



Young Fast Optoelectronics Co., Ltd.

2025 ESG Report

(Translation)

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A Words from the Management

Sustainable Operation Strategy: Governance and Innovation on the Road to Net Zero

Young Fast Optoelectronics upholds the core values of “Innovation, Integrity, and Sustainability,” actively responding to global climate challenges and the wave of sustainability during its growth journey. In line with the GRI Universal Standards and materiality analysis framework, the company has progressively built a top-down sustainable governance structure, encompassing Board supervision, strategic planning and KPI setting by the Sustainability Committee, and execution by the ESG team to ensure integration between sustainable strategies and core business operations. Since establishing its sustainable development goals, Young Fast has continuously expanded its target management and stakeholder engagement mechanisms. In 2024, the company further strengthened corporate governance and social participation actions, demonstrating its commitment to a sustainable future.

In 2024, both global and Taiwanese economies faced multiple structural shifts. Export strategies shifted toward diversification, while technologies like AI, 5G, and smart manufacturing continued to expand. The electronics and optoelectronics industries maintained key roles in the global supply chain, fueling steady growth in markets for display panels and green energy applications. Responding to these trends, Young Fast’s Optoelectronics Business Group focused on high value-added products and technical autonomy, deepening its vertical integration capabilities. The company has continued investing in crucial processes like functional touch panel sensors and glass cover surface treatments (including anti-smudge, anti-glare, anti-reflective, and antimicrobial technologies). It also expanded comprehensive and borderless bonding technologies for touch modules and various display panels, boosting production capabilities in areas such as touch monitors, full device assembly, PMOLED, and e-paper module bonding. The company has actively entered markets for industrial control, sports equipment, automotive devices, and mid- to large-size e-paper navigation displays, securing its market position through patent applications that protect its R&D achievements.

The Electromechanical Business Group mainly serves Taipower as its end customer and benefits from high entry barriers (technical specifications and safety certifications), delivering stable operations and contributing to gross profit. In 2024, production progressed smoothly—with capacity expansion complemented by integrated installation resources in response to domestic manpower shortages. Strategic partners were mobilized to provide turnkey construction services, and technical training and equipment upgrades were carried out in collaboration with downstream contractors. To support Taipower’s grid equipment renewal project, Young Fast introduced multiple types of terminal devices and participated in testing to meet client demands. Overall, both the Optoelectronics and Electromechanical business lines advanced in parallel, while effective asset activation strategies showcased the company’s adaptability and resilience in a volatile global market. From a financial standpoint, electromechanical products continued to benefit from national energy policies and infrastructure projects by Taipower. With operations running near full capacity, revenue increased by

2.84% year-over-year, and stable investment returns further boosted profitability. Net profit after tax grew by 26.94% compared to the previous year, with earnings per share reaching NT\$4.76.

Strategically, Young Fast focuses its sustainability efforts on five core pillars: Net Zero Emissions, Green Procurement, Innovative R&D, Social Inclusion, and Ethical Governance—clearly outlining short-, medium-, and long-term actions. The company ranks in the top 21–35% in corporate governance evaluations and holds certifications such as ISO9001, IATF-16949, ISO14001, and ISO45001. Its energy-saving and carbon management projects include lighting upgrades, compressor optimization, and process temperature control improvements, targeting a 1% reduction in total greenhouse gas emissions in 2023. In 2024, emissions totaled 4,946.2346 tons of CO_{2e}, a 40.47% reduction from 8,308.9670 tons of CO_{2e} in 2023—equating to 3,362.7324 tons of CO_{2e} cut.

Looking ahead, Young Fast Optoelectronics will continue to follow the GRI guidelines, enhance transparency in information disclosure, and improve performance management. It will expand ESG training coverage to bolster internal governance culture and strengthen sustainability awareness and capabilities across its supply chain partners. Despite pressures from energy transition costs, regulatory changes, and infrastructure upgrade challenges, the company will pursue strategic planning, risk management, and technological innovation to build a resilient, forward-looking sustainable business model—progressing toward a comprehensive low-carbon and sustainable future.

Chairperson

A handwritten signature in blue ink, appearing to be the Chinese characters '白志明' (Bai Zhi Ming), written in a cursive style.

0. Report Overview and Scope

Report Summary

This report is based on the previous year's sustainability report prepared in accordance with the Global Reporting Initiative (GRI)'s GRI Standards, which include general standards, industry standards, and major theme standards. This report details the measures and actions taken by Young Fast Optoelectronics Co., Ltd. (hereinafter referred to as Young Fast Optoelectronics, Young Fast, or the Company) in fulfilling its corporate social responsibility, focusing on the implementation of sustainable management (including ESG organization and responsibilities, stakeholder identification and communication and analysis of issues of concern, prioritization and response to major themes, the impact of sustainable operations, implementation of the United Nations Sustainable Development Goals, sustainable development goals, and plans), corporate governance and sustainable operations, operational performance and customer service, innovative development, the establishment of a sustainable supply chain, green production and climate change adaptation, and workplace-friendly and community-friendly initiatives.

Data period

This report covers the period from January 1, 2024, to December 31, 2024, coinciding with the financial reporting period. This report discloses information on Young Fast Optoelectronics' ESG sustainability management policies, risk assessments, ranking of material topics, responses and list management, and ESG action performance. Some content is intended to enhance readers' understanding of the report information. The company will revise and publish the ESG report annually.

Range Boundary

- The information presented here is primarily based on the four locations of Young Fast Optoelectronics Co., Ltd. (Taipei Office, Optoelectronics Plant and Electromechanical Plant in Guanyin District, Taoyuan City, and Vietnam Plant), and does not include other subsidiaries in Taiwan. This report contains information related to Young Fast Optoelectronics' material disclosures for 2024 (excluding occupational safety and health information for the Vietnam Plant), employees, external customers, suppliers, and investors.
- Financial performance figures are calculated in New Taiwan Dollars. The reliability of the financial data has been verified by public accountants.

The data is presented using commonly used text and numerical values.

Principles and Guidelines

- Global Reporting Initiative: GRI Standards
- Guidelines for the Preparation and Submission of Sustainability Reports by Listed Companies
- Code of Practice for Sustainability Development of Listed and OTC Companies
- TCFD Climate-Related Financial Disclosures (Risks, Opportunities, and Financial Impacts of Climate Change)
- SASB Releases Sustainable Accounting Standards for Resource-Transformed Industries: Hardware Manufacturing and Power Electronic Equipment and Components: Sustainability Themes and Accounting Indicators

Changes to the report (re-edited)

The Company's 2024 ESG Sustainability Report is issued for the first time.

Issuance frequency

Once a year, the current edition is published in August 2025, and the next edition is published in August 2026.

Accuracy of public information

● Internal Confirmation

Unless otherwise noted, all currency in this report is in New Taiwan Dollars (NTD), and figures are rounded to the second decimal place.

Every piece of information, data, review, and verification information disclosed in this report has been documented and verified by the heads of relevant departments and reviewed by top management.

● External Confirmation

Financial data: Disclosed are based on the 2024 consolidated financial statements audited and certified by An Hou Jianye CPA LLP.

ESG Sustainability Report: To enhance the quality of disclosure in this report, Young Fast Optoelectronics commissioned Aris International Verification Ltd. to conduct a verification using the AA 1000 AS v3:2020 TYPE1 Medium Assurance Level, in compliance with the 2021 GRI Standards, and obtained an independent assurance statement (see Appendix 5 for details).

Contact Window

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Contact: Ho Fengyu, ESG Team, Young Fast Optoelectronics Co., Ltd.

E-mail : sharonho@yfo.com.tw

Tel : (03)4833665 Fax : (03)4833660

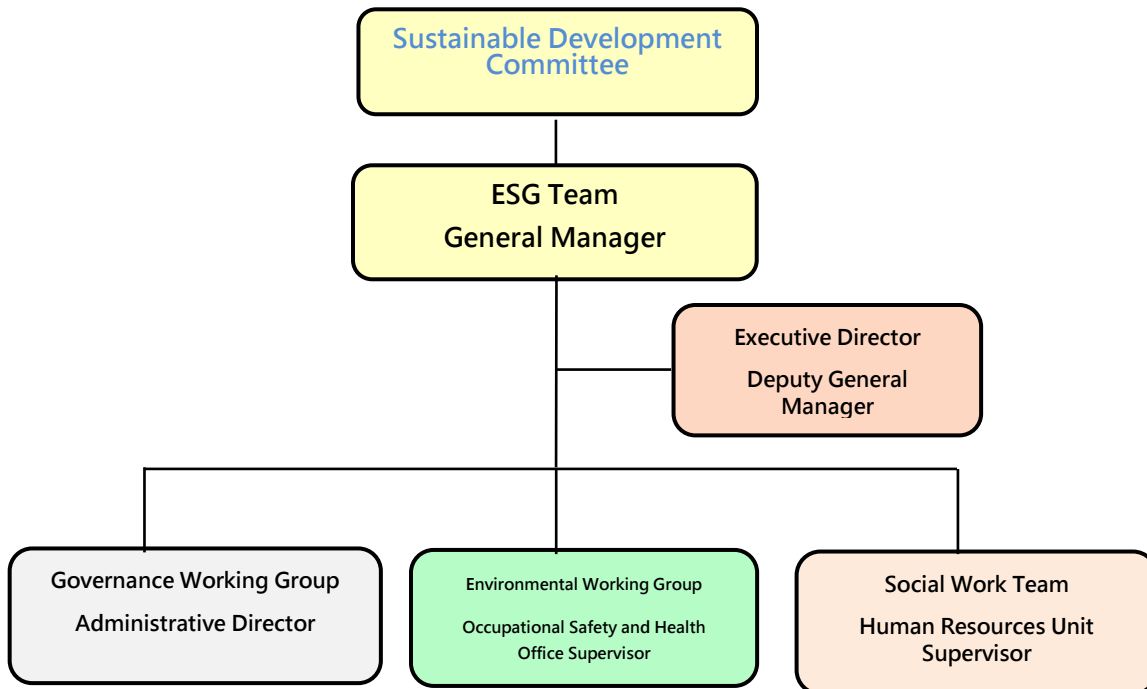
1. Practice Sustainable Management

1.1 Stakeholder Organization and Identification

1.1.1 ESG Organization and Responsibilities

Young Fast Optoelectronics, based on the "Corporate Governance Code," establishes relevant regulations to understand that sustainable business operations require long-term, in-depth discussions with stakeholders. Therefore, the company actively establishes communication channels with various stakeholders, aiming to understand and continuously focus on responding to their concerns. This allows Young Fast Optoelectronics to adjust and revise its practices in pursuit of sustainable management goals, and even fully disclose the company's investments in corporate governance, economy, environment, and social aspects (including human rights). This demonstrates the company's commitment to promoting sustainability and fulfilling corporate social responsibility, actively responding to public expectations, and showcasing social influence.

The company has established a Sustainable Development Committee responsible for formulating and promoting sustainable development policies, executing board resolutions on sustainable development plans, regularly reviewing implementation effectiveness, and reporting to the board of directors. The ESG team serves as the executing unit, with heads of relevant departments acting as the main contacts for governance, environment, and social groups, supervised by the general manager. They regularly report the progress of execution to the Sustainable Development Committee. The Sustainable Development Committee periodically reviews the annual sustainable development plans and action proposals put forward by the ESG team, holds a meeting once a year, and urges adjustments when necessary. The organizational structure of the Sustainable Development Committee is illustrated in the following diagram:



The ESG Team serves as a cross-departmental communication platform, responsible for planning, executing, and managing various action plans. It integrates and monitors the progress and effectiveness of the three key areas of corporate governance, environment, and society, ensuring the effectiveness of horizontal and vertical communication within the organization and implementing sustainable development.

The ESG Team's responsibilities include:

- (1) Planning the annual sustainable development plan and submitting it to the Sustainable Development Committee.
- (2) Implementing the resolutions of the Sustainable Development Committee and formulating response plans and action plans.
- (3) Promotion of sustainable development work
- (4) Regularly track the progress of each working group and integrate company resources
- (5) Regularly report implementation progress to the Sustainable Development Committee
- (6) Process for the Board of Directors to communicate key major events: In addition to controlling various risks through 2.7 Risk Management in this report, the company's various departments regularly interact with stakeholders through routine channels. If a stakeholder or sustainability issue may cause a potential significant negative impact on the company, the responsible department will conduct due diligence on the stakeholder or sustainability-related issues in many aspects such as financial status, legal compliance record, environmental protection and labor rights, and report the results of the investigation to the General Manager and Chairman. The Chairman will assess whether the specific results will cause significant harm to the company's operations and report to the Board of Directors. The Board of Directors will make a resolution on the due diligence report submitted by the department and assign it to the responsible department of the company for implementation. In 2024, the company did not have any related potential negative major events.

The organization of the above-mentioned ESG Committee, key ESG work items in each category and responsible units are as follows:

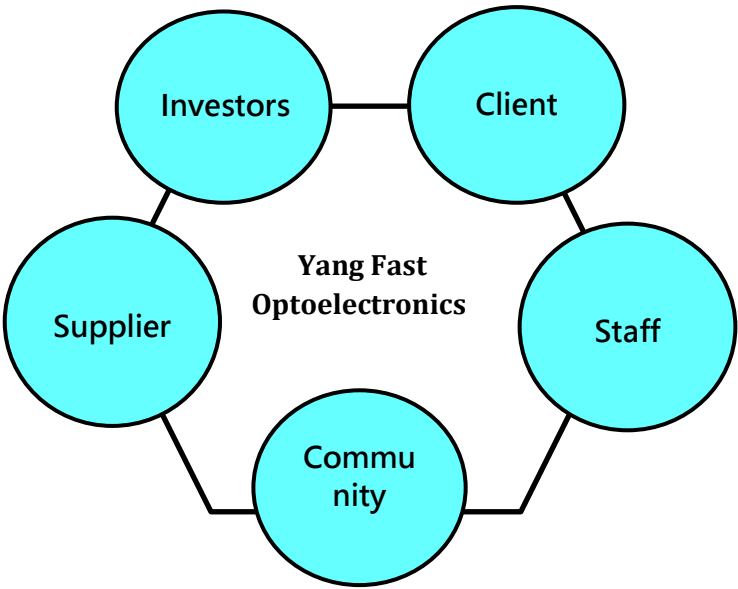
Various categories of category		ESG key work projects	Responsible unit
Corporate Governance	Corporate Governance	Corporate Governance - Financial Management System Integrity Management	ESG Team Management Dep.
		Various management systems: finance/ISO/personnel management, etc.	
		Ethical management system: compliance with laws and regulations, professional ethics, anti-corruption and anti-bribery, etc.	ESG Team Management Dep.
		Information Security	MIS Dep.
		Risk Management	ESG Team Management Dep.

Various categories of category			ESG key work projects	Responsible unit			
			Customer Privacy	Sales Dep.			
			Sustainable development management mechanism and goals	ESG Team			
			Complaint Mechanism	ESG Team			
	Economy		Business performance	Sales Dep.			
Environmental	Environmental management Energy conservation and carbon reduction		Greenhouse gas management (carbon emissions)	EHS Office			
			Workplace environment management system Energy management Sewage/exhaust gas/waste management Water resource management	EHS Office General Affairs			
			Public area management system	General Affairs			
					Sustainable supply chain management	Supply chain management (including contractors)	Purchasing Dep. General Affairs
					Product safety and customer relationship management	Product quality and responsibility Customer relationship management	Sale Dep. Quality Dep.
Product Surface	Product quality management and delivery	Product quality management system Key quality management processes and control methods Product quality yield and delivery time Hazardous substance management			Quality Dep.		
		Employee Management			Employee selection, training, employment, retention, and management Salary, benefits, and talent development Labor-management relations	HR	
Occupational Health and Safety				EHS Office			
Community and charity activities				Good neighborliness in the local community	General Affairs		
		Giving back to society and charity activities					

1.1.2 Identifying Key Stakeholders

Young Fast Optoelectronics identified five key stakeholders during ESG committee meetings based on six key screening criteria: responsibility, influence, proximity, dependence, representativeness, and policy and strategic intent. Through various communication channels, we listened to stakeholders' voices, gathered their concerns about the company, and accepted and responded to their expectations.

The following diagram shows the company's key stakeholders:



1.1.3 Communication Channels with Key Stakeholders

Young Fast Optoelectronics has disclosed its corporate social responsibility information on its official website and listed the communication channels and contact information for five key stakeholders, corresponding to each major project. The relevant contact information is shown in the table below:

Region	Contact Window
Employee	Contact: Ms. Zhang, HR, Management Department Email : YFO_HR@yfo.com.tw Tel : (03)4833665#8128
Customer	Contact: Ms. Li, Sales Department Email : service@yfo.com.tw Tel : (03)4833665#8606
Supplier	Contact: Mr. Guo, General Affairs, Management Department Email : 3622@yfo.com.tw Tel : (02)23970585#8105
Investor	Contact: Spokesperson He Fengyou, Vice President Email : 3622@yfo.com.tw Tel : (02)23970585
Community	Contact: Mr. Guo, General Affairs, Management Department Email : 3622@yfo.com.tw Tel : (02)23970585#8105

1.2 Communication Analysis and Generation Process for Stakeholder Concerns

Young Fast Optoelectronics collects sustainability-related topics based on sustainable development goals, industry norms and standards, and organizational annual goals.

Through various stakeholder communication channels, unit representatives regularly and irregularly communicate with stakeholders. By analyzing the impact of the company's operations and whether it will have an impact on the company's operations, a total of 19 stakeholder concerns were identified, as detailed in the following table:

Interest Party	Issue	Communication and Response	2024Actual performance
Employees	● Labor relations ● Occupational health and safety ● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Compliance	Contact: Administrative Department personnel: Ms. Chang EMAIL : YFO_HR@yfo.com.tw TEL: (03)4833665#8128 ● Regularly hold employer-employee meetings ● Arrange a health checkup or health consultation for employees every year ● Set up an employee suggestion box ● Publicize and announce the sexual harassment complaints filing channel.	1. Held 4 employer-employee meetings in 2024. 2. Arranged a health checkup or health consultation for employees 3. Responded to employees' inquiry for about 16 times
Customers	● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Compliance	Contact: Sales Department: Ms. Chang EMAIL : service@yfo.com.tw TEL: (03)4833665#8606 ● Be cooperative with customers in terms of their product or environment requirements or audit, and assist in prevention and	1. Cooperated with customers on audit for at least 11 times. 2. Signed 3 NDA with new customers in 2024.

Interest Party	Issue	Communication and Response	2024Actual performance
	● Customer privacy ● Labor relations ● Occupational health and safety	continuous improvement. ● Attend technology seminars at irregular intervals ● Comply with information disclosure requirements; hold education and training on confidentiality.	
Suppliers and Contractors	● Market Presence ● Compliance ● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Supplier employee assessment ● Labor relations ● Occupational health and safety	Contact: Administrative Department general affairs personnel: Mr. Guo EMAIL : service@yfo.com.tw TEL: (03)4833665#8115 ● Sign Contractor Environment, Health, and Safety Undertakings ● Publicize and sign Ethics and Integrity Declarations ● Annual audit conducted on suppliers and contractors	1. Signed 11 Contractor Environment, Health, and Safety Undertakings in 2024. 2. Signed 23 Ethics and Integrity Declarations.
Investors	● Market Presence ● Business Performance ● Compliance ● Investment ● Labor relations ● Customer relation and supplier relation ● Occupational health and safety ● Environment assessment	Contact: Spokesperson Assistant general manager: Ho Feng-Yo EMAIL : 3622@yfo.com.tw TEL:(02)23970585 ● Annual Shareholders' Meeting ● Non-periodic investor conference ● Regularly disclose financial statements and related operating information ● Material information is disclosed on the Market Observation Post System (MOPS) and, if required, in the form of a press release or at a press conference. ● Disclose email and phone number on the Company's website to provide a smooth communication channel between investors and the Company.	1. Held an investor conference 2 times in 2024. 2. Disclosed 21 pieces of material information in 2024.
community	● Labor relations ● Compliance ● Environment assessment ● Occupational health and safety ● Market presence ● Diversity and equal opportunity	Contact: Administrative Department general affairs personnel: Mr. Guo EMAIL : 3622@yfo.com.tw TEL: (03)4833665#8115 ● Periodically participate in community activities ● Regularly attend the various dissemination meetings held by the Bureau of Industrial Park	1. Attended the 8 dissemination meetings held by the Bureau of Industrial Park 2. Sponsored the Caota Fire Brigade and the Volunteer Firefighter Squad of the Fire Agency for their Year-

Interest Party	Issue	Communication and Response	2024Actual performance
	● Non-discrimination ● Anti-corruption ● No forced labor		end Evening Party for Annual Review and Fire Prevention Dissemination

The above-mentioned focus topics are analyzed in accordance with the GRI Sustainability Reporting Standards (GRI Standards). This process involves identification, prioritization, confirmation, and review. This process aims to confirm the scope of material topics disclosed in the report, as well as the company's internal and external sustainability challenges, and comprehensively review its sustainability performance. The process for generating these material topics is as follows:

Step	Step 1	Step 2	Step 3	Step 4
Steps	Identify stakeholders and create a list of topics of concern	Assessing impact and stakeholder attention	Identify major themes	Confirm management indicators and goals
Content	Understand the organizational context	Identify actual and potential shocks and assess their significance	Confirm whether major topics fully reflect the opinions of stakeholders	Identify major thematic risks and develop management indicators
Purpose	Internal and external analysis and identification of impact sources	Management completes sustainability impact assessment	Confirm the integrity and inclusiveness of major themes	Identify major theme management indicators
Implementation Summary	The report's focus areas were collected through the following channels, resulting in 19 sustainability-related themes: • Based on their ongoing work and work experience, each department identified stakeholders and listed the sustainability themes of concern to each stakeholder. • Reviewed key themes from benchmark domestic and international peers, as well as international sustainability trends. • Ensured the objectivity, completeness, and inclusiveness of the focus areas.	The materiality ranking of the focus topics is as follows: • Each topic was assessed based on two key dimensions: "8 questionnaires on the extent and likelihood of impact on corporate governance, the economy, the environment, and human rights" and "164 questionnaires on stakeholder concerns." • Through meetings of the Sustainability Committee, we comprehensively consulted stakeholders and assessed the impact of the focus topics on internal operations. • By calculating the direct and indirect impacts, we determined the impact of each topic and generated a preliminary materiality matrix.	• The Sustainability Committee reviewed the preliminary material theme identification results and determined the final material themes based on international benchmark analysis trends and business development strategies, ensuring compliance with GRI principles of completeness and stakeholder inclusion. • Finally, six material themes were selected as the material disclosure areas for this report. We address these material themes in the report based on their content and correspondence with the GRI guidelines.	• Conduct risk assessments on corporate governance, economic, environmental, and human rights issues related to the company's operations, and formulate relevant risk management policies and strategies. • The company will continuously review its material themes matrix to identify the severity and likelihood of risks arising from these themes and develop relevant management indicators and risk response strategies.

1.2.1 Identification and Direct Impact Analysis of Stakeholder Concerns

Each concern topic is identified based on the key considerations of stakeholders. The direct and indirect impacts of these topics, including corporate governance, economics, the environment, and society (including human rights and human rights), on the internal and external aspects of the company are determined. The level of concern to stakeholders is analyzed and ranked. The direct and indirect impacts of the 2024 Sustainability Committee's focus topics are as follows: ● Direct Impact ◎ Indirect Impact

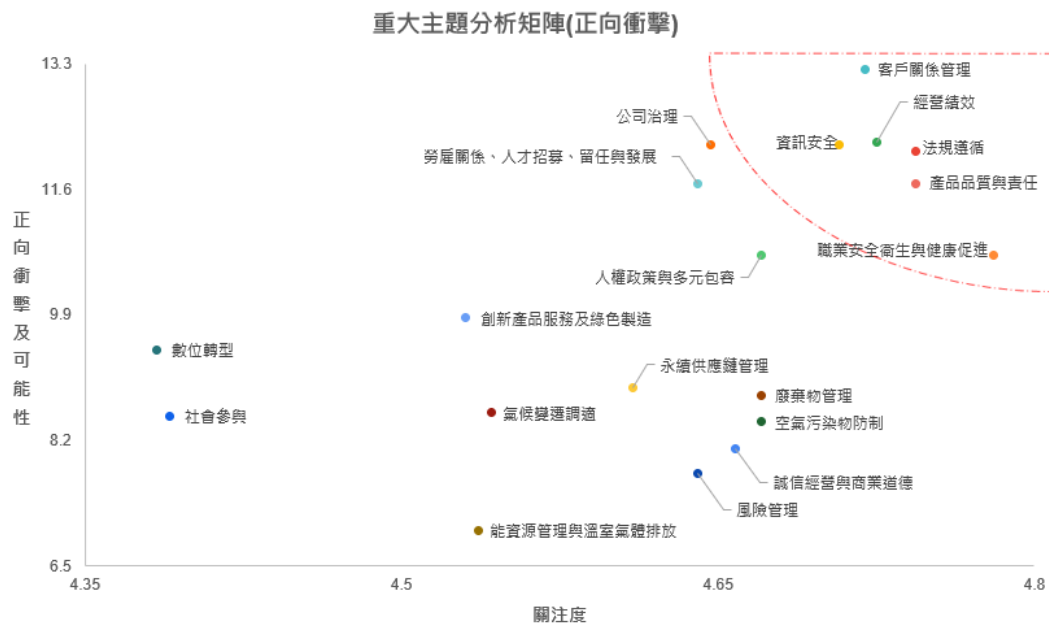
Focus on facets	Focus on the analysis of the connotation of the theme	Internal scope of the company		External scope of the company				
		Organize	Staff	Share holder	Customer	Supplier	Government agencies	Community residents
Corporate Governance	Integrity management and business ethics	●	●	●	●			
	Regulatory Compliance	●	●	●	◎	◎	●	
	Information Security	●	●	●	●	◎	◎	
	Risk Management	●	●	●			◎	
	Corporate Governance	●	●	◎			◎	
	Digital Transformation	●	◎	◎				◎
	Innovative products and services and green manufacturing	●	●		◎			
Economic	Business performance	●	●	●	◎	◎	◎	
	Customer Relationship Management	●	●	●	●	◎		
	Product Quality and Responsibility	●	●	◎	●	●		
	Sustainable supply chain management	●	●			●		
Environmental aspects	Climate change adaptation	●	●		●		◎	
	Energy resource management and greenhouse gas emissions	●	◎		◎		◎	
	Air pollutant control	●	●				◎	●
	Waste Management	●	●				◎	●

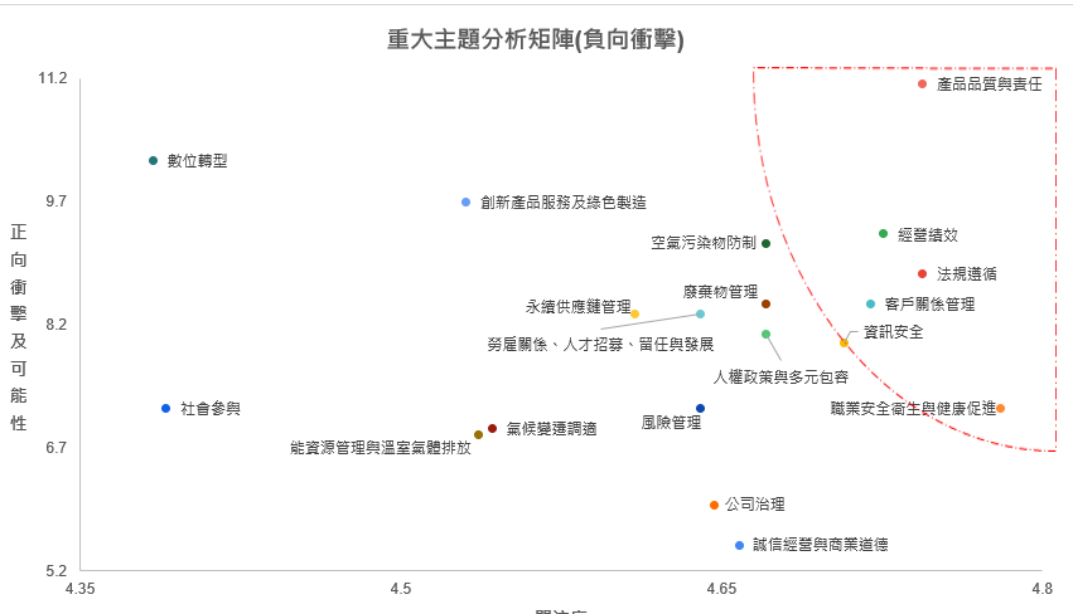
Social aspects	Personnel Management	Labor-employment and industrial relations, Talent recruitment, retention, and development	●	●					
		Human Rights Policy and Diversity and Inclusion	●	●	●			◎	
		Occupational safety and health and health promotion	●	●		◎	●	◎	
	Community	Social Participation	●	●					◎

Note: The table above analyzes the importance of 19 key themes across seven key areas: internal (organization and employees) and external (shareholders, customers, suppliers, government agencies, and the community). Five key themes with a [● + ◎] level of importance are designated as major themes, as indicated by a light green mark, for a total of six. We will respond to these major themes and conduct risk assessments and management for each [see 1.4.2 Risk Management (Impact Analysis) for Major Themes] and list management as shown in [Appendix 1].

1.3 Identification and Ranking of Material Topics and Responses

Based on the results of the stakeholder identification, the Sustainability Committee held a meeting to discuss the key stakeholder topics of concern for 2024. The committee assessed stakeholder levels of concern and the extent of immediate or potential impacts on the economy, environment, and people (including their human rights). Following this review and discussion, a questionnaire was administered using 19 topics. Based on the questionnaire results, the top three items were selected based on the highest level of concern and impact/impact*. The Sustainability Committee held a review meeting to determine the key topics for 2024 and reported the resolutions to the Board of Directors. The following table illustrates the questionnaire results for the six key topics disclosed for 2024:





1.3.1 Responses to Significant Themes

The following summarizes the management actions and related measures for the six significant themes identified in 2024:

● Corporate Governance/Economics			
project	GRI Guidelines	Importance to Young Fast Optoelectronics	Promotion measures
Regulatory Compliance	3-3 Major Theme Management	Continuous growth and sustainable operation to achieve economies of scale, compliance with laws and regulations, and the foundation for building trust, credibility and reputation of the company	Regularly monitor and review domestic and international legal updates to revise relevant rules and regulations as appropriate. Establish and implement anti-corruption and bribery, and conflict of interest avoidance systems.
Business performance	201-1 Direct economic value generated and distributed by the organization	Business performance is achieved through continuous profitability to achieve the goal of sustainable operation, develop new customers and increase market share, and create new employment opportunities.	Establish company charters and define various dividend distribution procedures. Keep abreast of economic trends and increase capital expenditures appropriately. Expand customer base and market share. Control costs and expenses.

Product Quality and Responsibility	417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance with regulations regarding product and service information and labeling	To promote comprehensive quality management, Young Fast Optoelectronics ensures product quality by managing the quality of incoming materials and inspection reports from the supply chain.	Conduct customer satisfaction surveys regularly every year, and require responsible units to make improvements within a specified timeframe for customer complaints.
Information Security	418 Customer Privacy	Minimize the impact of cybersecurity incidents on our company's operations, implement a secure cybersecurity environment, and enhance cybersecurity awareness to reduce the likelihood of cybersecurity incidents.	Establish an organizational culture that prioritizes information security and enhance information security governance capabilities and standards to ensure the company's information security.
Customer Relationship Management	3-3 Major Theme Management	Customer satisfaction with our products and services is a crucial factor in building trust and positive customer reputation.	assessed ISO 9001 quality management system certification and quality assurance procedures and operating standards.
● Social aspects			
Occupational safety and health and health promotion	403 Occupational Safety and Health	Comply with the Occupational Safety and Health Act and provide employees with a safe, healthy, high-quality and friendly workplace.	Establish a hazard identification and control mechanism

1.4 The Impact of Sustainable Operations

1.4.1 The Relationship and Impact of Major Topics on Young Fast Optoelectronics' Value Chain

Perpetual Tasks	Major Themes	GRI Standards Specific Topics	upstream	Young Fast Optoelectronics' products		downstream	Operational importance			
			purchase	touch panel	Electromechanical	Customer Use	Revenue growth	Customer satisfaction	employee morale	operational risks
Operating profit	Business performance	201-1 Direct economic value generated and distributed by the organization	◎	◎	◎	◎	◎	◎	◎	◎
Value Chain	Customer Relationship Management	417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance with regulations regarding product and service information and labeling	◎	◎	◎	◎	◎	◎		◎
	Product Quality and Responsibility		◎	◎	◎	◎	◎	◎		◎
Corporate Governance	Regulatory Compliance	3-3 Management of Major Topics		◎	◎	◎	◎	◎	◎	◎
	Information Security	418 Customer Privacy				◎		◎	◎	◎
Friendly workplace	Occupational safety and health and health promotion	403 Occupational Safety and Health					△	◎	◎	◎

Note: ◎ Significant impact △ Partial impact

1.4.2 Risk Management of Major Themes (Impact Analysis)

In 2024, six major thematic risks were identified, including their severity and likelihood, along with their risk considerations, risk assessments, and management measures. The following table provides a detailed analysis and explanation:

Business performance		Customer Relationship Management		Regulatory Compliance		Product Quality and Responsibility	
Positive - Continuously optimize financial structure and operational performance to effectively increase shareholder returns and market competitiveness. By implementing information disclosure and shareholder communication mechanisms, we protect investors' right to know and participate, strengthening capital market trust and the company's long-term value.	Negative: Operating performance that falls short of expectations or lack of transparency in information disclosure may lead to stock price volatility, a decline in investor confidence, and damage to shareholder equity. Governance imbalances may also lead to internal control lapses and market skepticism, impacting a company's reputation and future fundraising capabilities.	Positive - Establishing stable long-term partnerships through systematic customer relationship management helps improve customer satisfaction and order stability	Negative - There are complaints and poor satisfaction with products and services, which can seriously affect the company's operating performance.	Positive - The company complies with various laws and regulations and takes regulatory compliance as a major theme in its policies.	Negative - Any violation of laws and regulations or business integrity will seriously affect the company's reputation and image, and affect customers' willingness to place orders.	Positive - Young Fast Optoelectronics is highly committed to product quality and safety, strictly controls hazardous substances in the process, complies with international environmental regulations and customer green product requirements, and strengthens corporate reputation and market competitiveness.	Negative - Product complaints and quality issues may lead to order cancellations, impacting the company's operational performance, and resulting in quality disputes and product returns.
◆	★	★	★	★	◆	◆	★
See this report 【3.1 Financial Performance】		See this report 【3.2 Customer Relationship Management】		See this report 【2.4.3 Regulatory Compliance】		See this report 【3.4 Quality Management System】	
3.25	3.25	3	3.125	3	3	3	3.375
3.75	3.375	3.75	3.375	3.875	3.125	4	3.375

Risk Considerations
★ Potential Impact
◆ Actual Impact

Risk
Impact Level

Probability of
Occurrence

1.5 Implementing Sustainable Development Goals

● SDGs United Nations Sustainable Development Goals

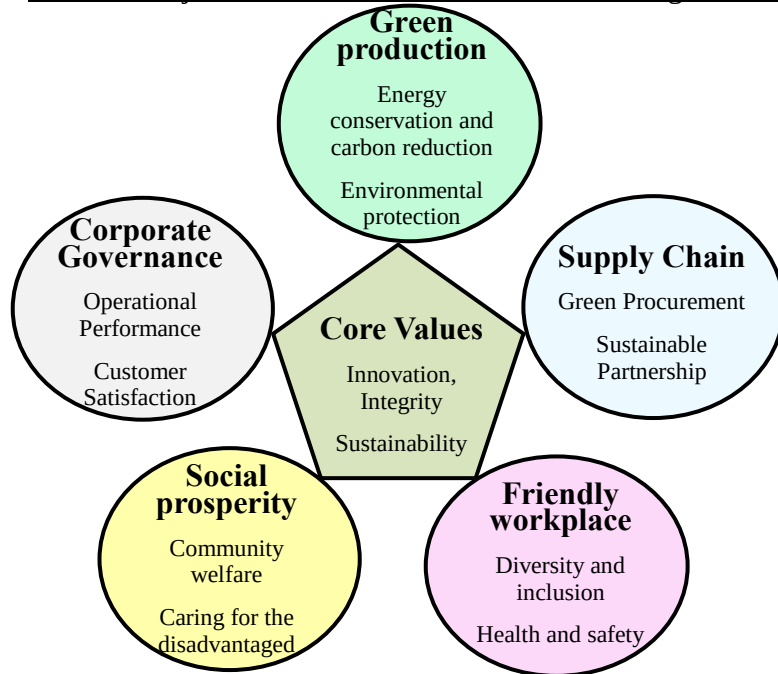
To implement the United Nations Sustainable Development Goals, Young Fast Optoelectronics continues to focus on six Sustainable Development Goals: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). By setting 2024 targets and implementing management measures across economic, environmental, and social aspects, Young Fast Optoelectronics is achieving sustainable impact through concrete actions.

Economic aspects			
SDGs corresponding to: 12 Responsible Consumption and Production 13 Climate Action			
Company Goals	Management measures	Corresponding to SDGs goals	Corresponding chapter
Disclose relevant information to assist the government in promoting corporate governance blueprint	Disclose the company's non-financial information in accordance with internationally accepted reporting standards and obtain third-party verification.	12.b	•Report Overview and Scope
In response to climate change and energy supply risks, we actively identify the risks brought by climate change and continuously control the impact and damage of extreme weather on operations.	Develop adaptation policies and solutions for real risks such as floods, typhoons, power outages, and rising temperatures, and actively implement relevant response measures to ensure rapid resumption of operations after disasters.	13	2.7 Risk Management System 5.1 Climate Action 5.2 Environmental Policy and Commitment
Environmental aspects			
SDGs Targets: 06 Clean Water and Sanitation 13 Climate Action			
Company Goals	Management measures	Corresponding to SDGs goals	Corresponding chapter
Promote water and energy conservation	In addition to water quality monitoring, wastewater is recycled by classifying cooling towers, process	06	5.5 Water Resources Management

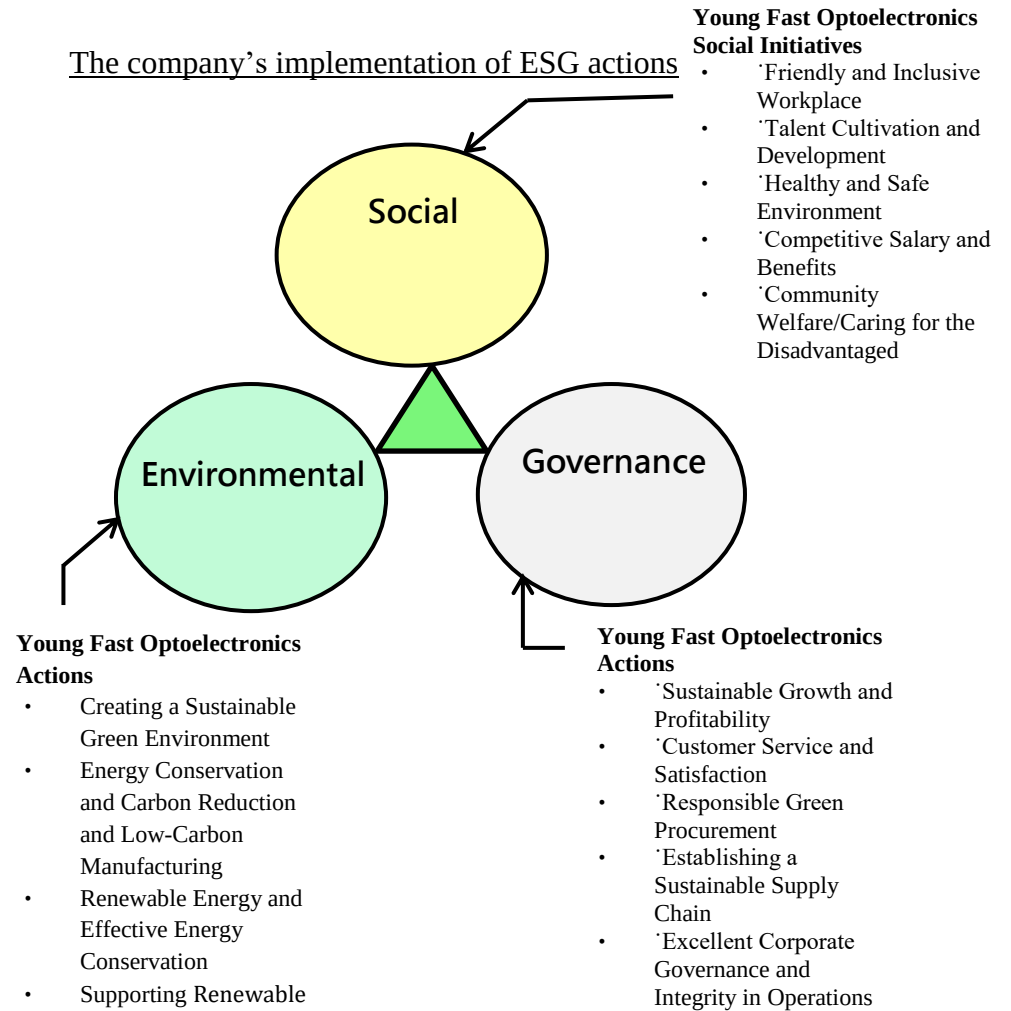
	wastewater, and domestic water according to water usage characteristics.		
Scope 1 and Scope 2 greenhouse gas emissions	Review greenhouse gas reduction status annually.	13	5.2 Environmental Policy and Commitment 5.3 Greenhouse Gas Emissions and Energy Resource Management
Social aspect			
SDGs goals correspond to: 03 Health and Safety 04 Quality Education 05 Gender Equality			
Company Goals	Management measures	Corresponding to SDGs goals	Corresponding chapter
Enhance the knowledge and skills of new and existing employees	New employees will undergo pre-employment training on common company regulations such as personnel regulations, environmental safety regulations and other important management regulations; and annual education and training arrangements will be arranged.	04	6.3 Talent cultivation and development
Promote independent inspection and management measures for occupational safety and health to prevent workplace disasters and reduce risks	Based on the ISO 45001 Occupational Safety and Health Management System and related occupational safety laws, we have established occupational safety and health work codes, identified hazardous operations, established self-inspection and safety operation standards, and prevented various potential hazards and accidents.	03	6.6 Workplace Health and Safety 6.7 Comprehensive Health Care
Prohibit gender discrimination in recruitment, appointment, salary, promotion, training, etc.	The company formulates "Work Rules" and submits them to the county and city government labor bureau for approval, clearly stipulating policies and systems that prohibit gender discrimination.	05	6.1 Talent Policy and Commitment

- Young Fast Optoelectronics' sustainable development goals and actions in its ESG reporting

The five major ESG directions are shown in the figure below



The company's implementation of ESG actions



2. Corporate Governance and Integrity

Young Fast Optoelectronics adheres to the principles of integrity and transparency, complies with regulations, improves operational performance, strengthens internal control and personnel management mechanisms, and implements ISO management system certification. It also implements a high-quality corporate culture based on business philosophy and ethical standards. The company addresses key issues and goals for sustainable management, including operational performance, operational status, and regulatory compliance. The following table lists the short-, medium-, and long-term indicators for these key issues in sustainable management.

Business performance	•Achieve a corporate governance ranking within the top 50% of all listed companies from 2024 to 2030. •Continuously increase revenue and profits in 2024, with profit growth of 3-5%. •Continuously increase revenue and profits in 2025-2026, with a turnover growth of 5-10%. •Continuously increase revenue and profits in 2027-2030, with profit growth of 3-5%. •Continuously increase revenue and profits from 2030 onwards, with an average annual growth target of 5-10%.
Information Security	•Conduct at least one business continuity and disaster recovery drill between 2024 and 2030 to ensure that RTO/RPO meet targets.
Regulatory Compliance	•0 violations of company law or tax regulations from 2024 to 2030
Achievement status in 2024	Operating Performance •Corporate Governance Assessment ranking in the 21-35% range of all listed companies => Achieve the goal of a corporate governance assessment ranking within the 50% range of all listed companies from 2024 to 2030 •Profit growth of 26% in 2024 => Achieve the goal of continuous revenue and profit growth of 3-5% in 2024. Information Security •Conducted a business continuity and disaster recovery drill to ensure RTO/RPO met targets. •No data breach incidents in 2024. Regulatory Compliance •No violations of company laws or tax regulations in 2024 => Achieve the goal of zero violations of company laws or tax regulations from 2024 to 2030.

2.1 Company Profile

Our company, formerly known as Long River Mechanical Co., Ltd., was established in 2002 and specializes in the research, development, manufacturing, and sales of ultra-high voltage power cable accessories. Our sales focus is primarily on the domestic market, with power cable manufacturers and Taiwan Power Company serving as our primary customers. Our quality and service have earned us widespread recognition over the years.

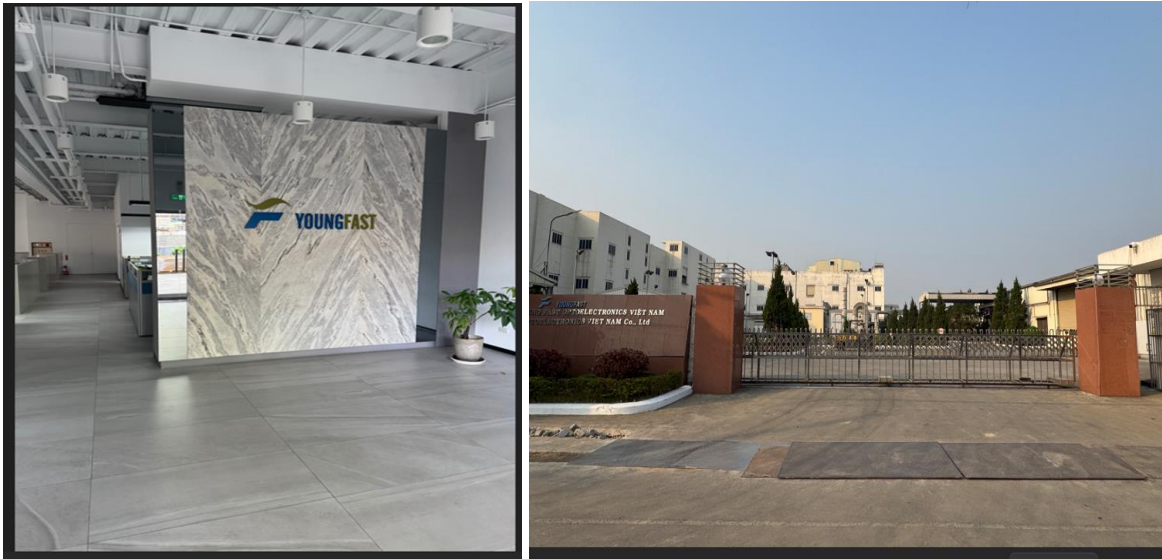
To enhance operational performance and competitiveness, our company merged with Young Fast Optoelectronics Co., Ltd. on December 24, 2007, adding touch panel production lines. Young Fast Optoelectronics Co., Ltd., which existed prior to the merger, was dissolved, and our company, renamed Young Fast Optoelectronics Co., Ltd., survived.

Young Fast Optoelectronics Co., Ltd., which was spun off from the original company's optoelectronics division on August 1, 2007. Following the spinoff, the original company renamed itself Soy Young Enterprise Co., Ltd.. The technical team within our optoelectronics business group primarily originated from the original company's optoelectronics division, established in 2000. At the time of the merger, our touch panel team had already accumulated seven years of solid technical expertise. Since 2007, thanks to our company's leading industrial technology and growing consumer market demand, touch panels have become a standard feature in mobile phones and various electronic devices. Sales of our resistive touch panel products have continued to grow significantly, rapidly increasing our global market share and establishing us as a leading international manufacturer. We have also been selected as a key and high-quality supplier to numerous major international manufacturers.

Our company has partnered with Furukawa Electric Co., Ltd. (Furukawa Electric), a world-leading Japanese company. Through technology transfer, we now fully manufacture our ultra-high voltage power cable accessories, including splice boxes, terminal boxes, and protective devices. We are one of the few Taiwanese manufacturers certified by Taiwan Power Company.

To ensure continued growth, strengthen our competitiveness, and attract outstanding talent, our company was listed on the Taiwan Stock Exchange in 2009. Adhering to the principles of "sustainability," "innovation and breakthroughs," and "carrying dreams," we aspire to remain a trusted enterprise for our shareholders, customers, suppliers, employees, and the community, among other stakeholders.

Company Name	YOUNG FAST OPTOELECTRONICS CO., LTD.
Headquarters Location	No. 31, Jingjian 1st Road, Guanyin District, Taoyuan City
Founding date	July 30, 2002
Chairperson	Chihchiang Pai
General Manager	Yichuan Hsu
Capital	1,513,276 (thousand NT\$)
Number of employees	425 people (as of December 31, 2024)



2.1.1 Company Founding and Development

Year	Company Founding and Major Events in the Past 10 Years
	The company was established in 2002 and, in technical collaboration with Furukawa Electric Co., Ltd. of Japan, produces cable sheath protection devices, terminal boxes, and splice boxes for 69kV and 161kV ultra-high voltage power cable accessories. These products are used to connect underground cables to complete power transmission system circuits. In 2004, the company obtained a certificate of compliance from Taipower for its 69kV and 161kV cross-linked PE power cable sheath protection devices. The company obtained a certificate of compliance from Taipower for its 69kV cross-linked PE power cable terminal boxes and splice boxes. In 2005, the company obtained a certificate of compliance from Taipower for its 161kV cross-linked PE power cable splice boxes and splice boxes, becoming the first qualified supplier of 69kV and 161kV power cable accessories under Taipower's localization policy. The company has met the requirements of Article 5 of the Regulations on the Five-Year Enterprise Income Tax Exemption for New Investment in the Manufacturing and Related Technical Service Industries, and has received a certificate of completion from the Industrial Development Bureau of the Ministry of Economic Affairs. In 2007, we established Taiwan SRU Co., Ltd. in a joint venture with VISCAS (a subsidiary of Furukawa Electric Co., Ltd.), with our company holding a 51% stake, to master key component technologies for ultra-high voltage power cable accessories. Young Fast Optoelectronics Co., Ltd. successfully developed resistive Lens Touch TP and capacitive touch panels for smartphones, boasting world-leading front-end production technology. In 2007, we became the world's largest touch panel supplier. To enhance our operational performance and competitiveness, our company and Young Fast Optoelectronics Co., Ltd. agreed to merge. Young Fast Optoelectronics Co., Ltd. was dissolved, leaving our company as the surviving company, with the Optoelectronics and Electromechanical Business Groups becoming the two main business units. In 2008, our company was renamed Young Fast Optoelectronics Co., Ltd. Approved for a public offering of shares and officially listed on the Emerging Stock Market. In 2009, our Optoelectronics Business Group obtained ISO-14001 environmental management system certification. Our Optoelectronics Business Group obtained OHSAS-18001 occupational health and safety management system certification. Listed on the Taiwan Stock Exchange. Recognized in the 2009 Deloitte Asia Pacific High-Tech Fast 500

Awarded the Taiwan Samsung IPC Growth Leadership Award.

In 2010, we obtained TS-16949 automotive quality management system certification.

Awarded the LG Mobile Phone Component Supplier Quality Award.

Named one of Taiwan's Top 100 Tech Companies in 2010.

In 2011, we were recognized as one of Taiwan's Top 100 Tech Companies in 2011.

Named one of the 2011 Deloitte Asia Pacific High-Tech Fast 500

Named an Outstanding Enterprise in the Taoyuan County Health Bureau's "Healthy Taoyuan 100" program.

In 2012, we received the Healthy Startup Mark, a self-certified Healthy Workplace certification from the National Health Administration of the Department of Health.

In 2014, we expanded our services to include touchscreen modules and LCD screens.

In 2015, we continued to receive the Healthy Startup Mark, a self-certified Healthy Workplace certification from the National Health Administration of the Department of Health. The company's touch module and LCD screen lamination services have been extended to include touch screen integration.

In 2016, we actively developed the non-consumer market for specialized applications and continued to expand the application of touch panel products, covering industrial computers, medical devices, wearables, education, and home appliances, expanding from small to medium and large sizes.

In 2018, we continued to receive the Healthy Start Seal, a self-certified healthy workplace certification from the National Health Administration of the Ministry of Health.

In 2019, we were awarded the EcoVadis Silver Medal for Corporate Social Responsibility Performance.

In 2022, we successfully developed full lamination of e-paper and framed LCD panels, as well as lamination of e-paper modules with front-light guides.

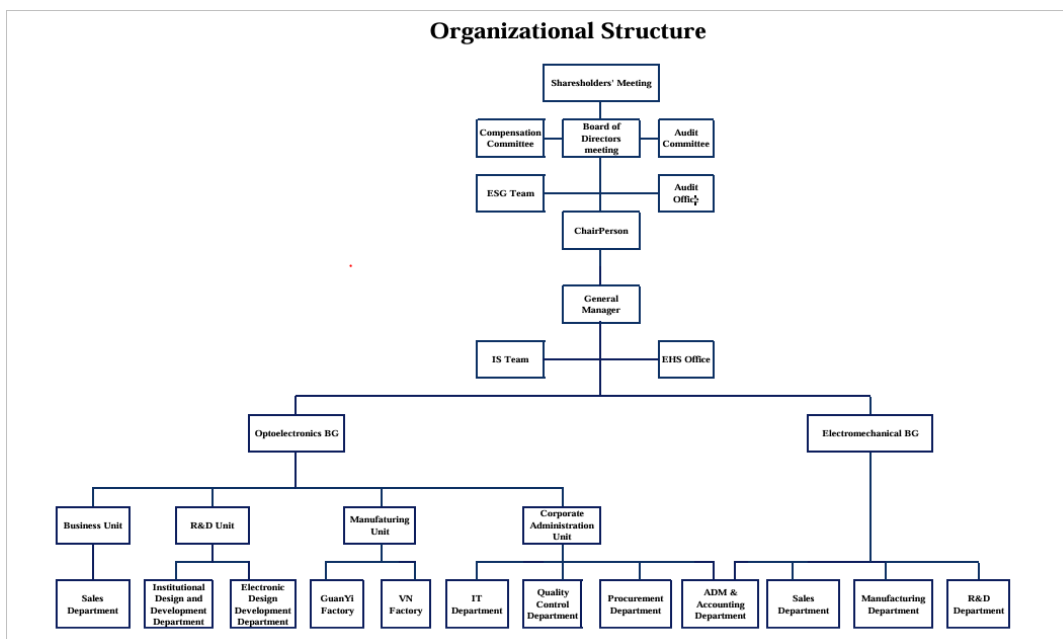
We obtained IATF 16949 automotive quality management system certification.

In 2023, our Electromechanical Business Group obtained ISO 14001 environmental management system certification.

Our Electromechanical Business Group obtained ISO 45001 occupational safety and health management system certification.

In 2024, we will integrate upstream, add a cover glass production line and officially start mass production.

2.1.2 Organizational Structure



2.2 Corporate Governance

Major Theme: Business Performance	
Management Policy	Corporate Governance Policy: Comply with the Company Law and relevant business regulations to ensure the normal operation of the company's board of directors. •Management Measures: Operating Performance Policy: Combine the company's existing and upstream and downstream supply chain resources to provide customers with complete and advantageous solutions to improve the company's operating performance. •Management Measures: Objectives and Targets: The company's governance units are all legal and appropriate, and the governance system supported by managers, employees and shareholders ensures the company's long-term operating advantages and the interests of stakeholders. •Management Measures: Commitment: Use due diligence and early warning communication methods to implement the company's established codes, utilize various resources and provide advantageous solutions to improve the company's operating performance and protect the interests of stakeholders. •Management Measures: (1) Establish a "Corporate Governance Code of Practice" to ensure the board structure, agenda and obligations. (2) Adhere to integrity management and strive for sustainable governance to create value for shareholders. (3) Update important information on the public information observatory from time to time to protect the interests of shareholders. (4) Make good use of overseas factories and integrate service industry and related upstream and downstream customers and manufacturers. (5) Provide one-stop integrated services to enhance competitive advantage and meet customer and market demands. (6) Actively apply for various patents domestically and internationally and implement subsequent patent protection measures to safeguard the company's rights and interests. (7) Activate idle assets to increase returns.
Responsibility	• External responsibilities: Company Law, Securities and Exchange Law, Commercial Accounting Law, regulations related to listing and over-the-counter (OTC) listings, or other laws and regulations concerning business practices. • Internal systems: Articles of Association, Code of Corporate Governance Practices, Code of Sustainable Development Practices, Code of Conduct, Insider Trading Prevention Procedures, Board Performance Evaluation Methods, Board Meeting Rules, Audit Committee Organizational Charter, Compensation Committee Organizational Charter, Whistleblower System, Endorsement and Guarantee Procedures, Funds Lending Procedures, and Asset Acquisition and Disposal Procedures.
Performance	• The 2024 corporate governance review results are 21-35%, with no issues requiring correction by the stock exchange in 2024. • Profit growth of 26% in 2024. => Achieve the 2024 goal of continuously increasing revenue and profits, with a profit growth of 3-5%.

2.2.1 Business philosophy and corporate vision

"Sustainability First," "Innovation and Breakthrough," and "Carrying Dreams" are the company's unremitting mission and are deeply ingrained in its corporate culture.

"Sustainability First"

With sustainability as its foundation, the company operates a transparent, fair, and efficient management system. We uphold integrity, comply with relevant laws and corporate ethics, ensure open and transparent decision-making processes, and actively strengthen internal controls and risk management mechanisms to create long-term value for shareholders, customers, and employees. We are committed to pursuing corporate growth while shouldering environmental and social responsibilities. We firmly believe that corporate success must coexist with the sustainability of the planet. Therefore, we incorporate the core values of green innovation and resource recycling into our product design, production processes, and business strategies to minimize environmental impact. We actively promote energy conservation and carbon reduction, improve resource efficiency, and work with customers and partners to build an environmentally friendly supply chain. Going forward, we will continue to uphold our commitment to sustainable development and work together to achieve the goal of shared prosperity with the planet and our stakeholders. We will integrate the concept of sustainable management into our core corporate strategy to ensure that corporate development aligns with the needs of our stakeholders and build a better future for the next generation.

"Innovation and Breakthrough"

With innovation as its core driving force, the company continuously challenges the status quo and drives comprehensive upgrades in products, services, and processes. Committed to breaking free from conventional thinking, we focus on developing green technologies, achieving low-carbon production, and promoting a circular economy. We integrate cutting-edge technologies with market demands to create differentiated competitive advantages. We also foster employee creativity and agility, encourage cross-departmental collaboration and continuous learning, embrace inclusive innovation, improve employee and community well-being, promote education and public welfare, and foster a positive culture of innovation. Digitalization and transparent management enhance decision-making efficiency and ensure corporate compliance and accountability. By achieving breakthroughs through innovation and building green competitiveness through "Innovation and Breakthrough," the company not only pursues performance growth but also creates value for customers, society, and the environment, achieving long-term sustainable development goals.

"Carrying Dreams"

The company is committed to providing high-quality products and services and serving as a bridge connecting the future and hope. We firmly believe that every dream has the potential to come true. Therefore, we combine our innovative spirit with our technical expertise to promote green technology and innovation, integrating dreams with environmental responsibility. We prioritize human well-being, provide more opportunities and support for our employees, customers, and communities, and invest in education, public welfare programs, and diversity initiatives to help all sectors of society realize their dreams. Whether in product design, production, or service, we always prioritize customer needs, pursue excellence, and bravely push boundaries. In the future, we aim to translate dreams into action, achieving a win-win situation with both economic benefits and social value, and creating a better life and environment for future generations.

2.2.2 Governance Structure

Board of Directors

Young Fast Optoelectronics has established a Board of Directors in accordance with the law: Mr. Pai Chihchiang is the Chairman, and Mr. Hsu Yichuan is the General Manager. Young Fast Optoelectronics held the election for its eighth board of directors at its regular shareholders' meeting on May 31, 2023. The Young Fast Optoelectronics Board of Directors consists of nine directors, including three independent directors. The combined shareholding ratio of all directors shall be determined in accordance with the regulations of the securities regulatory authorities. In accordance with Article 14-2 of the Securities and Exchange Act, the Company's independent directors must not be fewer than three. Candidates shall be nominated by the Company and shall possess relevant professional or management backgrounds, such as business management, industry expertise, electronics, chemistry, electrical engineering, and financial accounting experience. These independent directors shall be selected by the shareholders' meeting from a list of independent director candidates. The Company's Articles of Association provide for a Board of Directors consisting of nine to eleven directors, who shall be elected by the shareholders' meeting from persons with legal capacity. The term of office shall be three years (May 31, 2023, to May 30, 2026), with the right to re-election. Directors' remuneration shall be allocated based on the Company's operating performance and the provisions of the Articles of Association, and a report on the distribution shall be submitted to the shareholders' meeting. In addition, we have established a Rules of Duty for Directors, which clearly define the company's oversight and impact management roles and ensure the effectiveness of organizational procedures. For details, please refer to our official website.

Regarding the professional qualifications, shareholdings, restrictions on concurrent employment, nomination and appointment procedures, and other compliance matters of

independent directors, we will comply with the relevant regulations of the competent authorities. For detailed information on directors (including educational background and employment status), please refer to pages 5-6 of our 2024 Annual Report.

Independence: For details, please refer to pages 8-10 of our 2024 Annual Report.

Of the nine directors of our company, four are employees, representing four-ninths of the Board seats; three are independent directors, representing one-third of the Board seats. Each independent director meets the independence requirements, and none of the directors is found to be unlawful under paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

Diversity: (For details, please refer to P.11 of our 2024 Annual Report)

The current Board of Directors consists of nine directors, three of whom are women, representing 33% of the board. All nine directors possess expertise in business management and leadership decision-making; six of them possess industry knowledge; three directors (including two independent directors) have financial and accounting backgrounds; one independent director has a legal background; two directors have expertise in technology and environmental protection; and two directors have marketing backgrounds. Our company prioritizes gender equality in the composition of our Board of Directors, with women representing at least one-third of the board seats. The eighth term of our Board of Directors has already reached over 30% of its membership.

For detailed information on the independence and diversity of the Board of Directors, please refer to P.16-18 of the Company's 2024 Annual Report.

The Company's Board of Directors operates in accordance with the "Code of Procedure for Board Meetings," meeting at least quarterly to review the company's operating performance and discuss future development strategies. Directors exercise high self-discipline. If a proposal involves a personal interest, Article 32 of the Corporate Governance Code stipulates: "A director of the Company shall exercise high self-discipline. If a proposal listed on the Board of Directors involves an interest on his or her own or the legal entity he or she represents, he or she shall disclose the material details of his or her interest at the Board of Directors meeting. If a proposal is likely to be detrimental to the interests of the Company, he or she shall not participate in the discussion or vote, shall recuse himself or herself from the discussion or vote, and shall not vote on behalf of other directors. Matters concerning a director's self-recusal shall be clearly stated in the Code of Procedure for Board Meetings." Furthermore, Article 15 of the Code of Procedure states: If a director or a legal entity he or she represents has an interest in a meeting item, he or she shall explain the material details of his or her interest at the board meeting. If the matter is likely to be detrimental to the interests of the company, he or she shall not participate in discussions or votes, shall recuse himself or herself from such discussions or votes, and shall not exercise voting rights on behalf of other directors.

If a director's spouse, blood relative within the second degree of kinship, or a company with a controlling subsidiary relationship with the director has an interest in a meeting item referred to in the preceding paragraph, the director shall be deemed to have a personal interest in that item.

The resolution of the board of directors of this company shall be binding on a director who is not entitled to vote under the provisions of the preceding two paragraphs, in accordance with Article 2 of the Company Act. Paragraph 4 of Article 206 shall apply mutatis mutandis to the provisions of Paragraph 2 of Article 180.

Board Member Training Status

In addition to possessing relevant industry backgrounds and practical management experience, all directors of the Company will have completed training in accordance with the "Guidelines for Implementation of Training for Directors and Supervisors of Listed and OTC Companies" in 2024 and will disclose this information regularly. Course content includes risk management, climate change, financial accounting, financial laws and regulations, ESG, and professional ethics and legal responsibilities. The total training hours for all directors are 76.5 hours, meeting the required minimum of 54 hours.

For detailed information on Board Member training, please refer to P.28 of the Company's 2024 Annual Report.

Director's Remuneration

Article 24 of the Company's Articles of Association stipulates that if the Company makes a profit for the year (i.e., pre-tax profit before deducting employee compensation and director and supervisor remuneration), it shall set aside no more than 1.5% of the profit as director and supervisor remuneration. However, if the Company has accumulated losses, it shall reserve a pre-emptive amount. Directors' remuneration and individual director compensation are assessed based on the company's "Board of Directors Performance Evaluation Guidelines" and "Directors, Functional Committee Members, and Manager Compensation Management Guidelines." Directors' remuneration is based on the company's overall operating performance, external benchmarks, and industry benchmarks. Individual director compensation is based on self-evaluation, attendance, and contribution to the company. Payments are made after review by the Compensation Committee and the Board of Directors.

For detailed director compensation information, please refer to P.13 of the company's 2024 Annual Report.

Board of Directors Operations

The Board of Directors held five meetings in 2024, with an attendance rate of 97.78%.

For detailed information on the Board of Directors' operations, please refer to P.16 of the Company's 2024 Annual Report.

Board of Directors Performance Evaluation Report

2024 Performance Evaluation Report of the Board of Directors, Board Members, and

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method/Score	Evaluation Content
Once a year	2024/1/1~ 2024/12/31	The operations of the Board of Directors	Internal self-evaluation (Questionnaire) of the board /97.78	1. The extent of participation in the Company's operations. 2. Improvement in the quality of the board's decision-making. 3. Composition and structure of the board. 4. Election and continuing education of directors. 5. Internal control
		Performance evaluation of individual board members	Internal self-evaluation (Questionnaire) of the board members /94.57	1. Mastery of the Company's objectives and tasks. 2. Perception of directors' responsibilities. 3. The extent of participation in the Company's operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control
		The operations of the functional committees	Internal self-evaluation (Questionnaire) of functional committees Audit Committee /100 remuneration committee/97.89	1. The extent of participation in the Company's operations. 2. Perception of functional committees' responsibilities. 3. Improvement in the quality of the functional committee's decision-making. 4. Composition and member appointment of functional committees. 5. Internal control

Functional Committees

The Company regularly conducts self-assessments annually (including the overall Board of Directors, Board members, and functional committees) to assess the performance of its operations. This year's self-assessments for the "Overall Board of Directors," "Board members," and "Functional Committees" were all positive.

2.2.3 Functional Committees

2.2.3.1 Duties and Operations of the Audit Committee

The Company established the Audit Committee after the General Meeting of Shareholders on June 30, 2020. It is currently the second Audit Committee. The term of office of this Committee is from May 31, 2023 to May 30, 2026. The Audit Committee is composed of three independent directors, namely, the convener, independent director Zhang Wenxiu, independent director Hao Xiege, and independent director Ye Xiuhui. The Audit Committee aims to assist the Board of Directors in fulfilling its duty to supervise the quality and integrity of

the Company in implementing relevant accounting, auditing, financial reporting processes and financial controls.

The powers of the Audit Committee are as follows:

- (1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Assess the effectiveness of the internal control system.
- (3) Establish or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving the directors' personal interests.
- (5) Significant transactions in assets or derivatives.
- (6) Significant loans, endorsements or guarantees.
- (7) Offering, issuance or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of the auditing firm.
- (9) Appointment and dismissal of the head of finance, accounting or internal audit.
- (10) Annual and semi-annual financial reports.
- (11) Other significant matters required by the company or the competent authority.

The Audit Committee evaluated the effectiveness of the company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, and compliance controls) and reviewed the company's audit department and auditing firm, as well as management's periodic reports, including on risk management and compliance. The Audit Committee believes that the company's risk management and internal control systems are effective and that the company has adopted the necessary control mechanisms to monitor and correct violations.

The Audit Committee is responsible for monitoring the independence of the auditing firm to ensure the fairness of the financial statements. Generally speaking, Visa Certified Public Accountants is not permitted to provide any other services to the Company, except for tax-related services or specifically approved projects. All services provided by Visa Certified Public Accountants must be approved by the Audit Committee.

The Company's Second Audit Committee consists of three members, serving from May 31, 2023, to May 30, 2026. The following table lists the members' biographies:

Resumes of the Second Audit Committee Members and Information on Their Operations

Job Title	Name	Main educational experience and job status	Remark
Independent Director	Wenxiu Zhang	Department of Accounting, National Chengchi University; Graduate School of Accounting, National Chengchi University; Studied at New York University; Passed the Central Bank Special Examination (Level B); Passed the National Certified Public Accountant Examination; Assistant Manager, China Trust Bank; Deputy General Manager, Taishin Commercial Bank; Deputy General Manager, Huatai Commercial Bank; Independent Director and Member of the Compensation Committee, Yashi Crystal Co., Ltd.; Independent Director, David Electronics Co., Ltd.; Chief Financial Officer, Taiwan Ports Corporation	Elected on May 31, 2023 Resigned due to death on December 2, 2024
Independent Director	Xiege Hao	Bachelor of Law, Taipei Law and Business College, National Chung Hsing University (now National Taipei University); Master of Laws, Washington and Lee University School of Law, Virginia, USA; Passed the National College Entrance Examination for Financial Lawyers; Passed the Judicial Yuan Special Examination for Judicial Officers; Judge of the Criminal Division, Kaohsiung District Court, Taiwan; Criminal and Civil Judge, Kaohsiung Summary Court; Judge of the Civil Division, Hualien District Court, Taiwan; Judge of the Hualien Summary Court, Fenglin Summary Court, and Yuli Summary Court, and Director of the Civil Enforcement Division and Escrow Office; Senior Attorney, Lee and Li Attorneys; Managing Attorney, Guanyu Law Office	2023.05.31 Elected
Independent Director	Xiuhui Ye	Master of Accounting, National Chengchi University; Doctor of Business Administration, Renmin University of China; Auditor, Group 1, Securities and Futures Commission, Ministry of Finance; Section Leader, Listing Department, Finance Department, Taiwan Stock Exchange Corporation; Senior Vice President, Investment Banking Department, Fubon Securities; Director, General Planning Department, Fubon Financial Holdings; Senior Executive Vice President, Corporate Finance Department, Qunye Jinding Securities; General Manager, Kanghe Securities; Director, Mega Financial Holdings; Independent Director, Shin Shin Mass Market Corporation; Director, Taichung Commercial Bank; Principal, Yiteng Management Consulting Co., Ltd.; Chairman, Taichung Bank Securities; Director, China Corporate Governance Association; Supervisor, Underwriting Committee Convenor, Securities Association of the Republic of China; Chairman, Chinese 80 Business Model Society	2023.05.31 Elected

The Audit Committee held 4 meetings in 2024, with a 100% attendance rate. For details on the attendance of independent directors, please refer to the 2024 Annual Audit Committee Meeting.

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Job Title	Name	Actual attendance (B)	Number of delegated attendances	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Wenxiu Zhang	4	0	100%	none
Independent Director	Xiege Hao	4	0	100%	none
Independent Director	Xiuhui Ye	4	0	100%	none

Audit Committee Meeting Information

For the content and resolutions of the Audit Committee's most recent meetings, as well as the Company's handling of the Audit Committee's opinions, please refer to Pages 19-20 of the Company's 2024 Annual Report.

2.2.3.2 Responsibilities and Operations of the Compensation Committee

Responsibilities of the Compensation Committee

Young Fast Optoelectronics established a Compensation Committee in 2011 in accordance with Article 14-6 of the Securities and Exchange Act. On June 30, 2023, the Board of Directors resolved to appoint the members of the fifth Compensation Committee. The current committee term is from May 31, 2023 to May 30, 2026. The committee consists of independent director Hao Xiege (Convener), independent director Zhang Wenxiu, and independent director Ye Xiuhui.

The Board of Directors approved the establishment of the Compensation Committee, whose members are appointed by the Board of Directors. Its primary responsibilities are to regularly review the performance evaluations of directors and managers and the compensation policy, and to submit recommendations to the Board of Directors for discussion.

Compensation Committee Operations Information

The company's Compensation Committee has three members. In fiscal 2024, the Committee held four meetings, with a 100% attendance rate.

Job Title	Name	Actual attendance (B)	Number of delegated attendances	Actual attendance rate (%) (B/A)	Remarks
Convener	Xiege Hao	4	0	100%	none
Member	Wenxiu Zhang	4	0	100%	none
Member	Xiuhui Ye	4	0	100%	none

For the content of the major proposals and resolutions of the Compensation Committee's most recent meetings, as well as the Company's handling of the

Compensation Committee's opinions, please refer to P.30 of the Company's 2024 Annual Report.

Regularly Review Compensation and Remuneration

Responsibilities of the Company's Compensation and Remuneration Committee: Members of this Committee shall faithfully perform the following duties with the care of good stewards, be accountable to the Board of Directors, and submit their recommendations to the Board for consideration:

- (1) Establish and regularly review the policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers.
- (2) Regularly evaluate and determine the remuneration of directors and managers.
- (3) Proposals regarding director remuneration as described in the preceding paragraph shall be submitted to the board of directors for discussion, subject only to those matters where director remuneration is stipulated in the company's articles of association or authorized by resolution of the shareholders' meeting.

2.2.4 Communication between Independent Directors and the Head of Internal Audit and Accountants

1. Communication Methods between Independent Directors and the Head of Internal Audit and Accountants

- (1) The Audit Committee and the Accountants shall meet at least annually. The Accountants shall report to the Audit Committee on the Company's financial status, the financial and overall operational status of its domestic and overseas subsidiaries, and the status of its internal control audits. The Accountants shall fully communicate with the Audit Committee regarding any significant adjusting entries or any statutory amendments that may impact the accounting records. Meetings may be convened at any time in the event of significant unusual events.
- (2) The Head of Internal Audit and the Audit Committee shall meet at least quarterly to report on the Company's internal audit performance and internal control operations. Meetings may be convened at any time in the event of significant unusual events.

2. Summary of Previous Communication between Independent Directors and the Head of Internal Audit and Accountants

- (1) The Company's independent directors maintain good communication regarding the performance and effectiveness of audit work.

- (2) The Accountants shall arrange for at least two post-audit communications with the Audit Committee before the Board of Directors each year. Important issues will be presented to the Board of Directors separately.

Date	Communication Focus
2024/2/27	1. Discussion and communication with the governance body after the CPA's annual audit. 2. The CPA attends meetings with the Board of Directors and the Audit Committee to present financial and profit/loss information for fiscal year 2023. 3. Important regulatory updates. 4. The CPA presents the KPMG AQI indicator to the governance body.
2024/5/8	1. The CPA will discuss and communicate with the governance unit after the first quarter review. 2. The CPA will attend the Board of Directors and Audit Committee meetings to present the financial and profit/loss results for the first quarter of 2024. 3. Important legal updates.
2024/8/8	1. The CPA will discuss and communicate with the governance unit after the second-quarter review. 2. The CPA will attend the Board of Directors and Audit Committee meetings to present the financial and profit/loss results for the second quarter of 2024. 3. Important Legal Updates
2024/11/6	1. The CPA will discuss and communicate with the governance unit after the third quarter review and before the annual audit. 2. The CPA will attend meetings with the Board of Directors and the Audit Committee to present the financial and profit/loss results for the third quarter of 2024. 3. Important Legal Updates

2.2.5 Disclosure of Material Company Information

Young Fast Optoelectronics maintains an official website (<https://www.yfo.com.tw>) that discloses basic company information, products, and financial information. We also have a spokesperson and a representative spokesperson dedicated to handling and responding to shareholder-related matters. We hold annual corporate briefings to announce and explain our operating status and future prospects. We also upload relevant information to the "Public Information Observation Center" for stakeholders' reference. Furthermore, we regularly disclose information regarding our business activities, organizational structure, financial status, and operating performance in accordance with applicable laws and regulations and key industry practices.

2.3 Integrity Management

The Company conducts its business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement this integrity management policy and proactively prevent dishonest behavior, the Company adheres to the "Integrity Management Code," "Integrity Management Operating Procedures and Behavior Guidelines," and other relevant regulations, as well as the laws and regulations of the regions where the Company

operates, to specifically address matters that the Company's personnel should be mindful of when performing their duties.

Dedicated Unit in Charge

The Company's dedicated unit for integrity management is the ESG Group, which is responsible for policy formulation, promotion, implementation and reporting of relevant matters, and reports on its implementation status to the Board of Directors at least once a year. The ESG Group is a special task force under the Board of Directors/Sustainability Committee, and has full authority to carry out the revision, implementation, interpretation, consulting services, and notification content registration and filing of these operating procedures and behavioral guidelines, as well as supervision of their implementation. Its main responsibilities are as follows:

- (1) Assist in integrating integrity and ethical values into the company's business strategy, and formulate relevant anti-fraud measures to ensure integrity management in accordance with laws and regulations.
- (2) Analyze and evaluate the risk of dishonest behavior within the business scope on an irregular basis, and formulate plans to prevent dishonest behavior based on them, and establish standard operating procedures and behavioral guidelines for work-related business operations within each plan.
- (3) Plan internal organization, compilation and responsibilities, and establish a mutual supervision and check and balance mechanism for business activities with higher risk of dishonest behavior within the business scope.
- (4) Promote and coordinate integrity policy promotion training.
- (5) Develop a whistleblower system to ensure its effective implementation.
- (6) Assist the Board of Directors and management in reviewing and evaluating the effectiveness of the preventive measures established for integrity management, and regularly evaluate and report on compliance with relevant business processes.

The Company's Code of Integrity Management shall be implemented after approval by the Board of Directors, and shall be submitted to each independent director and to the shareholders' meeting, including any amendments.

Integrity Management Prevention Measures

The Company shall establish prevention plans that at least cover the following behaviors:

- (1) Bribery and bribery.
- (2) Providing illegal political contributions.
- (3) Improper charitable donations or sponsorships.
- (4) Providing or accepting unreasonable gifts, entertainment, or other improper benefits.
- (5) Infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights.
- (6) Engaging in unfair competition.
- (7) Directly or indirectly damaging the rights, health, and safety of consumers or other stakeholders during the development, procurement, manufacturing, provision, or sale of products and services.

2.3.1 Conducting Business Activities with Integrity

Before establishing business relationships with others, Young Fast Optoelectronics will first evaluate the legality, integrity policies, and records of dishonest behavior of agents, suppliers, customers, or other business partners to ensure that their business operations are fair, transparent, and that they will not request, offer, or accept bribes. When conducting the aforementioned evaluation, Young Fast Optoelectronics may adopt appropriate audit procedures to review its business partners on the following matters to understand their integrity:

- (1) The country, location of operations, organizational structure, business policies, and payment locations of the enterprise.
- (2) Whether the enterprise has established an integrity policy and its implementation status.
- (3) Whether the enterprise's location of operations is a country with a high risk of corruption.
- (4) Whether the enterprise's business is in an industry with a high risk of bribery.
- (5) The enterprise's long-term operating status and reputation.

2.3.2 Implementation Results

In 2020, the company formulated the "Whistleblower System Implementation Guidelines," which incorporate relevant provisions and reporting procedures related to integrity management. A Chinese version of this policy is available on the company website. Regular employee training sessions promote the concept of integrity management and establish anonymous reporting channels, ensuring that colleagues understand and adhere to these guidelines and enhancing the effectiveness of the company's integrity management practices. New employees are also briefed on the company's "Integrity Management Code of Conduct," "Integrity Management Operating Procedures and Behavioral Guidelines," and "Whistleblower System Implementation Guidelines" during their orientation.

Implementation Status

- (1) No reported cases have been reported since November 2020.
- (2) On February 27, 2025, the implementation status of the 2024 integrity management was reported to the Board of Directors.

Reporting/Complaint Mechanism

Young Fast Optoelectronics prioritizes respecting human rights, protecting intellectual property, and preventing improper transfers of benefits that harm the interests of the company, its customers, and its suppliers. To ensure integrity in operations, we have established an independent Audit Department that conducts internal audits regularly and ad hoc annually. We also provide convenient and accessible complaint channels for internal and external stakeholders to report issues and provide appropriate responses, thereby mitigating operational risks and fostering positive interactions with stakeholders.

Reporting Email: whistleblower@yfo.com.tw

Implementation Achievements by 2024: No supervisors or employees have violated the integrity principle.

2.4 Governance Philosophy, Business Ethics, and Regulatory Compliance

2.4.1 Governance Philosophy

Our company is based on sustainability and operates a transparent, fair, and efficient business system. We uphold integrity in our operations, comply with relevant laws and corporate ethics, ensure open and transparent decision-making processes, and actively strengthen internal controls and risk management mechanisms to create long-term value for shareholders, customers, and employees. We are committed to pursuing corporate growth while shouldering our environmental and social responsibilities.

2.4.2 Business Ethics and Regulatory Compliance

Major topic: Regulatory compliance	
Management Policy	• Policy: Comply with corporate ethics, professional ethics and laws and regulations • Goals and objectives: Continuously grow and operate sustainably, achieve economies of scale, and enhance the overall competitiveness of the company by complying with ethics and economic, environmental, labor, and health and safety laws and regulations, as well as corporate ethics and professional ethics. • Commitment: Utilize due diligence and early warning communication methods to comply with corporate ethics, professional ethics and legal compliance, and protect the rights and interests of stakeholders. • Management measures: (1) Establish an effective internal control system and management system to implement legal compliance. (2) Comply with relevant laws and regulations and requirements and revise relevant rules and regulations in a timely manner. (3) Emphasize corporate ethics and employee professional ethics, respect intellectual property rights and the privacy of individuals or customers. (4) Strengthen communication with stakeholders and strive to meet stakeholders' expectations for the company's sustainable operations.
Performance	No violations of the Company Law or tax regulations in 2024 => Achieve the goal of 0 violations of the Company Law or tax regulations between 2024 and 2030.

YFO Optoelectronics values the integrity and honesty of its employees. It has established a "Code of Ethical Conduct," "Integrity Management Code," "Integrity Management Operating Procedures and Behavior Guidelines," "Reporting System Implementation Measures," and "Insider Trading Prevention Management Measures," which have been approved by the Board of Directors. These regulations are implemented through the company's official website ([https://www.yfo.com.tw/Investor Zone](https://www.yfo.com.tw/InvestorZone)) and factory postings. YFO also provides training and education on corporate social responsibility and ethics during its induction training. All new employees also receive training on integrity management during their orientation.

Anti-Bribery and Anti-Corruption

Young Fast Optoelectronics has established a "Code of Conduct for Integrity" and "Procedures for Preventing Insider Trading" to ensure normal business operations and maintain fair competition. These regulations regulate commercial transactions and prohibit any forms of corruption, extortion, and misappropriation of public funds, as well as any improper gains. These regulations clearly regulate all of Young Fast Optoelectronics' business activities and external contacts, including but not limited to interactions with government agencies, negotiating orders with customer representatives, customer quality control inspections, impartial product testing, inspections, and audits. Any improper gains, whether directly or indirectly, in the form of kickbacks, promotional fees, publicity fees, labor fees, expense reimbursements, or domestic and international travel, are prohibited. Regular monitoring of potential violations includes:

- (1) Upholding the highest standards of integrity in all business interactions
- (2) Obtaining or receiving any improper or inappropriate benefits that are promised, offered, authorized, given, or accepted
- (3) or improper advantages
- (4) Intellectual property protection
- (5) Fair dealing, advertising, and competition
- (6) No retaliation or identity protection
- (7) Unauthorized disclosure of personal information

In 2024, Young Fast Optoelectronics conducted a corruption and bribery risk assessment through a self-assessment of integrity management. The assessment results showed that there were no significant corruption and bribery risks, and no bribery or embezzlement had occurred.

2.4.3 Regulatory Compliance

Young Fast Optoelectronics complies with laws and regulations and regularly compiles and identifies relevant laws and regulations. If new or revised regulations are found, the responsible department will immediately review the current business model and practices for compliance and assist in promoting government regulations to all departments. To safeguard the legitimate rights and interests of the company, we organize legal courses and produce legal publications as appropriate to enhance employee legal knowledge.

The following table lists the company's key legal sources, internal regulations, and procedures for compliance with corporate governance, environmental, economic, and social regulations, as well as any potential violations in 2024:

Category	Important legal sources in Taiwan	Our company's response measures or procedures	Will there be any illegal incidents in 2024?
Corporate Governance	Company Law, Corporate Governance Code of Practice, Code of Conduct for Listed and OTC Companies, Audit Committee Articles of Association, Compensation Committee Articles of Association	Articles of Association, Corporate Governance Code, Sustainable Development Code, Integrity Management Code, Measures for Preventing Insider Trading, Board Performance Evaluation Methods, Board Meeting Rules, Audit Committee Organizational Rules, Compensation Committee Organizational Rules, Whistleblower System Implementation Measures, Internal Material Information Handling Procedures, and Code of Ethical Conduct	0 items.
Employees Labor rights and conditions	Labor Standards Act, Employment Services Act, Gender Equality in Employment Act, Labor Insurance Act, Labor Pension Act, National Health Insurance Act, Employee Welfare Fund Act, Labor Leave Regulations, Labor-Management Meeting Implementation Regulations, etc.	Review of work rules Review of the roster of representatives for labor-management meetings Recruitment, selection, and appointment management regulations, salary management regulations, reward and punishment management regulations, etc.	0 items.
Health and Safety	Occupational Safety and Health Act, Occupational Safety and Health Act Enforcement Rules, Labor Health Protection Rules, Labor Safety and Health Facilities Rules, Labor Safety and Health Education and Training Rules, etc.	Review of occupational safety and health work codes Review of occupational safety and health organization and personnel ISO 45001 occupational health management system and related procedures	0 items.
Environment	Basic Environmental Law, Climate Change Response Act, Waste Disposal Act, Resource Recycling Act, Air Pollution Control Act, Noise Control Act, Discharge Standards,	Sustainable Development Code, ISO 14001 Environmental Management System and related procedures, SOPs, and forms, including waste disposal control work instructions. Greenhouse gas inventory report	0 items.

	Water Pollution Control Act and its enforcement rules, etc.		
Economy	Fair Trade Act, Patent Act, Copyright Act, Intellectual Property Act, Trade Secret Protection Act, Computer Processing of Personal Data Protection Act, etc.	Employment Contract Employee Commitment Letter Intellectual Property Management Regulations Human Resources Management System	0 items.
Society	Civil Code, Infectious Disease Prevention and Control Law, Sexual Harassment Prevention and Control Law	Work-from-Home Management Regulations Sexual Harassment Prevention Measures	
Product	Fair Trade Act, Computer Processing of Personal Data Protection Act, Hazardous Substance Processing Management System	The ISO 9001 quality management system and related procedures, SOPs, and forms effectively control hazardous substances to comply with international standards and avoid harming consumers.	0 items.

Young Fast Optoelectronics (Vietnam) Co., Ltd. complies with local laws and regulations on corporate governance, environment, economy and human rights (social issues).

"Major violations" shall apply if the relevant industry competent authority has established standards. If no standards have been established, violations of relevant laws and regulations within the past year shall include any of the following:

- (1) Causing significant damage or impact to the company;
- (2) Being ordered by the relevant authority to suspend operations, suspend business, cease operations, or have a pollution-related permit revoked or revoked;
- (3) The cumulative fines for a single incident amounting to NT\$1 million or more.

2.5 Internal Audit and Management Verification System

2.5.1 Internal Audit

To comprehensively review and evaluate the effectiveness of internal controls, measure operational effectiveness and efficiency, ensure the reliability, timeliness, and transparency of reporting, and ensure compliance with regulations, Young Fast Optoelectronics has established an independent internal audit unit, the Audit Office, which reports directly to the Board of Directors.

Audit Targets: Audit targets include the business operations of all company departments.

Audit Plan:

Planned → The Audit Office shall formulate an annual audit plan for the following year in accordance with legal regulations and based on risk assessment results before the end of each year. This plan shall be submitted to the Board of Directors for discussion and approval, and shall serve as the basis for the execution of audit work.

Ad Hoc → Based on business needs, senior management or the Audit Office Head shall designate audit topics and schedules. Audit personnel shall conduct audits within the designated timeframe.

Audit Process

Develop an annual audit plan based on the risk assessment results and conduct audits in accordance with the plan.

Conduct ad hoc audits as needed and promptly inform management of existing deficiencies or potential risks.

Issue an audit report after completing the audit, providing recommendations and improvement methods.

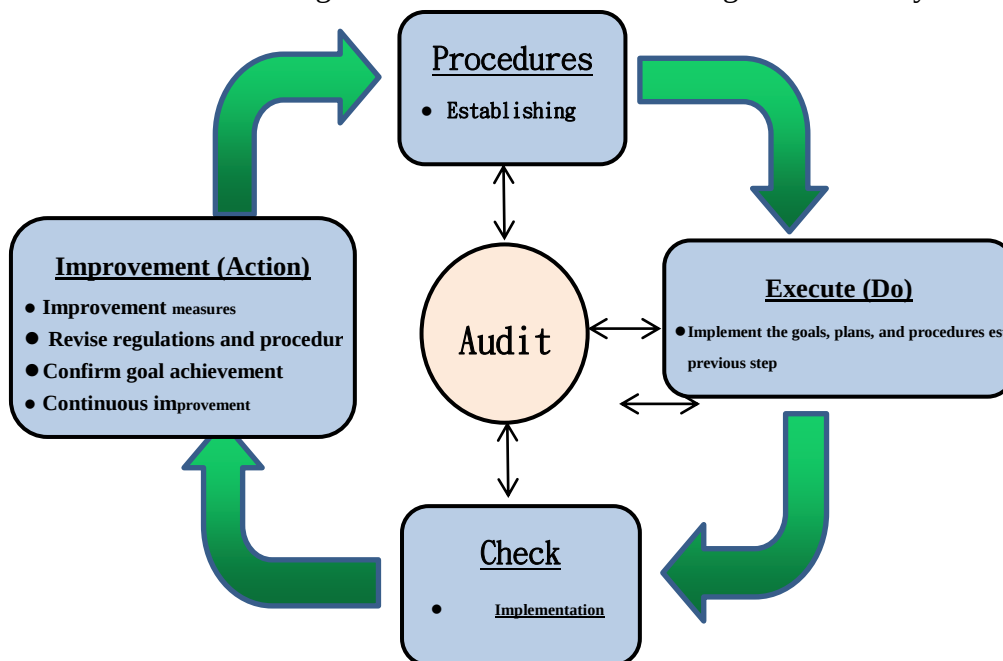
(1) Continuously track the progress of improvements for audit deficiencies, and prepare quarterly follow-up reports until the case is closed after confirmation of complete improvement.

(2) After approval, the audit report and follow-up reports should be submitted to each independent director for review by the end of the month following the completion of the audit project.

The audit work is based on the risk assessment results. An annual audit plan is developed and implemented after approval by the Board of Directors. This plan provides management with information on the operation of internal controls. Ad hoc audits are conducted as needed to identify deficiencies and fully communicate with the audited units to facilitate management's understanding of existing deficiencies and potential risks. After completing the audit, the internal auditor will issue a written audit report and follow-up report. In addition to reporting to the Board of Directors quarterly, the auditor will also report monthly to the Chairman and the Audit Committee, or as necessary.

There were no material internal control deficiencies in fiscal 2024. The declaration of effectiveness of the internal control system will be disclosed in the annual report and reported in accordance with legal regulations.

Audit work management uses the P-D-C-A management work cycle as shown below:



2.5.2 Internal Management System

The Board of Directors and managers of the Company have established an internal management system in accordance with the "Guidelines for the Establishment of Internal Control Systems by Publicly Listed Companies" and relevant laws and regulations to improve the effectiveness of management and product quality. The internal management system is mainly divided into the following three items:

(1) Internal Control System

The internal control system covers the entire company's operations, including the company's "management" functions such as planning, organization, and control, as well as the nine major cycle procedures and standard measures adopted in business areas such as sales, production, procurement, financing, payroll, fixed assets, computer information, investment, and research and development. Its main purpose is to "promote the effective operation of corporate organizations."

(2) ISO Management System

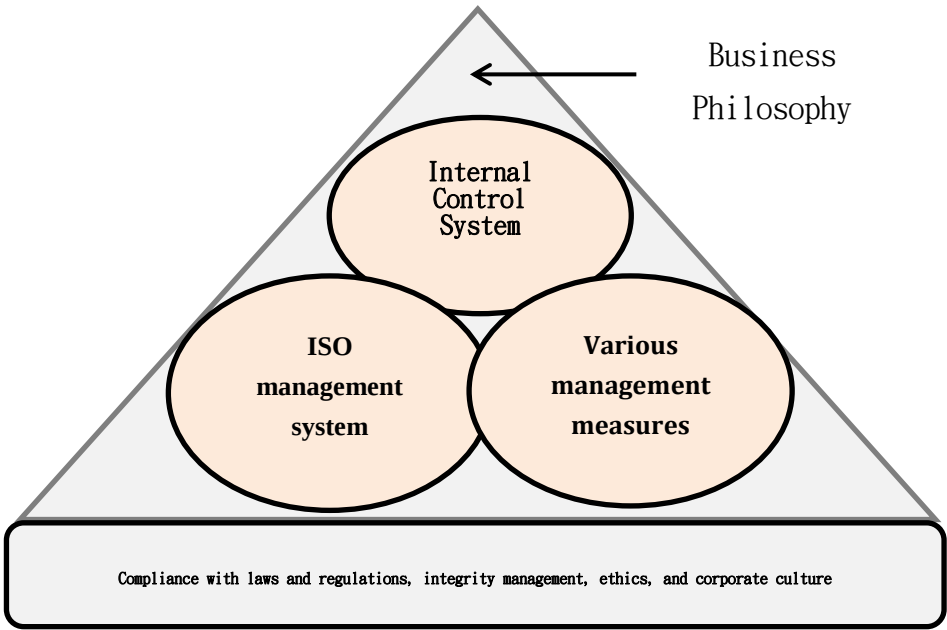
An ISO management system is established for production, quality, environment and other issues. The relevant ISO certifications currently passed include: ISO 9001 Quality Management System, IATF 16949 Automotive Industry Quality Management, ISO 14001 Environmental Management System, and ISO 45001 Occupational Safety and Health Management System.

(3) Various Management Methods

For special control items with high operational risks, such as personnel management systems, credit management operations, and various expense approval authorities, relevant management methods have been established to reduce operational risks.

The three internal control management systems mentioned above, namely the internal control system, ISO management system, and various management methods, are based on compliance with regulations, integrity and ethics, and corporate culture and business philosophy. These three management systems are effectively operated and continuously improved in accordance with Young Fast Optoelectronics' sustainable business philosophy, thereby improving business management efficiency, product quality and added value, and achieving the company's sustainable business vision and mission.

The diagram of the internal control management system is as follows:



EcoVadis Global Supply Chain Continuous Evaluation Platform

It can clearly understand the company's sustainable development, corporate social responsibility (CSR) implementation performance (ESG performance), corporate operations are responsible for the environment, and comply with ethical standards.



2.6 Information Security Management

Major Theme: Information Security	
Management Policy	Policy: Establish an organizational culture that prioritizes information security and enhance information security governance capabilities and standards to ensure the company's information security. Goals and Objectives: Establish, implement, operate, maintain, and continuously improve information security through a PDCA cycle management model, including requirements for information security risk assessment and management tailored to company needs. Commitment: Reduce the impact of information security incidents on company operations, establish a secure environment, and enhance information security awareness to reduce the likelihood of incidents. Management Measures: (1) Formulate communication and operational security management standards, including network security management, information equipment management, general equipment management, and data and software exchange security management. (2) Establish physical and environmental security protection measures for the information room and regularly perform relevant maintenance and upkeep. (3) Formulate emergency response procedures for information security incident management. (4) Conduct regular internal audits annually to conduct information security audits and corrective and preventive management.
Performance	● A business continuity and disaster recovery drill has been conducted to ensure that RTO/RPO targets are met. ● No data breach incidents by 2024.

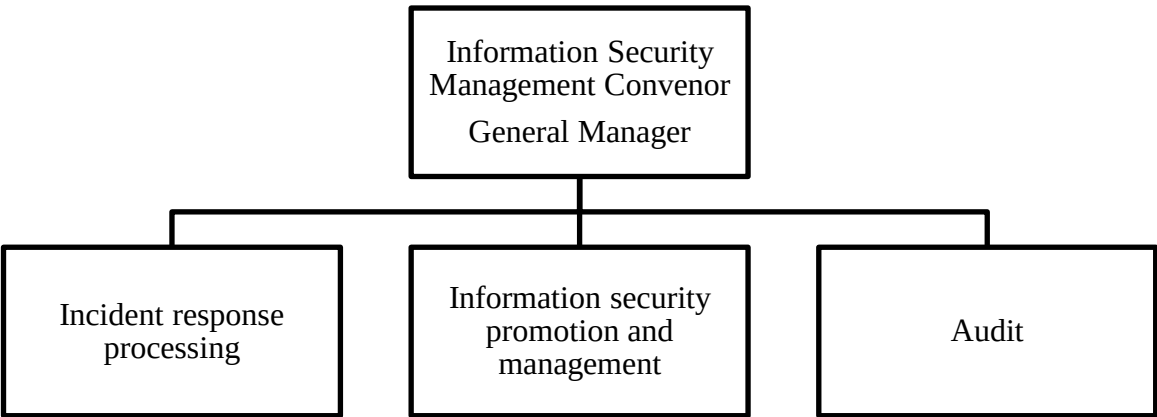
Information Security Risk Management Framework

1. Information Security Risk Management Framework

(1) Corporate Information Security Governance Organization

In 2021, the company established an "Information Security Team" chaired by the General Manager and composed of information department personnel. The team is responsible for formulating the company's information security policy, approving information security plans, coordinating resource allocation, and promoting information security-related work. The team also reports to the board of directors on the company's cyber risks or information security status on a regular basis each year.

(2) Company information security organizational structure



2. Information and Communications Security Policy

We ensure and enhance the confidentiality, integrity, and availability of the company's information assets, strengthen employee awareness of information security, and comply with relevant regulations to protect the company from internal and external threats, both intentional and accidental.

To promote and implement various information security control measures, the Information Security Team convenes meetings annually or as needed to plan and promote various information security tasks, conduct security inspections, adjust resources as needed, and develop directions and measures for information security management improvements. Auditing is responsible for conducting information security audits and producing reports and recommendations. Furthermore, all employees receive information security education and training and comply with company regulations.

3. Specific information and communications security management plan

- (1) Company assets are classified by attributes, and their use and management are subject to appropriate control measures based on confidentiality levels. An "Information Asset Inventory" is prepared and maintained by a designated person. The inventory is regularly reviewed for accuracy, and various control measures are implemented. In addition to the annual information security education and training program, all new employees are required to undergo information security training and pass an assessment.
- (2) Establish physical and environmental safety protection measures for the computer room and regularly carry out relevant maintenance and upkeep ◦
- (3) Develop communication and operational security management measures, including network security management, information equipment management, general equipment management, and data and software exchange security management.
- (4) Clearly regulate access control permissions for portable devices, software usage, accounts, passwords, and backups to prevent unauthorized access.

- (5) The acquisition, development, and maintenance of information systems must be handled in accordance with relevant company regulations to prevent situations that endanger information security.
 - (6) Developed emergency response procedures for information security incident management.
 - (7) Conduct regular internal audits annually to conduct information security audits and corrective and preventive management.
4. Invest resources in information and communications security management
- (1) System aspect
 - A. Monitor, analyze, and promptly patch major system vulnerabilities to improve system security, such as DC and Exchange.
 - B. Increase password complexity to reduce the success rate of brute force cracking of accounts.
 - C. Deploy endpoint protection systems to increase the visibility of endpoint malware.
 - D. Establish a domain-based email message verification and reporting protection mechanism to reduce the possibility of the company's domain name being used for phishing emails.
 - E. Continuously upgrade the antivirus system to maintain endpoint protection in a highly secure and efficient environment.
 - (2) Architecture aspect
 - A. Strengthen the FAB regional network isolation mechanism to reduce the impact of information security incidents.
 - B. Upgrade the email transmission encryption mechanism to reduce the risk of decryption during the transmission process.
 - C. Inventory and relocate printer devices to reduce the exposure of printing vulnerabilities.
 - D. Replace Internet edge switches to patch information security vulnerabilities and reduce the possibility of external intrusion.
 - (3) Management
 - A. Revise the application process for visitors to bring in devices and strictly control the security of visitor devices entering the factory area.
 - B. Continue to promote information security concepts, enhance employee awareness of risks, and reduce the risk of phishing.
 - C. Share information security trends with cooperating suppliers, explain malware intrusion methods, and provide recommended protection measures to enhance information security awareness and protection capabilities of the supply chain.
 - D. Deploy a 24/7 monitoring system in the operation areas of important information facilities to strengthen physical security.
 - E. Introduce a third-party vulnerability assessment mechanism to continuously monitor and patch feasible external intrusion paths.
 - F. Join a security organization to understand the latest security status.
5. List the losses incurred, possible impacts, and response measures from major information and communications security incidents for the fiscal year ending 2024. If a reasonable estimate is not possible, the reason for the impossibility should be explained: None.

Information security management implementation effectiveness

Management Items	Implementation Results
Information Security Organization	Our company has joined the Taiwan CERT/CSIRT Alliance.
Information security education and training	Provide information security education (0.5 hours) to new employees during their training. Conduct annual information security online training and testing for current employees. Social engineering drills are conducted, and enhanced outreach is conducted for users identified as high-risk during the drills. All personnel using information systems receive annual information security outreach courses. Supervisors and personnel responsible for information security also receive annual professional information security training. Related education and training are detailed in the table below.
Third-party vulnerability scanning/social engineering drills	We regularly conduct vulnerability scans and security checks on our core information and communications systems annually, and we complete patching of any system vulnerabilities. In 2024, the vulnerability scan was completed on November 7, and the social engineering drill was completed in December.
Email Security	Email transmission is encrypted and SPF verification mechanism is enabled. Common APT phishing emails (impersonating well-known organizations) and BEC scams (impersonating manufacturers) do not contain malicious programs but are instead deceptive. Strengthen your email system's defenses against impersonation, anonymization, spam, and illegal parsing. This includes strengthening protection against face-changing scams, including those impersonating yourself, external parties, well-known businesses, and telecommunications providers. This also reduces the risk of email systems being infiltrated by man-in-the-middle recipients.

Overview of Education and Training in 2024

Category	Course Name	Hours	Number	Total/hrs.
Serving staff	Information security education and training	2	401	802
Information security personnel	Insight Analysis Principles: Advanced Analysis Methods for Malware in the Wild	12	1	53
	Cloud Attack and Defense: Building a Secure Cloud Through Red Team Thinking	6	1	
	Cyber Threat Defense Competition	6	1	
	Guidelines for the Management of Information Security of Listed Companies (OTC Markets)	6	2	
	Taiwan CERT/CSIRT Alliance Security Education and Training	2.5	2	
	Taiwan Information Security Reporting and Response Annual Conference	6	2	

2.7 Risk Management

Risk Management

To strengthen the risk management mechanism, the Company has established a "Risk Management Policy" which has been approved by the Board of Directors and reports the implementation of risk management to the Board of Directors annually.

Risk Management Mission: Build and maintain an effective risk management system and continuously improve it to reduce operating costs, ensure the company's continued profitability, create a high-quality working environment, and achieve the company's sustainable development goals.

To comply with laws and regulations, demonstrate corporate operational capabilities, reduce the probability of accidents, minimize asset losses, and pursue sustainable operations, our company prioritizes sustainable development and risk management in its business expansion. To ensure these concepts are fully integrated into our operations, we manage and respond to uncertainties through proactive control actions. We will continue to establish enterprise risk management systems and enhance employee risk management awareness to proactively understand and manage risks and uncertainties.

2.7.1 Risks and opportunities

The risks and threats to business operations over the next three years (2022-2024) and their corresponding countermeasures are as follows:

Risk Assessment Project	Risk Factors	Responsible Department	Likelihood of occurrence (high, medium, low)	Impact significance (large, medium, small)	Consequences and impacts	Improvement or preventive measures
Emerging risks (geopolitical conflicts)	Feed interruption or delay	Purchasing Department	Medium	Large	Unable to produce or delivery delayed	1. Actively develop new suppliers. 2. Utilize diverse transportation methods to minimize supply disruptions caused by natural disasters, man-made disasters, and other factors. 3. Establish an appropriate safety stock mechanism.
	Product sales areas are restricted or the tax burden in the importing country increases	Business Department	Medium	Large	Declining performance	Producing in a third place (such as Vietnam) before exporting can help avoid geopolitical influences on product sales.
Emerging risks (high inflation)	Increased costs	Purchasing Department Business Department Finance Department	Medium	Large	Decreased profits	1. Adopt a volume-based pricing approach in procurement to reduce costs. 2. Implement a unit-based pricing approach in business operations to increase profit sources. 3. Reduce the decline in actual purchasing power of idle funds through appropriate investment.

Climate change risks	1. Water Resource Management	Management Department	Medium	Medium	Operational interruption	1. Plants 3 and Vietnam have installed underground water tanks to ensure sufficient backup water in the event of short-term water outages. 2. In the event of an emergency or prolonged water shortage, we will procure water from external sources and arrange for water trucks to deliver it.
	2. Greenhouse gas emissions		Medium	Medium	Rising temperatures	1. Continuously implement energy-saving and carbon-reduction measures within the factory. 2. Install solar rooftops at three factories.
Natural disaster risks	Fires, typhoons, and earthquakes	Management Department	Medium	Medium	Operational interruption	1. Conduct regular drills. 2. Reduce the impact of natural disasters on our operations and losses by purchasing property insurance. 3. Make timely adjustments to production capacity allocation.
Production risks	1. Poor yield	Management Department	Medium	Large	Operating losses Increased costs	Review and improve factors that cause poor yield.
	2. Labor safety and environmental hygiene	Management Department	Low	Medium	Personal safety	1. Conduct regular emergency response drills, such as those for firefighting, chemicals, and emergency first aid. 2. Arrange for employees to participate in safety education and training, either regularly or irregularly.
Market Risk	1. Competition	Business Office	High	Large	Declining performance	1. Maintain and improve customer service. 2. Adjust sales strategies to diversify market risks. 3. Actively explore and expand into new markets to increase the number of new customers.
	2. New product competition		High	Large	Declining performance	1. Adjust product development strategies. 2. Shorten development timelines and reduce production costs to increase competitiveness.
	3. Sales concentration		Medium	Medium	Performance Concentration	Actively develop new markets and new customers
Supply chain risks	1. Feeding interruption	Purchasing Department	Medium	Large	Unable to produce	1. Actively develop new suppliers. 2. Utilize diverse transportation methods to minimize supply disruptions caused by natural disasters,

						man-made disasters, and other factors. 3. Establish an appropriate safety stock mechanism.
	2. Material quality, price and delivery time		Medium	Medium	Increased operating costs	1. Actively develop new suppliers. 2. Regularly evaluate suppliers.
	3. Supplier is a monopoly or oligopoly		Medium	Medium	Costs cannot be reduced	1. Minimize the use of specialized materials during product development. 2. Reduce costs through volume-based pricing.
Information security risks	1.Information system crash and backup failure	Information Department	High	Large	Data loss	Important files and data are backed up regularly and stored off-site to prevent the risk of data loss.
	2. Improper safety protection		High	Large	Data loss	1. Install firewalls and antivirus software to enhance protection. 2. Conduct regular information security awareness campaigns. 3. Each department's public access slots have read and write permissions.

3. Innovation and R&D, quality management and customer service

To achieve steady growth in operational performance and provide customers with excellent service and high customer satisfaction, we have set the following short- and medium-term goals for major themes: :

	Short- and medium-term indicators
Customer Relationship Management	Maintain a customer satisfaction score of 85 or above for the Optoelectronics Division from 2024 to 2025. Maintain a customer satisfaction score of 90 or above for the Optoelectronics Division from 2026 to 2030. Maintain a customer satisfaction score of 75 or above for the Electromechanical Division from 2024 to 2030.
Product and Engineering Quality and Responsibility	Company-wide 2024-2030 Passed ISO 9001 quality management system certification and ISO 14001 environmental management system certification Optoelectronics Business Group (Taiwan and Vietnam plants): 2024-2030 Passed IATF 16949 automotive quality management system Mechanical and Electrical Business Group 2024-2030~ Passed ISO 45001 occupational health and safety management system
Regulatory Compliance	2024-2030 0 violations of product and service information and labeling regulations 0 violations of product and service health and safety regulations 0 violations of product or fair trade regulations
2024 Performance	Customer Relationship Management The Optoelectronics Division achieved a customer satisfaction score of 94.5 in 2024. => Achieved the goal of maintaining a customer satisfaction score of 85 or above for the Optoelectronics Division from 2024 to 2025. The Electromechanical Division achieved a customer satisfaction score of 89 in 2024. => Achieved the goal of maintaining a customer satisfaction score of 75 or above for the Electromechanical Division from 2024 to 2030. Product and Engineering Quality and Responsibility ISO 9001 Quality Management System Certification in 2024 => Achieved ISO 14001 Environmental Management System Certification in 2024 => Achieved IOT 16949 Automotive Quality Management System Certification in 2024 => Achieved ISO 45001 Occupational Health and Safety Management System Certification in 2024 => Achieved Regulatory Compliance No violations of product and service information and labeling by 2024 => Achieve the goal of 0 violations of product and service information and labeling No violations of product and service health and safety regulations by 2024 => Achieve the goal of 0 violations of product and service health and safety regulations No violations of product or fair trade regulations by 2024 => Achieve the goal of 0 violations of product or fair trade regulations

3.1 Financial Performance

Young Fast Optoelectronics' revenue in 2024 is expected to be NT\$1.577 billion, with profits growing compared to 2022 and 2023.

2022-2024

Unit: NT\$1,000

Project	2022	2023	2024
Operating income	1,545,646	1,638,979	1,577,292
Operating gross profit	408,242	598,178	723,825
Net profit before tax	449,939	584,641	807,470
Net profit after tax	433,870	609,554	769,908
Other comprehensive income	127,292	621,877	195,411
Total comprehensive benefits	561,162	1,231,431	965,319
Earnings per share	2.75	3.75	4.76
Debt ratio	10.02%	10.43%	9.48%
Return on equity	7.61%	9.24%	10.37%
Directors' shareholding ratio	33.96%	34.80%	34.80%

Financial assistance from the government: None

Customers and Market

Young Fast Optoelectronics' optoelectronics business group focuses on exports, mainly to Asia; while the electromechanical business group focuses on domestic sales.

Product Categories	Proportion in 2024 (%)
Touch panel	18.50
Wire and cable equipment	81.50
Total	100.00

Sales amount and proportion of major products in each region in the past two years

Unit: NT\$1,000

Year Annual sales Market	2023		2024	
	Annual sales	%	Annual sales	%
Domestic sales	1,445,978	88.22%	1,403,009	88.95%
Export	193,001	11.78%	174,283	11.05%
Total	1,638,979	100%	1,577,292	100.00%

● The economic value of employee salaries and benefits, and payments to investors

Unit: NT\$1,000

Product Categories	2023	2024
Income	1,638,979	1,577,292
Operating costs	1,282,526	1,107,944
Employee salaries and benefits (Note)	294,696	306,308
Payment to investors	226,992	303,250
Pay dividends	226,992	302,655
Paying bank loan interest	0	595
Payments to the government (income tax)	26,961	48,547

Note: Salary expenses, labor and health insurance expenses, pension expenses and other employee welfare expenses.

3.2 Customer Relationship Management

Young Fast Optoelectronics values the trusting relationship with its customers. We prioritize customer strategy and focus on meeting their needs. We actively maintain stable and good relationships with both parties and adjust relevant operating standards according to their requirements to ensure the quality and effectiveness required by customers, thereby creating company profits and achieving a win-win situation.

To safeguard the health, safety, privacy, and quality of our customers, our company complies with relevant product and privacy regulations and manufactures products in accordance with international standards and specifications. Furthermore, through the development of "Customer Issue Handling Procedures"/"Customer Service Handling Procedures" and "Customer Satisfaction Assessment Procedures"/"Customer Satisfaction Survey Procedures," we gain a deeper understanding of customer needs and continuously analyze and improve service content based on any deficiencies reported by customers.

Customer complaint handling mechanism

When each department receives customer complaints or feedback, it will handle them according to the "Customer Problem Handling Procedure"/"Customer Service Handling Procedure".

- (1) Acceptance of customer issues: When a customer has a complaint (written, e-mail or telephone notification), the salesperson, PM or customer service will receive the message and, if necessary, conduct an on-site investigation and understanding of the complaint location. At the same time, we will immediately discuss with the customer the relevant follow-up matters and whether it will affect the customer's production, delivery time, etc.
- (2) Customer Service Handling: When customer service receives a customer complaint, they will register the number in the RMA customer complaint system or log in to the "Customer Complaint Handling Record Form" for control, and transfer the defective product to RMA/or the responsible unit for investigation and analysis of the cause.
- (3) Customer Complaint Process Timeline :

Optoelectronics Division:

Project	24hrs	within 3 days	within 7 days	Regular 1 month	Responsible unit
Invoicing and product processing	v				CQE
Cause Analysis		v			RMA
Improvement measures			v		Responsible unit
Improve tracking and confirmation of case closure				v	QA
Note: Or reply according to customer's request.					

(4)Cause Analysis: When the RMA/responsible unit receives defective products, processing orders, and email notifications sent by the customer service, it will immediately conduct phenomenon confirmation and cause analysis. If the analysis result is an operation problem, it will be forwarded to the manufacturing unit to fill in the improvement plan. If it is a design problem, it will be forwarded to R&D to fill in the improvement plan. If it is a process condition problem, it will be forwarded to PE/responsible unit to fill in the improvement plan. °

(5)If the customer’s concerns or problems are still not resolved after the follow-up, we will re-follow the process to make improvements and review °

In 2024, there will be no violations of health and safety regulations for products and services, and no customer complaints regarding the leakage or loss of customer privacy.

Customer satisfaction survey

To accurately grasp customer needs and provide sound service quality, Young Fast Optoelectronics follows the "Customer Satisfaction Assessment Procedure" every year. Through face-to-face interviews, telephone interviews, emails, and faxes, we deeply understand the customer's satisfaction with the product quality, delivery timeliness, service quality, complaints and feedback of the year. We also review whether there is a decline or improvement trend, propose specific improvement plans and reviews, and make good use of the Enterprise Resource Planning (ERP) system to optimize cost, quality, and service, achieving a win-win situation for customers, suppliers, and the company. This demonstrates our emphasis on this issue and our active practice of the "customer first" concept.

Customer satisfaction survey results in the past three years

In accordance with the ISO 9001 quality management system, we have established a "Customer Satisfaction Evaluation Procedure" / "Customer Satisfaction Survey Procedure" and conduct surveys annually using various methods including face-to-face interviews, telephone interviews, emails, and faxes. The results are recorded in the "Customer Satisfaction Survey Form" / "Customer Satisfaction Questionnaire Form" and the Quality Assurance Department is responsible for compiling the results. °

The survey results are as follows :

Optoelectronics Division :

Project \ Year	2022	2023	2024
Recycling quantity/issued quantity	12/29	12/29	12/12
Recovery rate	41.3%	41.3%	100%
Average satisfaction	86.33	86.42	94.5
Target value	85	85	85
Achievement	Achievement	Achievement	Achievement
Customer complaint settlement rate achieved	100%	100%	100%

Mechanical and Electrical Division :

Year Project	2022	2023	2024
Recycling quantity/issued quantity	4/4	4/4	4/4
Recovery rate	100	100	100
Average satisfaction	87	85	89
Target value	75	75	75
Achievement	Achievement	Achievement	Achievement

There have been no customer complaints in the past three years for the electromechanical sector.

Customer Privacy

To protect customer privacy and confidentiality, Young Fast Optoelectronics has established a "Code of Ethical Conduct" and "Ethical Code Management Procedures." All company employees have a confidentiality obligation and must understand and comply with these guidelines. Except for information that is authorized or required to be disclosed by law, all other information must be kept confidential. Disclosure that could harm customer rights is strictly prohibited. Furthermore, a dedicated unit has been established to address information security issues, and employees are educated on their obligation to protect company assets to prevent theft or cybersecurity attacks, thereby ensuring that customer data and information are not leaked.

In 2024, the company will not receive any complaints regarding leaks of customer information or infringements of customer privacy.

3.3 Innovative products and services

Main product introduction

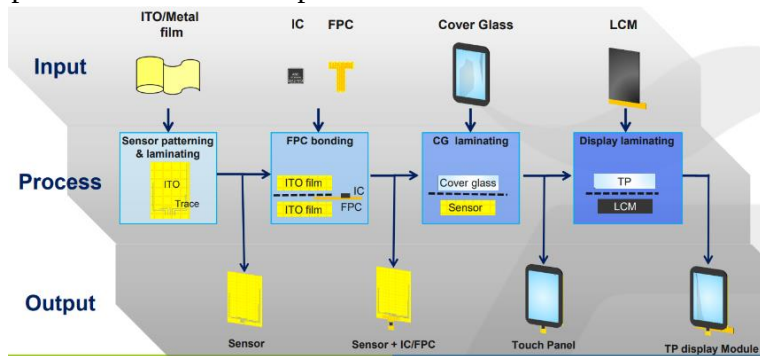
Young Fast Optoelectronics' main business is the development, design, manufacturing and sales of touch panel modules and the manufacturing and sales of wire and cable accessories. The company's main product categories are shown in the figure below. :

Product Categories	Product Name	Main Applications	Photo
Optoelectronic products	Touch panel module	Mobile smart devices, tablets, laptops, digital cameras, mobile games, navigation devices, etc.; there are also fixed devices such as credit card machines, AOI equipment, medical equipment, industrial control equipment, etc.	

Mechanical and electrical products	High voltage cable terminal boxes, splice boxes and protection devices, all kinds of equipment are supplied as a complete set °	Terminal boxes, splice boxes and protection devices for high-voltage cables (69KV/161KV)	
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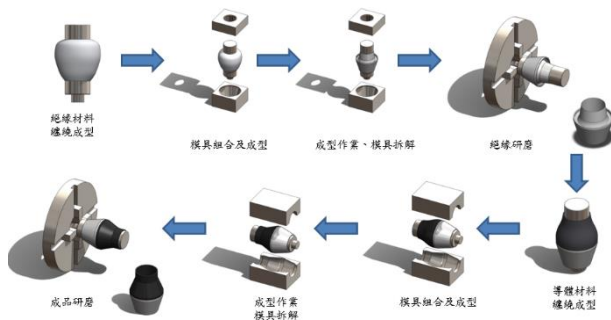
Production process flow chart

Optoelectronics: Touch panel module:

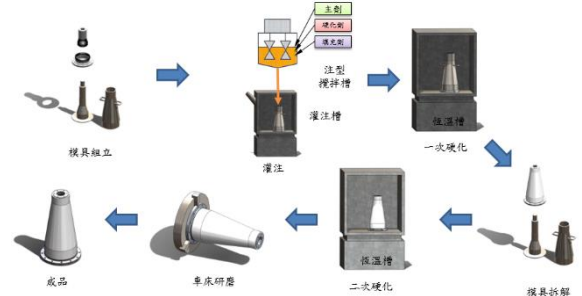


Electromechanical:

終端匣應力錐製程介紹



終端匣環氧樹脂絕緣體製程介紹



接續匣冷縮型橡膠組件製程介紹



R&D expenses

Through the efforts of R&D and business unit colleagues, we have developed different green innovation R&D strategies through our products to reduce environmental impact.

Unit: NT\$1,000

Project Content	2024
R&D expenses	41,304

Stage	Goal of reducing/reducing environmental impact	Green Innovation R&D Strategy
Raw materials used	Based on compliance with RoHs and REACH regulations	1. During product development, include materials that meet regulatory standards in the BOM (Bill of Materials) to identify environmental and human risks. 2. Utilize the ERP system to manage material consumption, reduce waste, and minimize impact on people and the environment.
In-plant manufacturing process	Simplify production processes	Develop standardized processes to reduce excess material waste
Product Packaging	Use recycled materials or recycle whenever possible	Use recycled or reclaimed materials as packaging materials for original material transportation

3.4 Quality Management System

Product Safety Management Policy

Young Fast Optoelectronics' Optoelectronics Business Group has achieved certification for the ISO 9001:2015 Quality Management System, IATF 16949:2016 Automotive Quality Management System, and ISO 14001:2015 Environmental Management System. The Electromechanical Business Group has achieved certification for the ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System, and ISO 14001:2015 Environmental Management System. Each business group adheres to these standards to ensure that employees perform product design, manufacturing, packaging, transportation, and inspection according to procedures, ensuring that products meet targets and regulatory requirements without significant risks of human health and safety violations or property damage.

In 2024, there will be no violations of product health and safety regulations, product information and labeling regulations, resulting in penalties or significant fines, and no instances of non-compliance with product information labeling.

Quality management system and operating procedures

To ensure consistent product quality and safety, we utilize various quality management systems to ensure our products are tested and safe. We also adhere to relevant regulations.

Since 2010, our products have been compliant with EU RoHS 2.0 and REACH requirements, providing peace of mind for our customers while also contributing to our environmental performance.

In addition, the production of electromechanical products is subject to the following regulatory standards:

- Taiwan Power Company Equipment Specifications (TPC)
 - 69kV Cross-Connected PE Cable Equipment Specification A007 (93-02)
 - 161kV Cross-Connected PE Cable Equipment Specification A046 (107-12)

System certification certificate	
Photo	Illustrate
	ISO 9001 Quality Management System, IATF 16949 Quality Management System, and ISO 14001:2015 Environmental Management System. The scope of verification includes the design and manufacturing of touch panels and modules.
	ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System Certification Scope: Production and manufacturing of 69/161kV auxiliary equipment and other products within the Electrical and Mechanical Business Group.

Product Quality and Safety Management Process Chart :

Stage	The goal of reducing/reducing quality defects	Corresponding procedures
Raw materials used	Comply with specifications, process requirements, and product characteristics requirements	<u>Optoelectronics:</u> Incoming material inspection procedures, production management procedures, and defective product control procedures. <u>Mechanical:</u> Raw material and semi-finished product storage and transportation control procedures, and procurement management procedures.
Upstream raw materials	Ensure input material quality	<u>Optoelectronics:</u> Incoming material inspection procedures <u>Mechanical :</u> Incoming material control procedures
In-plant manufacturing process	Maintain optimal conditions: personnel training, equipment, material status, production methods, and environment	<u>Optoelectronics:</u> Education and Training Management Procedures, Process Control Operations Procedures, Process Capability Analysis Procedures, Finished Product Inspection and Control Procedures <u>Mechanical:</u> Education and Training Management Procedures, Equipment and Mold Care and Maintenance Procedures, Process Control Procedures, Process Inspection Procedures, Finished Product Inspection Procedures, On-site Management Procedures
Product Packaging	Use packaging materials that have passed qualified tests and follow the procedures and specifications to package the products	<u>Optoelectronics:</u> Material approval procedures, product development and design control procedures, and warehouse management procedures. <u>Mechanical:</u> Product packaging and storage and transportation control procedures.
Continuous quality improvement	Recover substandard products and record handling methods for continuous improvement	Qualified product control procedures, continuous improvement management procedures

Regarding issues such as customer health and safety, privacy, marketing, and labeling related to our products and services, the company adheres to relevant laws and international standards and has established customer rights policies and complaint procedures. We conduct annual customer assessments of our major customers on production capacity, quality, operational management, and delivery deadlines, and continuously improve upon any deficiencies identified.

Important measures and implementation of the quality management system**Improve quality awareness**

All employees should possess a strong awareness of product quality. This awareness, reflected in their outward attitudes and behaviors, influences the perception and attitude of all employees regarding quality and represents the value of quality shared by all employees. We firmly believe that improving the quality of our workforce is the key to success or failure in quality management. Cultivating a strong awareness of quality and consistent quality goals

among employees through education and training is crucial. Young Fast Optoelectronics offers education and training programs to enhance product and service quality.

Job Management

- 1. Standard Operations: Standard Operating Procedures (SOPs).
- 2. Skills Training: Skills training and evaluation, skills evaluation criteria, skills training plans, and skills training benchmarks.
- 3. Improvement Activities: Improvement plans to achieve business plan objectives and an improvement proposal system.

Quality Management

To ensure traceability of manufactured products, Young Fast Optoelectronics utilizes an enterprise resource planning system (ERP) to electronically integrate all processes, from order acceptance to material procurement, inventory, production, quality management, and financial management. This allows for rapid provision of accurate data and detailed records of every production step, fulfilling our commitment to quality assurance.

3.5 Intellectual Property Management

The company has established intellectual property management procedures, standardized patent application procedures and processes, and encourages colleagues to engage in various technological research and development to strengthen the company's technical capabilities and invest in product and technology research and development innovation.

Implementation

As of December 31, 2024, the following intellectual property patent achievements have been obtained:

	Patent status	Taiwan	Foreign	Total
Utility patents	Applying	0	11	11
	Certified	39	68	107
Invention Patent	Applying	1	30	31
	Certified	7	31	38

Patent Category	Number of new patents approved in 2024	Number of invalid or abandoned applications in 2024
Increase positive benefits (innovation)	15	3
Reduce negative impact (environment)	0	0
Total	15	3

4. Sustainable supply chain management

Young Fast Optoelectronics cultivates close partnerships with suppliers, prioritizing sustainable operations and social responsibility as core supply chain objectives. To build a sustainable supply chain, in addition to complying with regulations and ethical sourcing, it's even more crucial to actively assist the supply chain in improving its sustainability performance.

Our products can be categorized into optoelectronics and electromechanical products. Optoelectronics primarily focuses on touch panel modules, while the electromechanical division includes wire and cable accessories such as connector boxes, terminal boxes, and protective devices. These are described below:

Touch panels are part of the human-machine interface (HMI) and are widely used in consumer electronics such as mobile phones, tablets, and wearable devices. They are also widely used in non-consumer electronics such as automotive touchscreens, industrial computers, and POS terminals.

4.1 Industry Analysis

The industrial structure of wire and cable accessories: The upstream sector primarily utilizes raw materials such as water-mixing compounds, silicone rubber casing, hardeners, rubber, epoxy resin, stress cone rubber materials, silicone rubber, and copper/aluminum alloy hardware. The midstream sector comprises accessories such as splice boxes, terminal boxes, and protective devices. The downstream sector is used by Taipower Corporation or cable manufacturers for power grid projects and substations.

Industrial structure	Product	Products and Applications
Upstream	Optoelectronics Division	ITO FILM, optical glass, optical adhesive, FPC, protective film
	Mechanical and Electrical Division	Water-mixing compound, silicone rubber casing, hardener, rubber, epoxy resin, stress cone rubber raw material, silicone rubber, copper/aluminum alloy hardware
Midstream -	Optoelectronics Division	Touch module
	Mechanical and Electrical Division	Splice boxes, terminal boxes and protection devices
Downstream	Optoelectronics Division	Mobile smart devices, industrial control equipment, vehicle-mounted devices, fitness equipment
	Mechanical and Electrical Division	Power engineering, substation

4.2 Supply chain risk assessment

Young Fast Optoelectronics is a professional manufacturer of touch panel modules (Optoelectronics Business Group) and wire and cable accessories (Electromechanical Business Group), providing customers with the most flexible and timely service. The Optoelectronics Business Group's primary production facility is located in Hanoi, Vietnam. The Taiwan facility primarily focuses on R&D and prototyping, with a small portion of

production for Taiwanese customers. The Electromechanical Business Group's primary production facility is located in Guanyin, Taoyuan. To effectively manage the procurement of numerous materials, we primarily categorize our procurement into raw material procurement and project procurement (including but not limited to machinery and equipment, plant engineering, waste disposal, transportation and logistics, and various logistical services). To ensure that suppliers meet our sustainability requirements, all suppliers in all procurement categories must adhere to our Supplier Code of Conduct and related risk assessment mechanisms.

Suppliers are categorized by procurement type as follows:

- Manufacturing suppliers (raw materials, finished products, purchased goods, etc.)
- Plant engineering suppliers (construction, electrical and mechanical, air conditioning, equipment maintenance, etc.)
- Other service providers (equipment, outsourced testing, labor contracting, general services, etc.)

Among them, domestic suppliers account for 87% and foreign suppliers account for 13%, totaling 322.

Supplier Type	Manufacturing	Plant Engineering	Other Services	Total
Total number of suppliers	133	49	140	322
Proportion	41%	15%	44%	100%

Main raw material sources

To ensure a stable supply chain, Young Fast Optoelectronics conducts in-depth risk assessments annually on the supply of key raw materials, including film, glass, FPC, optical adhesive, epoxy copper, stress cone rubber, silicone rubber, and hardware. By diversifying suppliers and implementing a decentralized procurement strategy, we effectively mitigate the risk of single-source dependence and establish a comprehensive response mechanism to address potential future market fluctuations and supply shortages.

Main raw materials	Supplier Source (Region)	Possible risks	Supply situation and response methods
ITO FILM, optical glass, optical adhesive, FPC, protective film	Taiwan 、 China	International situations and geopolitical influences have resulted in material shortages, port congestion, flight delays, and production suspensions or material supply disruptions.	By avoiding a single-region sourcing strategy, we can diversify risks and reduce the impact of supply shortages or international price fluctuations.
Water-mixing compound, silicone rubber sleeve, hardener, rubber material	Japan	Exclusively provided by the technology mother factory	Our company cooperates with Japanese technology mother factory and supplies relevant raw materials
Epoxy resin, stress cone rubber material,	Japan 、 Taiwan	Epoxy resin → provided by a Japanese technology company in partnership with the parent company.	Our company cooperates with Japanese technology mother factory and

copper/aluminum alloy hardware		Stress cone rubber materials and hardware → provided exclusively by the parent company in Japan.	supplies relevant raw materials
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Local procurement

The Optoelectronics Business Group of Young Fast Optoelectronics sources its primary raw materials, including ITO film, optical glass, optical adhesive, FPC, and protective film, primarily from overseas suppliers due to quality and price constraints. The Electromechanical Business Group, with the exception of raw materials purchased from Furukawa Electric in Japan, sources the majority of its raw materials in Taiwan. Overall, we actively implement local sourcing to reduce transportation emissions and energy consumption, mitigate environmental impact, and promote local economic and employment opportunities, fostering mutual growth with high-quality local suppliers. The Electromechanical Business Group aims to achieve a local sourcing ratio of 80% by 2024 (based on manufacturing location).

4.3 Supply chain management

Young Fast Optoelectronics considers its suppliers to be key partners and effectively manages them through its "Supplier Management Procedure," ensuring that all partners meet high quality standards and maintain stable production capacity to meet customer needs and delivery deadlines. Through regular assessments and evaluations, we control incoming product quality and establish a long-term, stable, and sustainable supply chain with our suppliers.

Supplier Selection and Commitment

Young Fast Optoelectronics strictly controls the quality of its raw materials. To ensure that raw material manufacturing meets standards, we follow a selection process to select suppliers who can provide stable quality and productivity and have passed qualification review as long-term partners. All partners must have quality certification or pass sample testing and inspection. In addition, they must submit a supplier basic information form, company registration documents, supplier assessment form, a guarantee of non-use of hazardous substances, an environmental declaration, a chemical substance survey form, an environmental management substance questionnaire and restricted substance management procedures, a QSA, a QPA, a declaration of metal conflict-free, a supplier corporate social responsibility commitment letter, and a letter of integrity and confidentiality commitment. Only then can they be listed as qualified suppliers. This ensures consistent product quality and maintains a stable and comprehensive supply chain.

To promote sustainable actions and fulfill our responsibilities as global citizens, we require our suppliers to work together to address the social and environmental responsibilities that businesses should bear. They must sign the "Supplier Corporate Social Responsibility Commitment Letter," promising that their corporate operations and production processes will comply with relevant laws and regulations such as protecting human rights, labor health and safety, environmental protection, honest transactions, prohibiting the use of hazardous substances, and not using minerals or raw materials mined in violation of labor rights. This demonstrates Young Fast Optoelectronics' emphasis on and support for suppliers' sustainable actions and ensures that the supply chain implements the above-mentioned codes. Through cooperation between our company and suppliers, we aim to build protection and commitment to the environment and society, fulfill our corporate responsibilities, and develop a positive cycle for ESG sustainable development goals.

In 2024, 33 new suppliers signed the "Supplier Corporate Social Responsibility Commitment".

Number of new signatures	
Year/Project	Supplier Corporate Social Responsibility Commitment
2024	33

Regular supplier evaluation

Young Fast Optoelectronics' commitment to quality is a consistent principle. In supplier assessments, we focus not only on incoming material quality but also on quality performance during the production process. Furthermore, delivery time is a crucial indicator for evaluating supplier quality, closely tied to production progress. We evaluate supplier scores quarterly based on the assessment criteria of our "Supplier Management Procedure." The evaluation criteria for each business group are as follows:

Optoelectronics Business Group :

Project	Assessment Scoring Standards
Procurement Indicators (50 points)	● Coordination: Calculate the number of unmet coordination items each quarter. Deduct 2 points for each unmet item, resulting in a 10-point assessment. ● Delivery date achievement rate: $1 - (\text{number of delayed batches} / \text{number of incoming batches} \times 100\%)$, with a 20-point assessment. ● Delivery achievement rate: $\text{number of incoming batches} / \text{target number} \times 100\%$, with a 20-point assessment. ● Achievement rate scoring criteria: 100% (20 points), 99.9-95.1% (15 points), 95-90.1% (13 points), 90-85.1% (10 points), 85-75.1% (5 points), and below 75% (0 points).
Quality Assurance Index (50 points)	● Coordination: Calculate the number of unmet coordination items each quarter. Deduct 2 points for each unmet item, and the assessment score is 10 points. ● Abnormal Customer Complaint Score: Calculate the number of abnormal customer complaints each quarter. Deduct 2 points for each item, and the assessment score is 5 points. ● Process Abnormality Score: Calculate the number of process abnormalities each quarter. Deduct 2 points for each item, and the assessment score is 5 points. ● Incoming Material Inspection Yield: $1 - (\text{Number of Defectives} / \text{Number of Samples} \times 100\%)$. Assessment score is 15 points. ● Incoming Material Inspection Acceptance Rate: $\text{Number of Acceptable Lots} / \text{Number of Incoming Material Lots} \times 100\%$. Assessment score is 15 points. ● Incoming Material Inspection Scoring Standard: 100% (15 points), 98.1% and above (13 points), 98-95.1% (10 points), 95-90.1% (8 points), 90-85.1% (5 points), 85-75.1% (3 points), and below 75% (0 points).
● Passing Criteria: Must achieve a total score of 70 or above. ● Failure Response: If the quarterly assessment score falls below 70, trading will be suspended. Re-assessment is required for further trading.	

Electromechanical Business Group :

Project	Assessment Scoring Standards
Quality (50 points)	● Quality score = (1-(number of returned batches/actual number of batches))*50 points
Delivery time (50 minutes)	● Delivery score = (1-(number of overdue batches/actual number of batches))*50 points
● Qualification Standard: Must achieve a total score of 75 or above. ● Failure Handling: If a supplier scores less than 75, the procuring organization will notify the supplier and provide them with a deadline to improve. If no improvement is seen, the supplier may be disqualified with the approval of the procuring organization's supervisor.	

Through the assessment mechanism, we can effectively grasp the performance of supplier partners, gain a deeper understanding of each other's needs and standards, and use the results as a reference for adjusting supply chain strategies, enhance bilateral cooperation based on mutual assistance and trust, improve product advantages and competitiveness, and jointly create maximum value.

Number and results of supplier audits in the past three years

Year/Rating Number	2022	2023	2024
Grade A (Qualified Supplier)	41	41	40
Total	41	41	40

4.4 Ethical Sourcing

Ethical Sourcing

In response to the government's promotion of green environmental protection and energy conservation, Young Fast Optoelectronics currently focuses on energy-saving equipment and projects to improve the environment. In 2024, the amount of green procurement expenditure was NT\$1,726,554, accounting for 0.23% of the total procurement amount. °

Comply with hazardous substances management regulations

Young Fast Optoelectronics has verified its hazardous substance process management system in environmental protection issues and has met the requirements of customers for inspection and approval. We are committed to complying with the relevant requirements of various countries and customers regarding chemical substances. Raw material suppliers must also comply with regulations and provide material testing certificates or certifications to ensure that their products do not contain substances that are harmful to the environment. For example: SONY Green Partner Certification, EU RoHS Directive (2011/65/EU), EU Chemical Policy Act (REACH) and other regulations. When evaluating suppliers, the Optoelectronics Business Group must provide information such as "Guarantee of Non-Use of Hazardous Substances", "Environmental Declaration", "Chemical Substance Survey Form", "Environmental Management Substance Questionnaire" and "Declaration of Metal Conflict-Free". °

Responsible Mineral Sourcing

Young Fast Optoelectronics is committed to not purchasing or using materials from conflict-affected and high-risk areas. Conflict minerals refer to those extracted through the use of force and human rights violations by armed forces in conflict-affected and high-risk areas. In accordance with Regulation (EU) 2017/821 "Conflict Minerals," issued by the European Union, we have communicated our policy prohibiting conflict minerals to suppliers, requiring them to commit to and comply with it, and to trace the sources of tantalum, tungsten, tin, and gold used in their products. We also require suppliers to communicate this policy to their upstream suppliers to fulfill their corporate social responsibility. Furthermore, we have incorporated the prohibition of conflict minerals into supplier management and require suppliers to sign a conflict-free metal declaration, guaranteeing that no conflict metals are used directly or indirectly in all delivered materials, products, or components.



Young Fast complies with the relevant regulations of the Responsible Business Alliance (RBA) and requires this policy to be communicated to its upstream suppliers to trace the source and fulfill its corporate social responsibility. Young Fast Optoelectronics requires suppliers to sign a conflict-free metal declaration through supplier management, guaranteeing that all materials, products or components delivered to the company do not directly or indirectly use conflict metals. °

Supplier environmental protection, social responsibility mechanism and delivery management

Suppliers who need to enter our company's factories to carry out engineering construction and maintenance must comply with the relevant supplier specifications and requirements in the purchase contract and order. Environmental safety personnel will also conduct professional environmental protection audits in accordance with the [Environmental Safety Contractor Management Operation Manual]. °

New suppliers guarantee that their production plant management, product manufacturing processes, and the products or services they provide do not violate relevant laws and regulations. They must also ensure in their purchase contracts that all product production, manufacturing, labeling, packaging, storage, handling, transportation, import/export, delivery, installation, commissioning, and service provision processes comply with all applicable laws and regulations in the relevant countries.

During social responsibility audits, we provide reminders, guidance, and audits to suppliers regarding labor, safety, environment, ethics, and systems.

Corporate Social Responsibility Statement

- As a global citizen, Young Fast Optoelectronics declares its commitment to upholding social ethical responsibilities and international human rights, and is committed to complying with the Responsible Business Alliance Code of Conduct (covering environmental protection, employee health and occupational safety and hygiene, labor rights, and ethics).
- Requires suppliers to sign and return the "Supplier Corporate Social Responsibility Commitment" and the "Integrity, Probity, and Confidentiality Commitment." °

5. Sustainable environment

Climate change is one of the environmental issues currently of concern to the United Nations, governments, society, and the business community. Young Fast Optoelectronics has established various environmental management indicators to address climate change (environmental indicators and statistics are primarily for our Taiwan plants, excluding our Vietnam plants). Regarding climate change, the company has established the following short- and medium-term goals:

	Short- and medium-term goals
Climate change adaptation	Greenhouse Gas Emissions from 2024-2030: Carbon Intensity: Target reduction of carbon emissions per NT\$1,000 in sales by 1% Water Resource Management from 2024-2030: Reduction of total water consumption by 1% annually Energy Conservation and Carbon Reduction from 2024-2030: 1% electricity savings
Regulatory Compliance	0 violations of environmental protection or environment-related laws and regulations from 2024 to 2030
2024 performance	Climate change adaptation 1. Greenhouse Gas Emissions: Based on the Greenhouse Gas Verification Guidelines, Greenhouse Gas Emissions Inventory, Registration, and Verification Management Measures issued by the Ministry of Environment, Executive Yuan, and relevant regulations of the National Greenhouse Gas Registration Platform, as well as CNS 14064-1 Greenhouse Gases—Part 1: Quantification and Reporting of Organizational Greenhouse Gas Emissions and Removals with Guidance, we have established a standardized greenhouse gas inventory mechanism. We will regularly audit Scope 1 and Scope 2 greenhouse gas emissions annually to ensure a comprehensive understanding of the organization's greenhouse gas emissions and proactively disclose this information. To implement energy conservation and carbon reduction management, our company conducts greenhouse gas inventories annually and discloses its greenhouse gas management status. We plan to conduct this audit in 2024, with a target of a 1% reduction in total greenhouse gas emissions from 2023. Emissions in 2024 will be 4,948.2276 tons CO₂e/year, representing a 40.45% reduction of 3,360.7394 tons CO₂e/year compared to 8,308.9670 tons CO₂e/year in 2023. This represents a carbon reduction of 40.45%. The carbon reduction targets and implementation measures remain effective. 2. Water Resource Management: Due to the impact of climate change, droughts and floods are becoming more frequent worldwide. The company is committed to reducing water consumption and recycling water resources to mitigate the risks of water shortages. Currently, the Guanyin Plant (Plants 2 and 3) and the Taipei Office use no process water. Instead, the majority of water is used for employee living and air conditioning. Therefore, water conservation efforts focus on reducing and managing air conditioning water consumption. Water usage is adjusted by controlling air conditioning temperature and operating times. Water consumption in 2024 was 8.948 million liters, a decrease of 1.567 million liters or 14.90% compared to the

	total plant water consumption of 10.515 million liters in 2023. The water conservation target and implementation measures are still effective. 3. Energy conservation and emission reduction: The company's electricity consumption in 2024 was 2,634,304 kWh, a decrease of 347,940 kWh or 11.67% compared to 2,982,244 kWh in 2023. The reduction in electricity consumption is mainly due to (1) the decrease in turnover in 2024 compared to 2023, (2) the implementation of multiple energy conservation policies, and (3) the replacement of energy-saving equipment (such as chillers, dryers, air conditioners, etc.). The overall electricity conservation target and implementation measures are still effective. 4. Renewable energy utilization rate: None. Waste Management Our company complies with environmental laws and adheres to the 4R principle for waste disposal: Reduce, Recycle, Reuse, and Replace. Incineration or landfill is only chosen when none of the above treatment options are currently available. Properly managed and handled waste is primarily categorized as requiring disposal (general/hazardous industrial waste), recyclable, and resource waste. Each type of waste is subject to a legally mandated waste disposal plan, and disposal and recycling operations are carried out in accordance with the plan. In 2024, the amount of waste collected was 43.227 metric tons (42.107 metric tons of general industrial waste and 1.12 metric tons of hazardous industrial waste), a decrease of 16.162 metric tons in total collection volume. Compared with the 2023 waste collection volume of 59.389 metric tons (51.029 metric tons of general industrial waste and 8.36 metric tons of hazardous industrial waste), the collection volume decreased by 27.21%. The reason for the decrease in waste collection volume is that the inventory, scrapping of defective products and idle assets in 2024 decreased significantly compared with the previous year. Therefore, the waste reduction targets and implementation measures are still effective. Regulatory Compliance There were 0 violations of environmental or environment-related regulations in 2024.
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Note: The base year for the above environmental management indicators is 2023.

5.1 Climate Action

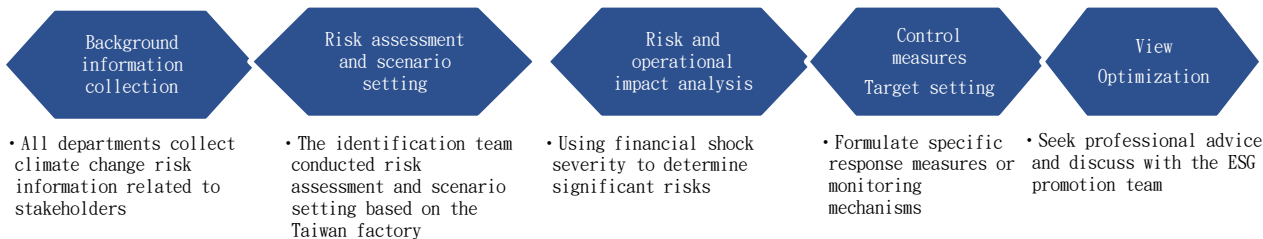
Climate-related Financial Disclosures (TCFD)

Taiwan officially passed the Climate Change Response Act in February 2023, explicitly codifying the goal of achieving net-zero greenhouse gas emissions by 2050 and laying the legal foundation for future climate governance. With this in mind, Young Fast Optoelectronics has incorporated the guidance and risk management methods proposed by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB) to assess the financial impact of climate change risks and opportunities, proactively monitoring and mitigating risks.

- For a comparison table of climate change management projects, please refer to the Appendix - Sustainability Disclosure Indicators .

Climate Change Risk and Opportunity Management Process

Each year, Young Fast Optoelectronics follows the "Environmental Considerations Assessment Procedure" to organize responsible departments to promote and consolidate



environmental considerations. Each department collects and analyzes data on climate change and energy-related risks, completes the identification of transition risks and physical risks, evaluates transition opportunities, and ultimately reviews the identification results. Through the results of identifying and evaluating climate change-related risks and opportunities, goals and response measures are formulated, and the effectiveness of the promotion is regularly reviewed. The following figure shows Young Fast Optoelectronics' climate change risk identification procedure:

Climate scenario analysis

The Sixth Assessment Report (AR6) on Climate Change, released in 2021 by the United Nations Intergovernmental Panel on Climate Change (IPCC), projects a global temperature rise of 1.5°C in the near term (2040). Based on AR6, the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) of the National Science and Technology Council, the Center for Environmental Change Research of the Academia Sinica, the Central Weather Administration of the Ministry of Transportation and Communications, the Department of Earth Sciences at National Taiwan Normal University, and the National Center for Disaster Prevention and Mitigation jointly compiled the "Scientific Key Abstracts and Updated Taiwan Climate Change Assessment Report." Young Fast Optoelectronics used the findings of this report to analyze the potential climate change risks faced by its Guanyin, Taoyuan, factories (Plants 2 and 3). We analyzed the environmental changes in the area where the Young Fast Optoelectronics plant in Guanyin, Taoyuan, is located, based on possible climate conditions in Taiwan by 2040, using the TCCIP's Taiwan Climate Change Key Indicator Atlas. We also used the IPCC's Global Warming Levels (GWLs) scenarios of 1.5°C and 2°C to assess the impact of climate change and identify the potential climate risks the plant faces under global warming.

Governance	• The Board of Directors/Sustainability Committee, as the highest decision-making body, determines and oversees climate and environmental management policies. • The ESG Team is responsible for developing risk management mechanisms and processes, formulating and guiding each department in implementing climate governance strategies. • The Risk Management Working Group collects and assesses climate-related risks and opportunities. Based on the identified findings, the Environmental Working Group develops energy conservation and carbon reduction plans for implementation across each department.
Strategy	• All climate governance units closely monitor international climate change trends and compare them with industry peers to assess the company's short-, medium-, and long-term climate-related risks and opportunities. • Climate scenario simulations are used to analyze risk factors under global climate change and reveal the company's resilience to climate-related risks and opportunities.
Risk Management	• The Risk Management Working Group identifies climate-related risks and opportunities, assesses their quantitative impact on the company, and, in conjunction with the Environmental Working Group, develops risk management strategies and response plans based on the ISO 14001 environmental management system. • Climate-related risks and opportunities are integrated into overall enterprise risk management and managed by the Risk Management Working Group.
Indicators and Goals	• The ESG team develops climate-related indicators and targets. • The Environmental Working Group assists each department in implementing energy conservation and carbon reduction plans, regularly reviews implementation results, and completes annual greenhouse gas inventories.

Physical risk scenario analysis: Long-term - Changes in rainfall patterns may lead to flooding of the plant area

The change in rainfall patterns uses scenarios of 1.5°C and 2°C warming, with the annual maximum five-day cumulative rainfall as the analysis indicator. The forecast is based on the Taiwan Climate Change Information and Adaptation Knowledge Platform (TCCIP). Based on a past observation base period of 259.2 mm, the average change rates are 7.8 and 10.1%, respectively. The predicted change value is between 20-30 mm, which will have a limited impact on the factory area.

Facing the risk of flooding brought on by changing rainfall patterns, Young Fast Optoelectronics continuously monitors water levels in surrounding watersheds and tracks rainfall fluctuations. We conduct regular emergency response drills annually to ensure employees are familiar with evacuation and equipment protection procedures, and complete an annual inventory and preparation of flood control supplies. We have also strengthened the protection of key production equipment, relocating critical instruments and equipment to

higher ground, and verifying the integrity of power supply insulation to mitigate the risk of electrical leakage in the event of water contact. In the future, the factory will also assess the need for a floodgate system and deploy pumps and emergency power supply equipment. Through these response plans, Young Fast Optoelectronics is actively enhancing its climate resilience and preparing for the challenges presented by climate change.

Climate change risk impact

In addition to potentially increasing the likelihood of natural disasters, climate change also impacts other aspects, such as international government regulations and policies, technological challenges, market changes, and customer perceptions and perspectives. Therefore, Young Fast Optoelectronics collects information on climate change and the risks it may cause, analyzes and manages potential financial impacts, sets risk management goals, regularly tracks implementation status, and is constantly responding to climate change.

Transformation risks	Risk events, scenarios and impact descriptions		Response measures
Regulations and Policies	Carbon tax and carbon fee system	Countries are imposing carbon taxes or fees, and the implementation of new regulations or policies will increase operating costs.	The impact or extent of the impact on greenhouse gas emissions by the company: (1) Risks of exposure to climate change regulations and regulations. According to the "Climate Change Response Act" and the "Emission Sources for Enterprises to Investigate, Register, and Verify Greenhouse Gas Emissions" promulgated by the Ministry of Environment, our company does not meet the requirements of the announced industries (direct emissions from fossil fuel combustion and indirect emissions from electricity use at the entire plant (site) totaling 25,000 metric tons of carbon dioxide equivalent or more annually), and therefore is not required to submit a declaration. Although our company is not an energy-intensive industry with high greenhouse gas emissions, we conduct annual greenhouse gas emissions audits and continuously monitor domestic and international regulatory trends and energy conservation and carbon reduction policies to prepare for timely responses. (2) According to the results of our own greenhouse gas audit, our annual carbon emissions were 4,948.2276 metric tons of CO₂e. Young Fast Photovoltaics will regularly monitor regulatory changes and develop relevant measures, such as switching to self-use of solar power to reduce emissions.
	Report Enhancement	Requirements for strengthening greenhouse gas emissions reporting obligations require	Young Fast Photovoltaics aims to establish a suitable greenhouse gas inventory system and pass the ISO 14064-1:2018 greenhouse gas inventory standard. Going forward, Young Fast Photovoltaics will conduct

		more resources to be invested in inventory and reporting, or changes to production processes and procurement models.	greenhouse gas inventory and management according to relevant standards and regulations, and formulate corresponding carbon reduction targets and strategies. Young Fast Photovoltaics has completed a solar photovoltaic power generation system with a total installed capacity of 996.45 kW. The company will adopt a wholesale sales model based on self-generation and self-use, effectively providing and utilizing electricity and increasing energy revenue.
Supply chain and raw material risks	The supply chain was affected by extreme weather, and production lines were interrupted, resulting in the inability to deliver goods smoothly, affecting costs and revenue.		Identify high-climate risk suppliers and enhance their ability to respond to climate change risks; explore low-carbon production partners to strengthen the resilience of sustainable supply chains.
Company image	The change in market trends regarding green issues has caused stakeholders to have a negative perception of the company, leading to order cancellations and a decline in revenue.		The ESG team will oversee the management and improvement of related measures, and continuously reduce controllable energy consumption, such as installing high-performance energy-saving and water-saving equipment, promoting green processes, and reducing carbon emissions.
Physical Risk	Risk events, scenarios and impact descriptions		Response measures
Immediacy	Natural disasters are intensifying, and the probability of typhoons and heavy rainfall has increased dramatically, which may lead to risks in worker attendance, interruption of production capacity, property damage, etc., and increase operating costs.		1. Identify the potential for complex disasters (such as landslides and floods) at the plant site and simulate response plans. 2. Conduct regular disaster preparedness training for personnel to ensure a smooth post-disaster recovery process and minimize damage caused by natural disasters. 3. Regularly inspect emergency power systems and uninterruptible power supply systems, and install water storage systems to ensure stable water and power supply in the event of a disaster. Regularly check drainage facilities within the plant site for siltation. 4. Organize an emergency response team to promptly plan natural disaster response measures.
Long-term	Extreme climate change, including rising temperatures, sea levels, or changes in rainfall patterns, may cause flooding in factories or insufficient water supply, leading to production line shutdowns, increased energy consumption due to high temperatures, or even higher costs.		

Climate risk-related opportunities

Project	Opportunity Description	Response measures
Improve resource utilization efficiency	Improve the efficiency of the supply chain distribution process and increase the number of local suppliers as much as possible to reduce the burden of transportation on the environment; increase the recycling rate of materials.	Recycling and reusing packaging materials can reduce packaging and transportation costs while also ensuring sustainable resource utilization.
Energy use	Develop renewable energy, improve water efficiency, and make concrete contributions to a sustainable environment.	1. Install a solar photovoltaic system to increase energy revenue. 2. Maintain compliance with the Ministry of Economic Affairs' Industrial Park Management Authority's sewage usage and fee regulations and the Guanyin Industrial Park sewage system's sewage quality standards to reduce environmental pollution by maintaining domestic sewage discharge standards. Plan water resource reduction measures to lower production costs and reduce the risk of water shortages.

5.2 Environmental Management Policy

In response to climate change, Young Fast Optoelectronics implements comprehensive controls on air, water resources, waste, and other related environmental issues. In addition to complying with regulatory requirements, we have also obtained ISO 14001 environmental management system certification to effectively manage various environmental impact factors and formulate improvement directions.

Young Fast Optoelectronics Environmental Strategy

Young Fast Optoelectronics strictly complies with environmental and occupational safety and health laws and regulations, and ensures that the ISO 14001 environmental management system operates smoothly and remains effective. Whether it is the impact of factory environmental safety or environmental pollution caused by the process, risks are assessed and considered in a timely manner and response measures are planned. The strategy is as follows:

- Comply with environmental/safety and health laws and regulations
- Continuously improve environmental, safety and health performance
- Reduce environmental hazards and employee safety and health risks
- Provide environmental/safety and health education
- Provide environmental/safety and health consultation and communication
- Regularly review system effectiveness

Management indicators and input results

In response to the international trend of the Science-Based Carbon Targets (SBTi) initiative and Taiwan's 2050 net-zero emissions policy, the company has developed an "Energy Management Operation Manual" to implement targeted controls on water, electricity, and carbon emissions. Relevant personnel annually record and analyze energy usage, develop improvement plans for continuous adjustment, and set energy resource reduction targets. These include regular environmental maintenance, the replacement of outdated, high-energy-consuming equipment, and the acquisition of energy-efficient equipment. Energy usage is calculated in accordance with the "Energy Management Operation Manual," and the importance of energy conservation is promoted to enhance carbon reduction awareness among all employees. Regarding employee domestic wastewater treatment, the company adheres to the Ministry of Economic Affairs' Industrial Park Management Agency's sewage management and fee regulations and the Guanyin Industrial Park sewage system water quality standards to maintain compliance with standards and reduce environmental pollution. Regarding waste management, the company has established "Classified Waste Handling Control Operation Standards" to regulate the sorting, collection, storage, disposal, and reporting of industrial waste. The company also aims to increase the proportion of recyclable waste and reduce the amount of non-recyclable waste incinerated. We hope to reduce environmental pollution and minimize resource waste through proactive environmental sustainability actions.

The specific implementation actions in 2024 are as follows:

Project	Management indicators	Specific implementation results	Achievement
Water Resource Management	Water consumption: 8.948 million liters; water saving rate: 1%	The plant's total water consumption in 2024 was 8.948 million liters, a decrease of 1.567 million liters, or 14.90%, compared to 10.515 million liters in 2023. The water conservation targets and implementation measures remain effective.	○

Power consumption management	Electricity consumption: 2,634,304 kWh Energy saving rate: 1%	In 2024, the company's total electricity consumption will be 2,634,304 kWh, a decrease of 347,940 kWh, or 11.67%, compared to 2,982,244 kWh in 2023. The power conservation targets and implementation measures remain effective.	○
Greenhouse gas emissions	Greenhouse gas emissions: 4,948.2276 tons CO ₂ e/year Carbon reduction rate: 1%	The emissions in 2024 were 4,948.2276 tons CO ₂ e/year, a carbon reduction of 3,360.7394 tons CO ₂ e/year compared to the greenhouse gas emissions of 8,308.9670 tons CO ₂ e/year in 2023, a decrease of 40.45%. The carbon reduction targets and implementation measures are still effective.	○
Resource Management	Total weight of waste: 43.227 metric tons	In 2024, the amount of waste collected was 43.227 metric tons (42.107 metric tons of general industrial waste and 1.12 metric tons of hazardous industrial waste), a decrease of 16.162 metric tons in total collection volume. Compared with the 2023 waste collection volume of 59.389 metric tons (51.029 metric tons of general industrial waste and 8.36 metric tons of hazardous industrial waste), the collection volume decreased by 27.21%. The reason for the decrease in waste collection volume is that the inventory, scrapping of defective products and idle assets in 2024 decreased significantly compared with the previous year. Therefore, the waste reduction targets and implementation measures are still effective.	○

At the same time, a comparison of the implementation statistics over the years (as shown in the table below) shows that the environmental performance of the company in the past two years has shown a downward trend in the target project data, which shows Young Fast Optoelectronics' efforts in energy conservation, emission reduction and environmental improvement.

Target Project	2023	2024
Power consumption (kWh)	2,982,244	2,634,304
Greenhouse gas emissions (metric tons)	8,308.9670	4,948.2276
Water intake (million liters)	10.515	8.948
Total weight of waste (metric tons)	59.389	43.227

Note: Calculated based on the electricity carbon emission coefficient announced in each year: 0.494KGCO₂e/kWh in 2023 and 0.474KGCO₂e/kWh in 2024.

5.3 Water Resource Management

Impact Assessment

We used the World Resources Institute (WRI)'s Water Risk Atlas to assess the water resource risks at our Guanyin Plants 2 and 3 in Taoyuan. This assessment determined that water resource risk in the region where our facility is located remains low to moderate under both the RCP 2.6 (optimistic scenario for low greenhouse gas emissions) and RCP 8.5 (pessimistic scenario for high greenhouse gas emissions). Furthermore, our facility does not draw water from areas designated for ecological conservation, biodiversity conservation, or protected or restored habitats.

Factory	Water source	Risk level
Optoelectronics Taoyuan Guanyin Plant	Shimen Reservoir	Low-Medium Low-Medium risk (1-2)

Young Fast Optoelectronics primarily produces domestic sewage. In compliance with regulations, we have applied to the Industrial Park Management Agency under the Ministry of Economic Affairs for a sewage connection. We maintain compliance with relevant regulations for discharged domestic sewage to reduce environmental pollution. After being treated at sewage treatment facilities, domestic sewage is legally discharged through sewage sewers. We also conduct daily inspections of sewage sampling ports and conduct monthly pH tests to confirm that the discharged water quality is normal and meets discharge standards.

Domestic water (toilets, sinks, etc.) → sewage treatment facilities → legal exile

Stationary pollution source emission detection status: None

Water usage statistics

Unit: million liters

Year	2023	2024
Water intake	10.515	8.948
Displacement	9.750	8.370
Water consumption	0.765	0.578
Water Intensity (million liters/million NT dollars)	0.0064	0.0057

Notes:

- A. All water sources are tap water; no groundwater is used.
- B. Water intensity is calculated as: water withdrawal/million yuan in sales.

1. Cooling tower management

- Increase water concentration ratio, reducing wastewater discharge.
- Water quality monitoring and chemical evaluation.
- RO concentrated water is used in cooling towers and scrubbers, reducing wastewater use at the source.

2. Regularly promote water-saving concepts and information to employees.

Driven by water-saving measures, we continue to promote water-saving concepts among employees.

5.4 Greenhouse gas emissions and energy resource management

Energy use and greenhouse gas inventory

1. Energy use

The main energy consumption types in the production process include production equipment, forklifts, air conditioning equipment, etc. In 2024, the company's total electricity consumption was 2,634,304 kWh, a decrease of 347,940 kWh compared to 2023, indicating improved energy conservation. The following table summarizes Young Fast Optoelectronics' energy usage over the past two years:

Year		2023	2024
Project			
Electricity	(kwh)	2,982,244	2,634,304
	(GJ)	10,736.0784	9,483.4944
Diesel fuel	(KL)	4.160	4.352
	(GJ)	146.2057	167.9941
Total energy use (GJ)		10,882.2841	9,651.4885
Sales (million NT dollars)		1,639	1,577
Energy intensity (GJ/million NT dollars)		6.6396	6.1202

2. Renewable energy usage: The company has not used renewable energy in the past two years.

Greenhouse gases

In response to China's net-zero emissions policy, Young Fast Optoelectronics began conducting self-audits based on the ISO 14064-1:2018 greenhouse gas inventory standard in 2018, with third-party verification expected in September 2025. The table below shows that the company's primary greenhouse gas emissions are indirect energy emissions, with purchased electricity accounting for the majority. We aim to reduce carbon emissions by 1% per NT\$1,000 in revenue annually, continuously striving to reduce environmental pollution.

Greenhouse gas emissions (according to ISO 14064-1:2018 Greenhouse Gas Inventory)

Unit (metric tons CO2e/year)

Year	2023	2024
Scope 1 (direct emissions)	6,835.7385	3,699.5675
Scope 2 (Energy Indirect Emissions)	1,473.2285	1,248.6601
Scope 3 (other indirect emissions)	N/A	N/A
Total greenhouse gas emissions	8,308.9670	4,948.2276
Sales (million NT dollars)	1,639	1,577
Greenhouse gas emission intensity (CO2e/million NT dollars)	5.0695	3.1377

Greenhouse gas emissions by category in 2024

	CH4	CO2	N2O	HFC	PFC	SF6	NF3	Total emissions
Total	8.4688	1,260.0020	0.1565	277.6004	0	3,402	0	4,948.2276
%	0.171	25.464	0.003	5.610	0	68.752	0	100

5.5 Resource Management

Raw materials used

Due to the specific needs of the industry, many of the raw materials used by Young Fast Optoelectronics are non-renewable. To reduce waste, we adopt a recycling and reuse policy for materials such as packaging materials and plastic pallets.

Waste Management

Regarding waste disposal, we adhere to the "Waste Handling Control Operation Standards" and execute waste disposal plans in accordance with legal waste removal and recycling companies. Our management policy aims to reduce process waste generation through optimized production processes and increase the proportion of recycled materials used, achieving material recycling and reducing consumption and resource waste.

Waste Statistics

The total amount of waste generated in 2024 was 43,227 tons, including 1,12 tons of hazardous waste. This represents a 27% decrease compared to the 59,389 tons generated in 2023, demonstrating the effective implementation and success of the management policy. Young Fast Optoelectronics continues to optimize its processes to reduce consumables and increase the use of recycled packaging materials, focusing on waste management and reduction at the source.

Project	2023	2024
Total waste (metric tons)	59.389	43.227
Hazardous industrial waste (metric tons)	8.360	1.120
Non-hazardous industrial waste (metric tons)	51.029	42.107
Sales (million NT dollars)	1,639	1,577
Waste density (metric tons/million NT dollars)	0.036	0.027
Resource recycling (metric tons)	14.35	0.31
Waste recycling rate (%)	1.45%	0.03%

Note: Waste intensity is calculated as metric tons/million NT dollars in sales.

The statistics of recyclable and non-recyclable waste in the past two years are as follows:

Waste classification	Year	2023			2024		
	Hazards	General business waste	Hazardous industrial waste	Proportion	General business waste	Hazardous industrial waste	Proportion
Final treatment		Amount of transported goods (metric tons)		%	Amount of transported goods (metric tons)		%
Recyclable	Recycling	0	0	0	0	0	0
	Recycle	6.600	0	11.11	0.31	0	0.72
	Reuse	0	7.750	13.05	0	0.73	1.69
	Subtotal	6.600	7.750	24.16	0.31	0.73	2.41

Non-recyclable	Incineration	44.429	0.61	75.84	41.797	0.39	97.59
Total :		51.029	8.360		42.107	1.12	
Total amount of waste :		59.389			43.227		

Remarks :

1. Recycling: This refers to the recycling of our company's waste, processed by a treatment plant, into products that are then supplied to our company by distributors for recycling.

2. Recycling: This refers to the removal and reuse of government-approved waste by resource recyclers.

3. Reuse: This refers to the recycling of our company's waste by a treatment plant through chemical, physical, or thermal treatment to recover valuable resources.

As a global citizen, Young Fast Optoelectronics has an unshirkable responsibility to address waste issues. We actively implement waste reduction and material reuse, and we comply with laws and regulations regarding the disposal of industrial waste, preventing any waste from being discarded or polluted. For reusable waste, we classify it according to its type and assign it for disposal to increase resource reuse. In 2024, there were no penalties for violating waste disposal regulations.

5.6 Air pollution prevention

No air pollution-generating processes are present in the Taiwan plants of Young Fast Optoelectronics (Plants 2 and 3), and therefore no air pollution control equipment is installed.

Appointment of environmental protection personnel

In response to the rapid changes in the environment and the need for effective prevention and control of environmental pollution, Young Fast Optoelectronics complies with the Ministry of Environment's requirement to appoint dedicated personnel for each type of pollution prevention. To reduce the impact of accidents on the environment and human health, dedicated personnel must be professional in various types of pollution prevention and regularly participate in field training organized by the Ministry of Environment to develop good pollution prevention and equipment management capabilities.

Type	Number of dedicated personnel	Guanyin Factory No. 2	Guanyin Factory No. 3	Result
Toxic substances	5	5	N/A	OK
Waste	1	1	1	OK

The Company was not fined by the competent authorities for violating environmental regulations in 2024.

Build solar power generation facilities

To actively achieve carbon reduction goals and increase the proportion of renewable energy, the solar photovoltaic power generation system equipment on the factory roof was completed in August 2024. The total installed capacity reached 996.45KW, and the annual power generation is expected to be 1,091,000 kWh.

Build solar power generation facilities		
Expected benefits		Time for formal power generation and certificate acquisition
Installation capacity (kW)	Power generation (kWh/year)	
996.45	1,091	2024Q3

Air pollution equipment optimization:

Our Taiwan plants (Plants 2 and 3) do not have any processes that generate air pollution, so no air pollution control equipment is installed.

5.7 Environmental spending

To promote environmental sustainability, Young Fast Optoelectronics continuously promotes the following measures to reduce waste generation, lower the use of virgin resources, and enhance the concept of green recycling.

5.7.1 Environmental Management Policy

In recent years, with growing environmental awareness, the demand for environmental management has increased, coupled with stricter standards for various pollutant emissions. To ensure that wastewater, air pollution emissions, and waste disposal comply with domestic emission standards and regulations, Young Fast Optoelectronics allocates annual environmental protection funds primarily for improvements and upgrades in wastewater treatment, air pollution control, and waste disposal.

Since its founding in 2000, the company has invested hundreds of millions of yuan in pollution control equipment, replacing outdated equipment with energy-efficient equipment, and striving to fully implement pollution control efforts, reduce energy consumption, and contribute to a sustainable global environment.

The environmental-related expenditures and benefits of Young Fast Optoelectronics in 2024 are as follows: :

Unit: TWD

Year	2024	Benefit
Project		
Industrial waste disposal fees	692,208	Comply with laws and regulations: Properly handle waste generated by business production and employees.
Water and sewage charges	27,170	Comply with regulations: Reduce pollution to soil and groundwater.
Energy equipment improvement fee	2,226,500	Replace old equipment, such as a 40RT water-cooled spiral chiller, dryers, air conditioners, and LED lights, to effectively achieve energy conservation, electricity saving, and carbon reduction goals.
Management costs	66,000	Achieve environmental sustainability KPIs through management system verification.
2024 Total environmental expenditure	3,011,878	

6. Friendly workplace

To build a sustainable enterprise, Young Fast Optoelectronics focuses on "friendly workplace" as one of its sustainable development priorities. This includes: safeguarding human rights to promote harmonious labor-management relations, safety and health, employee retention and training and development, focusing on occupational safety and health to promote a better working environment, and care and concern. The table below lists the short-term and long-term indicators and achievement levels for these key personnel management issues. This is to retain suitable, stable, and talented individuals with development potential, ensuring the company's sustainable competitiveness:

	Short- and medium-term indicators
Occupational safety and health	Major occupational accidents (excluding fatalities) for employees from 2024 to 2030: ≤ 0 cases/year Occupational diseases caused by chemical exposure from 2024 to 2030: ≤ 0 cases Disabling injury frequency rate from 2024 to 2030: ≤ 3 Disabling injury severity from 2024 to 2030: ≤ 30
Actual actions in 2024	Health checkup participation rate 80.77% $\rightarrow$ Achieved the goal of an 80% health checkup participation rate. No major occupational accidents $\rightarrow$ Achieved the goal of ≤ 0 major occupational accidents per year. No occupational diseases caused by chemical exposure $\rightarrow$ Achieved the goal of maintaining 0 cases of occupational diseases caused by chemical exposure. Disabling injury frequency = 0 $\rightarrow$ Achieved the goal of a disabling injury frequency ≤ 3 . Disabling injury severity = 0 $\rightarrow$ Achieved the goal of a disabling injury severity ≤ 30 .

6.1 Talent Policy and Commitment

Young Fast Optoelectronics complies with labor laws and regulations, and has formulated "Sexual Harassment Prevention Measures, Complaint and Disciplinary Regulations," "Work Rules," "Recruitment, Selection, and Appointment Management Measures," and "Safety and Health Work Code," which have been submitted to the relevant government agencies for review and filing. We ensure legally protected working conditions and safeguard the safety and health rights of employees, providing a healthy and safe working environment for employees, establishing diverse and open labor-management communication channels, and offering fair compensation and promotions, a comprehensive training and development system, cultivating employee professional ethics, protecting trade secrets, a sound welfare system, and fostering a warm and harmonious working atmosphere. Through an open and transparent incentive bonus and profit-sharing system, we empower employees to confidently contribute their abilities and performance, grow and develop with the company, and lay a solid foundation for sustainable operations.

Corporate Sustainable Development Policy

To enhance labor rights, in addition to complying with Taiwan's Labor Standards Act and related laws, we explicitly declare our commitment to protecting employee human rights. This includes compliance with legal requirements, freedom of employment, no child labor,

no forced labor, humane treatment, and prohibition of unfair discrimination and sexual harassment. We respect freedom of employment, ensure all work is voluntary, and do not engage in slavery or human trafficking. Employees will not be discriminated against based on skin color, age, gender, sexual orientation, race, disability, pregnancy, religion, political affiliation, community membership, or marital status. We promote a friendly workplace that values self-esteem and respect for others, and avoids both tangible and intangible sexual harassment. In addition to establishing relevant regulations, we have established a hotline for sexual harassment prevention and complaints, as well as a fax and lifestyle account for employee complaints. We have also established a personal data protection mechanism to prevent unfair treatment of individuals. We are committed to maintaining good labor-management relations and implementing various personnel management systems that promote a friendly and employee-friendly workplace, adhering to employee-friendly and human rights policies.

List the losses incurred due to labor-management disputes in the most recent year and up to the date of publication of the report, and disclose the estimated amounts and corresponding measures that may occur currently and in the future. If a reasonable estimate cannot be made, the reasons for the impossibility of reasonable estimation shall be explained: None.

6.2 Cultivate talents and provide salary and benefits

Talent is a company's most valuable asset. Young Fast Optoelectronics is committed to creating a challenging, engaging, and sustainable work environment. In addition to determining salary levels based on employees' academic background, professional knowledge and skills, and years of experience, Young Fast Optoelectronics recruits qualified and stable talent. We also implement a comprehensive compensation strategy that is competitive in the industry, along with talent cultivation and development mechanisms, performance appraisals and promotions, a diverse benefits program, and a statutory retirement system.

Young Fast Optoelectronics provides reasonable compensation and benefits to create favorable economic conditions for employees, enabling them to grow alongside the company and enhancing its competitiveness. The company adheres to government labor laws and regulations, regularly participates in salary surveys, and evaluates relevant indicators such as industry salary levels and the company's operational performance to review employee compensation standards and maintain its competitiveness. Performance appraisals are conducted based on factors such as employee contributions, performance, and responsibility over the previous year. Salaries (including base salary, position-based allowances, and various other benefits) and employee compensation are adjusted based on performance and contribution to target goals. Gender, age, race, religion, political affiliation, or marital status are not considered in the calculation of salary and benefits. Our compensation policy adheres to the principles of fairness and equity to ensure competitiveness in the talent market. To encourage and thank our employees for their hard work, we allocate at least 2% of our annual profits to employee compensation each year, in accordance with our company charter. The total employee compensation allocation for 2024 is NT\$15,081,668.

According to the "Salary Information for Full-time Non-Supervisory Employees," the average salary for full-time non-supervisory employees at Young Fast Optoelectronics in 2024 is NT\$1,009,000, and the median salary is NT\$794,000. (Source: Public Information Observatory/Salary Information for Full-Time Non-Supervisory Employees <https://mops.twse.com.tw/mops/web/t100sb15>)

To ensure competitiveness in the labor market, the company has established a Compensation and Remuneration Committee (3 members). The committee meets at least twice a year to discuss director and employee compensation distribution proposals and submit them to the Board of Directors for approval. For details on the Compensation and Remuneration Committee's operations, please refer to Young Fast Optoelectronics' 2024 Annual Shareholders' Meeting Report, pages 29-30, and the explanatory information on its official website.

Young Fast Optoelectronics formulates an annual budget and business plan each year. Each employer formulates its manpower needs and direction for the new year and submits recruitment applications to the Human Resources Division of the Management Department based on actual needs. The Human Resources Division then posts job openings through various recruitment channels or arranges internal transfers.

Recruitment channels for 2024 include job banks, government employment service centers, university partnerships, online recruitment, internal recruitment, and billboard advertising. We will recruit talent in the most appropriate manner based on employer needs.

1. Human Resources Structure

(1) As of December 2024, the number of employees at Young Fast Optoelectronics (Taiwan) was 153, including 7 non-employees (including security and cleaning staff). The employee structure distribution in the past two years is shown in the following table:

Type	Project	2023				2024			
		Female		Male		Female		Male	
		Number of people	%	Number of people	%	Number of people	%	Number of people	%
Job Category	Direct	20	13.25%	23	15.23%	20	13.07%	22	14.38%
	Indirect	37	24.50%	27	17.88%	38	24.84%	28	18.30%
	Manager	10	6.62%	34	22.52%	9	5.88%	36	23.53%
Total :		67	44.37%	84	55.63%	67	43.79%	86	56.21%
Grand Totals :		151				153			
Domestic	Under 30 years old	4	2.65%	3	1.98%	4	2.61%	4	2.61%
	31-50 years old	47	31.13%	54	35.76%	47	30.72%	55	35.95%
	51 years old or older	15	9.93%	17	11.26%	15	9.81%	17	11.11%
Foreign	Under 30 years old	0	0	8	5.30%	0	0	8	5.23%
	31-50 years old	1	0.66%	2	1.33%	1	0.65%	2	1.31%
	51 years old or older	0	0	0	0	0	0	0	0
Total :		67	44.37%	84	55.63%	67	43.79%	86	56.21%
Grand Totals :		151 Person				153 Person			

Notes:

- Supervisors: This category includes all positions at the deputy manager level and above, including 10 senior supervisors (associate manager level and above). Women account for 40% and men for 60%.
- Age percentage calculation: age category/total number of employees.
- In 2024, direct foreign employees accounted for 7.29% of the total number of employees.
- All employees in Taiwan are full-time employees, and there are 8 non-employees (including security guards, cleaners, and 1 warehouse staff - who will be converted to full-time positions in 2025).

(2) As of December 2024, Young Fast Optoelectronics (Vietnam) Co., Ltd. has 272

employees and 25 non-employees (including group meals, security, drivers, etc.). The human resources structure distribution in the past two years is shown in the following table. :

Type	Project	2023				2024			
		Female		Male		Female		Male	
		Number of people	%	Number of people	%	Number of people	%	Number of people	%
Job Category	Direct	269	65.45%	13	3.16%	159	58.46%	5	1.84%
	Indirect	86	20.93%	28	6.81%	70	25.74%	24	8.82%
	Manager	8	1.95%	7	1.70%	7	2.57%	7	2.57%
Total :		363	88.33%	48	11.67%	236	86.77%	36	13.23%
Grand Totals :		411				272			
Domestic	Under 30 years old	64	15.57%	10	2.43%	34	12.50%	3	1.10%
	31-50 years old	281	68.37%	30	7.30%	192	70.59%	25	9.19%
	51 years old or older	14	3.41%	1	0.24%	7	2.57%	1	0.37%
Foreign	Under 30 years old	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	31-50 years old	2	0.49%	7	1.70%	2	0.74%	7	2.57%
	51 years old or older	2	0.49%	0	0.00%	1	0.37%	0	0.00%
Total :		363	88.33%	48	11.67%	236	86.77%	36	13.23%
Grand Totals :		411				272			

Notes:

1. Supervisor: This applies to all supervisors at the team leader level and above.
2. Age ratio calculation: age category divided by total headcount.
3. In 2024, foreign white-collar employees in Vietnamese factories accounted for 3.68% of the total headcount.
4. All employees in the Vietnam region of the Company are full-time employees. There are no part-time employees or other types of employment.

Young Fast Optoelectronics recruits all talent as full-time positions. In 2024, there was only one temporary employee, who was promoted to full-time in February 2025. We are also committed to providing a dignified and safe work environment for our employees. We implement fair employment practices, including diversity, compensation, and advancement opportunities, to ensure that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, religious beliefs, age, political affiliation, or any other status protected by applicable laws and regulations. Therefore, new employees receive the same benefits as full-time employees upon hire, without any discriminatory treatment. Young Fast Optoelectronics treats applicants equally, regardless of gender or disability. We value employee diversity. In addition to hiring employees with disabilities, we also respect the cultural customs of existing foreign employees and have not violated their work rights or human rights. By utilizing diverse

recruitment channels, we aim to attract more female workers and individuals with disabilities to work at Young Fast Optoelectronics, enabling them to realize their personal value and contribute to the company.

No major operational changes occurred in 2024. If there are any major operational changes, refer to Article 16 of the Labor Standards Act and, in accordance with the regulations, give 10, 20, or 30 days’ notice in advance, depending on the length of service.

2. Ratio of new hires and resignations of male and female colleagues in the past two years

To encourage diversity and promote an equal employment environment, interviews are based on competence and suitability for the position, regardless of gender, religion, race, nationality, or political affiliation. However, uneven turnover rates based on age or gender may indicate unreasonable or potentially unfair practices in the workplace. Therefore, the new hire and turnover rates are calculated based on the number of employees in that category to facilitate comparisons across categories. The following table shows the ratio of new hires to departures:

Category Project	Year	2023				2024			
	Project	Gender ratio				Gender ratio			
		Female	%	Male	%	Female	%	Male	%
Newcomer	Under 30 years old	2	10%	11	55%	4	30.77%	5	38.46%
	31-50 years old	1	5%	6	30%	1	7.69%	3	23.08%
	51 years old or older	0	0	0	0	0	0	0	0
Total :		3	15%	17	85%	5	38.46%	8	61.54%
Grand Totals :		20 /100%				13/100%			
Ratio of new employees to total employees: 12.2%/year						8.5 %/ year			
Resignation	Under 30 years old	1	8.33%	2	16.67%	4	33.33%	4	33.33%
	31-50 years old	1	8.33%	7	58.33%	2	16.67%	2	16.67%
	51 years old or older	1	8.33%	0	0	0	0	0	0
Total :		3	25%	9	75%	6	50%	6	50%
Grand Totals :		12/100%				12/100%			
Percentage of employees leaving the company: 7.9%/year						7.8%/ year			

- Notes:
- 1. New hires are defined as those who have been employed for at least three months since 2024.
 - 2. Formula for calculating the age ratio of new hires: Taking the proportion of employees under 30 years old as an example, the calculation method is: number of new hires under 30 years old / number of new hires in that year.
 - 3. Formula for calculating the age ratio of resigned employees: Taking the proportion of employees under 30 years old as an example, the calculation method is: number of resigned employees under 30 years old / number of resigned employees in that year.
 - 4. Formula for calculating the subtotal ratio by gender: Taking the new hire category as an example, the calculation method is: total number of male or female new hires in that year / number of new hires in that year.
 - 5. Formula for calculating the female or male new hire or resignation rate: number of female or male new hires or resignations in that year / number of new hires or resignations in that year.
 - 6. Formula for calculating the total ratio: Taking the new hire category as an example, the calculation method is: total number of new hires in that year / total number of employees in that year.

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Category Project	Year	2023				2024			
	Project	Gender ratio				Gender ratio			
		Female	%	Male	%	Female	%	Male	%
Newcomer (Domestic)	Under 30 years old	43	33.33%	21	16.28%	1	33.33%	2	0
	31-50 years old	53	41.09%	12	9.30%	2	0.00%	2	66.67%
	51 years old or older	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total :		96	74.42%	33	25.58%	3	33.33%	4	66.67%
Grand Totals :		129				7			
The proportion of new employees in the total number of employees : 31.39%/Year						2.57%/Year			
Resignation (Domestic)	Under 30 years old	30	18.29%	17	10.37%	31	21.58%	8	5.04%
	31-50 years old	100	60.98%	18	9.76%	98	67.63%	8	5.04%
	51 years old or older	1	0.61%	0	0.00%	1	0.72%	0	0.00%
Total :		131	79.88%	35	20.12%	130	89.93%	16	10.07%
Grand Totals :		166				146			
Percentage of employees leaving the company: 40.39%/year						53.68%/year			

Employment of people with disabilities

According to Taiwan's "Law on the Protection of the Rights of Persons with Disabilities," companies must employ at least 1% of their total workforce of individuals with disabilities. If this weighted total falls short of the threshold, the company must regularly pay a "difference subsidy" to the Disability Employment Fund, an agency within the labor administration.

Young Fast Optoelectronics provides full-time employment opportunities for individuals with disabilities. By 2024, the company aims to employ three individuals with disabilities, representing a weighted employment ratio of 2% of its total workforce. The company adheres to a humane management approach, fostering a win-win coexistence between management and employees, resulting in harmonious labor-management relations.

In 2024, there will be no labor-management disputes resulting in losses.

6.2.1 Compensation and Benefits

Talent is a key asset of Young Fast Optoelectronics. The company offers an industry-competitive overall compensation strategy to attract and retain outstanding talent, making them a source of sustainable growth for the company. To balance industry competitiveness, the overall economy, and sustainable corporate culture, Young Fast Optoelectronics provides competitive compensation and benefits to attract and retain talent. In addition to salary adjustments for promotions, appropriate salary adjustments are made based on individual performance to maintain the company's overall compensation competitiveness. In accordance with the company's articles of association, a minimum of 2% of operating profit is allocated as employee compensation. This aims to attract and retain outstanding talent, reward employees with significant contributions, and ultimately boost morale and enhance work efficiency.

Compensation policy for the highest governance unit and senior management

1. The Company's remuneration for directors, general managers, and deputy general managers is determined in accordance with the Company's Articles of Association, the "Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managers," and the salary scale. These remuneration is reviewed by the Remuneration Committee and approved by the Board of Directors.
2. The remuneration of the Company's directors and managers is governed by Article 24 of the Company's Articles of Association and the "Regulations Governing the Remuneration of Directors, Functional Committee Members and Managers."

The ratio of the highest-paid individual's annual total compensation to the median annual total compensation of other employees

Year	Pay ratio	Total compensation change rate
2024	19.99	-12.79

(1) Director :

The source of directors' remuneration is pursuant to Article 24 of the Company's Articles of Association. If the Company makes a profit for the year, it shall allocate no more than 1.5% of the profit to directors' remuneration. However, if the Company has accumulated losses, it shall reserve an amount to offset the losses. The allocation of individual directors' remuneration shall be subject to discussion and approval by the Remuneration Committee and the Board of Directors.

The allocation criteria are based on the following:

- A. Company operating results
- B. External evaluation (corporate governance review) results
- C. Industry performance

The criteria for individual director allocations are as follows: :

- A. Attendance
- B. Director self-evaluation
- C. Contribution to the company

(2) Manager

The source of employee compensation for this company is in accordance with Article 24 of the Company's Articles of Association. If the Company makes a profit for the year, it shall allocate at least 2% of the profit to employee compensation. However, if the Company has accumulated losses, it shall reserve an amount to offset the losses. Employee compensation allocated to managers shall be submitted to the Compensation Committee and the Board of Directors for review and approval. The remuneration of the Company's General Manager and Deputy General Manager consists of salary, bonuses, and employee compensation. This is assessed annually by the Remuneration Committee in accordance with the Company's "Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managers" and the "Implementation Rules for the Allocation Standards for Directors and Employees and the Allocation Standards for Individual Directors and Managers." For managers, salary is based on the salary scale established upon joining the company. Other salary increases, bonuses, and employee compensation are based on annual performance appraisals. The annual performance appraisal consists of 50% contribution to the company,

25% management of future industry operational risks, and 25% ESG performance assessment. The ESG performance assessment is based on a comprehensive evaluation of compliance with regulations (5%), identification and management of sustainability risks (5%), achievement of sustainability goals (5%), sustainable innovation capabilities (5%), and further education (5%). Reasonable compensation is awarded based on a comprehensive assessment of relevant performance. The assessment and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors, and are reviewed regularly based on actual operating conditions and relevant laws and regulations to ensure that the company's goals of sustainable operation and balanced risk management are met.

The allocation criteria are based on the following:

A. Company operating results

B. Industry performance

The allocation criteria for individual managers are as follows:

A. Contribution to the company

B. Control of future industry operational risks

C. ESG performance assessment

3. For relevant payment information, please refer to the 2024 Annual Report (P.13~16) of our company.

The employee remuneration system is summarized as follows:

1. Provide a stable employee compensation structure in accordance with the Company's salary management regulations.
2. Formulate and allocate employee welfare funds in accordance with the provisions of the "Employee Welfare Fund Regulations" and handle welfare matters.
3. Performance appraisals help to improve the Company's human resources system and cultivate and develop the personal abilities of employees.

The compensation structure includes salary, allowances, bonuses, etc. The salary and number of full-time employees in non-supervisory positions in the past three years are as follows:

Young Fast Optoelectronics: (NT\$1,000)

Year	Average salary (person)	Median Salary (person)	Number of full-time employees in non-supervisory positions
2022	820	691	129
2023	967	819	138
2024	1009	794	142

Young Fast Vietnam: (VND)

Year	Average salary (person)	Median Salary (person)	Number of full-time employees in non-supervisory positions
2022	6,179,198	5,752,504	437
2023	5,991,585	5,607,080	401
2024	6,939,047	6,292,655	262

The comparison between gender and monthly salary/annual salary is shown in the following table

Young Fast Optoelectronics:

2023		2024	
Female:Male Monthly salary ratio	Female:Male Annual salary ratio	Female:Male Monthly salary ratio	Female:Male Annual salary ratio
1:1.34	1:1.69	1:1.40	1:1.82

Note 1: The Electromechanical Business Group has more male colleagues, and the increase in sales and profits of the Electromechanical Business Group in 2024 will lead to an increase in the gender salary ratio in 2024 compared to 2023.

Note 2: The responsibilities, performance levels, and contributions of various job positions vary; therefore, the ratio of highest salary to median salary is not calculated.

Young Fast Vietnam:

2023		2024	
Female:Male Monthly salary ratio	Female:Male Annual salary ratio	Female:Male Monthly salary ratio	Female:Male Annual salary ratio
1:1.23	1:1.17	1:1.27	1:1.33

Employee Benefits

Our Guanyin Plant contributes to employee welfare funds in accordance with the Employee Welfare Fund Act, and the Employee Welfare Committee oversees all welfare matters. Insurance benefits are provided in accordance with relevant laws and regulations, providing employees with various insurance benefits. Statutory insurance includes labor insurance, national health insurance, cancer insurance, and medical insurance. We also offer accident insurance and group insurance.

- 1. Health care for employees** : Employee Health Care: Each Taiwan site arranges two hours of on-site health care services each month, in compliance with regulations, by providing employees with immediate care resources and health knowledge. A comprehensive program encompassing health screenings, health promotion, and more, includes an annual free health checkup to identify and treat health issues early, prevent and control disease, and ensure that every employee receives comprehensive health management services. A doctor visits the site annually, providing professional health guidance and management advice. Timely reassignment assessments are conducted for employees on sick or injury leave. Contracted medical institutions offer employee health care programs, including tobacco prevention programs, health lectures, preventive care, and cancer screenings.
- 2. Friendly parenting measures** : Each factory has a breastfeeding (collection) room and dedicated parking spaces for pregnant women, providing priority parking for pregnant colleagues. We have also signed a special agreement with a nearby childcare institution to provide employees with diverse childcare options.

Other employee benefits are as follows :

Statutory benefits	Allowances and subsidies	Other benefits
● National health insurance, labor insurance, unemployment insurance, health checkups, minimum wage, pensions, severance pay, occupational accident compensation, sick leave, condolences, and employee benefits. ● Menstrual leave, vacation leave, maternity leave, parental leave, paternity leave, menstrual leave, family care leave, official holidays, and personal leave. ● Employee Welfare Committee-related services.	● Travel allowance ● Maternity allowance, marriage allowance ● Birthday bonus, three festival bonuses, Labor Day bonus ● Funeral condolence money ● Staff dinner ● Injury and illness condolence	● Group insurance for employees and their dependents ● Employee parking lot

Employee pensions

The retirement pension system is planned in accordance with the Labor Standards Act and the Labor Pension Act to protect employees' rights to claim retirement pensions in the future.

Number of retirees in the last three years:

0 people applied for retirement in 2023, and 0 people applied for retirement in 2024.

Leave of absence

In accordance with government regulations, Young Fast Optoelectronics welcomes applications regardless of gender as long as the employee meets the eligibility requirements.

The number of employees reinstated in 2023 and 2024 is summarized in the following table:

Category Project	2023			2024		
	Female	Male	Total	Female	Male	Total
Number of people eligible for parental leave (A)	0	0	0	1	0	1
Actual number of applicants (B)	0	0	0	1	0	1
Application rate (B/A) (%)	0	0	0	100%	0	100%
Number of people awaiting reinstatement (C)	0	0	0	1	0	1
Actual number of people applying for reinstatement (D)	0	0	0	1	0	1
Reinstatement rate (D/C) (%)	0	0	0	100%	0	100%
Number of people who returned to work in the previous year (E)	0	0	0	0	0	0
Number of employees who have been reinstated for one year in the previous year (F)	0	0	0	0	0	0
Retention rate (F/E) (%)	-	-	-	-	-	-

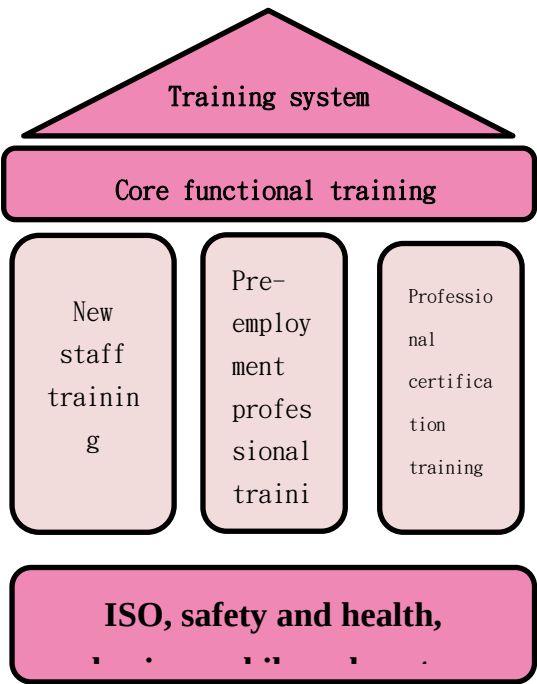
Note: According to Article 16 of the Gender Equality in Employment Act, a parent may apply for parental leave before the child reaches the age of three.

6.3 Training and Development

In order to equip employees with the necessary work skills, each unit can organize its own education and training or participate in external training courses, and make flexible adjustments based on individual needs. We provide effective career training plans and occasionally hire professional lecturers to teach professional and technical courses. °

Continuing education and training system

Each year, in accordance with the company's operational plan, we develop an annual training plan and training system, as shown in the diagram to the right. This includes new employee training, pre-employment professional training, and professional certification training. Courses cover company history, organization, business philosophy, corporate culture, ethics, labor and human rights laws, rules and regulations, policies, green environmental concepts, quality systems, occupational safety and health, an introduction to manufacturing processes, and company environment and benefits. This helps employees familiarize themselves with the company's environment and systems. After joining, mandatory general and professional skills courses are designed for different positions and levels to enhance the functional development of employees at all levels. Through systematic training tracking and management, we monitor the progress of training courses, create tangible training benefits, cultivate talent that meets the needs of organizational development, and ensure the company's sustainable growth.



Average training hours for employees

In 2023, the total employee training hours were 1,518 hours, with an average annual training time of 10.05 hours per person.

In 2024, the total employee training hours were 1,476 hours, with an average annual training time of 9.65 hours per person. The average training hours for employees in the past two years are shown in the following table:

Gender	2023			2024		
	Total hours	Number of people	Average hours	Total hours	Number of people	Average hours
Male	889	242	3.67	881	231	3.81
Female	629	182	3.46	595	163	3.65
Annual subtotal:	1,518	424	3.58	1,476	394	3.75
Average annual hours:	10.05 hrs.			9.65 hrs.		

Note: Annual average hours = annual subtotal hours / number of employees at the end of the year

Young Fast Vietnam: In 2023, the total employee training hours were 6,509 hours, with an average annual training time of 15.84 hours per person. In 2024, the total employee training hours were 8,882 hours, with an average annual training time of 32.65 hours per person. The average employee training hours for the past two years are shown in the following table:

Gender	2023 年			2024 年		
	Total hours	Number of people	Average hours	Total hours	Number of people	Average hours
Male	1090	348	3.1	756	261	2.9
Female	5419	1377	3.9	8126	3247	2.5
Annual subtotal:	6509	1725	3.77	8882	3508	2.53
Average annual hours:	15.84			32.65		

Note: Annual average hours = annual subtotal hours / number of employees at the end of the year

Performance Management and Employee Development

Employee career development

Performance appraisals help strengthen the company's human resources system and further enhance its overall operations. Young Fast Optoelectronics conducts an appraisal for new employees three months after arrival, guiding supervisors and colleagues to understand the company's expectations of each employee in terms of behavior, results, and personality traits, and to work toward common goals.

Supervisors conduct fair, reasonable, and objective performance appraisals based on standardized procedures, ensuring that every team member clearly understands their role and strives to meet the performance requirements of each position. Employees are also provided with clear work goals and future performance improvement strategies to achieve overall operational goals.

In fiscal 2024, a total of 140 employees participated in annual performance appraisals, with no gender discrimination. This system aims not only to ensure consensus between employees and supervisors on work objectives but also to optimize its functionality, adapting it to a "development-focused, performance-based" approach. This system addresses both quantitative and developmental objectives, fostering and developing individual employee skills, enabling them to master the business, become key advisors to supervisors, and become pillars of the company, thereby enhancing the company's competitiveness and overall organizational effectiveness. At the same time, through internal recommendations, we appoint the required management personnel so that those recommended for promotion can be placed in the right positions.

Employee Assessment: The statistics of the number of people who have undergone performance assessment in the past three years are as follows

Annual Assessment Position	2022 Total number of people				2023 Total number of people				2024 Total number of people			
	Newcomer : 11 people				Newcomer : 10 people				Newcomer : 13 people			
	Number of examinees		%		Number of examinees		%		Number of examinees		%	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Direct personnel	16	20	12.12	15.15	15	20	11.28	15.04	15	20	10.71	14.28
Indirect personnel	51	45	38.64	34.09	53	45	39.85	33.83	59	46	42.14	32.86
Total :	67	65	50.76	49.24	68	65	51.13	48.87	74	66	52.85	47.14

The company conducts performance appraisals every year/quarter based on job titles. Based on supervisor evaluations, attendance, and individual performance, supervisors at all levels will nominate employees with outstanding work performance. :

- In 2022, 42 people were promoted, with 38% being direct employees and 62% being indirect employees.
- In 2023, 8 people were promoted, with 25% being direct employees and 75% being indirect employees.
- In 2024, 1 person was promoted, with 0% being direct employees and 100% being indirect employees.

6.4 Attach importance to human rights

Our company complies with labor laws and regulations and has established regulations for the management of foreign workers to protect the labor rights and interests of our employees.

- Commitment: 100% compliance with relevant labor laws and regulations. Management measures include the establishment of a labor rights protection code and regular assessments of forced labor risks.

Young Fast Optoelectronics considers international labor conventions and is committed to complying with Taiwan's labor laws. We have established a labor rights protection and management code covering labor hours and wages, humane treatment, non-discrimination, anti-bullying, and freedom of association. These codes also address the prevention of involuntary labor, sexual harassment, workplace motherhood protection, and measures to prevent unlawful violations in the performance of duties.

Index items	Content of human rights indicators	Target	Implementation status in 2024
Avoid child labor	No child labor. Workers under the age of 18 (young workers) shall not perform work that could jeopardize their health or safety, including night shifts or overtime.	1. No child labor. 2. No night shifts or overtime work for young workers.	No child labor or youth labor is employed.
No discrimination	Number of discrimination disputes and complaints.	No discrimination incidents.	No discrimination incidents.
Freedom of association	Respect employees' right to freedom of association and collective bargaining, and remove operations identified as posing a significant risk to their freedom of association and collective bargaining rights.	No prohibition on freedom of association °	There is no prohibition on freedom of association.
forced labor	The prohibition of any form of forced labor, operations identified as posing a significant risk of causing forced or compulsory labor disputes, and actions that contribute to the elimination of forced or compulsory labor.	No major incidents of forced or compulsory labor occurred.	No major incidents of forced or compulsory labor occurred.
Eliminate workplace violence and illegal infringement	We prohibit any form of discrimination, harassment, and retaliation. We will not tolerate workplace bullying by any management or	No infringement incidents.	1. All management personnel were required to complete a self-

	supervisor, nor will we tolerate violence against our colleagues, whether by colleagues or by external personnel.		assessment form regarding illegal workplace violations. 2. All employees received training and education. 3. No violations occurred.
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Our Labor Management Procedures clearly outline standards such as the prohibition of child labor. We also adhere to labor laws and regulations for foreign workers, ensuring their labor rights are protected. The management department regularly assesses forced labor risks. If violations are identified, the information is disclosed to the relevant department heads and a reminder is issued to ensure that similar situations do not recur.

Project	Prohibition of forced labor	Prohibition of child labor and protection of underage workers
Risk assessment	Internal control working hours	Verify the interviewee's age by ID card: 18 years or above
Target	Do not force or coerce unwilling individuals to perform labor services	Child labor is prohibited; if underage workers are used, they must be protected according to law.
Control measures	Working Hours Control Continuous attendance and holiday attendance tracking Provide feedback channels	Working hours for underage workers should be controlled Continuous work, night shifts, and holidays are prohibited Provide feedback channels
Project	Eliminate illegal discrimination	Safe and hygienic environment
Risk assessment	According to Taiwan's labor laws, new employees must adhere to the principle of non-discrimination in interviews, on-the-job training, compensation, and promotions.	Conduct hazard identification and risk assessment → High-risk positions should be listed for management. Practice occupational disease prevention to promote employee physical and mental health.
Target	New employees will not be asked for personal information unrelated to the job during interviews, and verbal discrimination between current employees and supervisors, or between colleagues, is prohibited.	Establish a company health and safety culture and create a friendly working environment.

Control measures	Regularly review regulations and internal management systems to see if they comply with legal requirements.	Establish personal safety and work environment protection measures. Provide medical assistance to promote a balanced physical and mental health. Provide personnel education, training, and promotional information.
Work-Life Balance		
Risk assessment	Expand interpersonal interactions among colleagues through participation in leisure activities.	
Target	Improve employee engagement.	
Control measures	The Welfare Committee is strengthening in-factory publicity to increase participation. A questionnaire is distributed to provide guidance for improvement.	

1. Lectures: A 30-minute orientation on corporate social responsibility and labor human rights policies will be arranged on the day new employees join. Through briefings and in-person explanations, employees will have a deeper understanding of human rights-related laws and regulations, and will be aware of their own rights and complaint channels.
2. Tests: To ensure that employees have fully absorbed the content of the training, a written test will be conducted after the training. Employees must pass the standard to be considered qualified. If the score is below the standard, another training time will be scheduled and the employee will be arranged to return for retraining so that they can fully understand labor human rights and other rights.
3. Training pass rate: As shown in the following table. (The test questions are divided into four categories, totaling 65 questions, with a passing score of 80 points)
- It is expected that all employees will have a full understanding of labor human rights.

Year	Number of trainees (number of new hires)	Training pass rate
2022	6	100%
2023	16	100%
2024	5	100%

6.5 Care and communication

Young Fast Optoelectronics provides various communication channels to facilitate communication and coordination between labor and management, gain a deeper understanding of employee satisfaction with management and benefits systems, and continuously enhance positive labor-management relations. By 2024, the company aims to achieve harmonious labor-management relations, with no losses resulting from labor-management disputes. The likelihood of future losses from labor-management disputes is projected to be extremely low.

In addition, union representatives at labor-management meetings reflect employee suggestions and opinions on specific issues, reaching consensus with the company through

discussions on the agenda, ensuring smooth communication channels. Furthermore, the Employee Welfare Committee, Occupational Safety and Health Committee, and Labor Retirement Reserve Fund Supervisory Committee have been established in accordance with the law and have officially commenced operations after approval by the competent authorities. Currently, labor-management meetings are held regularly, and the Employee Welfare Committee and Occupational Safety Committee also meet regularly. Each labor-management communication organization performs its duties, communicating on various issues, and working together to promote labor-management harmony and coexistence, creating a mutually beneficial and win-win situation for both labor and management. Comprehensive communication channels and a diverse, two-way, and open feedback mechanism ensure that employees' opinions are effectively addressed and responded to through effective communication and opinion sharing. Through a fair, confidential, and expeditious process, we resolve employees' concerns and build a good labor-management relationship.

Diversification of labor-management communication channels

Young Fast Optoelectronics respects the legally mandated rights of employees to freedom of assembly and association and does not oppose, prevent, or hinder employee assembly and association. The company has established a comprehensive personnel management system and employee complaint channels in accordance with labor laws. Currently, each factory has a labor union, but no collective agreement has been signed. The union membership is 22 at Factory 2 and 35 at Factory 3. Their resolutions represent all employees. Labor conditions are clearly defined in the company's internal regulations, so no collective agreement has been signed. Furthermore, legally mandated labor-management meetings (with labor representatives appointed by the labor union), an occupational safety and health committee, an employee welfare committee, and a labor retirement fund supervision committee have been established. In all of these labor-management communication organizations, labor representatives outnumber or equal management representatives. The number of labor and management representatives in the labor-management communication organization in 2024 is as follows:

Name of communication organization	Labor representatives	Capital Representative
Labor-Management Meeting-Plant 2	2	2
Labor-Management Meeting-Plant 3	5	5
Occupational Safety and Health Committee	9	3
Employee Welfare Committee	7	1
Labor Pension Reserve Oversight Committee	2	1

Labor Opinion

- Strengthened heat preservation measures for group meals.
- Increased meal allowances for business travelers.
- Added toilets.
- Adjusted group meal menus.

- Replaced LED lighting fixtures in warehouses and manufacturing offices.
- Strengthened environmental sanitation, cleaning, and disinfection in the factory area.

Handling of employee feedback at labor-management meetings

Labor-management conference representatives participate in related meetings and activities; labor representatives at labor-management conferences are appointed by the union. Labor-management conferences are a labor-management consultation system established to coordinate labor-management relations, promote labor-management cooperation, and prevent various labor issues before they arise. Its fundamental spirit is to encourage voluntary consultation and cooperation between labor and management, thereby enhancing communication between the two sides, reducing conflicts, and building consensus between the two sides, pooling everyone's wisdom and potential to work together to implement resolutions.

Matters discussed at labor-management meetings

- Revisions to Work Rules.
- Annual Calendar.
- Various Welfare Measures.

Employee suggestion box

Our company has set up an employee suggestion box, a dedicated account for lifestyle experts, and a dedicated email address for employee relations at the workplace for employees to express their suggestions and opinions. We encourage employees to report issues through the normal management system and channels as follows:

- Matters that have been or cannot be addressed through normal channels.
- When illegal or unethical behavior is discovered within the company.
- When there are important suggestions for company operations and management that cannot be raised through normal management channels.
- When there are recommendations for outstanding colleagues who have made significant contributions.
- Other matters that should be reported directly to the department manager or above.
- Matters reported may include, but are not limited to, addressing the following:
 - Anti-discrimination, anti-harassment, and abuse.
 - Preventing involuntary labor and forced labor.
 - Managing and protecting foreign workers through foreign labor recruitment agencies.
 - Preventing child labor, protecting underage workers, and protecting student workers.
 - Working hours, wages, benefits, and labor contracts.
 - Freedom of association and collective bargaining.
 - Occupational health and safety management, accident management, and emergency preparedness and response.
 - Dormitories and cafeteria management. Hazardous waste management, wastewater management, stormwater management, exhaust emission management, and plant boundary noise management.

Employees or potential employees may raise any questions, suggestions, complaints, or grievances in good faith with supervisors or management, or participate in any way in the investigation or handling of any of these matters. No such employee will be subject to dismissal, blacklisting, discrimination, harassment, intimidation, retaliation, or other employment decisions.

From 2022 to 2024, a total of 0 opinions were raised.

6.6 Occupational Safety and Health

Major theme: Occupational safety and health and health promotion	
Management Policy	● Policy: [Zero Occupational Accidents] A healthy, safe, and high-quality workplace ● Goals and Objectives: Assess risks and opportunities, improve workplace safety systems, and enhance occupational health and safety performance. ● Commitment: Utilize due diligence and early warning communication methods to provide a safe, healthy, and high-quality workplace for employees and safeguard the safety of contractors and visitors entering the factory. ● Management Measures: (1) Based on the ISO 45001 Occupational Safety and Health Management System and the Occupational Safety and Health Act. (2) Comply with occupational safety and health laws and other requirements to establish hazard identification and reduce occupational safety and health risks. (3) Occupational safety and health system and self-inspection and management. (4) Occupational safety and health education and training, emergency response and drills, and work environment assessment.

Young Fast Optoelectronics is committed to providing a safe, healthy, and high-quality workplace for its employees, while also safeguarding the safety of its contractors and visitors. Based on the ISO 45001 Occupational Safety and Health Management System and the Occupational Safety and Health Act, it has established occupational safety and health work codes to help departments identify workplace hazards, establish safe operating standards, and prevent potential accidents. The occupational safety and health management system boasts 100% coverage.

Risks and opportunities are assessed, improved, or controlled to enhance occupational safety and health performance and reduce occupational safety and health risks.

Young Fast Optoelectronics' Optoelectronics Division obtained OHSAS 18001 certification in 2009, while its Electromechanical Division received ISO 45001 certification in 2023. Young Fast Optoelectronics continuously monitors occupational safety and health audits and implements its occupational safety and health policies. Through a plan, implement, check, and improve cycle, as well as regular occupational safety education and training and fire drills, Young Fast Optoelectronics enhances employees' emergency response and safety management capabilities, continuously improving its safety and health management performance.

Young Fast Optoelectronics' occupational safety and health policy and measures :

Optoelectronics Division

- Comply with occupational health and safety laws and regulations
- Continuously improve safety and health quality
- Reduce employee safety and health risks
- Implement occupational health and safety education
- Provide occupational health and safety consultation and communication
- Regularly review the effectiveness of system operations

Mechanical and Electrical Division

- Comply with regulations and promote awareness
- Full employee participation and in-depth education
- Effective communication and risk reduction
- Promoting a healthy and friendly workplace

Young Fast Optoelectronics Environmental Safety Policy

Young Fast Optoelectronics is committed to fulfilling its environmental protection responsibilities and continuously improving itself to become a sustainable enterprise. The environmental safety policies of each business group are as follows:

Optoelectronics Division

- Comply with safety and health laws and regulations
- Continuously improve safety and health quality
- Reduce employee safety and health risks
- Implement safety and health education
- Provide safety and health consultation and communication
- Regularly review the effectiveness of system operations

Mechanical and Electrical Division

- Comply with environmental laws and regulations
- Reduce resource loss
- Strengthen pollution prevention
- Provide environmental education
- Continuously improve environmental management performance

In 2024, Young Fast Optoelectronics (Taoyuan Plant, excluding Vietnam Plant) implemented 20 environmental safety and health training courses for employees, with a total of 291 employees completing the courses. The total annual training hours were 982 hours, with a completion rate of 100%.

Safety and health legal professional license personnel

When constructing a new factory or partially renovating it, all relevant departments, including manufacturing, management, information technology, and safety and health, undergo safety and health risk assessments.

The Occupational Safety and Health Office is fully staffed. The number of professional safety and health personnel with legal certifications in 2024 is as follows:

Professional security personnel certificate name	Number of people	Professional security personnel certificate name	Number of people
Safety and Health Business Supervisor (Type A)	4	Operation of forklifts over one ton	4
Safety and Health Administrator (Grade B Technician)	1	Radiation protection personnel	1
Fire Prevention Manager	3	First responders	4

The number of legal certificates required of the above-mentioned professional safety and health personnel complies with the provisions of relevant occupational safety laws and regulations.

Occupational safety and health system and self-inspection and management

Young Fast Optoelectronics has established an occupational safety and health system in accordance with the law. This system includes safety and health management systems and training, independent inspections of production equipment, workplace environment assessments, internal safety and health audits, health checks and medical care, emergency response and drills, occupational hazard management, statutory reporting, contractor management, and construction audits.

Self-management measures for occupational safety and health include pre-employment training, on-the-job training, and certification training. Potential hazards are identified and tiered, and safety equipment operating standards are implemented to reduce employee risks. Necessary protective measures or personal protective equipment are provided. Work environment assessments are conducted, emergency response and escape drills are conducted, regular health checks are conducted, and proactive care is provided at different levels. In the event of a disaster, medical care is provided promptly, and occupational hazard management and internal safety and health audits are conducted. These measures prevent on-site disasters, reduce risks, and continuously improve safety and health.

Hardware facilities are planned, designed, and constructed in accordance with various regulations, international codes, and company standards. The Occupational Safety and Health Department is responsible for the management, auditing, and improvement of safety and health, ensuring a more effective and efficient safety and health program. Occupational safety and health management includes not only high-risk operations controls, contractor access control, construction safety management, chemical safety management, and occupational accident analysis and statistics, but also carefully planned workplace environment assessments, emergency response procedures, and regular fire drills. In the event of a disaster, damage and impact to company property, personnel, society, and the environment are minimized.

The company's Occupational Safety and Health Department and supervisors at all levels conduct regular and irregular on-site inspections of employees' work environments and provide improvement recommendations to reduce workplace risks.

Audit content	Audit frequency
Regular safety inspections	Daily
Contractor construction inspection	Daily
Internal audits in the workplace	Weekly
Internal audit of environmental and safety management systems	Each year

Occupational safety and health education and training

To help new employees quickly familiarize themselves with the company's operations, we arrange for them to participate in occupational safety and health education and training upon their arrival. Assessments and evaluations are conducted based on the course content to enhance their safety and health awareness and enhance their work content. The number of training sessions, number of participants, and hours are shown in the following table:

Annual hours, etc. Training categories	2023			2024		
	Class	Number of people	Total hours	Class	Number of people	Total hours
Safety and health education and training for new employees	7	7	28	4	4	16
On-the-job employee safety and health education and training	5	44	138	9	48	169
Emergency response education and training	7	228	764	7	239	797
Total	19	279	930	20	291	982
Average hours of education and training (Note)	6.16			6.42		

Note: Average education and training hours = annual total hours / number of employees at the end of the year

Automatic inspection and working environment measurement

In addition to routine employee inspections and internal and external audits by relevant departments, Young Fast Optoelectronics also outsources safety inspections and certifications to third-party organizations for facilities, equipment, and machinery. These inspections cover elevators, drinking water, the work environment, high- and low-voltage electrical equipment, buildings, and fire safety equipment. The company also has an internal "Occupational Safety and Health Management Procedure" to manage these related operational procedures.

Young Fast Optoelectronics' three hazardous machinery, including forklifts, undergo regular inspections in accordance with the "Safety Inspection Regulations for Hazardous Machinery and Equipment" to ensure their safety.

To manage the work environment, we have developed a "Work Environment Monitoring Plan" to understand the actual working environment and assess workers' exposure to physical and chemical factors. We utilize a planning, sampling, monitoring, and analysis approach, and conduct work environment monitoring twice annually as required to provide a safe and comfortable work environment.

1. Internal Inspections: Employees perform daily, monthly, and annual inspections and equipment maintenance as required.
2. External Inspections: We commission external inspection agencies to perform inspections and equipment maintenance on a monthly, quarterly, and annual basis.

Detection area	Testing frequency	Test items	Regulatory Compliance
lift	Monthly/yearly	Structure, performance, load, safety devices	OK
Drinking water testing	Quarterly	Escherichia coli group, total colony count	OK
Working environment monitoring	Every six months	Photoelectric: Illumination, carbon dioxide Electromechanical: Noise, dust, organic solvents	OK
High and low voltage electrical equipment	Each year	Withstand voltage insulation, circuit breakers, transformers	OK
High-pressure gas specific equipment	Each year	Storage tank subsidence, safety valve	OK

To ensure the safety of the factory's working environment, regular working environment monitoring is carried out every six months to understand the actual situation of exposure to work environment hazards and monitor the exposure of personnel caused by the factory's working environment. If the measurement results show abnormalities, engineering control and administrative management improvements will be implemented in the abnormal areas. From 2022 to 2024, each factory in Taiwan arranged two rounds of operating environment measurements, a total of four rounds, and no abnormalities were found.

Year	Working environment test
2022	4 rounds
2023	4 rounds
2024	4 rounds

Emergency response and drills

Employees are our most valuable assets. To minimize the impact of disasters, we have established a self-defense firefighting unit and developed a "Disaster Emergency Response Operation Manual." We also conduct fire and chemical leak drills semi-annually to increase employee participation and implementation, minimizing the impact of disasters on employees and the company.

The Emergency Response Center is equipped with the following facilities:

- Emergency Response Information: Plant floor plan, evacuation route map, emergency response procedures.
- Fire and Life Support Monitoring: Fire protection system, emergency smoke exhaust system, surveillance and video systems, broadcasting system, etc.
- Emergency Response Equipment: Protective clothing, personal protective equipment, respiratory protection equipment, spill management equipment, warning equipment, etc. To prepare for the possibility of a disaster affecting the emergency response center, simpler and more comprehensive emergency response equipment will be appropriately deployed to ensure continuous response operations when necessary.
- Rescue Equipment: Emergency showers, eyewash stations, first aid kits, and other rescue supplies are provided in accordance with emergency rescue practices.

The Optoelectronics Business Group of Young Fast Optoelectronics conducted fire drills and emergency rescue on June 7 and December 5, 2024; the Electromechanical Business Group held self-defense firefighting group training on May 27 and October 24, 2024. Through routine drills and training, the company's employees' ability to respond to disasters is strengthened, and their ability to provide early warning, timely response, and effective evacuation guidance is enhanced.



Fire evacuation drills
2024/06/07

Fire extinguisher
operation training
2024/06/07

Fire hose operation
training
2024/12/05

Emergency first aid
training
2024/12/05

Occupational Hazard Management

Young Fast Optoelectronics takes every occupational hazard seriously, whether it's an accident or a false alarm. To effectively manage this, we've established an "Employee Accident Investigation and Analysis Form." Once an accident occurs within the company, it must be reported and handled according to the process. The Occupational Safety and Health Office, labor representatives, and their supervisors will jointly investigate and analyze the accident, reviewing the root cause, clarifying the relevance of the incident to the work content, and developing corrective and preventive measures. If the incident recurs, the effectiveness of these measures will be re-evaluated. Furthermore, at quarterly Occupational Safety and Health Committee meetings, the cause, circumstances, and status of the accident are discussed and detailed in the meeting minutes. Recommendations and preventive measures are also proposed to prevent the recurrence of similar accidents. Statistics are compiled for each accident, allowing for analysis to inform improvements to personal protective equipment, machine protection, environmental facilities, and work methods. Furthermore, the Occupational Safety and Health Office, working with various departments, reduces potential workplace hazards and environmental risks through work observations, education and training, workplace inspections, and internal and external audits, enhancing overall employee safety and health awareness.

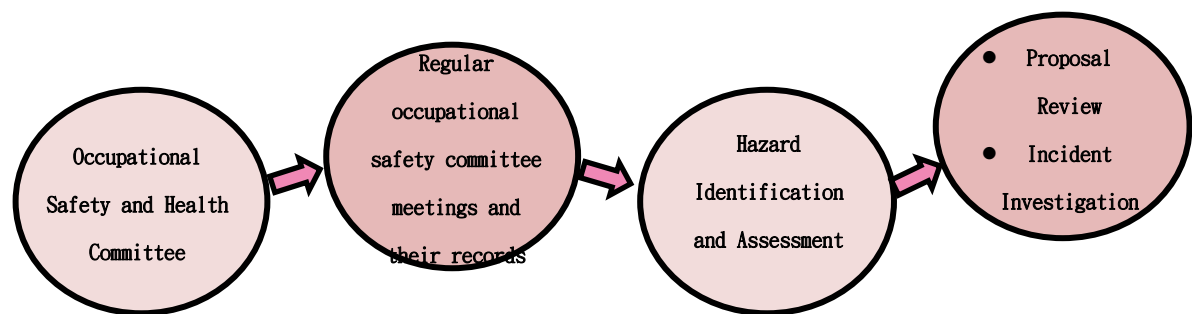
In addition to managing workplace risks within the factory, the company also prioritizes employee safety both on and off-duty. Traffic safety and defensive driving information is promoted through irregular company meetings and posted on bulletin boards employees visit daily. This helps deepen employees' awareness of driving safety and reduce the likelihood of traffic accidents.

There were 0 reports of occupational accidents from 2022 to 2024, FR=0, SR=0, FSI=0, and the death rate caused by occupational injuries=0.

Internal audit of environmental and safety management systems

To enable personnel to conduct automated internal audits of machinery, equipment, and safety and health matters to eliminate potential workplace hazards, the Occupational Safety and Health Office conducts five key audits of daily operations within each unit: chemicals, machinery and equipment, on-site environment, firefighting equipment, and waste disposal. Recent internal audits for the 2022-2024 fiscal year revealed no missing items.

Internal consultation and communication channels



Occupational Safety and Health Committee

Each of Young Fast Optoelectronics' companies has an Occupational Safety and Health Committee, chaired by the Chairman. Labor representatives are elected in accordance with the law, providing a formal channel for face-to-face communication between management and employees on environmental, safety, and health issues. Quarterly meetings are held to discuss environmental, safety, and health-related matters and to review and revise

implementation measures as appropriate. The current Occupational Safety and Health Committee comprises nine labor representatives and three management members, and held four regular meetings with the committee in fiscal 2024.

Hazard identification, opportunity and risk assessment

Interdepartmental hazard identification teams were established to identify potential routine and non-routine hazards related to unit operations, areas, equipment, and personnel's physical and mental health. Personnel then conducted risk assessments, which served as a basis for risk control, incident prevention, and continuous improvement of the occupational safety and health system. In 2024, eight departments participated, identifying a total of 42 hazards and developing corresponding control measures.

6.7 Health Promotion

Healthy Work Promotion

Work projects: health care and medical care, human hazard assessment and management, abnormal workload prevention, workplace illegal infringement prevention, maternal health protection and management.

The company actively promotes workplace health. In addition to meeting the requirements of relevant laws and regulations on labor safety and health care, it also invests efforts and resources in health awareness, healthy activities, healthy diet, and health management, sincerely caring for the health of every employee. The relevant health promotion measures are as follows:

Health awareness	Healthy Activities
(1) Public announcement on epidemic prevention education. (2) Public awareness campaign on epidemic prevention awareness. (3) Promotion of screening for the four major cancers. (4) Arrangement of COVID-19 vaccination.	(1) Factory anniversary event. (2) Family day. (3) Employee sports meeting
Healthy eating	Health Management
(1) All ingredients, condiments, and oils are certified as qualified by the state. (2) No seasonings are used. (3) Low in oil, sugar, and sodium. (4) Bring your own environmentally friendly tableware. (5) Promote food safety guidelines	(1) Employee health check-ups. (2) Special work health check-ups. (3) Prevention and improvement of human factors hazards. (4) Maternal health protection management. (5) Assessment and management of abnormal workload hazards. (6) Assessment and management of suitable work for middle-aged and elderly people. (7) Health classification management and health guidance.

Health care and medical care

Health Checkups: Going beyond regulatory requirements, the company provides free annual health checks for employees, as well as special health checks for workers with particular health risks. Health checkup results are statistically analyzed to identify potential risk factors. Health risk management is implemented based on grading, tracking high-risk groups,

promoting workplace health and preventing occupational diseases, and providing comprehensive healthcare services to employees.
The health checkup categories and number of participants for the past two years are listed below:

Year Project	2023		2024	
	Inspection items	Number of participants	Inspection items	Number of participants
General health check	According to the labor health protection rules	97	According to the labor health protection rules	101
Special health checkup (ionizing radiation)		4		4

In 2024, excluding Taiwanese officials stationed abroad, consultants, foreign workers, and those on long-term sick leave, the number of people who should have participated in the physical examination was 130, and the actual number of people who underwent the examination was 105, with an examination rate of 80.77%.

Through regular on-site health services provided by contracted medical staff, we proactively arrange consultations with labor health service physicians and labor health service nurses for those with abnormal health examinations, mothers, abnormal workloads, and occupational hazards. For those classified as Level 2 management or above, physicians will conduct a comprehensive assessment of their health status and job nature and provide appropriate job placement for the unit. The number of people who participated in health consultation services in the past two years is shown in the following table:

Year Project	Health Consulting Services 2023	Health Consulting Services 2024
Number of participants	8	23

Health risks are managed at levels 1-4

Level 1	Level 2	Level 3	Level 4
Management:0 All health examination results are normal and the doctor has determined that there are no abnormalities.	Management:74 If the health examination results show abnormalities and are assessed to be unrelated to occupational work, appropriate re-examination or treatment will be arranged after receiving health guidance.	Management:0 If the health examination results are abnormal and the initial assessment is related to occupational work, the classification will be re-determined after arranging an outpatient clinic in the occupational medicine department.	Management:0 If any of the health examination results are abnormal, the physician will make a comprehensive assessment and determine whether it is related to the occupational work and arrange for an occupational disease assessment and examination procedure and treatment.

Sustainable Healthcare Partnerships

We have two contracted medical units, each with a professional institution, offering preferential medical fees and comprehensive medical services. This helps employees receive adequate care, alleviate stress, and maintain a positive doctor-patient relationship.

Pay attention to notifiable infectious diseases

In response to seasonal influenza (such as H1N1, H3N2, etc., type A or type B) and other infectious diseases, the risk of a pandemic remains annual. Our company is cautious and continues to manage workplace risks of various infectious diseases. We accumulate experience to avoid over- or under-response, enhance our regular epidemic prevention capabilities, and post epidemic prevention information on the bulletin board to enhance employees' awareness of maintaining their health. °

Human hazard assessment and management

Our company provides comprehensive safety training and human factors education for all employees in the production line hardware design and handling operations, fostering a sound safety awareness. We also have programs for human factors assessment and improvement. For example, we assess and improve human factors in machine maintenance and repair work, including the provision of lifting equipment, lifts, and jigs for component replacement.

We are reviewing the use of fully automated and semi-automated auxiliary equipment to reduce workplace hazards. For those who require constant microscope inspection, we have introduced imaging-assisted inspection equipment to reduce manual labor, and we monitor the vision of these employees during annual health checkups. To prevent musculoskeletal disorders caused by repetitive work, on-site labor health service personnel administer questionnaires to all employees, assessing pain levels and work impact, in conjunction with annual health checkups. This helps identify high-risk groups. In addition to implementing case management measures, we work with unit supervisors and the Occupational Safety and Health Office to conduct on-site visits, identify human factors risks, and develop improvement plans.

Maternal health protection and management

In addition to seven days of prenatal checkup leave, eight weeks of maternity leave, and seven days of paternity leave provided under the Gender Equality in Employment Act, both men and women can apply for unpaid parental leave if they need to care for a child. Furthermore, the company has established a breastfeeding room where female employees returning to work after childbirth can use it to breastfeed, store breast milk in a refrigerator, and take it home after work.

To prevent female employees from being exposed to workplace hazards that could pose maternal health risks, the Occupational Safety and Health Office has established a "Maternal Health Protection Plan for Female Workers." This plan eliminates potentially hazardous work and conducts qualitative and quantitative risk assessments. Taking individual differences into account, it categorizes general and tiered management measures as a basis for practical implementation. After a comprehensive assessment by a dedicated on-site health service physician, tiered management and on-site improvement measures are implemented to ensure the maternal health of female employees. In addition to arranging medical evaluations, Young Fast Optoelectronics also provides parking spaces for pregnant women, regularly inquires about their needs, and provides pregnancy and childcare-related information before employees take maternity leave



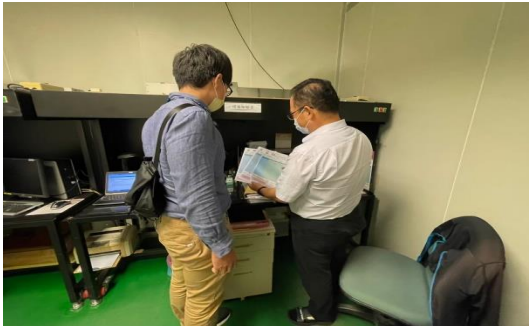
Organize activities for employee participation

1. Health Clinic

(1) Activity Overview: Monthly on-site labor health service nurses and annual on-site labor health service physicians provide personal health care and consultation to employees, helping them resolve health issues, protect their health, practice a healthy lifestyle, and achieve a harmonious balance between health and work. A total of approximately 8 employee consultations were conducted at the health clinic. Annual on-site labor health service physicians assist in workplace risk assessments and worksite visits to prevent abnormal workloads and the occurrence of occupational diseases.

(2) Photos:





2. Health Checkup Management

(1) Activity Overview: In addition to annual employee health checkups, we also invite professional doctors to the factory to provide health guidance to employees based on any abnormalities in the health checkup reports. This helps employees understand their health status and provides professional advice based on individual circumstances, enabling them to prevent diseases or provide early intervention and treatment. We also conduct follow-up follow-up and foster the concept of self-management of employee health, thereby enhancing the health awareness of our employees.

(2) Photos:



3. Health Lecture - Stay Away from Metabolic Syndrome

(1) Event Overview: We invited an occupational medicine specialist to the factory to give a lecture on "Stay Away from Metabolic Syndrome". A total of 23 people participated. Through this lecture, employees' health awareness was established and they learned about the main causes of this syndrome, how to identify it, and how to improve it. 50% of metabolic syndrome is related to lifestyle habits. Through diet management, maintaining exercise habits, proper stress management, and regular checkups, we can effectively improve our understanding of metabolic syndrome and prevent the risk of chronic diseases.

(2) Photos:



7. Social prosperity

7.1 Policy and management system

Based on its commitment to corporate social responsibility and in accordance with the "Code of Practice for Sustainability Development of Listed Companies and OTC Markets," Young Fast Optoelectronics promotes various social responsibility activities, including the establishment of a "Sustainability Committee." The company also includes performance data on its sustainable management and social responsibility implementation in its sustainability report.

Sustainable Development Committee promotes corporate social responsibility :

Its organization, members, responsibilities and discussion items are as follows:

Category	Annual actual operation projects
convener	Director and General Manager: Hsu Yichuan
Member	Independent Director: Hao Xiege Independent Director: Ye Xiuhui Director and General Manager of the Electromechanical Business Group: Li Xinzheng
In charge	● Formulate, promote, and strengthen the company's sustainability policies, annual plans, and strategies. ● Review, track, and revise the implementation and effectiveness of sustainability initiatives. ● Oversee sustainability disclosures and review sustainability reports. ● Oversee the implementation of the company's sustainability code of conduct and other sustainability-related work as determined by the Board of Directors.
Discussion items	Meetings will be held annually or irregularly as needed to jointly plan corporate sustainability-related issues and business development initiatives. Annual performance reports will be submitted to the Board of Directors.

Corporate Social Responsibility Policy

Young Fast Optoelectronics' overall ESG (Economic Growth and Social Responsibility) policy is divided into four key areas: implementing corporate governance, developing a sustainable environment, safeguarding social welfare, and strengthening disclosure of sustainable development information.

(1) Implementing corporate governance

- **Compliance with Relevant Laws and Regulations:** The Company has established a Code of Corporate Governance Practices, a Code of Integrity, and a Code of Ethical Conduct to strengthen corporate governance.
- **Effective Governance Structure:** To strengthen sustainable development management, we have established an effective governance structure and relevant ethical standards. We have established a Sustainability Committee to promote sustainable development. We have formulated specific policies, systems, management guidelines, and implementation plans for economic, environmental, and social issues arising from our operations, and are actively implementing these plans.
- **Director Oversight and Supervision:** The Company's Sustainability Committee reports to the Board of Directors at least annually on stakeholder engagement and sustainable development initiatives. The Board of Directors reviews the direction and

progress of sustainable development initiatives, allowing for timely evaluation of implementation effectiveness and continuous improvement. We also provide oversight and feedback to ensure the implementation of corporate sustainability initiatives.

- **Considering Stakeholder Interests:** The Company respects the rights and interests of its stakeholders, identifies them, and maintains a dedicated stakeholder section on its website. Through appropriate communication methods, we understand the reasonable expectations and needs of our stakeholders and appropriately address their concerns regarding important sustainable development issues. Going forward, we will continue to focus on human rights protection issues and promote relevant education and training to raise awareness of human rights protection and reduce the likelihood of related risks.
- **Customer Responsibility and Emphasis on Marketing Ethics:** With the core philosophy of creating value for customers, we continuously communicate with customers to understand their needs and build trust. We also adhere to relevant laws and international standards, including principles of contractual fairness and integrity, duty of care and loyalty, truthful advertising and solicitation, suitability of goods or services, disclosure and information, balance between compensation and performance, grievance protection, and professionalism of sales personnel. We will also develop relevant implementation strategies and specific measures. Our R&D, procurement, production, operations, and service processes ensure the transparency and security of product and service information, and implement this in our operational activities to protect the rights, health, and safety of customers.

The company complies with all relevant government regulations and has no record of violating economic and social regulations or being fined.

(2) Developing a sustainable environment

- **Compliance with Environmental Laws and International Standards:** The company complies with environmental laws and regulations and relevant international standards to ensure that its operations comply with environmental protection requirements.
- **Improving Resource Utilization Efficiency:** The company is committed to improving the efficiency of resource utilization and using recycled materials with low environmental impact to achieve sustainable resource utilization.
- **Establishing an Environmental Management System:** The company has established an appropriate environmental management system based on the characteristics of its industry, including measures such as collecting and assessing the environmental impact of its operations and setting environmental sustainability goals.
- **Emphasizing Environmental Protection:** The company actively promotes greening of its factories and energy conservation and emission reduction to ensure environmentally friendly production processes. The company uses green and non-hazardous materials and adopts legal waste disposal measures to reduce negative impacts on the global environment.

In 2024, a total of three energy-saving and carbon-reduction projects were completed in operations and factory affairs, including energy-saving equipment resources (replacement of chillers, air conditioners, and replacement of LED lighting in some areas of the factory), investment in energy-saving equipment (construction of a solar roof), etc.; the company's annual greenhouse gas emissions were reduced by 40.45% in 2024.

(3) Maintaining social welfare

- **Comply with relevant laws and regulations and international human rights conventions:** The company complies with relevant laws and regulations and

international human rights conventions, protects labor rights, prohibits discrimination, and ensures non-discriminatory treatment in its human resources policies. We will implement supply chain management and social welfare systems, promote character education, and provide improvement recommendations. By 2024, we aim to have no child labor, no discrimination, no forced labor, and no abuse.

- **Caring for the community and vulnerable groups:** We will participate in public welfare activities to express our concern for vulnerable groups in society.
- We will continuously communicate and engage with internal and external stakeholders, and regularly conduct education and training programs to build employee consensus, ensure compliance with relevant corporate social responsibility standards, and encourage active participation in the company's social responsibility practices.

As of 2024, ESG has held a total of four activities, including donations to the Caoluo Detachment of the Guanyin Company, the Third Battalion of the Taoyuan City Volunteer Fire Department, industry-university collaboration with Taipei University, donations of supplies from the Vietnam factory to people affected by Typhoon Masai, orphanages, temples, etc., and employee sports games.

(4) Strengthening the disclosure of sustainable development information

- **Company Information Disclosure in Compliance with Regulations:** The company discloses information in accordance with relevant regulations and the Code of Corporate Governance for OTC Companies to enhance information transparency.
- **Full Disclosure of Sustainable Development Information:** The company discloses relevant and reliable sustainable development information, including policies, systems, plans, and performance.
- **Preparation of a Sustainability Report:** The company prepares a sustainability report to disclose its progress in promoting sustainable development and to identify issues of concern to stakeholders, thereby enhancing the reliability and transparency of information.

7.2 Participation in external organizations

In order to effectively combine and exert the power of the industry and keep abreast of the pulse of industrial development, we join domestic industry associations and participate in various seminars and discussions organized by the associations as members, interact closely with the industry, and work together to plan for industrial prosperity. °

Name of participating organization	Role
Guanyin Industrial Zone Manufacturers Association	Member
Industrial Relations Association	Member
Electrical and Electronics Industries Association	Member
Wire and Cable Industry Association	Member

Disclaimer: Young Fast Optoelectronics Co., Ltd. reports in accordance with the GRI Guidelines.

(Reporting Period: January 1, 2024 - December 31, 2024)

Using GRI 1: Basic

Applicable GRI Industry Guidelines: None

Appendix 1: GRI Standards Content Index

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
General Disclosure (2-1~2-30)				
Organization and reporting practices	2-1 Organization details	2.1 Company Profile	23	
	2-2 Entities included in organizational sustainability reporting	0 Report Overview and Scope • Range Boundary	3	
	2-3 Reporting period, frequency and contact person	• Data Period • Publication Frequency • Contact Window	3 3 4	
	2-4 Information recompilation	• Changes to the report (re-edited)	4	
	2-5 External assurance/assurance	• Accuracy of public information • External Confirmation	4	
Activities and Workers	2-6 Activities, value chains and other business relationships	3.3 Innovative products and services	58	
		3.2 Customer Relationship Management	56	
	2-7 Employees a. Total number of employees, and breakdown by gender and region b. Report the total number of employees in different categories	6.2 Cultivate talents and provide salary and benefits • Human resource structure distribution	85	
	2-8 Non-employee workers	6.2 Human Resources Structure	85	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
		(3) Overview of human resources input by non-employee workers	86	
Governance	2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Governance Bodies • Board of Directors	27 29 29	
	2-10 Nomination and selection of the highest governance unit	2.2 Corporate Governance 2.2.2 Governance Bodies • Board of Directors	27 29 29	
	2-11 Chairman of the highest governance body	2.2.2 Governance Bodies • Board of Directors	27 29	
	2-12 The highest governance body's role in overseeing impact management a. The highest governance body's role and senior management's role in the organization's purpose, values or vision, and strategy b. The highest governance body's role in overseeing organizational due diligence and reviewing the effectiveness of organizational procedures	2.2.2 Governance Bodies • Board of Directors 2.3 Integrity in Business Operations 2.4 Governance Philosophy, Ethics, and Regulatory Compliance 2.1.2 Organizational Structure	27 29 37 40 26	
	2-13 Responsible Person for Impact Management a. How the highest governance unit delegates responsibility for managing the organization's economic, environmental, and human impacts b. Senior management or other employees report to the highest governance unit on the economic, environmental, and human impact management process.	2.1.2 Organizational Structure 2.7 Risk Management	26 51	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
	2-14 The highest governance body's role in sustainability reporting a. The highest governance body should review and approve reported information b. If the highest governance body does not have the responsibility to review and approve reported information (including material topics of the organization), please explain the reasons.	2.2.2 Governance Bodies • Board of Directors 1.1.1 ESG Organization and Responsibilities	29 29 5	
	2-15 Conflicts of Interest a. Describe the highest governance body's process for preventing and mitigating conflicts of interest b. Report whether conflicts of interest are disclosed to stakeholders	2.2.2 Governance Bodies • Board of Directors 1.1.1 ESG Organization and Responsibilities	29 29 5	
	2-16 Communicating Key Events a. How to communicate key events with the highest governance body	2.2.2 Governance Bodies • Board of Directors 1.1.1 ESG Organization and Responsibilities	29 29 5	
	2-17 Collective Knowledge of the Supreme Governance Unit a. The collective knowledge, skills, and experience of the supreme governance unit in sustainable development	2.2.2 Governance Bodies • Educational Background of Board Members • Continuing Education of Board Members • Board Diversity	29 29 29 30	
	2-18 Performance Evaluation of the Highest Governance Unit a. The highest governance unit's procedures for monitoring the organization's performance in	2.2.2 Governance Bodies • Board of Directors • Performance Evaluation	29 29 32	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
	managing economic, environmental, and human impacts.	1.1.1 ESG Organization and Responsibilities	5	
	2-19 Compensation Policy	2.2.2 Governance Bodies • Director Remuneration • Compensation Committee 6.2.1 Compensation and Benefits	29 31 35 89	
	2-20 Compensation Decision Process a. The organization designs its compensation policy and compensation decision process.	2.2.2 Governance Bodies • Director Remuneration • Compensation Committee 6.2.1 Compensation and Benefits	29 31 35 89	
	2-21 Total compensation ratio for years	6.2.1 Compensation and Benefits	89	
Strategy 、 Policy and Practice	2-22 Statement of Sustainable Development Strategy a. Statement of the highest governance unit or senior management's relationship with sustainable development and their strategy for sustainable development.	0_Statement from the Top Management - Chairman's Message - Sustainable Development Strategy	1	
	2-23 Policy Commitments a. Describe your policy commitments regarding responsible business practices b. Describe your specific policy commitments regarding respect for human rights	6.1 Talent Policy and Commitment • Corporate Sustainability Policy	84 84	Commitment to implement eight human rights policies
	2-24 Incorporating Policy Commitments	2.3.1 Conducting Business Activities with Integrity	38	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
	a. How to integrate each responsible business conduct policy commitment into its activities and business relationships	6.1 Talent Policy and Commitment	84	
	2-25 Procedures for Remediating Negative Impacts	6.5 Care and Communication	98	
	a. The organization identifies the negative impacts it has caused or contributed to	• Diversified labor-management communication channels	99	
	b. Describe the methods used to identify and address grievances	• Employee reporting/grievance mechanism	100	
	2-26 Mechanisms for seeking advice and raising concerns	1.1.3 Communication channels with key stakeholders	8	
	2-27 Regulatory Compliance	2.4.3 Regulatory Compliance	41	
	a. Total number of significant regulatory violations during the reporting period			
	2-28 Membership of Public Associations	7.2 Participation in external organizations	114	
Stakeholders' consultation	2-29 Stakeholder Engagement Policy	1.1 Stakeholder Organization and Identification	5	
	a. Describe the stakeholder engagement policy.	1.2 Communication Analysis and Generation Process of Stakeholder Concerns	9	
	2-30 Collective Agreements	6.5 Care and Communication	98	
	a. Report the percentage of total employees covered by collective agreements	• Diversify labor-management communication channels	99	No collective bargaining agreement, but there are labor unions and labor-management meetings
Major topics	•Guidelines for Determining Major Topics 3-1 Process for Determining Major Topics	1.2 Communication Analysis and Generation Process of Stakeholder Concerns	9	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
		1.2.1 Identification of Stakeholder Concerns and Direct Impact Analysis	12	
		1.3 Identification and Ranking of Significant Topics and Response	14	
	3-2 a. List of Major Topics	1. Practicing Sustainable Management	5	
	b. Changes to the List of Major Topics	1.4.1 The Relationship and Impact of Major Topics on Young Fast Optoelectronics' Value Chain	17	
		1.4.2 Risk Management of Major Topics (Positive and Negative Impact Analysis)	18	
		0. Report Overview and Scope	3	
	3-3 Management of Major Themes	1.4.1 The Relationship and Impact of Major Topics on Young Fast Optoelectronics' Value Chain	17	appendix 1
		1.4.2 Risk Management of Major Topics (Positive and Negative Impact Analysis)	18	
		1.3.1 Response to Major Topics	15	

GRI indicators		Corresponding chapters of the sustainability report	Pages	Remark
		List of Six Major Topics and Their Management and ESG Response Sections	appendix	

● 6 List of major topics and management and ESG response sections

NO	provisions	Key points of GRI provisions	ESG corresponding chapter	Pages	Remark
1. Business performance	201	Topic Management Disclosure	3.1 Financial Performance	55	Business performance policy and management guidelines
	201-1	Direct economic value generated by the organization	• Operational results that generated and distributed direct economic value in the last three years	55	
2. Customer Relationship Management	3-3	Major topic management	3.2 Customer Relationship Management	56	
3. Regulatory Compliance	3-3	Major topic management	2.4.3 Regulatory Compliance	41	
4. Occupational safety, health and health promotion	403	Occupational Health and Safety: Theme Management	6.6 Occupational Health and Safety	101	Introduced and implemented ISO 45001 international standard for safety and health management system
	403-1	Exposure:	• Major Theme Objectives and Performance		
	403-2	Occupational Safety and Health Management System	6.6.1 Occupational Safety and Health Policy, Risk Assessment, and Accident Investigation	103	
	403-3	Hazard Identification, Risk Assessment, and Accident Investigation			
	403-4	Occupational Health Services	6.7 Health Promotion	107	
	403-5	Occupational Safety and Health	• Occupational Safety and Health Committee	106	
	403-6	Worker Engagement, Consultation, and Communication			
	403-7	Occupational Safety and Health Worker Training	• Certified Occupational Safety and Health Professionals	107	
		Worker Health Promotion	• Health Care and Medical Care	105	
			• Emergency Response and Drills		

		Reducing or Mitigating the Direct Impact of Occupational Safety and Health			
	403-8 403-9 403-10	Occupational safety and health management system workers Occupational injury and accident statistics Occupational diseases	Occupational Safety and Health Committee Occupational Hazard Management 6.7 Health Promotion Employee Health Risk Prevention	106 106 107	• Number of occupational health and safety certificates • Occupational accident statistics for the past three years • No cases of occupational diseases reported during the 2024 health checkup
5. Information Security	418	Customer Privacy: Subject Management Disclosure	3.4 Customer Privacy	60	Policy: Protecting Customer Privacy • In 2024, Young Fast Optoelectronics did not incur any fines or compensation from customers due to leaking customer privacy.
	418-1	Complaints of proven violation of customer privacy or loss of customer personal information	Our company adheres to the ethical policy of "strictly protecting personal privacy and safeguarding the business information security of our customers and suppliers." 2.6 Information Security	47	
6. Product quality and responsibility	416	Topic Management Disclosure	3.2 Customer Relationship Management	56	Free of hazardous substances and conflict minerals
	416-2	Violations of health and safety regulations for products and services	4.4 Ethical Sourcing 3.4 Quality Management System	68 60	
	417	Topic Management Disclosure	3.4 Quality Management System	60	
	417-1 417-2	Product and service information and labeling requirements Incidents of failure to comply with regulations regarding product and service information and labeling			

Appendix 2: SASB Comparison

Hardware Manufacturing: Sustainability Themes, Accounting Indicators, and Sustainability Report Chapter Comparison Chart

Theme	Code	Accounting indicators	Category	Units of measurement	Sustainability Report Chapter
Product Safety	TC-HW-230a.1	Describe methods for identifying and resolving data security risks in products	Discussion/ Analysis	not applicable	2.6 Information security: The product itself has been identified to have no data security risks or vulnerabilities.
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender/racial/ethnic group representation for (1) management, (2) technical, and (3) all other employees	Quantitative	Percentage (%)	6.2 Cultivating Talents and Remuneration Benefits
Product Lifecycle Management	TC-HW-410a.1	Percentage of revenue from products containing IEC 62474 declarable substances	Quantitative	Percentage (%)	not applicable
	TC-HW-410a.2	Percentage of products that meet EPEAT or equivalent requirements, calculated by revenue	Quantitative	Percentage (%)	not applicable
	TC-HW-410a.3	Percentage of products that meet Energy Star or equivalent requirements, calculated by revenue	Quantitative	Percentage (%)	not applicable
	TC-HW-410a.4	Weight of scrapped and recycled electronic waste, as a percentage of recycled	Quantitative	Metric tons Percentage (%)	not applicable
Supply chain management	TC-HW-430a.1	First-tier suppliers (1) have an audit process that accepts RBA verification Percentage of supplier categories that have undergone Validated Audit Process (VAP) or equivalent audits for (a) all suppliers and (b) high-risk suppliers	Quantitative	Percentage (%)	No VAP audits were conducted on suppliers. We only sent personnel to audit suppliers.
	TC-HW-430a.2	Tier 1 Suppliers: (1) Percentage of audited vendors that failed the RBA Validated Audit Process (VAP) or equivalent audit, and (2) Improvement Rate for (a) Major Deficiencies and (b) Other Deficiencies	Quantitative	speed	none
Material procurement	TC-HW-440a.1	Describe the risk management associated with the use of key hazardous substances	Discussion/ Analysis	not applicable	4.4 Ethical Sourcing •No use of hazardous substances •Responsible mineral sourcing
Table 2: Activity indicators					
Product Lifecycle Management	TC-HW-000.A	Number of units produced by product category as a percentage of revenue	Quantitative	quantity	3.1 Financial Performance • Production capacity, output, and output value by product category (Production output is for reference only, as product mix affects output)
	TC-HW-000.B	Area of production facilities	Quantitative	m ²	Not revealing
	TC-HW-000.C	Percentage of production from own facilities	Quantitative	Percentage (%)	Not revealing

Power Electronic Equipment and Components Industry: Sustainability Themes and Accounting Indicators, and ESG Chapter Comparison Table

Unveiling the Theme	Indicator code	accounting indicators	character	Units of measurement	Summary
Energy Management	RT-EE-130a.1	(1) Total energy consumption	Quantification	joule	9,651.4885 GJ
		(2) Proportion of grid electricity	Quantification	%	100%
		(3) Proportion of renewable energy	Quantification	%	Our company does not use renewable energy
Hazardous waste management	RT-EE-150a.1	Amount of hazardous waste generated	Quantification	mt	-
		Hazardous waste recycling rate	Quantification	%	-
	RT-EE-150a.2	Number of reportable leaks	Quantification	time	none
		Reportable spills	Quantification	Kg	none
		Reportable recovery amount	Quantification	Kg	none
Product Safety	RT-EE-250a.1	Number of recalls	Quantification	time	0 time
		Number of recalled products	Quantification	piece	0TWD
	RT-EE-250a.2	Total financial losses resulting from product safety-related legal proceedings	Quantification	TWD	0 yuan
Product Lifecycle Management	RT-EE-410a.1	Percentage of revenue from products containing declarable substances according to IEC62474	Quantification	%	none
	RT-EE-410a.2	Revenue share of qualified products that meet energy efficiency certification	Quantification	N/A	none
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Quantification	TWD	-
Raw material traceability	RT-EE-440a.1	Description of the risk management mechanism related to the use of key raw materials	Discussion/Analysis		4.1 Industry Analysis

Business Ethics	RT-EE-510a.1	Description of policies or practices to prevent corruption or bribery	Discussion/Analysis		2.3 Integrity Management
		Description of policies or actions to prevent anti-competitive behavior	Discussion/Analysis		2.3 Integrity Management
	RT-EE-510a.2	Total financial losses resulting from bribery or corruption-related legal proceedings	Quantification	TWD	0 yuan
	RT-EE-510a.3	Total financial losses resulting from legal proceedings related to anti-competitive behavior regulations	Quantification	TWD	0 yuan

Activity indicators

Indicator code	Activity indicators	character	Disclosure of data
RT-EE-000.A	Production quantity of each type of product	Quantification	3.1 Financial Performance
RT-EE-000.B	Number of employees	Quantification	6.2 Cultivating Talents and Remuneration Benefits

Appendix 3 Sustainability Disclosure Indicators - Electronic Components Industry

No.	Index	Indicator Type	Annual Disclosure	Unit	Remark
一	Total energy consumption, percentage of purchased electricity, and renewable energy usage	Quantification	Total energy consumption: 9,651.4885 GJ Purchased electricity: 100% Renewable energy usage: 0%	Gigajoule (GJ), percentage (%)	
二	Total water intake and total water consumption	Quantification	Total water intake: 8,948,000 cubic meters Total water consumption: 0,578,000 cubic meters	Thousand cubic meters (1,000m3)	
三	The weight of hazardous waste generated and the percentage of recycling	Quantification	Weight: 1.12 metric tons; Recycling percentage: 65.18%	Tonnes (t), percentage (%)	
四	Types, number and ratios of occupational hazards	Quantification	For details, see Occupational Accident Statistics, page 98 of this report.	Quantity, ratio (%)	
五	Disclosure of product life cycle management: including the weight of end-of-life products and electronic waste and the percentage of recycling (Note 1)	Quantification	not applicable	Tonnes (t), percentage (%)	
六	Description of risk management associated with the use of critical materials	Qualitative description	See 4.2 Industrial Supply Chain for details		
七	Total monetary losses resulting from legal actions related to anti-competitive conduct regulations	Quantification	0 yuan	Reporting currency	
八	Output of major products by product category	Quantification	Not revealing		

Note 1: If the waste is sold or recycled, relevant instructions should be provided. °

Appendix 4 Climate-related Information Disclosure

Project	Implementation
1. Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	The Company has assessed the risks associated with climate change and proposed response plans in the 11th meeting of the 7th Board of Directors on November 9, 2012; and conducted emergency response tests in response to risk events caused by climate change in the 6th meeting of the 8th Board of Directors on November 6, 2024.
2. Describe how the identified climate risks and opportunities will affect the company's business, strategy and finances (short-term, medium-term and long-term).	The ESG Implementation Committee, in accordance with the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) developed by the Financial Stability Board, identifies climate risk themes and uses weightings based on the intensity of financial or strategic impact and the likelihood of occurrence to determine the magnitude of risk. This ranking of risk themes is then used to establish short-, medium-, and long-term targets for the Company's governance, strategy, risk management, and indicators. These targets are defined as short-term (less than three years), medium-term (three to six years), and long-term (more than five years). Measures are formulated to mitigate the impact of these financial shocks. For details, please refer to P.35 of the Company's 2024 Annual Report.
3. Describe the financial impact of extreme climate events and transition actions.	Disasters caused by extreme climate events, such as windstorms, floods and droughts, may result in direct property losses, losses from operational interruptions, equipment maintenance costs, increased utility bills, and increased capital expenditures or costs required for transformation actions, all of which will have a financial impact.
4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has established a "Risk Management Policy and Procedure" and conducts risk management for uncertainties that may threaten the company's operations, including risk assessments of climate change. (1) Risk Identification: Annually summarize climate risks and opportunities that affect the Company's operations and businesses. (2) Risk Assessment: Evaluate the impact of each climate risk and opportunity, use the impact on the department's business development strategy and financial planning as a basis for determining the degree of financial impact, and conduct risk analysis considering the likelihood of risks and opportunities. (3) Risk Management: After identifying major climate risks and opportunities, the relevant departments will formulate control measures for individual projects to

	reduce the likelihood of risk occurrence and the degree of impact on the Company. The types of response strategies adopted by the Company include: A. Risk Avoidance: Stop engaging in activities that generate risks; B. Risk Reduction: Reduce the likelihood of risk occurrence and the impact; C. Risk Transfer: Transfer the losses when the risk occurs; D. Risk Acceptance: Accept the losses when the risk occurs. (4) Risk Monitoring: The ESG team will summarize the risk identification content, major risks and opportunities identified in the risk assessment, and the response strategies formulated for risk management. Based on these, the team will formulate the company's overall climate risk and opportunity policies, monitoring indicators and targets, and submit them to the board of directors.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors and main financial impacts used should be explained.	The Company conducts risk and opportunity analyses of policies, regulations, market and technological changes, goodwill and material risks that may arise under different scenarios, including relevant parameters, assumptions and analytical factors, as well as the main financial impacts.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	To achieve net-zero emissions, the company has formulated a low-carbon transformation plan, which will target direct emissions from operations (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3). Implementation includes: 1. Continuous and proactive voluntary carbon reduction: Improving energy productivity and efficiency to minimize carbon emissions during the manufacturing and product use phases. 2. Adoption of renewable energy: Increasing the proportion of renewable energy used and gradually expanding this throughout the supply chain. 3. Investing in net-zero technologies: Investing in net-zero emission technologies and participating in carbon offset projects to offset unavoidable emissions or emissions that remain technologically limited. The company uses 2023 as the base year. Please refer to Section 9 for the indicators and targets used to identify greenhouse gas emissions.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price	The Company uses shadow carbon pricing as a carbon pricing mechanism to assess the financial impact of carbon emissions from major investments and

should be explained.	incorporate carbon pricing into investment decisions. This pricing is based on Article 56 of the Climate Change Response Act, which stipulates that "a fine of three times the carbon market price shall be imposed for each metric ton of excess carbon emissions, capped at NT\$1,500 per metric ton."
8. If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planning period, and annual progress towards achieving them should be disclosed. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon reduction credits or the number of RECs used should be disclosed.	The Company will disclose its 2025 greenhouse gas inventory data in 2026, as required by the Financial Supervisory Commission. Currently, there are no plans to use carbon offsets or renewable energy certificates (RECs). The Company has established climate-related targets, greenhouse gas emission targets, a planned timeline, and annual progress toward achieving these targets. Please refer to Section 9.1-2 below for details.
9. Greenhouse gas inventory and confirmed status, reduction targets, strategies, and specific action plans (to be filled in on pages 1-1 and 1-2)	The Company has conducted its own greenhouse gas inventory. Please refer to 1-1-1 for the relevant inventory data. Furthermore, in accordance with the requirements of the Financial Supervisory Commission, the Company will disclose the 2025 individual company greenhouse gas inventory data in 2026 and the consolidated company inventory data in 2028. The individual company inventory data and confirmed results will be disclosed in 2027, and the consolidated company inventory data and confirmed results will be disclosed in 2029.

1-1 Greenhouse gas inventory and confirmation status of the company in the last two years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e/million dollars) and data coverage for the most recent two years.

parent company		Total emissions (metric tons CO2e)	Intensity (metric tons	Confirmed institutions	Statement of Confident Circumstances
2023	Category 1	6,835.7385	5.0695	Unsure	
	Category 2	1,473.2285			
2024	Category 1	3,699.5675	3.1377	Unsure	
	Category 2	1,248.6601			

Note 1: Scope 1 direct emissions refer to emissions directly from sources owned or controlled by the company; Scope 2 energy-indirect emissions refer to indirect greenhouse gas emissions from imported electricity, heat, or steam; and Scope 3 indirect emissions refer to emissions generated by the company's activities that are not energy-indirect emissions but rather from sources owned or controlled by other companies.

Note 2: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 3: GHG emissions intensity may be calculated per unit of product, service, or sales revenue; however, at least the data calculated in terms of sales revenue (in millions of New Taiwan dollars) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

A description of the assurance status in the most recent two years, including the scope of assurance, assurance organization, assurance criteria and assurance opinions.

Year	Confidence Range	Confirmed institutions	Criteria Assurance	of Convinced opinion
2023	Unsure			
2024	Unsure			

Note 1: The confirming institution complies with the relevant regulations on perpetual report confirming institutions stipulated by the Taiwan Stock Exchange Corporation and the GreTai Securities Market of the Republic of China.

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

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and the achievement of the reduction targets. The Company's greenhouse gas reduction base year is 2023, with Scope 1 and Scope 2 emissions of 6,835.74 tons CO2e and 1,471.89 tons CO2e, respectively. Greenhouse gas inventories will be conducted annually thereafter to track emission reduction results and disclose them publicly. The Company will obtain an ISO 14064-1 greenhouse gas verification statement starting in 2025. In order to fulfill its corporate social responsibility and reduce operating costs and risks, the Company has set clear and achievable goals based on the methods and principles of the internationally recognized Science Based Targets Initiative (SBTi), as follows:

Strategy

- (1) Starting in 2025, introduce the international standard ISO 14064-1 for organizational greenhouse gas inventories, and conduct third-party verification of the inventory results to ensure data quality.
- (2) Continuously optimize the inventory methods and coverage.
- (3) In 2024, a 996.45KW solar photovoltaic facility will be completed on the roof of Guanyin Plant 3, with a construction cost of approximately NT\$34.5 million. In 2024, approximately 465,000 kWh of electricity was generated.
- (4) Set carbon reduction targets for categories three to six (Scope 3) and gradually increase carbon reduction measures.

Specific action plan:

- (1) Energy conservation and energy efficiency improvement:
 - Goal: Reduce carbon emissions from purchased energy in Scope 2 by 10-15% by 2030
 - Plan: Regularly maintain and update various cooling systems (including chilled water systems and computer room air conditioners); continue to promote energy-saving measures in the office environment, and replace or update energy-saving lighting, air conditioners, and electrical appliances.

(2) SF6 Reduction and Recycling

Goal: By 2030, the SF6 recycling or destruction target is to reduce carbon emissions by 5-10%

Plan: Install SF6 recovery equipment or combustion-type destruction and removal equipment

(3) Optimize Traffic and Transportation

Goal: By 2030, reduce fuel consumption of official vehicles in Category 1 by 3-5%; and carbon emissions in Category 3 by 5-10%

Plan: A. When official vehicles expire, more environmentally friendly and fuel-efficient vehicles will be selected, including hybrid vehicles or electric vehicles

B. Encourage employees to use public transportation, bicycles, walking, electric scooters and other energy-saving methods.

C. Promote remote work measures in a timely and appropriate manner to reduce carbon emissions generated by employees' commuting or business trips.

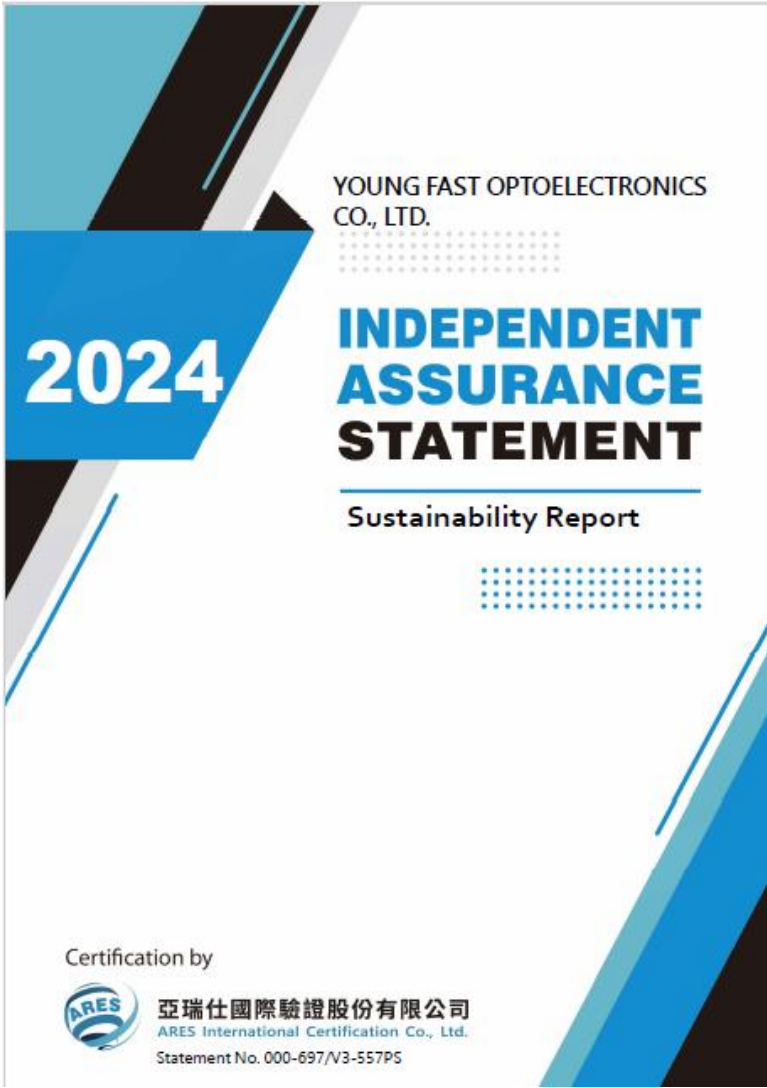
(4) Procurement of Green Energy

Goal: By 2030, ensure that at least 1-3% of the company's electricity comes from green energy

Plan: A. Convert the rooftop solar power generation of Guanyin Plant No. 3 to a self-generated and self-used surplus wholesale method in a timely manner.

B. Build a solar roof at the Vietnam plant.

Appendix 5: Independent Third-Party Verification Statement



亞瑞仕國際驗證股份有限公司 ARES International Certification Co., Ltd.	
Independent Assurance Statement	
Statement No. 000-697/V3-557P5	
<u>This Independent Assurance Statement by ARES Certification Co., Ltd. on YOUNG FAST OPTOELECTRONICS CO., LTD. ESG Sustainability Report of 2024.</u>	
ARES International Certification Co., Ltd. and YOUNG FAST OPTOELECTRONICS CO., LTD. are mutually independent organizations. In addition to the assessment and verification of 2024 ESG Sustainability report, ARES International has no financial relationship with YOUNG FAST OPTOELECTRONICS CO., LTD. The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the YOUNG FAST OPTOELECTRONICS CO., LTD.'s ESG Sustainability Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, ARES International is not responsible or liable for any legal or other responsibility. This Statement is based on the conclusions made from the verification of the relevant information provided ARES International by YOUNG FAST OPTOELECTRONICS CO., LTD. Therefore, the scope of the verification is based on and confined to the content of these provided information, and ARES International shall consider that the contents of the information are complete and accurate. All concerning and questions about the contents or the relevant issues contained in this statement shall be answered by the YOUNG FAST OPTOELECTRONICS CO., LTD.	
<u>The Scope of Assurance</u>	
The agreed scope of assurance by YOUNG FAST OPTOELECTRONICS CO., LTD. and ARES International includes the following: - The contents of the entire ESG Sustainability Report and all operating performance of YOUNG FAST OPTOELECTRONICS CO., LTD. from January 1st, 2024 to December 31st, 2024. - According to the type 1 of application of the AA1000 Assurance Standard (v3), the assessed nature and degree of the YOUNG FAST OPTOELECTRONICS CO., LTD.'s compliance with the AA1000 Accountability Principles (2018) but excluding the verification of the reliability of the information or data disclosed in the ESG Sustainability Report. This statement is prepared in Chinese and has an English version for reference. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.	
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ARES INTERNATIONAL's Opinion

We summarize the contents of YOUNG FAST OPTOELECTRONICS CO., LTD.'s ESG Sustainability Report and provide a fair opinion of YOUNG FAST OPTOELECTRONICS CO., LTD.'s relevant operations and performance. We believe that the indices such as economic, social and environmental performance of 2024 are presented correctly. The performance indices disclosed in the report demonstrate YOUNG FAST OPTOELECTRONICS CO., LTD.'s efforts to identify and meet stakeholder expectations. Our verification activities are implemented by a team with the capacity for verifying in accordance with AA1000 Assurance Standard (v3), as well as planning and implemented this part of the activities to obtain the necessary information and data. We believe there are sufficient evidences provided by YOUNG FAST OPTOELECTRONICS CO., LTD. to show that its reporting method according to the AA1000 Assurance Standard (v3) and their self-statement are in line with the GRI standards.

Verification Method

- In order to collect evidences related to conclusions, we implemented the following tasks:
- Implement the high-level management review for topics from external groups related to ESG Sustainability policy to confirm the appropriateness of the report in this statement.
 - Discussions about stakeholder's engagement with the managers of YOUNG FAST OPTOELECTRONICS CO., LTD., however, we have no direct contact with external stakeholders.
 - Interviews with employees related to ESG Sustainability management, report preparation and information provision.
 - Review the critical developments related to organizations.
 - Review the scope and maturity of systems related to financial and non-financial reports.
 - Review the supporting evidences declared in the report, and the process management described in the report and its associated AA1000 Accountability Principles (2018) on the principles of inclusivity, materiality, responsiveness and impact.

Conclusion

The detailed review results of the AA1000 Accountability Principles and the core disclosures of the Global Reporting Initiative (GRI) standard, Sustainability Accounting Standards Board (SASB) standard, and Task force on Climate-related Financial Disclosures (TCFD) for inclusivity, materiality, responsiveness and impact are as follows:

- **The inclusivity**
This report reflects that YOUNG FAST OPTOELECTRONICS CO., LTD. engages with its stakeholder through a variety of channels, such as internal and external communication mechanisms and the activities of stakeholders. This report covers topics of concern in stakeholders associated with YOUNG FAST OPTOELECTRONICS CO., LTD., fairly reports, and discloses economic, social, and environmental information. In our professional opinions, this report covers YOUNG FAST OPTOELECTRONICS CO., LTD.'s inclusivity issues.
- **The materiality**
YOUNG FAST OPTOELECTRONICS CO., LTD. publishes the information related to ESG Sustainability to enable stakeholders to judge the YOUNG FAST OPTOELECTRONICS CO., LTD.'s management and performance. In our professional opinions, this report appropriately covers the material issues of YOUNG FAST OPTOELECTRONICS CO., LTD.
- **Responsiveness**
YOUNG FAST OPTOELECTRONICS CO., LTD. responds to requests and opinions from stakeholders. The implementation methods include customer satisfaction surveys and communication mechanisms for numerous internal and external stakeholders. In our professional opinions, this report covers YOUNG FAST OPTOELECTRONICS CO., LTD.'s responsiveness topics.
- **Impact**
YOUNG FAST OPTOELECTRONICS CO., LTD. developed and implemented processes to monitor, measure and account for how their actions affect the wider ecosystem, echoing all the aspects of this report demonstrated by their own management systems and capabilities issue content, and provide the comprehensive and balanced disclosure, such as the declaration of energy projects and carbon footprint verification. In our professional opinions, this report covers YOUNG FAST OPTOELECTRONICS CO., LTD.'s impact topic.

GRI Standards

YOUNG FAST OPTOELECTRONICS CO., LTD. provides declaration of compliance with the GRI Standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to GRI Standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of YOUNG FAST OPTOELECTRONICS CO., LTD.

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ARES International Certification Co., Ltd.

SASB and TCFD standards

YOUNG FAST OPTOELECTRONICS CO., LTD. provides declaration of compliance with the SASB and TCFD standards. Based on the results of the review, we confirmed that the relevant ESG Sustainability indicators referred to SASB and TCFD standards in the report have been completely disclosed, partially disclosed or omitted. In our professional opinions, this declaration covers the Sustainability topics of YOUNG FAST OPTOELECTRONICS CO., LTD.

Assurance Level

According to the AA1000 Assurance Standard (v3), we verify this statement as a medium level of assurance, as in the scope and method described in this statement.

Responsibility

The responsibility of this ESG Sustainability report, as stated in this statement, is owned by the person in charge of YOUNG FAST OPTOELECTRONICS CO., LTD. The responsibility of ARES International is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

ARES International is composed of experts in a various field of management systems. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards such as AA1000AS, AA1000AP, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001 and ISO 9001. This independent assurance statement is based on the ARES International's fair trading guidelines.

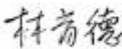
On behalf of the assurance team

July 17, 2025

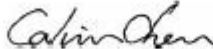
ARES International Certification Co., Ltd. (ARES Certification Group)

Taiwan, Republic of China

Signed by



Lead Verifier



C.E.O
Calvin Chen



AA1000

Licensed Report

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