary or Part-Time Employees	V. Corporate Commitment (I). Happy Workplace	85
		401-3	Parental Leave	V. Corporate Commitment (I). Happy Workplace	86
GRI 402	Labor/ Management Relations	402-1	Minimum Notice Periods Regarding Operational Changes	V. Corporate Commitment (I). Happy Workplace	59
GRI 403	Occupational Health and Safety	403-1	Occupational Health and Safety Management System	V. Corporate Commitment (I). Happy Workplace	88
		403-2	Hazard Identification, Risk Assessment, and Incident Investigation	V. Corporate Commitment (I). Happy Workplace	91

		403-3	Occupational Health Service	V. Corporate Commitment (I). Happy Workplace	94
		403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	V. Corporate Commitment (I). Happy Workplace	89
		403-5	Worker Training on Occupational Health and Safety	V. Corporate Commitment (I). Happy Workplace	90
		403-6	Promotion of Worker Health	V. Corporate Commitment (I). Happy Workplace	94-102
		403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	V. Corporate Commitment (I). Happy Workplace	89-90
		403-8	Workers Covered by an Occupational Health and Safety Management System	V. Corporate Commitment (I). Happy Workplace	90
		403-9	Work-Related Injury	V. Corporate Commitment (I). Happy Workplace	91
		403-10	Work-Related Ill Health	V. Corporate Commitment (I). Happy Workplace	91
GRI 404	Training and Education	404-1	Average Hours of Training per Year per Employee	V. Corporate Commitment (I). Happy Workplace	110
		404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	V. Corporate Commitment (I). Happy Workplace	110
		404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	V. Corporate Commitment (I). Happy Workplace	110
GRI 405	Diversity and Equal Opportunities	405-1	Diversity of the Governance Bodies and Employees	II. Corporate Governance (II). Board of Directors V. Corporate Commitment (I). Happy Workplace	39, 81
		405-2	Ratio of Basic Salary and Remuneration of Women to Men	V. Corporate Commitment (I). Happy Workplace	103

GRI 406	GRI 3: Material Topic	3-3	Management of Material Topics		
	Non-Discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	V. Corporate Commitment (I). Happy Workplace	78-70
GRI 407	Freedom of Association and Collective Bargaining	407-1	Operations and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May Be at risk	V. Corporate Commitment (I). Happy Workplace	78-70
GRI 408	Child Labor	408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	V. Corporate Commitment (I). Happy Workplace	78-70
GRI 409	Forced or Compulsory Labor	409-1	Operations and Suppliers at Significant Risk for Incidents of forced or Compulsory Labor	V. Corporate Commitment (I). Happy Workplace	78-70
GRI 410	Security Practices	410-1	Security Personnel Trained in Human Rights Policies or Procedures	V. Corporate Commitment (I). Happy Workplace	85

GRI 411	Rights of Indigenous People	411-1	Incidents of Violations Involving Rights of Indigenous Peoples	V. Corporate Commitment (I). Happy Workplace	85
GRI 413	Local Communities	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	VIII. Social Inclusion (III). Social Welfare Participation	140-143
		413-2	Operation with Significant Actual or Potential Negative Impacts on Local Communities	VIII. Social Inclusion (III). Social Welfare Participation	158-160
GRI 414	Supplier Social Assessment	414-1	New Suppliers that were Screened Using Social Criteria	VI. Supplier Management (III). Green Supply Chain	117-119
		414-2	Negative Social Impacts in the Supply Chain and Actions Taken	VI. Supplier Management (III). Green Supply Chain	118-119
GRI 415	Public Policy	415-1	Political Contributions	The political contribution for the 2023 year was NT\$0.	NA
GRI 416	Customer Health and Safety	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	VII. Environmental Sustainability (II). Green Production	121
		416-2	Incidents of Non-Compliance with Regulations Concerning the Health and Safety of Products and Services	VII. Environmental Sustainability (II). Green Production	121-122
GRI 417	Marketing and Labeling	417-1	Requirements for Product and Service Information and Labeling	VII. Environmental Sustainability (II). Green Production	121
		417-2	Incidents with Non-Compliance Concerning Product and Service Information and Labeling	VII. Environmental Sustainability (II). Green Production	121
		417-3	Incidents with Non-Compliance Concerning Marketing Communications	VII. Environmental Sustainability (II). Green Production	121
GRI 418	GRI 3: Material Topic	3-3	Management of Material Topics		
	Customer Privacy	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	II. Corporate Governance (II). Board of Directors	55

Appendix II

Climate-related Financial Disclosure Report

(Task Force on Climate-Related Financial Disclosures, TCFD)

(I) Climate Governance

AAEON's Board of Directors is the highest climate governance body for climate-related issues, responsible for approving climate-related policies, strategies, and targets. It considers and oversees climate-related risks and opportunities, as well as the management and disclosure of these risks. In addition to incorporating the aforementioned climate-related issues into AAEON's operational strategy, the Board of Directors also supervises the implementation and effectiveness of various management mechanisms to ensure stable operations. This includes regularly discussing climate-related issues and continuously reviewing risk assessment results. AAEON irregularly organizes educational training to enhance all employees' understanding of climate-related risk management topics.

To strengthen sustainable governance, the Chairman serves as the convener. The Sustainable Development Unit, Sustainable Environmental Group, and Sustainable Supply Chain Group regularly review climate-related issues and implementation status. The review results are presented to the Board of Directors to demonstrate AAEON's commitment to climate governance. The "Environmental Sustainability Task Force" identifies potential climate change risks, opportunities, and financial impacts within AAEON's operations based on the climate change-related financial disclosure project. It discloses relevant information in four major areas: "Governance", "Policy", "Risk Management", and "Metrics and Targets", identifies risk and opportunity issues, and formulates risk management strategies as measures to address climate change.

(II) Climate Risk Management

To understand the impacts of climate change, AAEON conducts an annual inventory of risks and opportunities brought about by climate change according to the nature of its business. Furthermore, it identifies and evaluates these risks and opportunities based on the climate risk and opportunity classification, impact pathway, impact timing and geographical scope, value chain position affected, and financial impact as recommended by the TCFD.

Conduct climate risk and opportunity identification based on the TCFD framework by assessing likelihood, frequency, and potential impact on AAEON, evaluating the risk and opportunity values, and prioritizing focus on "physical risks", "transition risks", and "climate change opportunities".

■ Physical Risks

Risk Nature	Sources of Risk	Impact on AAEON	Risk Response Measures
Immediate (Short-Term)	Extreme weather, including typhoons, heavy rain, and extreme temperatures (low and high).	Threatens employee safety, potentially causing workplace accidents, disrupting work schedules, resulting in financial losses, and damaging AAEON's image.	Develop emergency response plans for extreme weather and conduct regular drills to prepare in advance, minimizing injuries or financial losses caused by risks.
Long-Term	Effects of greenhouse gases causing a global rise in average temperatures	- Continued rise in global average temperatures. - Intensification of carbon reduction issues.	- Implement educational training on climate change risk management topics (such as office energy conservation and carbon reduction) to instill carbon reduction concepts in employees. - Engage in air quality improvement and community farming initiatives. - Organize beach cleaning activities. - Participate in reforestation activities.

■ Transition Risks

Risk Nature	Sources of Risk	Impact on AAEON	Risk Response Measures
Policies and Regulations	International conventions or advocacy regulations.	- International conventions or advocacy regulations, such as TCFD information disclosure requirements, necessitate AAEON to formulate related climate change risk and response measures. - Increased operating costs due to carbon taxes.	Address climate change issues by adhering to TCFD guidelines, responding to relevant risk information and measures, tracking implementation performance, and regularly reviewing and improving.
	National regulatory updates	Domestic environmental regulations and policies, such as mandatory disclosure of GHG emissions and the implementation of energy management, are required.	Continue promoting GHG Protocol greenhouse gas inventory.
Technology	Renewable energy	Insufficient renewable energy or increased electricity costs	Evaluate and plan for the purchase and use of renewable energy
Customer Demand and Corporate Image	Changes in customer demand for low-energy, low-carbon products.	Reduced market demand for non-green products.	- Enhance software and hardware energy use efficiency to continuously reduce carbon emissions during the usage phase. - Integrate circular economy thinking into product design and production, such as using environmentally friendly materials, improving product energy efficiency, and extending product life cycles to develop low-carbon products.

■ Climate Change Opportunities

Opportunity Nature	Source of Opportunity	Description of Opportunity
Continued Development of Lower Energy Consumption Products/Tech nologies to Meet Customer Demand	Renewable Energy	Procurement of renewable energy sources, such as wind, solar, geothermal, and hydropower, which enhance environmental sustainability and contribute to carbon reduction.
	Use of low-carbon materials	Establish a low-carbon materials database and continuously develop low-carbon products.
	Increase willingness of the supply chain to reduce carbon emissions	Gradually implement carbon reduction measures within the supply chain to lower the carbon emissions of products.

(III) Metrics and Targets (Strategy)

AAEON adheres to environmental laws and related international guidelines, appropriately protecting the natural environment and is committed to achieving environmental sustainability targets.

In the course of operational activities, evaluate the improvement of resource utilization efficiency and prevent pollution of water, air, and land; make every effort to minimize adverse effects on human health and the environment, estimate AAEON's GHG inventories, and adopt the best feasible measures for pollution prevention and control technologies. Using recycled materials with low environmental impact, enabling the sustainable use of Earth's resources.

Short-Term Targets (1 to 3 years)	Medium-Term Targets (3 to 5 years)	Long-Term Targets (More than 5 years)
- Complete the Group's GHG inventory and third-party verification by 2024 - Energy-saving action plans and paper reduction measures enhance employees' sustainable awareness of energy conservation, carbon reduction, and environmental protection	2030 Scope 1 and 2: Reduce carbon emissions by 50% - Scope 3: A scientifically grounded reduction target to reduce carbon emissions from the procurement of goods and services and the use of sold products by 30%	The 2050 SBT Net-Zero Commitment and Long-Term Vision of Limiting Temperature Rise to No More than 1.5°C

(IV) GHG Inventory (Measures)

Using 2021 as the base year, AAEON conducts GHG inventory according to the GHG Protocol framework, employing the "Operational Control" approach. We inventory the GHG emissions from Scopes 1 to 3 within AAEON's operational boundaries, with third-party data verification, driving carbon management and reduction.

● Greenhouse Gas (GHG) Reduction Goals:

- ✧ By 2030: Group-wide reduces Scope 1 and Scope 2 carbon emissions by 50% from the 2021 baseline.
- ✧ By 2030: Group-wide reduces Scope 3 carbon emissions from the procurement of goods and services and the use of sold products by 30% from the 2021 baseline.

Item	Unit	2023	2022	2021
Scope 1: Direct GHG Emissions	Tons/CO ₂ e	135.9340	131.2779	103.5175
Scope 2: Energy Indirect GHG Emissions	Tons of CO ₂ e	1,391.1907	1,401.6956	1,418.2547
Scope 3: Other Indirect GHG Emissions	Tons of CO ₂ e	74,520.7570	118,612.0584	95,369.2958
Total GHG Emissions Quantity	Tons of CO ₂ e	76,047.8817	120,145.0589	96,891.0707
Revenue (Individual Revenue)	Million NT\$	4,665	5,941	4,430
GHG Emissions Intensity		16.3034	20.2236	21.8691

Note1: Data coverage: AAEON Taiwan

Note2: The data was audited and verified in July 2024.

Appendix III

SASB Index

Indicators	Serial Number	Indicator Description	Disclosed Content
Product Safety	TC-HW-230a.1	Describe methods for identifying and addressing data security risks in products.	VII. Environmental Sustainability (II). Green Production
Employee Diversity and Inclusion	TC-HW-330a.1	The gender and racial/ethnic group ratio of management and all other employees.	V. Corporate Commitment (I). Happy Workplace
Product Life-Cycle	TC-HW-410a.1	The percentage of revenue from products containing declarable substances according to IEC 62474.	0
	TC-HW-410a.2	The percentage of revenue from products meeting EPEAT registration requirements or equivalent conditions.	0
	TC-HW-410a.3	The percentage of revenue from products meeting ENERGY STAR criteria.	0
	TC-HW-410a.4	The weight and percentage of recycled discarded products and electronic waste.	VII. Environmental Sustainability (II). Green Production
Material Procurement	TC-HW-440a.1	Describe the Risk Management for managing the use of critical materials.	VI. Supplier Management (III). Green Supply Chain
Industry Activities	TC-HW-000.A	Production volume of each product type	Number of board sales:408,625 Number of system sales:128,576
	TC-HW-000.B	Plant area	12,059(Square feet square meter)
	TC-HW-000.C	Percentage of production from owned facilities	Board production from owned facilities:89% System production from owned facilities:98%

Appendix IV

TWSE Sustainability Disclosure Indicators **- Computers and Peripheral Equipment Industry**

Serial Number	Indicators	Indicators Type	Unit	Note
1	Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy	Quantified	Gigajoules (GJ); Percentage (%)	VII. Environmental Sustainability (IV). Climate Action
2	Total water withdrawal and total water withdrawal	Quantified	Thousand Cubic Meters (m ³)	VII. Environmental Sustainability (IV). Climate Action
3	Weight of hazardous waste generated, and percentage recovered	Quantified	Metric Tons (t); Percentage (%)	VII. Environmental Sustainability (IV). Climate Action
4	Describe the type, number and rate of occupational hazards	Quantified	Ratio (%); Quantity	V. Corporate Commitment (I). Happy Workplace
5	Disclosure of product life-cycle management: weight of end-of-life products and e-waste and percentage of recycling	Quantified	Metric Tons (t); Percentage (%)	VII. Environmental Sustainability (IV). Climate Action
6	Description of risk management related to the use of critical materials	Qualitative Description	Not Applicable	VI. Supplier Management (III). Green Supply Chain
7	Total pecuniary losses arising from legal proceedings relating to the anti-competition behaviors ordinance	Quantified	Reporting Currency	II. Corporate Governance (II). Board of Directors
8	Production volume of each product type	Quantified	Depends on product type.	Number of board sales:408,625 Number of system sales:128,576

Appendix V

Climate-Related Information for Listed and OTC Companies

Item	Disclosure Section
Describes the Board's and management's oversight and governance of climate-related risks and opportunities.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
Describe how the identified climate risks and opportunities affect the business, strategy and finances of the organization (short, medium and long term).	Appendix II, Climate-related Financial Disclosure Report (TCFD)
Describe the financial impacts of extreme climate events and transformational actions.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
Describe how the process of identifying, assessing and managing climate risk is integrated into the overall risk management system.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and significant financial impacts should be described.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
If there is a transition plan for managing climate-related risks, describe the plan and the metrics and objectives for identifying and managing physical and transition risks.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	Internal carbon pricing has not yet implemented.
If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or the amount of renewable energy certificates (RECs) should be stated.	Appendix II, Climate-related Financial Disclosure Report (TCFD)
Greenhouse gas inventory and confirmation status.	GHG Inventory for 2021-2023, the inventory/certification has been completed in July 2024, please refer to Appendix VI for details.

Appendix VI

AAEON Technology 2021-2023 GHG Verification Report

The data for Scope 1, 2 & 3 from 2021-2023 was externally audited and verified, with the GHG Verification Report Opinion obtained in July 2024. <Sustainable Environment IV. GHG Inventory/Verification>

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Report no.: (TH24-024 / version 1)

Greenhouse Gas Verification Report Opinion

THHGP24024-00

Verification scope: AAEON Technology Inc. 5F, No.135, Ln. 235, Baogiao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)

Verification criteria: Greenhouse Gas Protocol

Verification Objectives: AFNOR Asia, Ltd. (AFNOR ASIA) confirms that the GHG statement (GHG inventory report) of the above-mentioned organization(s) is completed in accordance with the verification criteria agreed by both parties. AFNOR performs the verification with an objective and fair position and principle (relevant, complete, consistent, accurate, and transparent).

Data period: 2021/01/01 - 2023/12/31

Verification data: Direct GHG emissions (scope 1): 151,5583 tons CO₂e
Energy indirect GHG emissions (scope 2): 1,558,4726 tons CO₂e
Indirect GHG emissions (scope 3): 91,594,1620 tons CO₂e

Global warming potential (GWP): refer to IPCC 2021 Year, the 6 assessment report

Statement basis: This statement must be interpreted as a whole with the following.
GHG inventory report (version: 3 ; Date: 05/30/2024)
GHG inventory (version: 3 ; Date: 05/30/2024)

Materiality: 5% (scope 1 and scope 2)

Type of opinion: ☒ Unqualified ☐ Qualified (see the subsequent page) ☐ Disclaim the issuance

Verification conclusion: Confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by the two parties, and fairly presents the GHG data and related information, which is consistent with the verification scope, objectives and criteria agreed by the two parties.
Declares that the limited assurance level of the inventory data is scope 1, scope 2 and scope 3.

Date of issuance: 06/22/2024

APPROVED BY
Patrick Ni
Patrick Ni
Director for Certification
ON BEHALF OF
AFNOR ASIA

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Report no.: (TH24-024 / version 1)

The Geographical Location of Multiple Sites :

Site	Address
AAEON Technology Inc. (Headquarters)	5F, No.135, Ln. 235, Baogiao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)
AAEON Technology (Suzhou) Co., Ltd.	Room12, 2F, Building B, No.5 Xing Han Street, Suzhou Industrial Park, Jiang Su Province, China
AAEON ELECTRONICS, INC.	11 Crown Plaza Harbor, NJ 07730, USA
AAEON TECHNOLOGY (EUROPE) B.V.	Beatrix de Rijkweg 8, 5657 EG, Eindhoven, Netherlands
AAEON TECHNOLOGY GMBH	Munstraße 46, 63225 Langen, Germany
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	57 Genting Lane, #07-00, Singapore 349564

Emissions data for each category :

Category	Description of content	GHG emissions (tons CO ₂ e)	Note
(Scope 1) Direct GHG emissions	Stationary combustion sources, Mobile sources, Fugitive emissions	151,5583	
(Scope 2) Indirect GHG emissions from imported energy	Purchased electricity	1,558,4726	Local base
(Scope 3) Other Indirect GHG emissions	Category 1 Purchased goods and services	56,516,7868	
	Category 2 Capital goods	434,1532	
	Category 3 Fuel- and energy-related activities(not included in scope 1 or scope 2)	304,2351	
	Category 4 Upstream transportation and distribution	23,9045	
	Category 5 Waste generated in operations	72,4404	
	Category 6 Business travel	118,3795	
	Category 7 Employee commuting	252,0583	

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Report no.: (TH24-024 / version 1)

The Geographical Location of Multiple Sites :

Site	Address
AAEON Technology Inc. (Headquarters)	5F, No.135, Ln. 235, Baogiao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)
AAEON Technology (Suzhou) Co., Ltd.	Room12, 2F, Building B, No.5 Xing Han Street, Suzhou Industrial Park, Jiang Su Province, China
AAEON ELECTRONICS, INC.	11 Crown Plaza Harbor, NJ 07730, USA
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Other related verification information

Organization boundaries:	operational control
GHG type:	Carbon dioxide (CO ₂), Methane (CH ₄), Nitrous oxide (N ₂ O), Hydrofluorocarbon (HFCs), Perfluorocarbon (PFCs), Sulfur hexafluoride (SF ₆), Nitrogen trifluoride (NF ₃)
Purpose of intended use:	The organization voluntarily understand the status of greenhouse gas emissions as the basis for reduction strategies. (This statement of responsibility applies only to the purpose of intended use mentioned above and not to any other purpose.)
Significance criteria of indirect emission:	☒ Identified stakeholder requirements: ☒ Yes ☐ No ☒ Identified regulation requirements: ☒ Yes ☐ No ☒ Identified magnitude of emissions: ☒ Yes ☐ No ☐ Others:
Power factor:	Refer to the 2023 annual power factor announced by the Bureau of Energy, Ministry of Economic Affairs on April 26, 2024
Data Sources:	☒ The primary data is collected from on-site operation activities. ☒ Category 3-6 emissions are calculated with estimated data. The secondary data sources are: Taiwan EPA Carbon footprint information network, High-speed rail transport service carbon footprint, UK Conversion factors, ECOINVENT DATABASE, etc. ☐ Others:
Verification method:	☒ On-site
Qualified opinion:	NO
Others:	NO
Verification date:	May 8, 9, 13, 21, 2024 May 30, 2024
Report date:	June 7, 2024

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Report no.: (TH24-024 / version 1)

Verification team and technical review

Lead verifier:	Ling Hsiao-kuang	簽名: <i>Ling Hsiao-kuang</i>
Verifier:	Hsiao Ming Tsai	簽名: <i>Hsiao Ming Tsai</i>
Verifier:	Chia-Hung Hsu	簽名: <i>Chia-Hung Hsu</i>
Verifier:	Chien-Hung Lai	簽名: <i>Chien-Hung Lai</i>
Verifier:	Micky Wang	簽名: <i>Micky Wang</i>
Independent review:	Shih-Ting Tseng	簽名: <i>Shih-Ting Tseng</i>

Verification processes

AFNOR is based on risk assessment methods and controls and processes of evidences collection are including pre-assessment, on-site visits, interviews with site personnel, confirmation of documented evidence provided, sampling of emission data, evaluation of data management systems, confirming the collection and aggregation of emission data, analysis between production and energy consumption, and confirmation of whether the terms of the agreement referred to are properly applied.

Roles and Responsibilities

The responsible party, the organization, is responsible for preparing and submitting a GHG statement in accordance with the verification criteria. This responsibility includes the planning, implementation and maintenance of data management systems related to GHG declarations, GHG inventory and GHG inventory reports.

AFNOR provides independent third-party verification of the reported GHG emissions and issues verification opinions for the organizational GHG emissions. The verification team is independent and impartial, and there is no conflict of interest.

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Appendix VII

2023 Independent Assurance Statement of the Sustainability Report



格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Independent Assurance Statement Based on
2023 Sustainability Report of AAEON Technology Inc.

Statement No.: 2407003

AAEON Technology Inc. (hereinafter referred to as AAEON) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2023 sustainability report, GREAT has no financial relationship with AAEON.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant AAEON's Sustainability Report, and not for other purposes. Except for the Statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this Statement.

This Statement is based on the conclusions made by the relevant information verification provided by AAEON to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this Statement or related matters will be answered by AAEON.

The Scope of Assurance

The verification scope of AAEON and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of AAEON from January 1, 2023 to December 31, 2023;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of AAEON's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report.
- This Statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of AAEON's sustainability report, and provide a fair standpoint of AAEON's related operations and performance. We believe that the specific performance indicators of AAEON in 2023, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate AAEON's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by AAEON is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to AAEON's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of AAEON about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of AAEON on a sampling basis;
- To evidence supporting the claims made in the review report;
- To review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- Inclusivity

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格瑞國際驗證有限公司
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AAEON has established a process of cooperation with major stakeholders, including employees, shareholders, customers, suppliers, government agency and community groups, etc., and will launch a series of stakeholder activities in 2023, involving economy, society, environment, corporate governance and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of AAEON.

- Materiality

The report has stated that AAEON focuses on economy, society and environment topics, and identified 6 major topics including economic performance, anti-corruption/anti-competition, human right, customer privacy, waste management and raw material management, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of AAEON.

- Responsiveness

AAEON responds to requests and opinions from stakeholders. Implementation methods include labor-management meeting, employee welfare committee, employee opinion mailbox, shareholders meeting, public information observatory, official website stakeholder area, spokesperson, customer service/technical consultation mailbox, customer satisfaction survey, supplier evaluation, government regulation promotional meeting/seminar/symposium, volunteer services and charity activities, and invite/participate in community events, those numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of AAEON.

- Impact

AAEON has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. AAEON has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of AAEON.

- GRI Guidelines

AAEON provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers AAEON's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of AAEON. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide a Statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team JULY 16, 2024

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by General Manager W. J. Chan



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