



**Sustainability
Report
2025**



Your Journey, Our Vision

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Disclaimer

This report covers the scope of the former BHTC Group, which consisted of the BHTC GmbH and its subsidiaries. Following the acquisition of the BHTC Group by AUO Corporation, the entity was renamed **AUO Mobility Solutions Germany GmbH** in October 2025 and integrated into AUO Mobility Solutions Corporation. For the sake of simplicity, it will be referred to as AUO Mobility Solutions throughout this report.



Sustainability is no longer just a strategic priority — it is a shared responsibility that guides how we shape the future of our company and contribute to a more resilient mobility ecosystem. As AUO Mobility Solutions Germany GmbH we continue to recognize the influence our actions, innovations, and decisions have on the environment, society, and the communities around us.

This past year was marked by meaningful transformation. With our renaming to AUO Mobility Solutions, we have taken an important step in aligning more closely with the broader AUO family. This integration provides us with a strong foundation for collaboration, learning, and long-term development, allowing us to advance our sustainability ambitions with even greater focus — while continuing to shape our own identity within the global organization.

Becoming part of this ecosystem is more than an organizational milestone; it is a powerful opportunity. AUO's longstanding commitment to climate transparency, data driven carbon management, and innovative environmental

strategies provides us with invaluable expertise as we strengthen our own sustainability roadmap. The acquisition enables a deeper exchange of knowledge, technologies, and best practices — advancing our capabilities and bringing us closer to our long-term sustainability goals.

A central milestone of the year was the establishment of our AUO Mobility Solutions Corporation ESG Committee, a cross functional body that now oversees sustainability topics across all our sites. The committee plays a vital role in harmonizing ESG activities, introducing new performance indicators, strengthening governance structures, and ensuring that sustainability is embedded in everyday decision-making. This marks a significant step toward a more unified and strategic approach to ESG across the entire company.

At the same time, we clearly see that customer expectations regarding ESG are rising. More and more of our partners and automotive customers require detailed sustainability data, ambitious climate strategies, and transparent governance

practices. This shift is reshaping how we collaborate, develop products, and define long-term business objectives. It reinforces what we have long understood: sustainability is now an integral part of competitiveness, innovation, and market trust.

As we look ahead, we invite our employees, partners, and stakeholders to continue shaping this journey with us. Sustainability is — and will remain — a collective endeavor. By working together, we can create lasting value and drive positive impact for the years to come.



Simon Hsu
President of
AUO Mobility Solutions

ESRS 2 – General Information

BP-1 – Basis for preparation

This sustainability statement provides a comprehensive overview of the material sustainability topics of the AUO Mobility Solutions Germany GmbH for the financial year 2025. It covers the time period January 1 to December 31, 2025.

The statement was prepared on a voluntary basis in accordance with the requirements of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive, CSRD) and the European Sustainability Reporting Standards (ESRS) in the revised version November Draft 2025. It is published in PDF format on the company's website.

The sustainability statement was subject to a voluntary review by PricewaterhouseCoopers GmbH (PwC). The statement was prepared on a consolidated basis for AUO Mobility Solutions. However, if data relate exclusively to the production sites, this is explicitly stated in the relevant sections. The sustainability statement generally covers the value chain to the following extent: upstream and downstream activities as well as AUO Mobility Solutions own operations. However, it does not include all possible activities or actors in the value chain, but only those for which material information is available. In particular, there is currently limited transparency in the multi-tiered upstream supply chain due to undue cost or efforts.

This statement represents AUO Mobility Solutions first sustainability report in accordance with the ESRS. The statement contains forward-looking statements based on estimates available at the time of preparation. These statements are subject to uncertainties beyond the company's control. Should the underlying assumptions prove incorrect or the described risks or opportunities materialize, actual results may differ significantly from those expressed in these statements.

BP-2 – Specific information if the undertaking uses phasing-in options

Although AUO Mobility Solutions qualifies as a 'Wave two' undertaking under the definition, the transition provisions pursuant to paragraph 125b and 125c of ESRS 1 have been applied. Accordingly, no quantitative information on the expected financial effects has been disclosed. This includes not providing any information regarding disclosure requirement ESRS E1-11.

GOV-1 – The role of the administrative, management and supervisory bodies in relation to sustainability

Administrative, management, and supervisory bodies

During the reporting year, the company has two governing bodies: the Managing Director and the Shareholders' Committee, which is specifically responsible for overseeing, advising, and supporting the Managing Director. The Shareholder Committee of the AUO Mobility Solutions consists of a total of five members, including two executive and three non-executive members. On December 5, 2025, the Shareholder Committee was dissolved and consists exclusively of the Managing Director of AUO Mobility Solutions. There are no independent board members. Employee representation is not foreseen within these bodies.

As of the reporting date, the administrative, management, and supervisory bodies consist of 0% female members. To ensure appropriate skills and expertise for overseeing sustainability-related matters, AUO Mobility Solutions supports its administrative, management, and

supervisory bodies through regular Environmental, Social and Governance (ESG) specific online training programs. In addition, AUO Mobility Solutions parent company, AUO Corporation, has a Chief Sustainability Officer (CSO) who is actively involved in sustainability matters and provides support in this area.

Sustainability is embedded as a company-wide responsibility at AUO Mobility Solutions. The responsibility for steering and overseeing the sustainability strategy lies with the administrative, management, and supervisory bodies. The sustainability strategy is regularly monitored and approved by the management team.

ESG Structure and responsibilities

As part of the integration into the AUO Group, a central Sustainability Department was established on July 1st, 2025. The department consists of a Sustainability Manager and two Sustainability Specialists. The Sustainability Department is responsible for the development, coordination, and monitoring of all ESG activities within the company, including the definition of the sustainability strategy, ESG data management, sustainability reporting, emissions calculation and responding to ESG-related customer inquiries.

As illustrated in Figure 1, the team works closely with representatives from operational areas such as R&D, Purchasing, and Environment, Health & Safety. Additionally, there is regular communication with representatives from the individual production sites. The Sustainability Department reports directly to the President of AUO Mobility Solutions and to the CSO of the AUO Group.



Figure 1: Overview of the ESG structure within the company.

ESG Committee and strategic governance

To ensure effective strategic ESG governance, a company-wide ESG Committee was established, meeting on a quarterly basis. The committee is chaired by the President of AUO Mobility Solutions with advisory support provided by the CSO of AUO. The Sustainability Manager is in charge of organizing and coordinating the committee. Operational representation is ensured through the participation of top managers from key departments such as Sales, Research & Development, Supply Chain Management, Manufacturing, Human Resources and Quality / Risk Management. Additional participants may be invited as needed.

The ESG Committee serves as a platform for company-wide ESG process management, strategic alignment, and definition and monitoring of ESG KPIs. In the ESG Committee, material impacts, risks, and opportunities (IROs) are monitored, tracked, and their transfer into other areas, such as risk management, is managed. It enables the evaluation and adjustment of strategic measures and objectives in dynamic contexts, ensuring that material IROs are effectively managed. An overview of all actors involved in the ESG Committee and their respective responsibilities in relation to ESG topics is presented in Figure 2.

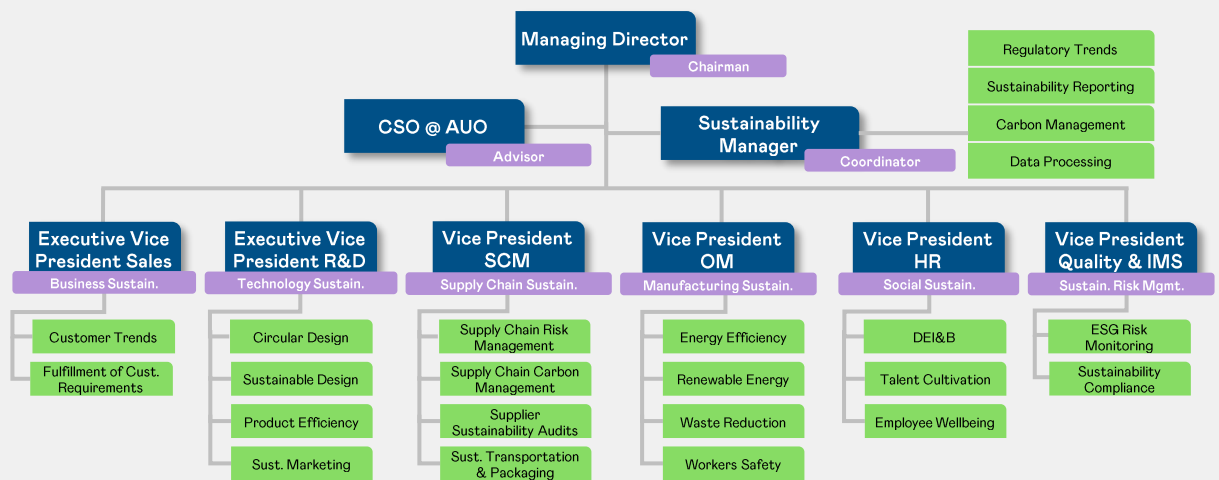


Figure 2: Overview of the AUO Mobility Solutions ESG Committee.

The KPIs defined in the ESG Committee are aligned with the global challenges and opportunities defined by the United Nations Sustainable Development Goals (SDGs) as shown in Figure 3. These goals provide a clear framework for integrating environmental, social, and economic responsibility. Sustainability is considered an integral part of AUO Mobility Solutions corporate strategy, guiding key action areas toward selected SDGs to contribute to future-oriented mobility and a sustainable society. These principles form the foundation for defining KPIs, targets, and measures.

13 CLIMATE ACTION	Climate Action AUO Mobility Solutions has the ambition to continuously reduce its overall environmental footprint.	Environment
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure AUO Mobility Solutions has the ambition to drive technological innovation and sustainable production methods to strengthen the automotive industry and promote sustainable infrastructure.	
7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy AUO Mobility Solutions has the ambition to increase the use of renewable energy sources and enhance energy efficiency across its operations to support the transition toward clean and sustainable energy.	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production AUO Mobility Solutions has the ambition to integrate sustainability into product development and strives for resource-efficient value creation to minimize material use and environmental impact.	
5 GENDER EQUALITY	Gender Equality AUO Mobility Solutions promotes equal opportunities and diversity to create an inclusive work environment and encourage participation of all genders in technical and strategic areas.	Social
3 GOOD HEALTH AND WELL-BEING	Good Health and Well-being Promoting health and safety at work is a core element of AUO Mobility Solutions strategy to safeguard employee well-being.	
4 QUALITY EDUCATION	Quality Education AUO Mobility Solutions emphasizes continuous learning and skill development to ensure knowledge transfer and lifelong learning within the organization.	



Partnerships for the Goals

AUO Mobility Solutions fosters global collaboration and knowledge exchange to support sustainable development and create synergies across the value chain.



Decent Work and Economic Growth

AUO Mobility Solutions fosters fair employment practices, safe working conditions, and equal opportunities while contributing to sustainable economic growth through responsible and innovative business operations.

Governance

Figure 3: Alignment with the United Nations Sustainable Development Goals (SDGs).

Additionally, a regular exchange takes place between the Sustainability Manager of AUO Mobility Solutions and the CSO of AUO to facilitate overarching information sharing between the ESG teams. The alignment of ESG targets with corporate management is supported by regular exchange with the AUO CSO and by involving functional departments in the development of ESG KPIs. ESG goals and metrics are embedded within the respective departments and feed into strategic planning.

This ESG governance structure ensures that the relevant skills and expertise are in place to oversee the sustainability strategy. Responsibilities are clearly defined and anchored in the respective roles and committees.

GOV-2 – Integration of sustainability-related performance in incentive schemes

Currently, no incentive systems linked to sustainability topics are offered to members of the administrative, management, and supervisory bodies.

GOV-3 – Statement on due diligence

The following Table 1 shows where information about the due diligence obligations can be found in this sustainability statement.

Core elements of due diligence	Disclosure requirements
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1, GOV-2, ESRS 2 SBM-3 and related section in the topical standard S1, S2 and G1
Engaging with affected stakeholders	ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 GDR-P, S1-2
Identification and assessment of negative impacts on people and the environment	ESRS 2 IRO-1, ESRS 2 IRO-2
Taking action to address negative impacts on people and the environment	ESRS 2 GDR-A and related section in the topical standard E1, E5, S1, S2, G1
Tracking the effectiveness of these efforts	ESRS 2 GDR-M, ESRS 2 GDR-T and related section in the topical standard E1, E5, S1, S2, G1

Table 1: Overview about due diligence obligations.

GOV-4 – Risk management and internal controls over sustainability reporting

The sustainability reporting process at AUO Mobility Solutions is centrally coordinated by the Sustainability Department, overseen by the Sustainability Manager. The Sustainability Department works closely with experts from operational and administrative units at each site, who support the provision and validation of all relevant sustainability information.

Internal controls and data collection processes

Environmental data collection is conducted in a structured and standardized manner, coordinated by the central Sustainability Department. These data sets are stored together with supporting evidence in a structured, cloud-based system, which is maintained and monitored by the Sustainability Department.

To further enhance data quality, traceability, and efficiency, a centralized software system for data collection is currently developed. This system will support not only energy-related data but also a broader range of sustainability indicators.

In the social domain, the HR department is directly involved and provides relevant metrics through internal HR systems or through coordination with HR personnel across various locations.

Information related to governance topics is sourced directly from the respective functional departments. The Sustainability Department coordinates these enquiries to ensure completeness and consistency of all required quantitative and qualitative information.

Quality assurance and approval processes

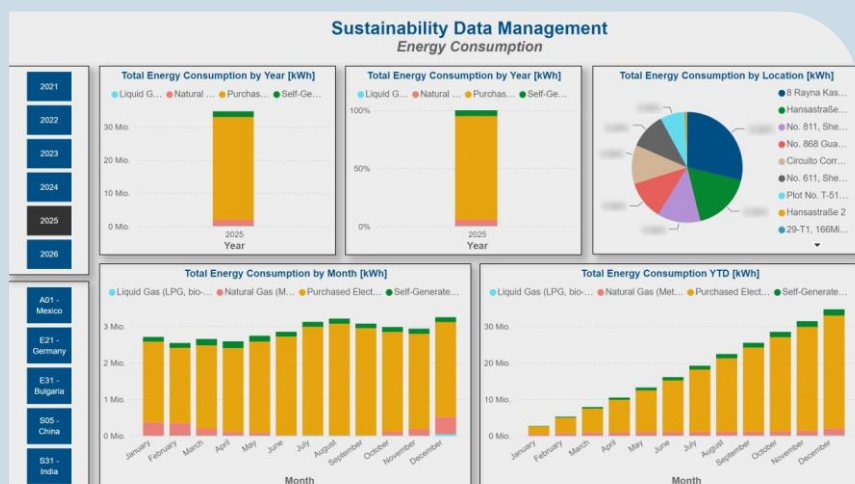
To ensure the accuracy and reliability of estimates in sustainability reporting, the company applies established methods and scientific principles.



Good to know

→ New Sustainability Data Management system

With the new Sustainability Data Management (SDM) system, energy data from all sites will be accessible via an online dashboard and analyzed by KPIs.



Wherever possible, estimates are based on recognized standards, validated calculation methodologies, and external reference data, such as standardized emission factors from reputable databases.

In cases where primary data is not available, estimates are made based on the best available information and appropriate assumptions, which are regularly validated and documented.

All required sustainability data are consolidated by the Sustainability Department. The introduction or revision of sustainability-related KPIs, reporting strategies or methodological approaches must be presented to the ESG Committee and formally approved.

The sustainability report is subject to a final review and approval by the President.

Risk identification and management in the reporting process

Risks associated with the sustainability reporting process are identified through a continuous informal dialogue and a monthly meeting between the Sustainability Department and the relevant functional departments. Once identified, risks are promptly assessed and addressed through appropriate action plans to ensure the accuracy, completeness, and reliability of the reported information. These processes collectively form AUO Mobility Solutions internal control and risk management system for sustainability reporting, ensuring the completeness, integrity, and accuracy of all sustainability related disclosures in alignment with ESRS requirements.

SBM-1 – Strategy, business model, and value chain

AUO Mobility Solutions is a global leader in climate control systems and a specialist in advanced Human-Machine Interface (HMI) system solutions, serving as a Tier-1 supplier to the automotive industry. The customers of AUO Mobility Solutions are located worldwide, with a primary presence in Europe, Asia – particularly in China, India, and Japan – and North America, mainly in the United States and Mexico.

AUO Mobility Solutions is an internationally positioned company with locations in nine countries. The production sites of AUO Mobility Solutions are in Germany, Mexico, Bulgaria, India and China. Further offices and development sites are located in the United States, Finland, Taiwan R.O.C., and Japan as shown in Figure 4.



Worldwide Presences – Global Reach, Local Touch

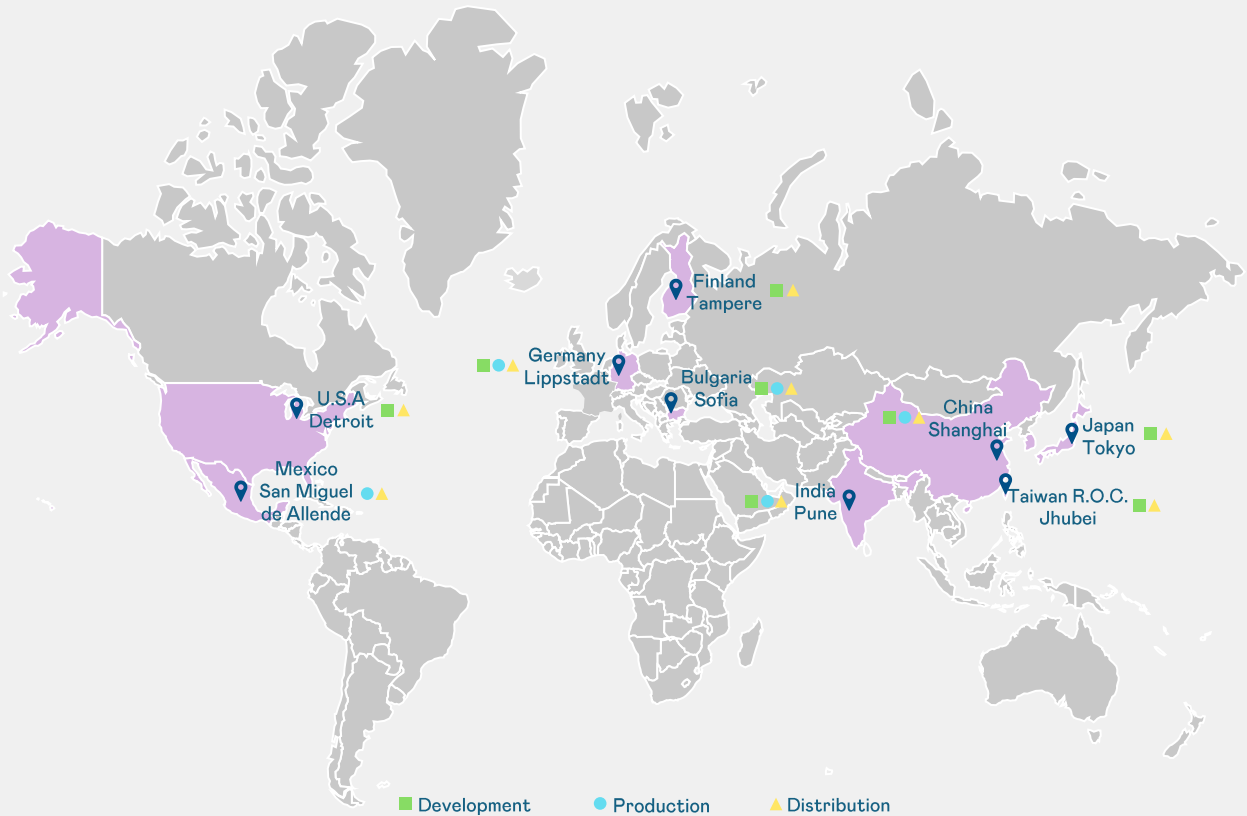


Figure 4: AUO Mobility Solutions Global Locations.

Corporate strategy and business model

As experts in automotive climate control and display/operating systems, AUO Mobility Solutions makes an important contribution to providing a relaxed and safe driving experience. Efficient climate regulation in AUO Mobility Solutions control units ensures optimal comfort, regardless of external conditions or driving situations.

AUO Mobility Solutions climate control applications range from single-zone systems for compact vehicles to dual-zone systems for mid-size vehicles and four-zone systems for premium and luxury vehicles. The control algorithms developed and tailored by AUO Mobility Solutions engineers ensure energy-efficient and low-noise operation of the climate system, enabling vehicle occupants to easily adjust conditions to their individual preferences. In addition, AUO Mobility Solutions innovative climate sensors comprehensively capture all environmental parameters. This guarantees a comfortable in-vehicle climate and paves the way for a safe and pleasant driving experience.

AUO Mobility Solutions engineers design and develop cutting-edge control and display systems for vehicle interiors. These include central control panels, climate and audio control units, and fully integrated center stacks. In addition to precise mechanical solutions using buttons, knobs, and rotary switches, AUO Mobility Solutions places a strong focus on multi-touch display systems. Displays are the central interface between driver and vehicle. AUO Mobility Solutions technology experts continuously explore new ideas and solutions to further enhance user experience, prioritizing comfort and safety alongside innovative technologies.

New display technologies, haptic feedback, acoustic responses, advanced materials, and other pioneering concepts are shaping the interior of the future.

Product portfolio

The product portfolio of AUO Mobility Solutions can be divided into two key categories. The first category comprises climate systems, which include climate control units and panels, climate sensors, and the corresponding software. The second category covers Display HMI systems, consisting of various types of displays that are classified by their functionality and their position within the vehicle.

Climate Control Units



Integrated Center Stacks



Display HMI



Value chain

Within the automotive value chain, AUO Mobility Solutions operates primarily in the midstream to upstream segments as shown in Figure 5. The company mainly acts as a Tier-1 supplier, providing components and systems directly to automotive OEMs. The core competencies of AUO Mobility Solutions lie in advanced engineering and design, state-of-the-art manufacturing processes, and a strong focus on quality control.

Upstream: AUO Mobility Solutions collaborates with raw material suppliers as well as Tier-3 and Tier-2 suppliers involved in the sourcing and extraction of materials, e.g. metals, oil-based products, and recycled inputs, their processing through chemical and mechanical processes, and the production of components and pre-products.

Midstream: Central activities include the design, development, and manufacturing of climate control and HMI systems.

Downstream: AUO Mobility Solutions works closely with OEMs in sales, distribution, and throughout serial and post-serial phases. Downstream value chain includes the use phase of the vehicle and extends to end-of-life activities such as dismantling, recycling, and disposal to ensure product performance, customer satisfaction, and responsible lifecycle management.

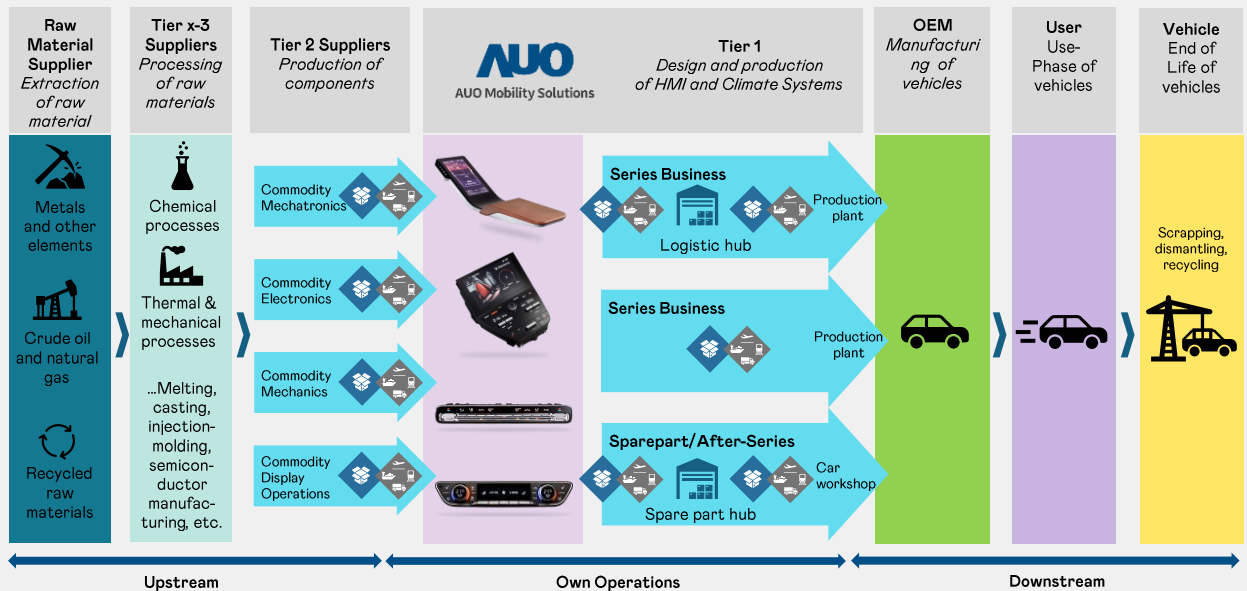


Figure 5: Position of AUO Mobility Solutions within the automotive value chain.

AUO Mobility Solutions direct purchasing volume can be broadly attributed to the key categories of plastics, metals, electronics, and displays. The procurement activities range from simple components (e.g., screws) to complex assemblies (e.g., display units or trim modules).

Products, markets, and customers in the context of sustainability goals

AUO Mobility Solutions recognizes that sustainable solutions must be embedded not only in the production processes but also in the product development activities, particularly in the selection of suitable materials. When implementing sustainability measures in products, AUO Mobility Solutions currently focus on development projects. This approach allows us to influence the entire product life cycle, while avoiding the significant validation effort and

additional costs associated with changes in serial production.

The sustainability measures within products do not differentiate between services, markets, or product categories, but vary from project to project. AUO Mobility Solutions strive to implement actions aligned with both technical feasibility and the economic requirements of its customers. A key focus of these efforts is the use of recycled materials. In one current series project for climate control panels, three of the four heaviest plastic components are already made from 100% recycled plastic, demonstrating the practical application of circular material strategies in product development.

AUO Mobility Solutions does not offer products or services that are banned in specific markets. The company operates primarily in the automotive electronics sector, focusing on climate control and HMI systems.

AUO Mobility Solutions is not active in the fossil fuel industry, chemical production, the manufacture of controversial weapons, or the cultivation and production of tobacco.

Looking ahead, AUO Mobility Solutions intends to increasingly consider alternative raw material sources, with a focus on recycled materials (both metals and plastics) and mass-balanced plastics derived from bio-based feedstocks. However, existing constraints regarding the technical properties and requirements of the automotive industry, as well as the limited market availability of alternative materials in large quantities, must still be overcome.

SBM-2 – Interests and views of stakeholders

AUO Mobility Solutions strives to address the topics most relevant to the company and its stakeholders. To identify these topics, AUO Mobility Solutions actively engages with stakeholders and takes their views and opinions into account when making decisions that affect day-to-day operations as well as when defining strategic objectives. The following Table 2 provides an overview of AUO Mobility Solutions stakeholder groups.

Affected stakeholders	Users of the sustainability statement
Own workforce	Investors
Workers in the value chain	Lenders
Suppliers	Insurers
Consumers / end users	Business partners
Customers	Trade unions
Affected communities	Social partners
Public authorities	Associations
Nature	NGOs

Table 2: Overview of AUO Mobility Solutions stakeholder groups.

Through an analysis of the influence and interests of the above-mentioned stakeholders, the most important stakeholder groups were identified. These key stakeholders – their views, interests, relationship to the business model, and linkage to the company's IROs – are described below.

Employees

Employees represent a key stakeholder group with significant influence and strong interest in the company's development. The company maintains a structured and regular dialogue through employee surveys, performance reviews, works meetings, intranet platforms, and internal communication channels.

Main topics include job security, fair compensation, work-life balance, professional development opportunities, health, and corporate culture. These topics are directly linked to the company's IROs, in particular to *Attractive working conditions for employees* (WC1), *Impairment of occupational health and safety in the workplace* (HS1), *Promotion of employee training and professional development* (T1), and *Impairment of equal opportunities for employees due to discrimination* (D1).

Feedback is systematically integrated into HR strategies – for example through development programs, ergonomic workplace design, and health initiatives. The results of these dialogues feed into the company's human resources and organizational strategy and are regularly reported to management.

Suppliers

Suppliers are essential stakeholders due to their high influence on quality and delivery reliability. Human rights considerations play a central role in supplier relationships, particularly in relation to risks within the value chain. Continuous engagement takes place through audits, project meetings, supplier evaluations, and grievance mechanisms. The dialogue reflects key IROs, including *Risk of child and forced labor due to ineffective implementation of compliance processes* (HR1), *Adverse impacts on human rights, participation right and diversity and equal treatment in the value chain* (WV1), and *Financial risks, supply disruptions, reputational damage, or increased costs due to inadequate management of social and human rights standards in the value chain* (WV2). Furthermore, Long-term relationships with suppliers and environmental and economic aspect are considered.

These topics directly influence supplier selection, sourcing decisions, and the design of supplier management processes, particularly with regard to risk mitigation, compliance requirements, and long-term supplier relationships.

Customers

Customers have both a high level of interest and influence on the company's business strategy. Interaction occurs through project meetings, customer portals, audits, trade fairs, and personal visits. Key topics include product quality, reliability, innovation, and sustainability. These are closely linked to relevant IROs, particularly *Inability to meet increasing customer ESG requirements along the value chain* (RS1), and *Improved marketability and customer attractiveness through the use of secondary materials in packaging and products* (RO1). In addition, *Dependence on customer and country-level energy transition and potential* (CP4) are considered.

Customer requirements have a direct impact on product development, quality management, and long-term investment decisions. Customer satisfaction and loyalty are key indicators for strategic management.

Public authorities

Public authorities are key stakeholders due to their high influence and interest in lawful and transparent business conduct. These include local authorities as well as higher-level legis-

lators, such as the EU, which impose binding rules and requirements on AUO Mobility Solutions. AUO Mobility Solutions aims to implement these requirements in a proper and timely manner. Engagement takes place through direct interactions at the local level and through legislative and regulatory frameworks at the EU level. Legal compliance is ensured through structured compliance processes, including legal registers and external legal support. Relevant topics include compliance with environmental, labour, and occupational safety regulations, as well as the protection of intellectual property. Management is involved in this dialogue to ensure that regulatory requirements are integrated into corporate strategy.

From a regulatory perspective, the dialogue is linked to several IROs, including *Contribution to climate change through the company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions* (CP1) and *High costs resulting from carbon pricing mechanisms* (CP3). In addition, governance-related IROs such as *Incidents of compliance violations including corruption, bribery, or fraud* (CC1) and *Financial penalties resulting from compliance violations* (CC2) are relevant.

Investors

AUO Mobility Solutions main investor is the AUO Group, which has a long-standing sustainability strategy and a strong interest in the sustainability performance of its subsidiaries. As part of this, AUO requires AUO Mobility Solutions to comply with relevant regulatory and reporting requirements. Regular communication ensures that AUO Mobility Solutions meets these expectations, while aligning its operations and strategic planning with the investor's sustainability objectives. Key topics include sustainability performance, regulatory compliance, and integration into the broader corporate strategy.

Integration into the materiality analysis

The materiality assessment was conducted as a participatory process involving internal experts representing key stakeholder perspectives. Relevant departments, including HR for employees, SCM for suppliers, Sales for customers, and Executive Management for investors and public authorities, contributed their expertise and validated the results. This ensured that stakeholder interests were systematically integrated into the analysis and aligned with the company's strategic direction.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported

Stakeholder engagement and preliminary analyses

Additionally to the stakeholder analysis the following preliminary analyses were carried out:

- Context analysis (scope of consolidation, sustainability organization, value chain)
- Document analysis (mapping of internal documents to ESRS topics)
- Media analysis (review of external perceptions)
- LEAP analysis for environmental aspects (based on TNFD methodology)
- Consideration of internal and external data sources

The Double Materiality Assessment (DMA) conducted in the reporting year builds on a comprehensive bottom-up double materiality assessment carried out in the previous year.

The updated DMA 2025 was carried out applying a top-down approach starting from the company's strategy, business model, activities, geographies and value chain. All ten sustainability topics were analyzed down to the most detailed defined level (sub-topic-level, or self-generated level of detail). The assessment covered the entire value chain, including upstream and downstream activities. No geographical areas or business activities were excluded. As a starting point, the IROs identified in the previous materiality assessment were reviewed. Based on developments during the reporting period and the latest available internal and external information, the Sustainability Department prepared update proposals for selected IROs, sustainability topics and sub-topics for discussion.

In a dedicated workshop, an interdisciplinary group of experts from Human Resources, Environment, Health and Safety, Research and Development, Supply Chain Management, Operations, and the Sustainability Department jointly identified by a structured procedure the relevant IROs by a impact materiality and a financial materiality view. The workshop was facilitated by the Sustainability Department. Each topic, sub-topic and related IRO was reviewed individually. The update proposals prepared by the Sustainability Department were discussed by the responsible experts, and revised IRO descriptions and assessments were agreed where considered appropriate. Updates to sustainability topics and sub-topics were derived from the revised IRO assessment. Where material impacts differed between locations, assessments were considered at site level before being consolidated at Group level. After the workshop, the results were shared with all participants for final review, allowing additional feedback and refinements before approval.

Impacts were qualitatively assessed using the ESRS severity criteria scale, scope, and irremediability, with the ESRS allowing aggregated, qualitative evaluation under a top-down approach. Financial risks and opportunities were assessed by combining likelihood and magnitude of potential financial effects.

Following identification and evaluation, all IROs and materiality conclusions were presented to the ESG Committee and subsequently reviewed and formally approved by the top management of all relevant departments.

SBM-3 – Interaction of material impacts risks and opportunities with strategy and business model, and financial effects

Disclosures related to the SBM-3 data points, as well as the list of material IROs, are presented within each topical standard ESRS E1, ESRS E5, ESRS S1, ESRS S2, and ESRS G1.

IRO-2 – Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement

The identification of the material IROs, as well as the related topics and disclosure requirements, was carried out as part of the DMA process. The following Table 3 presents the topics and subtopics identified as material, along with the corresponding disclosure requirements resulting from the identified IROs and where it can be found in this Sustainability Statement. No heightened risk exposure to forced or compulsory labor or child labor has been identified in the undertaking's own operations or across its upstream and downstream value chain. No datapoints derived from other EU legislation as listed in Appendix A of ESRS 2 are included in this sustainability statement.

Topic	Subtopic	Impacts, Risks & Opportunities	Disclosure requirement	Page
ESRS E1 – Climate change	Climate change adaptation	→ Interruption of the supply chain and own operations due to climate disasters Declines in sales due to global or local nature disasters	SBM-3, E1-1, E1-2, E1-3, E1-4 (GDR-P), E1-5 (GDR-A), E1-6 (GDR-T), E1-7, E1-8	pp. 20-34
	Climate change mitigation	→ Contribution to climate change through the company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions High financial costs for data collection related to CO ₂ accounting High costs resulting from carbon pricing mechanisms Dependence on customer and country-level energy transition		
	Energy	→ High investment expenditures required to reduce the company's greenhouse gas emissions		
ESRS E5 – Circular economy and resource use	Resource inflows	→ Negative environmental impacts resulting from high raw material consumption Limited availability of recycled materials in required quantity and quality Increase in costs for purchased recycled raw materials Technical constraints when using recycled plastic materials	SBM-3, E5-1 (GDR-P), E5-2 (GDR-A), E5-3 (GDR-T), E5-4, E5-5	pp. 37-43
	Resource outflows (product)	→ Improved marketability and customer attractiveness through the use of secondary materials in packaging and products		
	Resource outflows (waste)	→ Environmental impacts resulting from the use of single-use packaging materials Waste generation from manufacturing activities		
ESRS S1 – Own workforce	Working conditions	→ Attractive working conditions for employees Financial benefits from attractive working conditions	SBM-3, S1-1 (GDR-P), S1-2, S1-3 (GDR-A), S1-4 (GDR-T), S1-5, S1-6, S1-8, S1-12, S1-13, S1-14, S1-16	pp. 47-57
	Health and safety	→ Impairment of occupational health and safety in the workplace		
	Training and skills development	→ Promotion of employee training and professional development Shortage of skilled workers		
	Diversity and equal treatment	→ Impairment of equal opportunities for employees due to discrimination Diverse perspectives unlock the company's full potential		
	Other labor-related human rights	→ Risk of child and forced labor due to ineffective implementation of compliance processes		
ESRS S2 – Workers in the value chain	Other labor-related human rights, Participation rights, Diversity and equal treatment	→ Adverse impacts on human rights, participation right and diversity and equal treatment in the value chain	SBM-3, S2-1 (GDR-P), S2-2, S2-3 (GDR-A), S2-4 (GDR-T)	pp. 58-61
		→ Financial risks, supply disruptions, reputational damage, or increased costs due to inadequate management of social and human rights standards in the value chain		

ESRS G1 – Business conduct	Corporate culture	→ Incidents of compliance violations including corruption, bribery, or fraud Financial penalties resulting from compliance violations Continuous improvement of the company's corporate culture to positively influence employees	SBM-3, G1-1 (GDR-P), G1-2 (GDR-A), G1-3 (GDR-T)	pp. 63-70
	Management of relationships with suppliers	→ Inability to meet Increasing customer ESG requirements along the value chain Long-term relationships with suppliers		

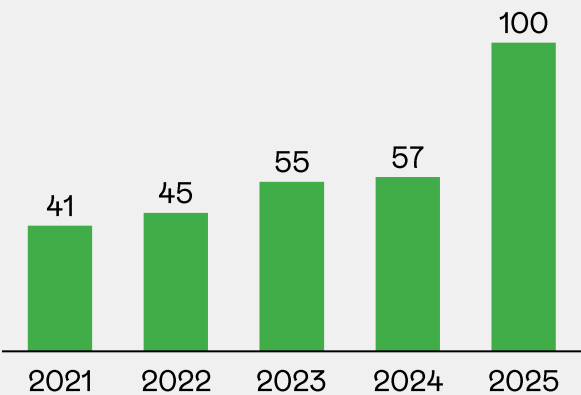
Table 3: Overview of the material topics, subtopics and Impacts, Risks & Opportunities, as well as the relevant DRs and page numbers.

ESRS E1 – Climate Change

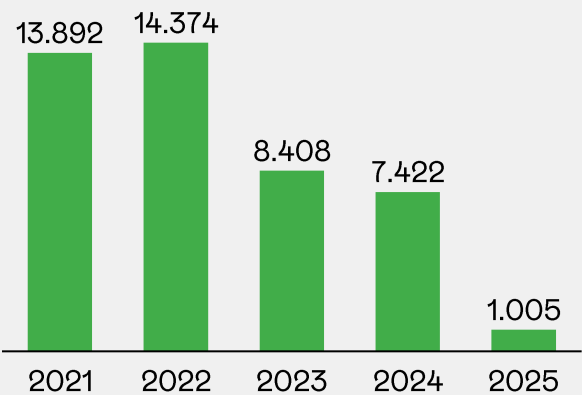


Climate change represents one of the greatest challenges of our time. Mitigating global warming requires comprehensive measures and close collaboration across the automotive industry – from OEMs to raw material suppliers – along global supply chains. AUO Mobility Solutions climate strategy reflects this commitment. It defines the actions and targets aimed at reducing greenhouse gas (GHG) emissions within our company and throughout our entire value chain.

→ Renewable Electricity Share [%]



→ Direct & Indirect Emissions [tCO₂e]



SBM-3 – Material impacts, risks and opportunities related to climate change

The key IROs related to climate change, including physical climate risks, transition risks, and decarbonization opportunities identified through the double materiality analysis in accordance with ESRS 2 IRO 1, are presented in Table 4.

ID	Subtopic	IRO type	Materiality type	IRO label	Time horizon	Value chain
CC1	Climate change adaptation	Risk	Financial Materiality	Interruption of the supply chain and own operations due to climate disasters	Short	↑ ●
CC2	Climate change adaptation	Risk	Financial Materiality	Declines in sales due to global or local nature disasters	Medium	↓
CP1	Climate change mitigation	Actual Negative Impact	Impact Materiality	Contribution to climate change through the company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions	Short	↑ ● ↓
CP2	Climate change mitigation	Risk	Financial Materiality	High financial costs for data collection related to CO ₂ accounting	Short	●
CP3	Climate change mitigation	Risk	Financial Materiality	High costs resulting from carbon pricing mechanisms	Medium	●
CP4	Climate change mitigation	Risk	Financial Materiality	Dependence on customer and country-level energy transition	Medium	● ↓
E1	Energy	Risk	Financial Materiality	High investment expenditures required to reduce the company's greenhouse gas emissions	Medium	●

↑: Upstream Value Chain ●: Own Operations ↓: Downstream Value Chain

Table 4: Impacts, risks and opportunities related to ESRS E1- Climate Change.

Extreme weather events and climate-related disasters can disrupt suppliers, production sites, or logistics routes, leading to delays or shortages of critical inputs. This may result in production interruptions, increased procurement costs, and revenue losses for the company. The risk primarily arises upstream within the supply chain as well as at AUO Mobility Solutions own production site. (CC1) These physical risks can further amplify vulnerabilities across the value chain, particularly where production flexibility or supplier redundancy is limited.

Similarly, global or local natural disasters can reduce customer demand or impair market access in affected regions. This may lead to temporary or prolonged declines in sales volumes and revenues. The risk primarily materializes downstream in the company's value chain. (CC2) Taken together, both upstream and downstream physical risks illustrate how climate-related disruptions can influence multiple stages of the business model.

In addition to these external disruptions, greenhouse gas emissions from the company's operations and across its value chain contribute to the accumulation of emissions in the atmosphere and thereby to climate change. This includes direct emissions, emissions from purchased energy, and indirect upstream and downstream emissions. The impact affects environmental systems and society on a global scale. (CP1) As such, the company is both exposed to climate risks and contributes to the overarching systemic environmental impact.

At the same time, the implementation of comprehensive CO₂ accounting requires significant financial resources for data collection, system implementation, external expertise, and verification processes. These expenditures can negatively affect operating costs and profitability. (CP2) This internal administrative burden interacts with broader transition risks, particularly where regulatory expectations continue to rise.

Carbon pricing mechanisms such as emissions trading schemes or carbon taxes can further lead to increased operating and production costs. Higher prices for fossil fuels, electricity, or emission allowances may negatively affect profitability. The risk primarily arises from (unforeseeable) regulatory and market-based climate transition measures. So far, the company is not directly affected by these systems but may be part of a future extension of regulatory scope. (CP3)

This demonstrates how transition-related policy changes may gradually reshape cost structures even for companies currently outside the direct regulatory boundary.

Moreover, because around 72% of AUO Mobility Solutions emissions stem from the use phase of its products, AUO Mobility Solutions decarbonization pathway depends heavily on customers adopting electric vehicles and on the availability of renewable electricity in the respective countries. The risk is that the transition to renewable energy may progress more slowly than expected, which would delay reductions in use-phase emissions, potentially leading to higher compliance costs, delayed achievement of climate targets, and reduced market competitiveness. (CP4)

As a result, customer transition dynamics and national energy system developments have a direct influence on the company's long-term climate path.

Finally, achieving significant reductions in greenhouse gas emissions may require substantial capital investments in new technologies, infrastructure, or process changes. These investments can increase capital expenditure and affect cash flow and profitability. (E1)

Such investment needs underscore the strategic importance of aligning long-term planning with anticipated technological and regulatory developments.

Financial effects

At this stage, the company is unable to provide quantitative information on the current or anticipated financial effects associated with the above risks and impacts. This is due to limited data availability, high measurement uncertainty, and the absence of reliable methods to isolate climate-related financial effects from other influencing factors.

Qualitatively, the identified climate-related risks may increase operating costs, affect revenues, and require additional capital expenditure, as outlined above. These factors may exert pressure on profitability and margins, while opportunities may arise from efficiency improvements and enhanced competitiveness.

Resilience of the strategy

Overall, the company's strategic approach aims to mitigate these risks through energy efficiency measures, increased renewable electricity sourcing, close cooperation with customers on use-phase decarbonization, and continuous improvement in CO₂ data management. While uncertainties remain, particularly regarding external transition dynamics and regulatory developments, the company considers its strategy sufficiently adaptable to respond to evolving climate-related risks and requirements.

E1-1 – Transition plan for climate change mitigation

Due to the transition to the AUO Mobility Solutions Corporation and the associated integration of new sites, metrics, and framework conditions, AUO Mobility Solutions will develop a comprehensive, science-based Transition Plan for the reporting year 2026.

E1-2 – Identification of climate-related risks and scenario analysis

AUO Mobility Solutions conducted a basic climate-related risk and scenario analysis for all its sites to understand how the company's assets, activities, and value-chain connections are exposed to climate-related physical and transition risks.

The identified material climate-related risks identified through the DMA can be categorized as follow into physical risks and transition risks:

Physical risks relate to acute climate hazards and associated disruptions. In this context, AUO Mobility Solutions has identified risks such as the interruption of supply chains and own operations due to climate-related disasters (CC1) as well as declines in sales resulting from global or local natural disasters (CC2), affecting both upstream and downstream value chain activities.

Transition risks arise from regulatory, technological and market changes linked to the transition to a low-carbon economy. The company has identified several transition risks, including increased costs for CO₂ data collection and reporting (CP2), financial impacts from carbon pricing mechanisms (CP3), dependencies on customer and country-level energy transitions (CP4), and significant investment requirements to reduce greenhouse gas emissions (E1).

For the assessment of climate-related hazards, the company applies the LEAP framework ("Locate, Evaluate, Assess, Prepare"). The scope includes all production sites in Germany, Bulgaria, India, China and Mexico. To identify potential risks in the supply chain of AUO Mobility Solutions, a summary of the most important suppliers, industries, and regions (supply chain formation, see also section G1-2) was drafted. The assessment represents a forward-looking analytical exercise based on current data and assumptions rather than a prediction of specific outcomes:

As a first step, location-specific exposure to climate-related hazards is identified using geospatial indicators. Based on this screening, AUO Mobility Solutions assesses the extent to which its assets and operations are exposed and sensitive to these hazards, considering their likelihood as well as the geographical location of assets. The analysis includes indicators of flooding probability, drought frequency, water-related and landslide risks, based on external datasets. This evaluation uses datasets from the WWF, Resourcewatch, and UNBiodiversity Lab. The results of this assessment are summarized in Table 5.

The sites in China, Japan, Bulgaria and Taiwan R.O.C. are located in potential urban heat islands. In the case of further development, the company continuously evaluates adaptation measures and integrates them into investment and maintenance planning where feasible. As production processes at production sites are generally carried out under climate-controlled conditions, the potential impact of increased ambient temperatures on production is considered to be low. Based on the geographical data the Taiwan R.O.C. site is located in an area with a potential risk of landslides, while locations in China, India, Japan and Bulgaria are exposed to a potential risk of flooding.

	Germany, Lippstadt	India, Pune	China, Shanghai	Japan, Tokyo	Taiwan R.O.C., Jhubei	Bulgaria, Sofia	Mexico, San Miguel de Allende	Finland, Tampere
Drought Frequency	↑	↓	↓	↓	●	↓	↓	●
Flooding Risk	↓	↑	↑	↑	●	↑	↓	↓
Landslide Hazard	↓	●	↓	●	↑	↓	↓	↓
Urban Heat Island Effect	>0.25°C temp.	+1°C temp.	+5 °C temp.	+6 °C temp.	+4 °C temp.	+3 °C temp.	+2 °C temp.	+1°C temp.

↑: High Risk ●: Medium Risk ↓: Low Risk

Table 5: Simplified overview of the results of the LEAP analysis for AUO Mobility Solutions' production sites.

These risks can be addressed through dedicated measures covered within the *Corporate Risk Identification Process*. This process includes the systematic consideration of climate-related and environmental risks, such as physical climate hazards, within the company's overall risk management framework. In this context, relevant sustainability risks are increasingly integrated into the regular risk identification and assessment procedures. To address risks arising from unforeseeable events such as natural disasters (e.g., flooding or heavy rain) at an early stage, AUO Mobility Solutions has also established a cross-site communication and reporting system. Through the so-called *Internal Risk Notification* system, relevant information is structured based on defined content and time criteria and exchanged promptly between locations as well as at the management level. This approach enables a rapid, coordinated, and company-wide response to critical events. Building on this, a systematic root cause analysis is conducted, and appropriate corrective measures are derived. The insights gained are integrated into the further development of risk management and contribute to the continuous improvement of prevention and response capabilities.

As no production activities are carried out at the Taiwan R.O.C. site and considering the current exposure levels, the overall potential impact on operations is considered to be low. There is also a potential increased risk of drought in Lippstadt in particular. Water use is monitored, and efficiency measures are being implemented to reduce dependency on external water sources.

To access climate-related transition events and trends, AUO Mobility Solutions uses insights on regulatory developments, market trends, technological changes and customer requirements. These insights are, among others, informed through participation in industry events, network exchanges and relevant information sessions, including those organized by external advisors, associations or professional networks, supporting the ongoing understanding of relevant developments.

Within this process, the Sustainability Department continuously works to track and understand relevant regulatory requirements, at EU level and, where relevant, in other

regions. The collected information is used to build a forward-looking understanding of relevant transition developments across time horizons.

Based on these assessments, AUO Mobility Solutions derives climate-related transition events and evaluates how its business activities and value chain may be exposed and sensitive to these developments, taking into account their relevance as well as their likelihood, magnitude and duration. This approach forms the basis for the identification of material climate-related risks included in the DMA.

E1-3 – Resilience in relation to climate change

Based on the climate-related risk and scenario analysis, AUO Mobility Solutions currently does not identify indications of significant short-term vulnerabilities to climate-related impacts that would materially affect its business model or strategy.

The company's decentralized production structure and local-for-local sourcing approach support operational flexibility and contribute to resilience against short-term physical disruptions. In addition, established risk management processes, including emergency and business continuity measures, help ensure preparedness for potential acute events.

For longer-term considerations, AUO Mobility Solutions increasingly integrates insights from its LEAP-based analysis and relevant climate projections into strategic decision-making processes. This particularly applies to investments, as well as the expansion or development of production sites, where climate-related physical and transition factors are taken into account as part of the overall assessment.

AUO Mobility Solutions acknowledges that climate-related risks and uncertainties may evolve over time. The company therefore intends to further refine its analytical approaches and data basis in the coming years to strengthen its understanding of long-term resilience and support informed decision-making.

Overall, AUO Mobility Solutions considers its current level of preparedness and adaptability as appropriate in view of the foreseeable climate-related developments.

E1-4 – Policies related to climate change

AUO Mobility Solutions has established a climate policy framework that integrates environmental protection and energy efficiency into its global operations. The framework is anchored in several binding internal policies and certified management systems, which together set the strategic direction for climate-related actions.

The basis is set by AUO Mobility Solutions *Management Policy*, which defines the overall goals across the organization. It defines the company's commitment to steadily reducing its environmental impact and continuously increasing energy efficiency in order to improve the ecological footprint, making this principle a fundamental cornerstone of operational and strategic actions.

This overarching policy is supplemented by additional topic-specific policies and implemented through the deployment of management systems. The company operates all production sites under ISO 14001-certified environmental management systems, ensuring structured governance of emissions, energy use, and environmental impacts. Additionally, the production sites in Germany and Bulgaria are certified under the ISO 50001 energy management system.

Further, a dedicated *Renewable Electricity Policy* defines the company's binding approach to renewable-energy sourcing. They set the target of achieving and maintaining a 100% *Renew-*

able *Electricity Share* at all production sites from 2025 onwards and specify the criteria and processes for selecting renewable-electricity options, managing Energy Attribute Certificates (EACs), documenting consumption, and ensuring evidence-based reporting. Moreover, the *Code of Conduct for the AMS Germany Group*, applicable to the entire AUO Mobility Solutions organization, reinforces environmental protection, legal compliance, and responsible resource management across all operations, supported by defined compliance structures and escalation mechanisms. These rules ensure that environmental considerations are embedded into daily decision-making and that employees act in line with the company's environmental and ethical standards. (CP1, CC1, CC2)

An overview of AUO Mobility Solutions Policies and Management Systems related to Climate is shown in Figure 6.

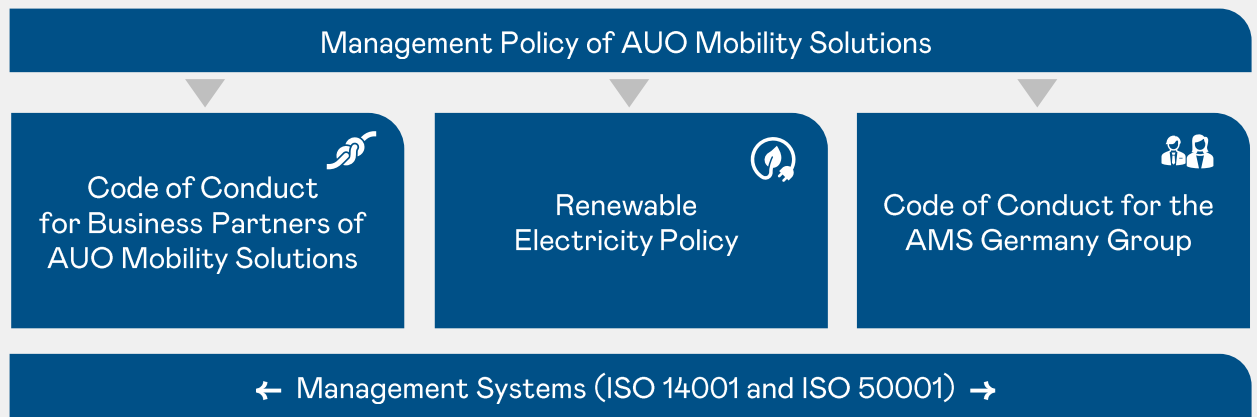


Figure 6: Overview of Climate related policies and management systems of AUO Mobility Solutions.

Climate-related expectations also extend to the value chain. *The Code of Conduct for Business Partners of AUO Mobility Solutions* requires business partners to conserve natural resources, minimize environmental impacts, monitor greenhouse-gas emissions, and, where applicable, use renewable energy or support decarbonization measures. (CC1)

Operational responsibility for implementing these policies lies with executive management, supported by the ESG Committee and the Sustainability Department. Specialist departments, facility management, and local site leadership teams carry out day-to-day execution in alignment with the company's climate objectives. Together, these policies provide a consistent governance framework that guides the implementation of AUO Mobility Solutions climate strategy and supports the achievement of long-term decarbonization goals.

Supplier resilience & supply continuity

In line with International Automotive Task Force (IATF) 16949 requirements, suppliers in the automotive industry are required to maintain effective contingency plans to mitigate supply disruptions and respond to unforeseen events. To further reduce supply risks, AUO Mobility Solutions applies a double-sourcing strategy for selected component areas where economically and strategically appropriate, ensuring continuity of supply and operational resilience. (CC1)

E1-5 – Actions and resources in relation to climate change

AUO Mobility Solutions has implemented a broad set of concrete operational decarbonization measures that directly reduce direct emissions and improve the climate performance of its global production network. A major milestone was reached this year, when all production sites achieved a 100% *Renewable Electricity Share* over the whole year, in line with the Renewable Electricity Policy. This was enabled by the expansion of on-site photovoltaic systems at Mexico and India and by transitioning European sites, such as Germany, to certified renewable electricity supply contracts or renewable electricity certificates. To strengthen this position, AUO Mobility Solutions aims to further expand its own renewable electricity generation capacity – particularly through the installation of additional photovoltaic systems at suitable international sites – thereby reducing reliance on external certificates.

These measures ensure that all production operations now run fully on renewable electricity and have contributed to lowering combined Scope 1 and Scope 2 (market-based) emissions from around 14,000 tCO₂ in 2021 to approximately 1,000 tCO₂ in 2025. (CC1, CC2, CP1)

Since 2025 is the first reporting year under the CSRD, but many climate-related measures were implemented beforehand, the company reports all relevant decarbonization actions together with the year of their completion. These actions include both short-term operational energy-efficiency improvements and long-term initiatives aimed at transforming production facilities, utilities, and supporting infrastructure towards low-carbon operation. The following Table 6 shows the measures taken in recent years.



Good to know

→ New Code of Conduct for Business Partners

Starting in Q1 2026, AUO Mobility Solutions Corporation will implement a new Code of Conduct for Business Partners requiring suppliers to measure their energy consumption to disclose and report their CO₂ emissions. Suppliers are expected to establish and implement CO₂ reduction plans to continuously improve their carbon performance. The Code of Conduct applies globally to all suppliers, service providers and business partners and extends across the upstream supply chain, requiring suppliers to cascade its requirements to their own subcontractors and business partners. It is aligned with internationally recognized standards, including the UN Global Compact, ILO standards and the Responsible Business Alliance Code of Conduct.



Decarbonization lever	Action	Site	Implementation period	Outcome / expected effect	GHG Scope	Status
Renewable energy	Installation of PV system	Mexico	2022	Supplies approx. 24% of local electricity demand	Scope 2	Completed
Renewable energy	Installation of PV system	India	2024	Supplies approx. 33% of local electricity demand	Scope 2	Completed
Renewable energy	Installation of PV system	Bulgaria	Q3 2026	Will cover about 10% of site electricity demand	Scope 2	In progress
Electrification	Gradual fleet electrification at EU sites	Various sites	2023–2030	Majority of pool & leasing vehicles to shift to EVs; charged with renewable/self-generated electricity	Scope 1 (Fleet)	In progress
Electrification	Replacement of gas heating with heat pump	Germany	2024–2025	Estimated CO ₂ reduction of approx. 85%	Scope 1 (Heating)	Completed
Energy efficiency	LED lighting retrofit	Company-wide	2022–2023	Reduced electricity demand by approx. 8% group-wide	Scope 2	Completed
Energy efficiency	Smart metering & building automation	Germany	2023–2024	Optimized consumption monitoring & load management	Scope 2	Completed

Table 6: Measures by AUO Mobility Solutions to reduce the environmental impact starting in 2022.



Figure 7: Installation of the heat pump system in Germany.



Figure 8: Commissioning of the PV system in India consisting of approximately 1,400 solar panels.

To reduce Scope 1 emissions, AUO Mobility Solutions plan to continue the phase-out of natural-gas-based heating by replacing legacy systems with electric, high-efficiency heat-pump solutions wherever technically and climatically feasible. Following the successful conversion at the Lippstadt site, the company plans to replicate this transition across additional locations in the coming years, with the ambition of substantially lowering residual gas consumption across the entire production footprint. AUO Mobility Solutions also plans to reduce mobility related Scope 1 emissions by electrifying its company vehicle fleet. This includes both pool vehicles and personal management cars, following a stepwise fleet transition strategy that prioritises battery-electric vehicles and the expansion of charging infrastructure at relevant sites. (CC1, CC2, CP1)

To strengthen the efficiency of climate related actions, AUO Mobility Solutions is centralizing greenhouse gas accounting expertise within the dedicated Sustainability Department. This ensures consistent methodologies, reduces the need for site specific resources, and improves data quality. In addition, the company is expanding internal knowledge and increasingly digitalizing data collection processes, supported by professional calculation tools and high quality datasets. (CP2)

Approximately 72% of AUO Mobility Solutions total emissions occur in the use phase of its products, whereby energy efficiency improvements and product weight reduction can be identified as two of the primary levers for achieving further significant energy savings and emissions reductions for AUO Mobility Solutions (for detail information see section E1-8).

Therefore, based on the emissions data calculated and audited this year, the company is developing a dedicated, science-based transition plan that defines a credible reduction pathway for Scope 1, 2, and 3 emissions. The plan will be aligned with AUO's targets and customer requirements. This plan is being prepared under the oversight of the ESG Committee and will integrate measures and targets developed by a newly established R&D



Good to know

→ E-Charging Infrastructure at AUO Mobility Solutions in Germany

New EV charging stations were commissioned at the Lippstadt site in April 2025 as part of a broader approach to expand e-mobility infrastructure across all locations. A total of 32 AC charging points are available for employees, along with 2 DC fast-charging points for visitors. Powered by renewable electricity, the free charging service for both employees and customers provide a strong incentive to switch to electric mobility and supports the transition toward more sustainable transportation.



working group, focusing on reducing product energy consumption and lowering product weight as key levers for downstream emissions reductions. However, since AUO Mobility Solutions has limited influence over emissions during the use phase of its product, the current focus is primarily on emissions that AUO Mobility Solutions can directly influence.



Good to know

→ Energy efficient Smart Climate Control at AUO Mobility Solutions

Beyond direct energy efficiency measures at its operational sites, AUO Mobility Solutions develops Smart Climate Control technologies that enhance passenger comfort while conserving resources and reducing energy consumption across the entire in-vehicle lifetime of its products. These solutions were further developed in 2025 and will be continuously enhanced and applied in collaboration with OEM partners in future vehicle platforms.

→ Virtual sensors

Virtual sensors replace physical hardware by using mathematical models to derive relevant system data. This reduces the need for real sensors and enables savings in material usage, wiring, and assembly effort, contributing directly to resource efficiency. The resulting reduction in weight may be small on a per-vehicle basis, but it sums up to a significant lower energy consumption throughout the entire vehicle lifetime.

→ Comfort functions

Advanced comfort control algorithms regulate air volume, temperature, and air distribution inside the vehicle interior in an energy efficient manner. Blower power is minimized by fully opening at least one air flap and by leveraging the vehicle's driving wind whenever possible. Intelligent control of recirculation and temperature flaps prevents unnecessary reheating or cooling of air. Airflow to the windshield is kept as low as possible while maintaining safe operation close to the fogging threshold — ensuring high comfort with minimal energy consumption.

→ Thermal management

Developed in close collaboration with OEMs, the thermal management system provides heating and cooling capacity for both the vehicle interior and the battery. Efficient operating modes enable fast and energy optimized heating or cooling. Strategic preconditioning of the battery supports efficient charging, helps extend battery lifetime, and reduces overall energy demand.



Although AUO Mobility Solutions is not currently subject to carbon pricing mechanisms such as the EU ETS or CBAM, the company closely monitors regulatory developments through its compliance functions and maintains an up to date legal register. Active emissions reduction also remains a strategic priority to mitigate potential future cost exposure and reduce dependency on fossil energy markets (CP3).

The company aims to strengthen the credibility and transparency of its long term transition pathway by communicating openly how external factors – such as national energy market developments, the share of electric vehicles in the global fleet, and customer expectations – may influence its Scope 3 decarbonization path. Through this transparent and continuous communication, e.g. in Sustainability reports, the company seeks to raise awareness and encourage stakeholders to contribute to improving these external factors, which are largely beyond the company's direct control and can primarily be addressed through collective action (CP4). These dependencies will be monitored and transparently disclosed in future reporting cycles.

Finally, the implementation of climate actions is supported by a structured budget planning process that ensures systematic evaluation and prioritization of long term investments into renewable energy sourcing, energy efficient technologies, and infrastructure modernization (E1). This enables the company to allocate the necessary financial resources for its decarbonization pathway in a consistent and forward looking manner.

Together, these measures form the operational foundation of AUO Mobility Solutions decarbonization pathway and reinforce the company's long term commitment to reducing emissions and strengthening climate resilience.

E1-6 – Targets related to climate change

Renewable Electricity Share

A central objective is to maintain the achieved 100% *Renewable Electricity Share* for production activities from 2025 onwards, ensuring that all production sites continue to operate entirely on renewable electricity through on-site generation, renewable electricity contracts and EACs, where necessary (CP1). *Renewable Electricity Share* is a company-specific metric defined as the proportion of electricity consumption from renewable energy sources relative to total electricity consumption.

Energy Intensity

AUO Mobility Solutions evaluates its annual energy efficiency performance using a dedicated company-specific intensity metric that measures total energy consumption in relation to revenue (kWh per kEUR). This *Energy Intensity* metric provides a transparent view of energy performance independent of production fluctuations and enables long term efficiency planning across all sites. The company has defined a own medium-term target of improving energy efficiency by 30% by 2030 compared to the 2021 baseline, which will be monitored on an annual basis and supported by continuous improvement measures within the environmental and energy management systems. (CP1)

Both targets are based on on-site energy consumption invoices and underlying data from internal financial management systems.

The targets are not mandated by law.

E1-7 – Energy consumption and mix

The following Table 7 shows the energy consumption of AUO Mobility Solutions for the production sites for the years 2024 and 2025, split down into renewable and fossil energy sources. Overall, total energy consumption increased by 6.66% in 2025 compared to 2024.

		Consumption 2024 (MWh)	Consumption 2025 (MWh)
Fossil	Electricity	13,076	56
	Liquid gas	123	145
	Natural gas	2,200	1,867
	Gasoline	1,103	1,067
	Diesel	408	284
	Total energy consumption from fossil sources	16,910	3,419
Nuclear	Nuclear	0	0
	Total energy consumption from nuclear sources	0	0
Renewable	Electricity (Contracts and Certificates)	15,883	30,960
	Self-Generation electricity	1,049	1,718
	Total energy consumption from renewable sources	16,932	32,678
Total energy consumption		33,842	36,097
Re. Share	Share of renewable electricity within the total electricity consumption	54.85%	99.82%
	Share of renewable energy within the total energy consumption	50.03%	90.53%

Table 7: Energy mix of AUO Mobility Solutions productions sites in 2024 and 2025.

Electricity from renewable sources was significantly increased by 82% due to the switch to renewable electricity contracts in Germany as well as the use of renewable electricity certificates in Mexico, India, Bulgaria, and China. This results in a Share of renewable electricity within the total electricity consumption of approximately 99.82%. The deviation from the reported 100% *Renewable Electricity Share* for production activities is due to minimal non-renewable electricity emissions associated with the company's vehicle fleet. In addition, natural gas consumption was reduced by 15.14%.

In 2025, a total of 1718 MWh of self-generated electricity was consumed, and an additional 245 MWh were supplied into the public grid.

Figure 9 provides an overview of the development of the energy mix in 2021, 2024, and 2025.

→ Comparison of the energy mix

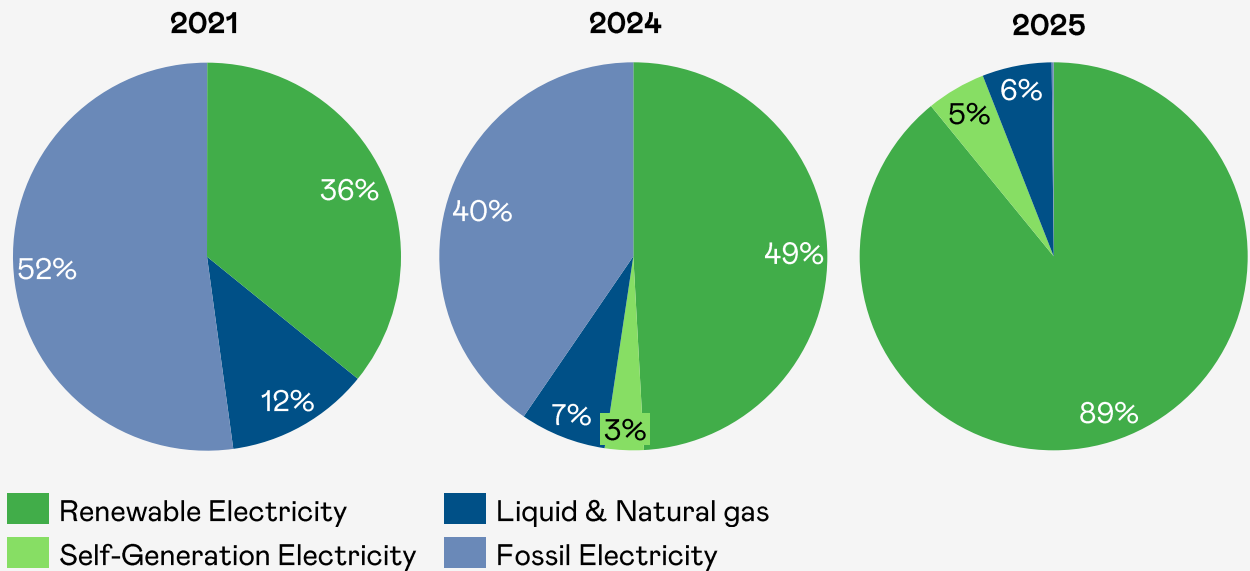


Figure 9: Comparison of the energy mix at AUO Mobility Solutions production sites in 2021, 2024, and 2025.

The company specific metric of *Energy intensity* amounted to 48.9 kWh/kEUR in 2025 as shown in Figure 10, representing a slight increase compared to the previous year. This rise is attributable to the addition of new energy-intensive manufacturing systems. Compared to the 2021 base year, however, a reduction of approximately 16% has been achieved. The target of 54.3 kWh/kEUR for 2025, which is in line with the medium-term reduction goal (see section E1-6 – Targets related to climate change), was achieved.

→ Energy Intensity by Year [kWh/kEUR]

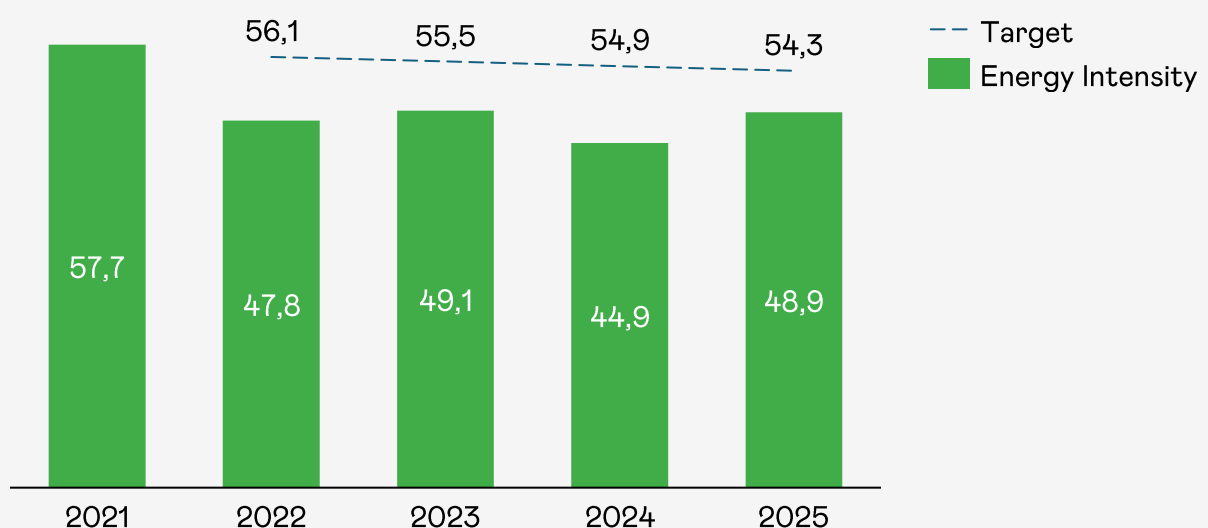


Figure 10: Energy intensity of AUO Mobility Solutions since 2021, including energy intensity targets.

Notes on data quality

The reported data under ESRS E1-7 are based on energy consumption invoices, with site-specific conversion factors applied where necessary. The data are derived from GRI-audited datasets and are subject to limited assurance by KPMG International. For vehicle-related consumption, estimates have been partially applied based on average consumption values.

E1-8 – Gross scope 1, 2 & 3 Greenhouse Gas emissions

Greenhouse gas (GHG) emissions for the reporting year 2025 are prepared consistently with the GHG Protocol Standard.

Since the first initial collection and auditing of Scope 1 and Scope 2 data for AUO Mobility Solutions production sites in 2024, the company have continuously further developed and strengthened the data basis and data collection processes. In 2025, Scope 1, Scope 2, and Scope 3 data were collected and audited for all locations, including production, office, and development sites (see also section GOV-4).

Table 8 shows total GHG emissions in metric tons of CO₂ equivalent (tCO₂e) separately for Scope 1, Scope 2 (location-based and market-based) and Scope 3, including a breakdown by significant Scope 3 categories for 2025. In addition, audited Scope 1 and Scope 2 data for the year 2024 are included for reference. AUO Mobility Solutions has no biogenic CO₂ emissions from the combustion or biological decomposition of biomass to report for the year 2024 and 2025.

By using EACs at all locations that do not already have a direct renewable electricity contract with the local grid operator, AUO Mobility Solutions achieved a 100% *Renewable Electricity Share* for production activities across all sites. This clearly had a significant impact on the market-based Scope 2 emissions, which were reduced by approximately 98% compared to 2024.

The emissions profile of AUO Mobility Solutions is heavily dominated by Scope 3 with over 99% of the emissions occur in this scope. Within Scope 3, Category 11 (“Use of sold products”) is the primary driver of emissions, contributing approximately 73% to overall Scope 3 emissions, as shown in Figure 11. A more detailed breakdown of emissions in Scope 3 Category 11 shows that around 90% are driven by energy consumption over the product lifetime, while approximately 10% result from the additional weight of sold products, which increases fuel or energy use in the vehicle during its use phase.

Notes on data quality

The reported data under ESRS E1-8 are subject to varying degrees of data uncertainty. In particular, scope 3 emissions – especially those related to the use of sold products – are associated with higher uncertainty due to the use of assumptions and average parameters, such as product lifetime, usage patterns, geographic distribution, and energy mixes, as well as limited availability of primary downstream data.

By contrast, Scope 1 and Scope 2 emissions are subject to lower uncertainty, as they are primarily based on measured consumption data (energy consumption invoices) and established calculation methodologies. Site-specific conversion factors were used.

Scope 1 and Scope 2 data for the years 2024 and 2025 were audited by DNV under reasonable assurance engagement. Scope 3 data for the year 2025, including information on downstream emissions, were audited by DNV under a limited assurance scope.

	Emissions 2024 [tCO ₂ e]	Emissions 2025 [tCO ₂ e]	Change [%]
Scope 1 GHG emissions			
Gross scope 1 GHG emissions	926*	1,021	10.29
Percentage of Scope 1 emissions covered by regulated EU Emissions Trading System	0	0	0.00
Scope 2 GHG emissions			
Gross location-based scope 2 GHG emissions	15,231*	16,389	7.60
Gross market-based scope 2 GHG emissions	6,496*	165	-97.46
Scope 3 GHG emissions			
Total gross indirect (scope 3) GHG emissions	-	3,094,713	-
1. Purchased goods and services	-	779,088	-
2. Capital goods	-	2,996	-
3. Fuel and energy-related activities	-	1,146	-
4. Upstream transportation and distribution	-	3,845	-
5. Waste generated in operations	-	1,641	-
6. Business traveling	-	2,115	-
7. Employee commuting	-	3,294	-
8. Upstream leased assets	-	0	-
9. Downstream transportation	-	2,272	-
10. Processing of sold products	-	2	-
11. Use of sold products	-	2,266,495	-
12. End-of-life treatment of sold products	-	31,819	-
13. Downstream leased assets	-	0	-
14. Franchises	-	0	-
15. Investments	-	0	-
Gross scope 1, 2 (market-based) and 3 emissions	-	3,095,899	-

Table 8: Scope 1,2 and 3 GHG emissions of AUO Mobility Solutions in 2024 and 2025. Scope 1 and 2 emissions in 2024. (*) refer only to production sites.

→ Breakdown of Scope 3 Emissions

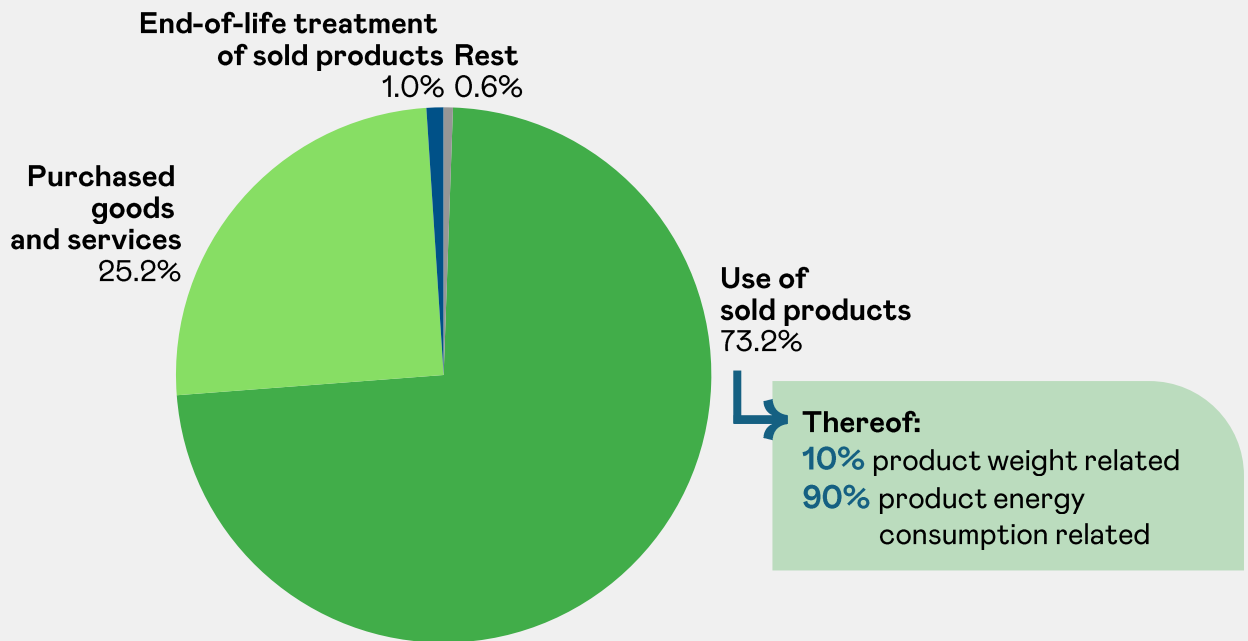


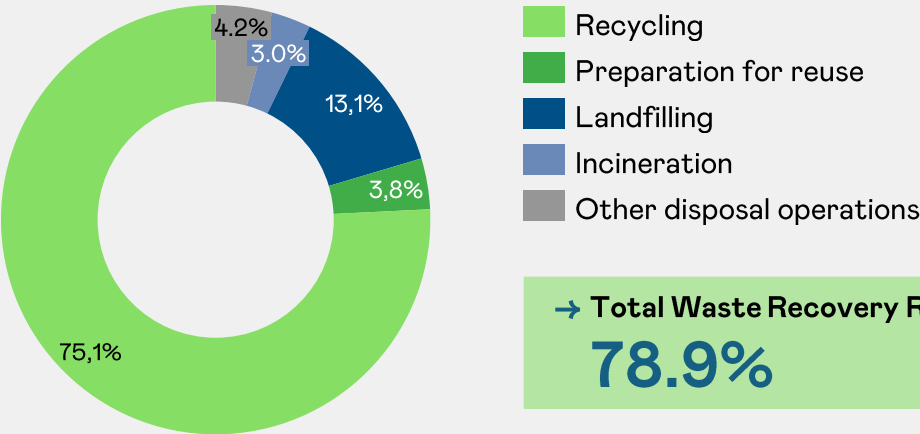
Figure 11: Breakdown of the Scope 3 Emission of AUO Mobility Solutions in 2025.

ESRS E5 – Resource use and circular economy



Efficient use of resources and the shift toward a circular economy are key to reduce environmental impacts and strengthen long-term value chain resilience. AUO Mobility Solutions approach outlines the actions and targets aimed at improving material efficiency, reducing waste, and advancing circular practices across our operations and transport.

→ Total Waste Distribution



→ Total Waste Recovery Rate
78.9%

SBM-3 – Material impacts, risks and opportunities related to resource use and circular economy

The key IROs related to resource use and the circular economy (E5) – including raw-material dependency, the availability of recycled materials, packaging- and product-related resource outflows, and waste generation across operations, as identified through the double materiality analysis in accordance with ESRS 2 IRO 1 – are presented in the following Table 9.

ID	Subtopic	IRO type	Materiality type	IRO label	Time horizon	Value chain	
RI1	Resources inflows	Actual Negative Impact	Impact Materiality	Negative environmental impacts resulting from high raw material consumption	Short	↑	●
RI2	Resources inflows	Risk	Financial Materiality	Limited availability of recycled materials in required quantity and quality	Medium	↑	
RI3	Resources inflows	Risk	Financial Materiality	Increase in costs for purchased recycled raw materials	Medium		●
RI4	Resources inflows	Risk	Financial Materiality	Technical constraints when using recycled plastic materials	Medium		●
RO1	Resource outflows (product)	Opportunity	Financial Materiality	Improved marketability and customer attractiveness through the use of secondary materials in packaging and products	Medium		↓
W1	Resource outflows (waste)	Actual Negative Impact	Impact Materiality	Environmental impacts resulting from the use of single-use packaging materials	Short	↑	↓
W2	Resource outflows (waste)	Actual Negative Impact	Impact Materiality	Waste generation from manufacturing activities	Short		●

↑: Upstream Value Chain ●: Own Operations ↓: Downstream Value Chain

Table 9: Impacts, risks and opportunities related to ESRS E5.

High use of raw materials – particularly fossil-based plastics – contributes to resource depletion and environmental pressure. Increasing extraction, processing and waste generation can negatively affect ecosystems and intensify pressure on natural resources. These impacts relate to AUO Mobility Solutions business model since material use is essential for product manufacturing, making resource dependency an inherent strategic exposure. (RI1)

The availability of recycled materials in sufficient quantity and quality may be limited, particularly in the context of new circular economy requirements, such as the European Commission's proposal for a new *EU End-of-Life Vehicles Regulation (COM(2023)451)*, which would introduce more stringent requirements for circularity and the use of recycled materials. This could lead to supply chain constraints, rising procurement costs, considerable change management efforts or the inability to meet product or customer requirements, resulting in potential financial and operational risks. (RI2)

Additionally, rising costs for recycled raw materials may increase production and procurement

expenses and negatively affect margins and price competitiveness. (RI3)

These risks highlight strategic vulnerabilities related to material procurement and underline the growing importance of secure, high quality recycled feedstock. Additionally, the use of recycled plastic materials in products may lead to technical limitations in mechanical and optical properties. This can result in reduced competitiveness, as customer requirements may not be fully met. (RI4)

At the same time, the increased use of secondary materials in packaging and products presents a clear strategic opportunity. It can strengthen the company's sustainability profile, enhance customer perception, and increase product attractiveness. This supports customer retention and may open access to sustainability driven markets. The opportunity primarily materializes downstream through improved market positioning. (RO1)

In addition, the use of single-use packaging materials leads to increased resource consumption and significant waste generation. This contributes to environmental pollution and places pressure on waste management and recycling systems. The impact occurs across the value chain, particularly upstream through material sourcing and downstream through distribution to customers, making packaging a relevant factor in the company's overall environmental footprint. (W1)

Furthermore, manufacturing activities generate various types of waste, including production residues, scrap, and hazardous waste. These waste streams require proper treatment and disposal and contribute to environmental pressure through resource losses and potential pollution. As these impacts arise directly from the company's own operations, effective waste management and reduction measures are essential to minimize environmental impacts and improve resource efficiency. (W2)

Financial effects

Although quantitative financial effects cannot currently be determined with sufficient reliability, qualitative impacts can already be observed:

Current financial effects:

AUO Mobility Solutions may experience higher procurement costs for recycled materials, additional expenses for waste management and rising operational costs associated with compliance, audits and resource-efficiency initiatives. At the same time, opportunities arise through enhanced competitiveness and the potential to meet customer sustainability requirements, which can support stable revenue streams.

Anticipated financial effects:

Future financial effects may include increased costs linked to regulatory requirements, higher prices for secondary materials, and potential investments needed to redesign products for circularity. Conversely, improved material efficiency and reduced waste treatment may lower long-term operational costs. Competitive advantages from circular product design could further strengthen future market access and customer retention.

Resilience of the strategy

AUO Mobility Solutions is working towards reducing dependency on virgin materials, increasing the share of recycled content, and minimizing waste generation across the value chain. By incorporating circularity considerations into product development, procurement processes, and packaging design, the company enhances its resilience to supply chain volatili-

ty, regulatory developments, and evolving market expectations.

Combined with the continuous monitoring of material availability and emerging legislation, these measures support an adaptive and responsive sustainability approach within AUO Mobility Solutions.

E5-1 – Policies related to resource use and circular economy

AUO Mobility Solutions pursues a responsible and resource-efficient policy, as anchored in the company-wide management policies. The company is committed to reduce the use of fossil-based raw materials and gradually increase the share of secondary materials. A structured product development process ensures that material efficiency, circularity, and environmental criteria are assessed through a mandatory Sustainability Check. The use of recycled materials is targeted wherever technically feasible; pilot projects with high recycled content provide guidance for future applications (RO1, RI1).

In the area of packaging, the company prioritizes reusable and recyclable solutions. The packaging guidelines for AUO Mobility Solutions define binding requirements for material selection, labeling, and waste prevention (W1). In addition, the company is preparing for upcoming European regulatory requirements such as the EU *Packaging and Packaging Waste Regulation 2025/40 (PPWR)* (RI2).

The group-wide waste policy is based on ISO 14001-certified environmental management systems at all production sites and includes waste separation, scrap reduction, and proper disposal (W2). Across the supply chain, ecological minimum standards, the use of sustainable materials, and compliance with packaging requirements are ensured (RI2).

E5-2 – Actions and resources related to resource use and circular economy

To implement these policies, AUO Mobility Solutions systematically evaluates material efficiency, recyclability, and environmental criteria in product development. This includes further expansion of Product Carbon Footprint and Life Cycle Assessment methodologies in the short-term, as well as project-specific increases in recycled content where technically viable (RI1, RO1). Additionally, material weight reduction is addressed in the medium-term as a key element within the ESG Committee to conserve resources across the company's products.

In packaging logistics, standardized reusable containers, ESD-compliant packaging, and clear labeling processes are used to reduce waste and strengthen circular systems (W1). Preparations for future PPWR requirements are already influencing the design of reusable and recyclable packaging solutions (RI2).

In production, scrap analyses are conducted regularly, scrap is reduced, suitable components are reused where permitted and approved by the OEM, and all waste streams are consistently separated and properly disposed of (W2).

The supply chain is strengthened through audits, risk assessments, and continuous exchange on market trends and regulatory developments (RI2). A particular focus lies on early coordination with suppliers to anticipate potential cost increases and limited availability of recycled materials, allowing risks to be identified early and alternative solutions to be jointly developed (RI3).

Beyond these actions, the company has initiated first considerations to gradually incorporate circular economy principles into its strategic thinking and internal processes in the medium-

term. Current discussions focus on understanding the implications of circular design, the potential use of recycled materials, at early stages of product development. However, a genuine closed material loop is not yet in place, as feedstock from automotive recycling remains very limited and its broader availability in the medium term is still uncertain.

To support this approach, AUO Mobility Solutions is seeking opportunities to participate in research and development projects in the short-term, including collaborations with external research partners, with the aim of jointly developing concepts and models for more circular production. These activities address technical requirements, design considerations, material availability and economic feasibility, including cost and lifecycle assessments.

Close cooperation with OEM customers is considered a key enabler for achieving these objectives. Their technical requirements and strategic commitment to sustainability significantly influence the implementation of recycled materials and circular design concepts. (RI1, RI2, RI3, RI4)

E5-3 – Targets related to resource use and circular economy

The ESG Committee has defined clear quantitative targets to guide waste and resource management. A *Waste Recovery Rate* of 89% by 2030 for all AUO Mobility Solutions Corporation plants has been established as a key benchmark for the sustainability performance. (W2) The *Waste Recovery Rate* is a company-specific metric defined as the proportion of waste diverted to disposal relative to total waste generated, excluding hazardous waste. This is in line with the group-wide waste policy. The data was collected based on on-site waste reports.

In addition, targets for the recycling content of new components in all products have been set at more than 15% for plastic parts and more than 40% for metal parts by 2027 (RI1). This is supported by the systematic evaluation of material efficiency, recyclability, and environmental criteria in product development through the Sustainability Check. For information on data collection methodology and measurement uncertainty, please refer to Section E5-5.

These targets provide orientation for future decision-making and product development activities once fully operationalized.

The targets are not mandated by law.

E5-4 – Resource inflows

AUO Mobility Solutions has identified five categories of key materials used across its manufacturing processes for different product types. These categories include metals and metal alloys (e.g., aluminum, copper), polymers (e.g., PC, ABS), electronics and electrical components (e.g., PCBs, semiconductors), chemicals and lubricants (e.g., epoxy adhesives, thermal interface materials), and special materials and connections (e.g. optical bonding adhesive). Each material type is mandatory for AUO Mobility Solutions products. Metals ensure mechanical stability and conductivity, while polymers and chemical substances provide lightweight housings, bonding strength and thermal management. Electronics materials and special compounds enable core product functionalities like signal processing, display performance and touch interaction. Some of these materials, particularly copper, aluminum, silicon, are classified as critical or strategic raw materials under the EU Critical Raw Materials Act 2024/1252, while most polymers and standard chemical substances are not.

The key materials were determined based on data extracted from the International Material Data System (IMDS) database, which provides detailed information on the quantities of substances used in automotive components. Material quantities incorporated into the final product are assessed during the data acquisition process.

The total amount of materials in 2025 is about 7,490 tons, with a share of secondary materials accounting for 7.72% overall. A detailed breakdown can be found in Table 12. Additionally, Figure 12 shows the share of the total weight by key materials.

Key material	Total weight [t]	Share within total [%]	Total weight secondary resources [t]	Share of secondary resources [%]
Metals and metal alloys	2,717.35	36.28	17.93	0.66
Polymers	4,089.42	54.60	558.61	13.66
Electronics and electrical components	17.1	0.23	0.00	0.00
Chemicals and lubricants	100.16	1.34	0.00	0.00
Special materials and connections	565.59	7.55	1.30	0.23
Total	7,489.62	100	577.85	7.72

Table 10: Breakdown of key material by weight and percentage.

→ Breakdown of key materials

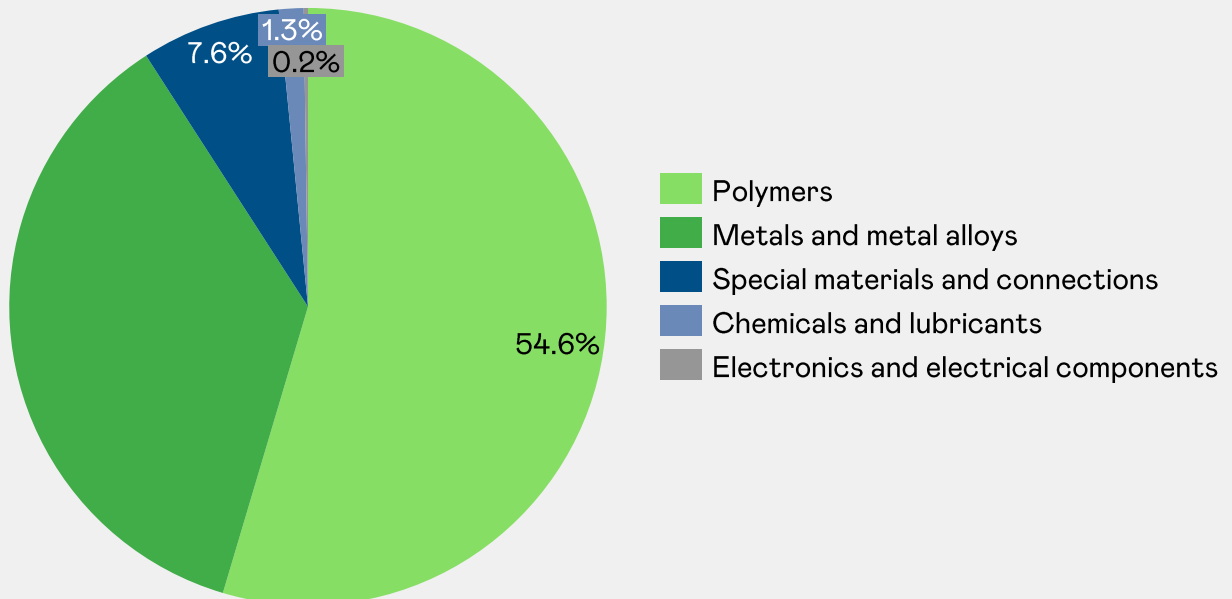


Figure 12: Breakdown of the key materials by their weight.

A central assumption of this assessment is that suppliers provide complete and accurate information on the materials used in the components they deliver; however, data quality may vary depending on the supplier and reporting practices. All updated material declarations for purchased parts from previous years up to 2025 have been included in the evaluation. With these boundaries, the calculation currently covers approximately 89% of all products sold in 2025. It should also be noted that the reported share of secondary materials for metals is likely underestimated. In the past, the disclosure of recycled content for metals was not mandatory, and corresponding data has therefore not been systematically captured. Therefore, it can be assumed that the actual recycled content in the category Metals and metal alloys is higher than currently reflected in the dataset.

The recycling content of new components was more than 10% for both plastic and metal parts in 2025.

E5-5 – Resource outflow

As mentioned under ESRS 2 SBM-1 AUO Mobility Solutions key products are climate control and HMI Display systems.

→ Products:

Durability

AUO Mobility Solutions products are designed for high technical durability across the entire vehicle lifecycle. The specified lifetimes reflect the prevailing standards of the automotive industry and are aligned with the quality and reliability requirements of AUO Mobility Solutions customers.

All key components are engineered for the typical field use duration of 15 years while maintaining full functionality. For passenger car applications, AUO Mobility Solutions products are designed for a minimum full operation runtime of 8,000–10,000 hours, with variations depending on specific OEM requirements. Components that also operate during standby or parking modes – primarily climate control units e.g. during pre heating, pre conditioning, charging phases, or post run – are designed for an additional 6,000–7,000 operating hours.

In the commercial vehicle sector (trucks), AUO Mobility Solutions products are designed and tested for approximately 45,000 operating hours, driven by significantly higher daily usage. Climate control units in this segment are likewise designed for an additional 6,000–7,000 hours of operation during parking modes. Overall, AUO Mobility Solutions products are engineered for long service lifetimes, reducing the need for replacement and thereby lowering overall material consumption over time, while contributing to extended product longevity.

Repairability

AUO Mobility Solutions key products are currently not explicitly designed for direct component-level repair. While an established spare-parts business allows for the replacement of fully assembled modules, the exchange of individual components is presently not feasible. This is primarily due to the products high structural and functional complexity and the joining methods typically used in the display and HMI domain – such as optical bonding and structural adhesives – which significantly constrain disassembly and the targeted replacement of single display or electronic components.

However, the company closely monitors technological developments and is evaluating innovation-oriented approaches to improve reparability in the future. This includes assessing alternative adhesive solutions that could facilitate easier component replacement while maintaining the required technical performance and product integrity.

In general, enhancing reparability must be addressed holistically across the entire value chain to ensure economic viability. Achieving meaningful progress requires that AUO Mobility Solutions customers integrate design-for-repair considerations, allow for appropriate design flexibility, and reflect repair-oriented requirements in their product specifications. Only through a coordinated, cross-stakeholder approach, solutions can be developed that are environmentally beneficial while remaining technically feasible and economically sustainable. Due to stringent safety requirements in the automotive sector, comprehensive testing and validation are necessary, which currently limit repair options, to the extent that even specialized repair workshops may not be able to repair these products. However, the development of in-house repair capabilities is being considered as part of ongoing internal discussions.

Recyclability product

To determine the recyclability rate of AUO Mobility Solutions products, the company currently relies on the ISO 22628 standard, which is required by AUO Mobility Solutions customers as the basis for their assessments. However, information is currently missing regarding the disassemble-ability of AUO Mobility Solutions products, as well as downstream process information required to provide a consistent recyclability value for the company's products.

For this reason, in the current context, AUO Mobility Solutions calculates the share of key materials in the company's products that are considered highly recyclable. This category includes metals and plastics, as these materials can generally be converted into new raw materials through established recycling processes. However, factors such as the actual ability to disassemble components – for example due to adhesive bonding – are currently not taken into consideration. Therefore, the use of mono-material concepts is evaluated as part of the development process.

According to the calculation logic described above, AUO Mobility Solutions has a potential recyclability rate of up to 91%, although current components are often still bonded, resulting in a lower recyclability rate.

Recyclability packaging

AUO Mobility Solutions has clear packaging and logistics policies that mandate the waste hierarchy of "prevention – reuse – recycling." All single-use packaging materials – such as corrugated cardboard boxes, pallet boxes, and PE protective bags – have a recyclability rate of 100%. In addition, the company operates an extensive system of reusable packaging, including PP special containers, KLT boxes, and steel flat pallets. Figure 13 shows the standard packaging from AUO Mobility Solutions.

For deliveries from suppliers, reusable packaging is used wherever feasible, particularly for regional flows, while recyclable single-use packaging is applied for overseas shipments and in cases where logistical conditions require it. AUO Mobility Solutions also operates its own pool of load carriers, through which standardized reusable packaging is made available.

For deliveries to customers, reusable packaging is typically used when the customer is located

in Europe, and these reusable containers are generally provided by the customer. For customers outside Europe, as well as for spare-part shipments, suitable and fully recyclable single-use packaging is procured.

All packaging materials must comply with the requirements of the *German Packaging Act (VerpackG)*, the *EU Packaging Directive 94/62/EC*, as well as the *PPWR Regulation*, which entered into force in February 2025. Through these measures, AUO Mobility Solutions supports waste prevention and the use of durable reusable packaging to promote closed material loops.

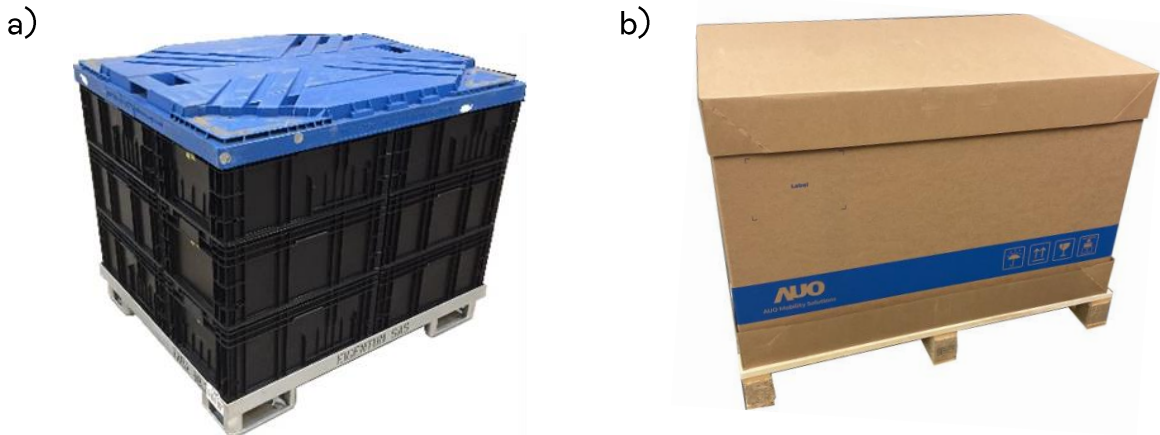


Figure 13: Examples of AUO Mobility Solutions (a) reusable standard packaging and (b) single-use overseas packaging.

→ Waste:

AUO Mobility Solutions generates several waste streams from its own operations, covering plastics, metals, mixed municipal waste, production scrap, wood residues from pallets, cardboard and paper packaging, electronic waste, sorted-out devices, and solder paste residues. These streams reflecting the key materials composition. Each stream is managed according to its material characteristics and routed into appropriate disposal or recycling processes.

AUO Mobility Solutions generated at its production sites a total of 1,981 tons of waste in 2025. The breakdown by hazardous and non-hazardous waste, as well as by disposal method, is presented in Table 11. AUO Mobility Solutions did not generate any radioactive waste. All final waste destinations are known, as waste management is handled through qualified disposal service providers who prepare, sort and channel waste into appropriate treatment and recycling streams in a transparent manner.

A *Waste Recovery Rate* of 79% was achieved in 2025.

Figure 14 provides an overview of the waste streams broken down by category.

		Non-Hazardous waste	Hazardous waste
Directed to disposal	Incineration	2.94%	0.51%
	Landfilling	13.07%	0.29%
	Other disposal operations	4.20%	0.00%
	Total waste directed to disposal	20.21%	0.80%
Diverted from disposal	Preparation for reuse	3.80%	0.00%
	Recycling	75.13%	0.06%
	Other recovery operations	0.00%	0.00%
	Total waste diverted to disposal	78.93%	0.06%
Unknown final destination		0.00%	0.00%
Total unknown final destination		0.00%	

Table 11: Waste directed to and diverted from disposal as percentage of total waste generated.

→ Breakdown of waste streams

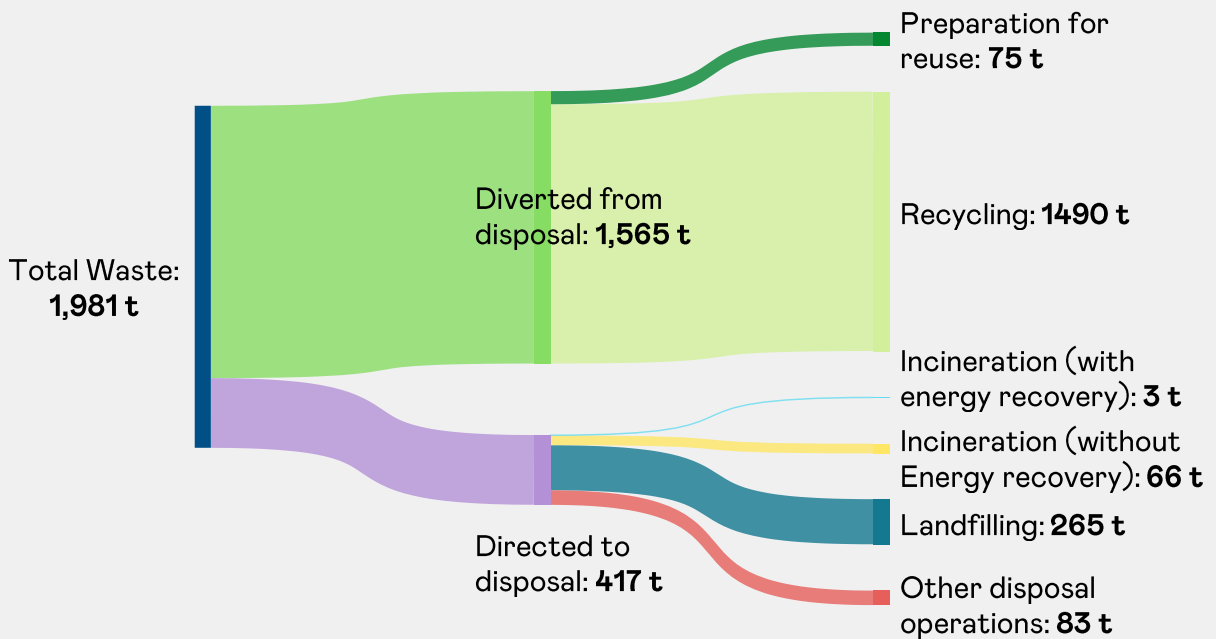


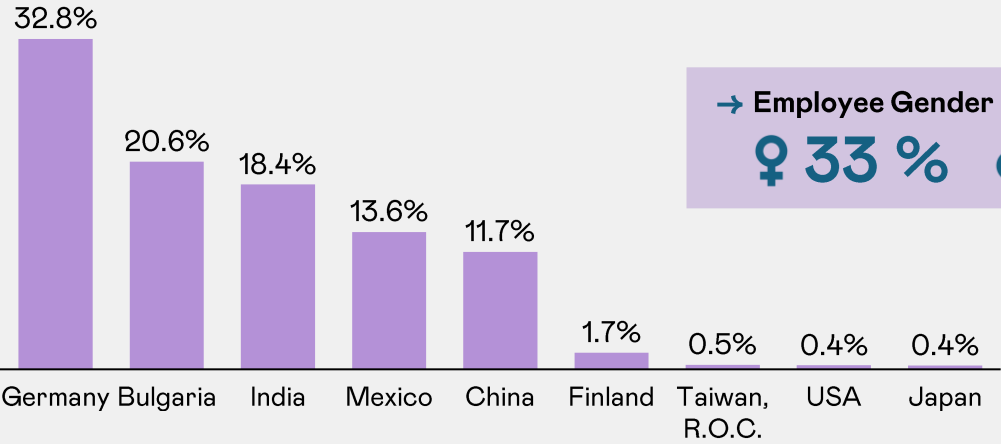
Figure 14: Breakdown of the waste streams by category in absolute values in tons.

ESRS S1 – Own workforce



As a global employer operating across diverse cultural and regulatory environments, AUO Mobility Solutions places people at the center of its business strategy. The company understands that long-term success depends on fair, safe, and inclusive working conditions, as well as on the ability to attract, retain, and develop talent. AUO Mobility Solutions workforce-related policies are designed to foster trust, stability, and opportunity across all entities, while ensuring alignment with international labor standards and stakeholder expectations.

→ Workforce Distribution by Country [%]



→ Employee Gender Diversity

♀ 33 % ♂ 67 %

SBM-3 – Material impacts, risks and opportunities related to the own workforce

The key IROs related to the own workforce – including working conditions, health and safety, skills and development, diversity and inclusion, and fundamental work-related rights, as derived from the double materiality analysis in line with ESRS 2 IRO 1 – are presented in the following Table 12.

ID	Subtopic	IRO type	Materiality type	IRO label	Time horizon	Value chain
WC1	Working conditions	Actual Positive Impact	Impact Materiality	Attractive working conditions for employees	Short	●
WC2	Working conditions	Opportunity	Financial Materiality	Financial benefits from attractive working conditions	Long	●
HR1	Other labour-related human rights	Potential Negative Impact	Impact Materiality	Risk of child and forced labor due to ineffective implementation of compliance processes	Short	●
HS1	Health and Safety	<i>Potential Negative Impact</i>	Impact Materiality	Impairment of occupational health and safety in the workplace	Medium	●
T1	Training and skills development	Actual Positive Impact	Impact Materiality	Promotion of employee training and professional development	Short	●
T2	Training and skills development	Risk	Financial Materiality	Shortage of skilled workers	Medium	●
D1	Diversity and equal treatment	Potential Negative Impact	Impact Materiality	Impairment of equal opportunities for employees due to discrimination	Short	●
D2	Diversity and equal treatment	Opportunity	Financial Materiality	Diverse perspectives unlock the company's full potential	Medium	●

↑: Upstream Value Chain ●: Own Operations ↓: Downstream Value Chain

Table 12: Impacts, risks and opportunities related to ESRS S1.

AUO Mobility Solutions creates a positive and supportive working environment by offering attractive working conditions that foster employee well-being, motivation and long-term retention. This includes fair remuneration, safe and healthy workplaces, structured development opportunities and a collaborative atmosphere, leading to a sustained positive impact on the workforce (WC1). These strong working conditions help stabilize the organization by strengthening retention, reducing employee turnover and recruitment efforts, and improving overall productivity. As a result, the company may realize positive financial effects through lower HR-related costs, higher operational efficiency and more stable performance (WC2).

At the same time, the company recognizes that inadequate occupational health and safety conditions could negatively affect employees' physical and mental well-being, potentially resul-

ting in work-related injuries, illnesses or long-term health impairments. Such outcomes may indicate insufficient prevention measures, protective systems or safety management practices (HS1).

To promote continuous professional growth, AUO Mobility Solutions offers structured training and development programs that enhance employees' skills, competencies and long-term employability. These initiatives help create a lasting positive impact on career development and workforce capability (T1). Nevertheless, the company may face challenges in recruiting and retaining qualified personnel due to regional skill shortages, which could lead to increased labor costs, lower operational efficiency or constraints on growth and production capacity (T2).

AUO Mobility Solutions also acknowledges that discrimination – whether conscious or unconscious – may arise due to social prejudices related to characteristics such as age, disability, ethnicity, religion or other attributes. Such practices could undermine equal opportunities, fair treatment and inclusion within the workforce (D1). In contrast, leveraging diversity and effectively integrating different perspectives can strengthen decision-making, innovation and problem-solving. By fostering an inclusive culture, the company can unlock the full potential of its internationally operating workforce, enhancing competitiveness and collaboration across regions (D2).

Finally, the company is aware that ineffective implementation of compliance processes may increase the risk of child or forced labor occurring within its operations. Such incidents would severely harm the fundamental rights, dignity and safety of affected individuals and represent a critical human-rights-related impact (HR1).

Financial effects

At present, AUO Mobility Solutions is unable to provide quantitative information on current or anticipated financial effects due to measurement clarity and the difficulty of isolating these impacts from broader organizational cost drivers.

AUO Mobility Solutions may benefit financially from strong working conditions through higher retention, lower recruitment and training costs, and improved productivity.

Negatively, inadequate safety, discrimination, skill shortages or compliance failures could lead to productivity losses, legal or reputational risks, and higher labor costs.

Resilience of the strategy

By investing in safe workplaces, employee development, diversity and robust compliance systems, AUO Mobility Solutions strengthens organizational stability and its ability to operate effectively under changing labor market, regulatory and social conditions.

These measures collectively support the resilience of the company's strategy and workforce.

S1-1 – Policies related to own workforce

AUO Mobility Solutions approach to managing its workforce is guided by comprehensive global policies that ensure fairness, safety, professional development, and inclusion. These principles are anchored in the *Code of Conduct for the AMS Germany Group* and related global like the *AUO Mobility Solutions Declaration of Principles*. Whereby the *AUO Mobility Solutions Declaration of Principles* is a company-wide policy that defines the commitment to respecting human rights and responsible business conduct and outlines the due diligence processes implemented across operations and the value chain.

They apply to all AUO Mobility Solutions entities worldwide, with local adaptations to national labor legislation and cultural frameworks. An overview of AUO Mobility Solutions Policies related to the own workforce is shown in Figure 15. Further details on human rights policies applicable to the supply chain are outlined in Section ESRS S2-1, particularly in the *Code of Conduct for Business Partners of AUO Mobility Solutions*.



Figure 15: Overview of own workforce related policies of AUO Mobility Solutions.

Human rights and ethical conduct

AUO Mobility Solutions corporate policies explicitly prohibit human trafficking, forced labor and child labor. They are aligned with international standards such as the Universal Declaration of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises, and national supply chain laws. In line with the German Supply Chain Due Diligence Act, AUO Mobility Solutions plans to integrate its own sites into a structured human-rights risk management approach. Additionally, the company is subject to external RBA/RSCI audits (HR1).

Diversity, equity and inclusion

Diversity, equity and inclusion are supported through the Code of Conduct for the AMS Germany Group, which establishes binding principles on non-discrimination and equal treatment, and through regular employee surveys that help identify potential gaps or concerns related to inclusion; these insights are used to derive targeted continuous improvement measures and are overseen by a dedicated DEI&B Officer. Communication about international traditions and cross-site collaboration fosters intercultural exchange in the company's international workforce. While no systemic discrimination has been identified, continuous monitoring and improvement remain a priority (D1, HR1).

Occupational health and safety policies

AUO Mobility Solutions has implemented group-wide guidelines to ensure health and safety in the workplace. These guidelines are implemented on a site-specific basis, considering local requirements and operational conditions. The goal is to ensure a high level of safety for all employees as well as for external service providers.

In the reporting year, the two sites in Germany and Bulgaria were already certified according to the international ISO 45001 standard. (ESRS S1-1 §9)

Communication of policies

Policies are communicated through various channels, including onboarding processes, internal platforms (e.g. SuccessFactors), management briefings and compliance trainings.

S1-2 – Processes for engaging with own workforce

The company places great importance on maintaining an open, trust-based communication culture in which employees are encouraged to actively participate and contribute their perspectives. Regular feedback discussions and annual performance dialogues are an integral part of this approach, allowing employees and managers to exchange views on achievements, development goals, and working conditions.

AUO Mobility Solutions provides its workforce with multiple channels to raise concerns or express needs, including direct communication with supervisors, employee representatives, and HR. In addition, a formal grievance mechanism is in place, including a digital whistleblower system that ensures confidentiality, protection against retaliation, and timely resolution of reported issues. Further detail to the grievance mechanism can be found in section G1-1.

At locations where employee representative bodies are established, namely Germany, Bulgaria and China, AUO Mobility Solutions maintains a structured and constructive dialogue with these bodies (e.g. works councils, labor committees or workers' congresses). This cooperation supports transparent decision-making and helps align company interests with employee expectations.

AUO Mobility Solutions also considers the perspectives of potentially vulnerable or marginalized groups, when designing and evaluating workforce-related measures.



Good to know

→ Human Rights Policy

In 2026, a unified Human Rights Policy will be implemented across the entire AUO Mobility Solutions Corporation, establishing a consistent framework to address all material human rights topics. AUO Mobility Solutions is committed to ensuring fair, respectful, and just treatment in all business activities and daily work practices, including the prevention of human rights violations such as forced labor, child labor, discrimination and unsafe working conditions. The policy is aligned with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. The policy will apply to all employees worldwide and extends to business partners, customers, and the communities in which AUO Mobility Solutions operates, covering own operations as well as the upstream and downstream value chain.



This approach is supported by dedicated roles focusing on diversity, equity, inclusion and belonging (DEI&B) as well as representation for employees with severe disabilities. Overall, the interests of vulnerable and marginalized groups are considered when designing and implementing workforce-related measures.

In cases where AUO Mobility Solutions has caused or contributed to a material negative impact on its workforce, the company follows structured processes to provide or contribute to remedy. These include investigation procedures, corrective actions, and follow-up evaluations.

S1-3 – Actions and resources related to own workforce

Employment conditions and work-life balance

To mitigate risks related to employment insecurity AUO Mobility Solutions promotes permanent employment contracts and structured notice periods at most locations.

Flexible working arrangements are offered across all sites. These may include trust-based working hours, mobile working options, fixed or alternative shift models, special leave arrangements, additional vacation days and corporate benefit programs, with concrete designs varying by location (WC1).

Mobile working is generally available across all AUO Mobility Solutions entities. Trust-based working hours primarily apply to office-based employees, where operationally feasible.

All measures are implemented in accordance with applicable local laws, collective agreements and operational requirements.

These measures were maintained and further developed in the reporting year 2025 and will continue to be refined in the short- to medium-term.

They are expected to improve employee satisfaction, work-life balance and retention, in line with the principles set out in the *Code of Conduct for the AMS Germany Group*.

Occupational health and safety

Occupational safety is an indispensable part of all business activities at AUO Mobility Solutions. It is based on a systematic approach to risk assessment, from which site-specific measures, instructions, and training programs are derived. This approach is applied across the group at all locations to ensure a consistently high level of safety. In addition, psychological hazards are also systematically recorded in Germany. This is done as part of the annual Great Place to Work® survey, which serves as a tool for identifying psychosocial stressors (HS1).

The described approach was continuously applied in 2025 and will be further enhanced going forward. The measures aim to reduce workplace accidents and health risks and support a safe working environment in line with the international ISO 45001 standard and the *Code of Conduct for the AMS Germany Group*.

Training and development measures

To address skills shortages, strengthen workforce capabilities and support long-term employability, AUO Mobility Solutions provides structured training and development measures, including training and development programs, regular employee appraisals, language courses and access to digital learning platforms such as LinkedIn Learning. These actions support continuous learning and long-term employability (T1). These measures were maintained and partially expanded in 2025, with further development of digital learning offerings planned.

Recruitment, retention and diversity

Additional actions focus on recruitment, retention and employer attractiveness. These include initiatives such as apprenticeship and trainee programs where applicable, improvements in working conditions and remuneration frameworks, and the continuous development of employer branding. Recruitment processes are being reviewed to further promote diversity, including planned adaptations of inclusive language, subject to internal approval in the short term (T2, D2). These actions were maintained and further developed in 2025 and will continue to be expanded in the short term.

The presented measures reflect AUO Mobility Solutions connection to the identified impacts, focusing on prevention and mitigation of employment-related and on strengthening capabilities to address skills shortages and retention challenges. (AR 4). These actions are interrelated across workforce topics, as measures to improve working conditions, training, and diversity jointly contribute to employee retention, well-being and long-term employability. They also support a stable workforce during ongoing organizational and market changes. (AR 5).

S1-4 – Targets related to own workforce

Health and safety

AUO Mobility Solutions goal is to continuously reduce workplace accident rates at its own operations and ensure a safe working environment. In line with the systematic approach to risk assessment, the company targets a rate of recordable work-related accidents of below 0.64 per 1 million working hours for employees in its own workforce by 2027. The base year for this target is 2025, whereby the data is based on on-site analyses consolidated in databases.

Within the framework of the ESG Committee, the objective was defined to further expand the existing ISO 45001 Occupational Health & Safety certification in the coming years.

As part of this roadmap, certification is planned for India in 2026, followed by Mexico and China in 2027. At that time, all production sites will be certified to ISO 45001. (HS1)

Diversity and equality

AUO Mobility Solutions is committed to strengthening diversity across the company and improving gender equality at the workforce and in leadership positions in line with the *Code of Conduct for the AMS Germany Group*. AUO Mobility Solutions has set targets to achieve 40% female representation in the workforce by 2029. Also, the company aims to achieve 17% female representation in management and executive positions by 2029. (D2) The base year for this target is 2025, with calculations based on HR management databases.

The targets are not mandated by law.

S1-5 – Characteristics of employees

As of December 31, 2025, AUO Mobility Solutions had a total of 2,663 employees. During the same period in the previous year, the company had 2,527 employees. The breakdown by gender and location is shown in Tables 13 and 14 below.

Gender	Number of employees (headcount) 2024	Number of employees (headcount) 2025
Male	1,674	1,773
Female	853	890
Other (Diverse)	0	0
Total	2,527	2,663

Table 13: Total number of employees by headcount and breakdowns by gender. The metrics are based on analyses from internal HR management systems.

Country	Number of employees (headcount) 2024	Number of employees (headcount) 2025
Germany	846	874
Bulgaria	503	549
India	446	489
Mexico	345	363
China	308	311
Finland	44	44
Taiwan R.O.C.	13	12
USA	13	11
Japan	9	10

Table 14: Total number of employees by headcount and breakdowns by country. The metrics are based on analyses from internal HR management systems.

As of December 31, 2025, AUO Mobility Solutions had a total of 2,609 permanent employees and 54 temporary employees. The Table 15 below presents the breakdown of permanent and non-permanent employees, as well as non-guaranteed hours employees, by gender. The employee turnover rate in the year 2025 amounted to 4.6%.

Gender	Number of permanent employees (headcount)	Number of temporary employees (headcount)	Number of non-guaranteed hours employees (headcount)
Male	1,734	39	-
Female	875	15	-
Other (Diverse)	0	0	-
Total	2,609	54	-

Table 15: Total number by headcount of permanent employees, temporary employees, and non-guaranteed hours employees with a breakdown by gender. The metrics are based on analyses from internal HR management systems.

S1-6 – Characteristics of non-employees

As of December 31, 2025, AUO Mobility Solutions had 490 non-employees within its own workforce, including 484 leased workers and 6 consultants. The metrics are based on analyses from internal HR management systems.

S1-8 – Diversity metrics

To assess the gender distribution at the top management level defined by ESRS S1-8, the so-called Management Team (MMT) – which is two levels below the executive level – was considered. The absolute and percentage distributions are shown in the Table 16.

Management Team	Number (Headcount)	Percentage of MMT
Male	251	83.1%
Female	51	16.8%

Table 16: Gender distribution of the Management Team (MMT) by headcount and share. The metrics are based on analyses from internal HR management systems.

S1-12 – Training and skills development metrics

For salary employees, annual performance and career development reviews are conducted via a digital HR tool. The participation rate is 100%. For hourly employees, no documentation of performance reviews is currently available.

Currently, training times can only be tracked through the digital training system of AUO Mobility Solutions, which covers only salary employees. The following Table 17 shows the average training time across different learning platforms as well as the overall average time.

Learning platform	Average training time
Learning management system	09 Hrs 24 Mins
LinkedIn Learning	03 Hrs 58 Mins
Speex Learning	03 Hrs 35 Mins
Total	16 Hrs 57 Mins

Table 17: Average training time of salary employees across different learning platforms. The metrics are based on analyses from internal HR management systems.

S1-13 – Health and safety metrics

Occupational safety and health management system

Based on recognized standards 54.8% of the undertaking's employees in its own workforce are covered by an occupational safety and health management system certified in accordance with ISO 45001.

Fatalities

During the reporting period, there were no fatalities resulting from recordable work-related accidents among all people in the undertaking's own workforce, as well as workers who work on the undertaking's sites but are not part of its own workforce.

Furthermore, there were no fatalities resulting from recordable work-related ill health among the employees of AUO Mobility Solutions.

Recordable work-related accidents and ill health

During the reporting period, a total of five recordable work related accidents were reported, resulting in a recordable work-related accident rate of 0.97 among employees. Among non employees in the undertaking's own workforce, one recordable work related accident was reported, with an accident rate of 1.03.

Both the number and the rate of recordable work related accidents were calculated in accordance with the prescribed calculation methodology. Whereby AUO Mobility Solutions records work-related accidents and ill health starting from the first day of absence and takes them into account in its calculations.

There were no recordable cases of work-related ill health among the undertaking's employees during the reporting period.

Based on the prescribed definition, a total of 184 days lost due to recordable work-related accidents were recorded at AUO Mobility Solutions in the year 2025. Table 18 summarizes all key figures related to health and safety in 2025.

Description	Value
Share of own workforce covered by an occupational safety and health management system (ISO 45001)	54.8%
Number of fatalities resulting from recordable work-related accidents among own workforce	0
Number of fatalities resulting from recordable work-related ill health among own workforce	0
Number of recordable work-related accidents among employees	5
Recordable work-related accident rate among employees	0.97
Number of recordable work-related accidents among non-employees	1
Recordable work-related accident rate among non-employees	1.03
Number of recordable work-related ill health among employees	0

Table 18: Overview of Health and safety metric of AUO Mobility Solutions in 2025.

Notes on data quality

The data is based on on-site accident reports, while the number of employees is derived from internal HR management systems. The number of working hours and working days is based on the contractually agreed working time of employees.

S1-14 – Work-life balance

The following Table 19 shows the percentage of employees entitled to family-related leave, broken down by location and type of family-related leave. Employees at all locations are entitled to parental leave, which is divided into maternity and paternity leave depending on gender distribution.

In addition, employees are entitled to take carers' leave at all locations except for India, China, and Bulgaria. The data is based on information obtained from local HR representatives.

	Germany	India	China	Finland	Mexico	Bulgaria	Taiwan R.O.C.	Japan	USA
Maternity Leave	25%	21%	45%	13%	49%	38%	50%	20%	0%
Paternity Leave	75%	79%	55%	87%	51%	62%	50%	80%	100%
Parental Leave	100%	100%	100%	100%	100%	100%	100%	100%	100%
Carers Leave	100%	-	-	100%	100%	-	100%	100%	100%

Table 19: Percentage of employees entitled for the different types of family related leave.

S1-16 – Incidents of discrimination and human rights incidents

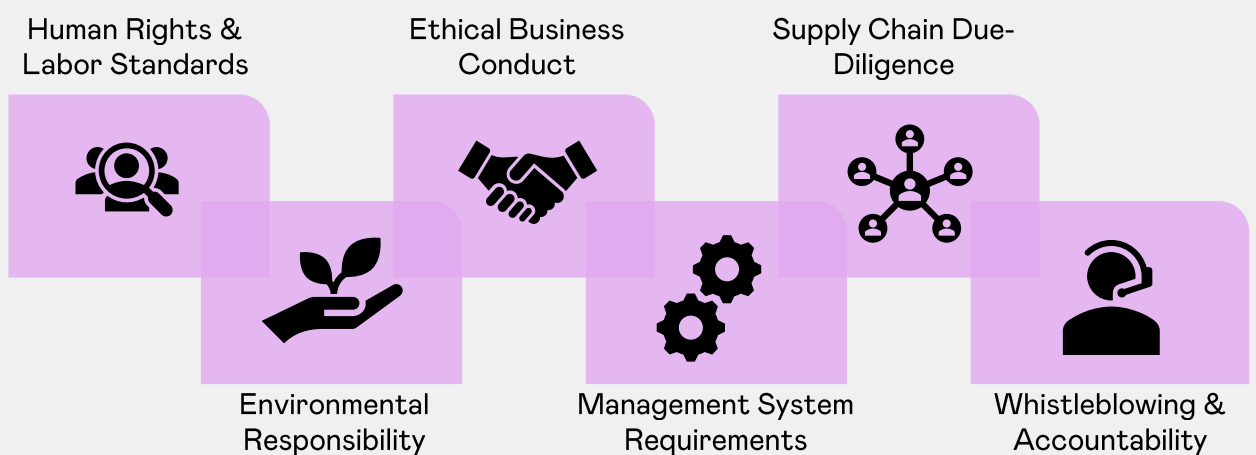
In 2025, no incidents of discrimination or other human rights violations were recorded within the own workforce of AUO Mobility Solutions. Consequently, no fines, penalties, or compensation for damages were recognized.

ESRS S2 – Workers in the value chain



As a company operating within global value chains, AUO Mobility Solutions recognizes that the wellbeing, fair treatment and protection of workers at all supply-chain levels are essential for responsible business conduct. These expectations are increasingly reflected in customer requirements, making strong social standards in the value chain a key contributor to AUO Mobility Solutions' competitiveness and reliability as a business partner.

Focus on Supply Chain Due diligence



SBM-3 – Material impacts, risks and opportunities related to workers in the value chain

The key IROs related to workers in the value chain – including labor-related human rights, participation and representation rights, as well as diversity and equal treatment, as derived from the double materiality analysis in line with ESRS 2 IRO 1 – are presented in the following Table 20.

ID	Subtopic	IRO type	Materiality type	IRO label	Time horizon	Value chain
WV1	Other labor-related human rights, participation rights, and diversity and equal treatment	Potential Negative Impact	Impact Materiality	Adverse impacts on human rights, participation right and diversity and equal treatment in the value chain	Short	↓
WV2	Other labor-related human rights, participation rights, and diversity and equal treatment	Risk	Financial Materiality	Financial risks, supply disruptions, reputational damage, or increased costs due to inadequate management of social and human rights standards in the value chain	Long	↑ ↓

↑: Upstream Value Chain ●: Own Operations ↓: Downstream Value Chain

Table 20: Impacts, risks and opportunities related to ESRS S2.

Adverse social impacts in the value chain, such as violations of human rights, insufficient participation rights, or unequal treatment, may negatively affect the dignity, safety and fair treatment of workers connected to AUO Mobility Solutions upstream activities. Such practices can undermine responsible business conduct and create significant sustainability-related exposure across the value chain (WV1). These impacts directly interact with the company's business model, as AUO Mobility Solutions relies on a global supplier and service network where social standards and ethical behavior are essential prerequisites for operational continuity and stakeholder trust.

Inadequate management of these social and human-rights standards can also lead to financial and operational risks. Potential consequences include supply disruptions, declining supplier reliability, reputational damage, increased audit and remediation costs, or the loss of business opportunities with customers that apply stringent ESG requirements (WV2). These risks illustrate the strategic importance of robust due-diligence processes to safeguard the integrity and resilience of the company's value-chain operations.

Financial effects

Weak social performance in the value chain may result in higher monitoring and remediation costs, legal exposure, reputational harm and elevated supplier-related risks. Conversely, strong social due-diligence and ethical sourcing practices help stabilize supply chains, reduce operational uncertainty and support long-term commercial relationships. Quantitative effects are not reported due to limited data availability and high measurement uncertainty.

Resilience of the strategy

By strengthening human-rights due diligence, promoting fair treatment and ensuring transparent expectations toward suppliers, AUO Mobility Solutions improves the resilience of its value-chain strategy. Clear social standards, regular assessments and ongoing supplier engagement help mitigate disruptions, protect corporate reputation and maintain stable, responsible and future-proof sourcing structures.

S2-1 – Policies related to workers in the value chain

AUO Mobility Solutions responsibility for safeguarding human and labor rights across its value chain is anchored in a clearly defined policy framework.

Declaration of Principles

The *AUO Mobility Solutions Declaration of Principles* commits the company to internationally recognized standards, including the UN Guiding Principles, ILO Core Labor Standards, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact. It defines AUO Mobility Solutions approach to due diligence, including structured risk management processes, and the prioritization of severe human rights risks such as child labor, forced labor, and modern slavery. AUO Mobility Solutions human-rights due-diligence approach is also aligned with the requirements of the German Supply Chain Due Diligence Act. (WV1, WV2)

Code of Conduct for Business Partners

These requirements are further operationalized through the *Code of Conduct for Business Partners of AUO Mobility Solutions*, which sets binding expectations for all business partners. These include fair working conditions, prohibition of child and forced labor, freedom of association, adequate wages, non-discrimination, occupational health and safety, and responsible sourcing practices. The Code forms a mandatory component of all supplier relationships, serves as a basis for supplier selection and evaluation, and allows for escalation measures up to and including termination of cooperation in cases of serious non-compliance. (WV1, WV2)

These policies consider the perspectives of affected stakeholders, in particular workers in the value chain, and are informed by due diligence processes such as risk analyses, audits and grievance mechanisms. The policy framework applies to the company's own operations as well as its global supply and value chain, including direct suppliers and, where relevant, indirect suppliers through the cascading of requirements along the supply chain.

Together, these elements form the basis for managing human- and labor-rights topics throughout AUO Mobility Solutions value chain.

S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy

AUO Mobility Solutions engages with its suppliers through continuous dialogue. Whereby each supplier is assigned a dedicated contact person within AUO Mobility Solutions, ensuring direct and continuous communication via standard digital communication channels.

A key element of this engagement is the provision of accessible grievance channels for workers in the value chain.

All suppliers and their workers have access to the company's digital whistleblowing system, which allows them to raise concerns or report potential violations anonymously (Further information is available in section G1-1). All reports are handled through a standardized and confidential process that includes assessment, documentation, and appropriate follow-up actions.

This mechanism ensures that workers in the value chain can effectively raise concerns and that AUO Mobility Solutions can respond appropriately and provide remedy where required.)

S2-3 – Actions and resources related to workers in the value chain

AUO Mobility Solutions carries out regular and ad-hoc risk analyses across the value chain to identify and prioritize labor- and human-rights risks, with particular consideration for severe risks such as child labor, forced labor, and modern slavery.

To systematically assess risks in the supply chain, the company has used the digital risk management tool for supply chains called Osapiens since 2025, enabling the initial classification of Tier-1 suppliers based on geographic risk factors. The system supports the identification and assessment of issues, among others, like child labor, forced labor, slavery, occupational safety, violation of the right to freedom of association, unequal treatment in employment relationships, inadequate wages, and the use of security companies that pose a risk of violation.

Suppliers identified as high-risk among these topics are required to complete an extended questionnaire. The responses are reviewed and used to reassess their risk classification, allowing AUO Mobility Solutions to develop a progressively clearer understanding of labor- and human-rights-related risks in the value chain.

Building on the requirements of the *Code of Conduct for Business Partners of AUO Mobility Solutions*, the company implements preventive measures through contractually binding expectations related to fair working conditions, non-discrimination, freedom of association, and workplace safety.

In cases of non-compliance, suppliers are required to implement immediate corrective actions, and AUO Mobility Solutions reserves the right to terminate the business relationship.

The implementation of these due-diligence processes is supported by clearly defined responsibilities, including the Human Rights Officer and relevant management bodies, which continuously oversee and further develop the company's human-rights-related governance structures.

S2-4 – Targets related to workers in the value chain

Although human rights along the value chain are a central topic for AUO Mobility Solutions and a comprehensive policy framework is already in place, the company is currently in the process of further developing a holistic and structured approach to capturing, analyzing, and managing related risks and impacts. The recent implementation of the risk management tool marked an important first step toward increasing transparency in the supply chain.

The initial assessment of the supply chain by the tool classified a considerable number of suppliers as high-risk solely based on geographic indicators, as no additional social, human-rights, or operational factors were included at this early stage. In the coming year, AUO Mobility Solutions aims to significantly refine these ratings by conducting more realistic reassessments through detailed supplier questionnaires and targeted improvement requirements. AUO Mobility Solutions objective is to support all currently high-risk suppliers

in developing towards at least a medium-risk classification in the medium-term by implementing corrective actions and strengthening their human-rights and labor-rights practices.

In addition, in the long term, AUO Mobility Solutions aims to expand the screening process beyond Tier 1 and gradually include Tier 2 suppliers. Strengthening this structured, data driven approach will help us derive more targeted actions, improve monitoring, and advance the overall maturity of the human rights due diligence system.

ESRS G1 – Business conduct



In an increasingly complex regulatory and societal environment, AUO Mobility Solutions acknowledges its responsibility to establish clear and binding standards for ethical conduct and legal compliance across all areas of its business. To meet this responsibility, the company continuously strengthens its compliance structures, internal control systems, and preventive measures, ensuring they are aligned with evolving legal requirements and stakeholder expectations. These efforts are embedded within a comprehensive Compliance Management System that supports transparency, integrity, and accountability throughout the organization.



Strengthening Supplier relationships

Strengthening Corporate Culture



SBM-3 – Material impacts, risks and opportunities related to business conduct

The key IROs related to governance – including regulatory compliance, anti-fraud and integrity practices, supplier relationships, and corporate culture, as identified through the double materiality analysis in accordance with ESRS 2 IRO 1 – are presented in the following Table 21.

ID	Subtopic	IRO type	Materiality type	IRO label	Time horizon	Value chain
RS1	Management of relationships with suppliers	Risk	Financial Materiality	Inability to meet increasing customer ESG requirements along the value chain	Medium	↓
RS2	Management of relationships with suppliers	Opportunity	Financial Materiality	Long-term relationships with suppliers	Medium	↑
CC1	Corporate culture	Potential Negative Impact	Impact Materiality	Incidents of compliance violations including corruption, bribery, or fraud	Medium	●
CC2	Corporate culture	Risk	Financial Materiality	Financial penalties resulting from compliance violations	Medium	●
CC3	Corporate culture	Actual Positive Impact	Impact Materiality	Continuous improvement of the company's corporate culture to positively influence employees	Short	●

↑: Upstream Value Chain ●: Own Operations ↓: Downstream Value Chain

Table 21: Impacts, risks and opportunities related to ESRS G1.

Growing customer requirements related to environmental, social and governance expectations across the value chain increasingly shape the conditions under which AUO Mobility Solutions operates. Customers expect transparent reporting, robust compliance structures and demonstrable ethical behavior. If these expectations are not consistently met, the company may face a loss of customer trust, reduced business opportunities and a potential decline in revenues, margins or market competitiveness. These developments underline that ESG-related governance expectations have become an integral component of long-term commercial success and stakeholder confidence. (RS1)

AUO Mobility Solutions long-standing philosophy of building and maintaining durable supplier relationships supports stable and predictable planning conditions for both sides. Such partnerships enable continuity, improved coordination and efficient collaboration, which are essential for managing complex supply chains. By strengthening reliability and mutual trust, the company can enhance cost predictability, reduce supply-chain disruptions and support stronger long-term business performance. This governance-driven approach to supplier management plays a strategic role in securing resilient and responsible sourcing structures. (RS2)

Insufficient adherence to internal policies, legal requirements or ethical principles increases the risk of compliance violations, including corruption, bribery or fraud. Such incidents can undermine the integrity and accountability of corporate governance structures and negatively affect transparency and stakeholder trust. Beyond reputational harm, these events can signal weaknesses in oversight mechanisms, internal controls or ethical culture, each of which can compromise the company's ability to operate responsibly and sustainably in the long term. (CC1)

Compliance violations can also entail direct financial repercussions, including penalties, legal or advisory costs, compensation obligations or regulatory restrictions. Depending on severity, such consequences may negatively affect profitability, liquidity, cash flows and the company's overall financial stability. They may also prompt increased audit activity, stricter oversight or the need for costly remediation measures. (CC2)

At the same time, the company continuously works to strengthen its corporate culture through initiatives that foster engagement, collaboration and a sense of belonging. A strong and inclusive culture improves communication, enhances interpersonal relationships and increases organizational identification. This in turn promotes motivation, innovation and problem-solving capability across teams. Positive cultural development therefore not only improves the daily working environment but contributes directly to long-term organizational cohesion, stability and performance. (CC3)

Collectively, these IROs illustrate how governance structures influence the reliability, credibility and long-term effectiveness of AUO Mobility Solutions business model. Good governance acts as an essential foundation that reinforces responsible conduct, reduces exposure to legal and reputational risks and strengthens trust among customers, suppliers, employees and authorities.

Financial effects

At present, AUO Mobility Solutions is unable to provide quantitative information on current or anticipated financial effects due to limited data availability and the difficulty of isolating governance-related effects.

AUO Mobility Solutions may experience positive financial effects through their stronger supplier relationships and customer trust, while negative financial effects are unlikely, as the occurrence of compliance breaches, penalties, or loss of business opportunities is considered low.

Resilience of the strategy

By maintaining strong compliance systems, transparent governance structures and a robust corporate culture, the company improves its resilience to regulatory, reputational and operational risks and reinforces the stability of its long-term business model.

G1-1 – Policies related to business conduct

AUO Mobility Solutions has established a centralized sustainability governance structure to systematically assess and manage customer driven ESG requirements across the value chain. A central Sustainability Department works closely with customer facing functions to analyze, evaluate and prioritize customer requirements, structured by a central requirement software tool. Escalation mechanisms are in place where requirements have strategic or operational relevance. This structured approach supports compliance with customer expectations and

mitigates risks related to loss of trust or business opportunities (RS1).

Supplier governance is supported by a dedicated supplier management organization. Long standing supplier relationships, reflect a strategic focus on reliability, continuity and mutual trust. This policy driven approach contributes to stable supply chains, cost predictability and resilient sourcing structures (RS2).

Policies on business conduct

AUO Mobility Solutions has established comprehensive and globally applicable policies on business conduct. These are documented in the Compliance Policy, the internal *Code of Conduct for the AMS Germany Group* and the *Code of Conduct for Business Partners of AUO Mobility Solutions*. All policies are binding for employees and business partners across all entities and form the framework for ethical behavior, legal compliance and responsible corporate governance.

Anti-corruption and anti-bribery

The company applies a strict zero tolerance policy towards corruption and bribery. Relevant requirements are defined in the Compliance Policy, covering the prevention of improper advantages, rules for gifts and hospitality, the selection and engagement of third parties and controls related to capital expenditures. These policies are aligned with internationally recognized standards, including the United Nations Convention against Corruption. This framework addresses governance related risks with potential reputational and financial impacts (CC1, CC2).

Whistleblower protection

AUO Mobility Solutions operates a digital whistleblower system accessible via its corporate website. The system enables employees, business partners and third parties to report suspected violations confidentially and without fear of retaliation. The whistleblower framework complies with EU Directive 2019/1937 and corresponding national legislation and is embedded in the Compliance Management System. The effectiveness of whistleblowing mechanism is assessed through defined procedural safeguards, timely handling of reports and protection measures for reporting persons. Approaches to remedy are embedded in the whistleblowing policy and include investigations, binding decisions with recommendations for action, implementation of corrective and disciplinary measures, follow-up of actions taken and measures to restore the rights of affected persons.

Functions at risk of corruption and bribery

Roles and functions with an increased exposure to corruption or bribery risks are regularly identified and assessed. These include functions in procurement, sales, project management and senior management, as well as employees interacting with public authorities or operating in higher risk regions. Risk assessments are integrated into the Compliance Management System and supported by defined approval processes, targeted training and the whistleblower mechanism. Based on the preventive controls in place, the company assesses the residual corruption risk in these functions as low.

Local-to-local and close to customer strategy

AUO Mobility Solutions operates across five distinct regions and follows a local-to-local supplier management approach. This strategy aims to strengthen supply chain resilience by prioritizing geographically close sourcing wherever feasible, thereby reducing logistics risks, lead times, and environmental impacts.

To support this objective, a Local-Sourcing-Ratio was introduced by the ESG Committee as a key performance indicator for the coming years. Initial data for the newly defined scope of AUO Mobility Solutions will be collected in 2026 and used as a baseline. Based on this baseline, target values for the following years will be evaluated and defined.

In addition to its local sourcing strategy for suppliers, AUO Mobility Solutions also pursues a proximity-to-customer production strategy. With internationally distributed production sites, the company aligns its manufacturing footprint with key OEM hotspots to ensure proximity to customers and enhanced responsiveness to regional market needs. An overview of the supply chain structure and the distribution of AUO Mobility Solutions production sites is shown in the Figure 16.



Good to know

→ Whistleblowing System

Via the digital Whistleblowing System of AUO Mobility Solutions, employees, business partners and other third parties can report violations of laws and company regulations at any time – regardless of whether it relates to misconduct within the AUO Mobility Solutions operations or along the supply chain. The whistleblowing hotline can be accessed through the AUO Mobility Solutions website.



Worldwide Supply Chain Formation and Production Sites

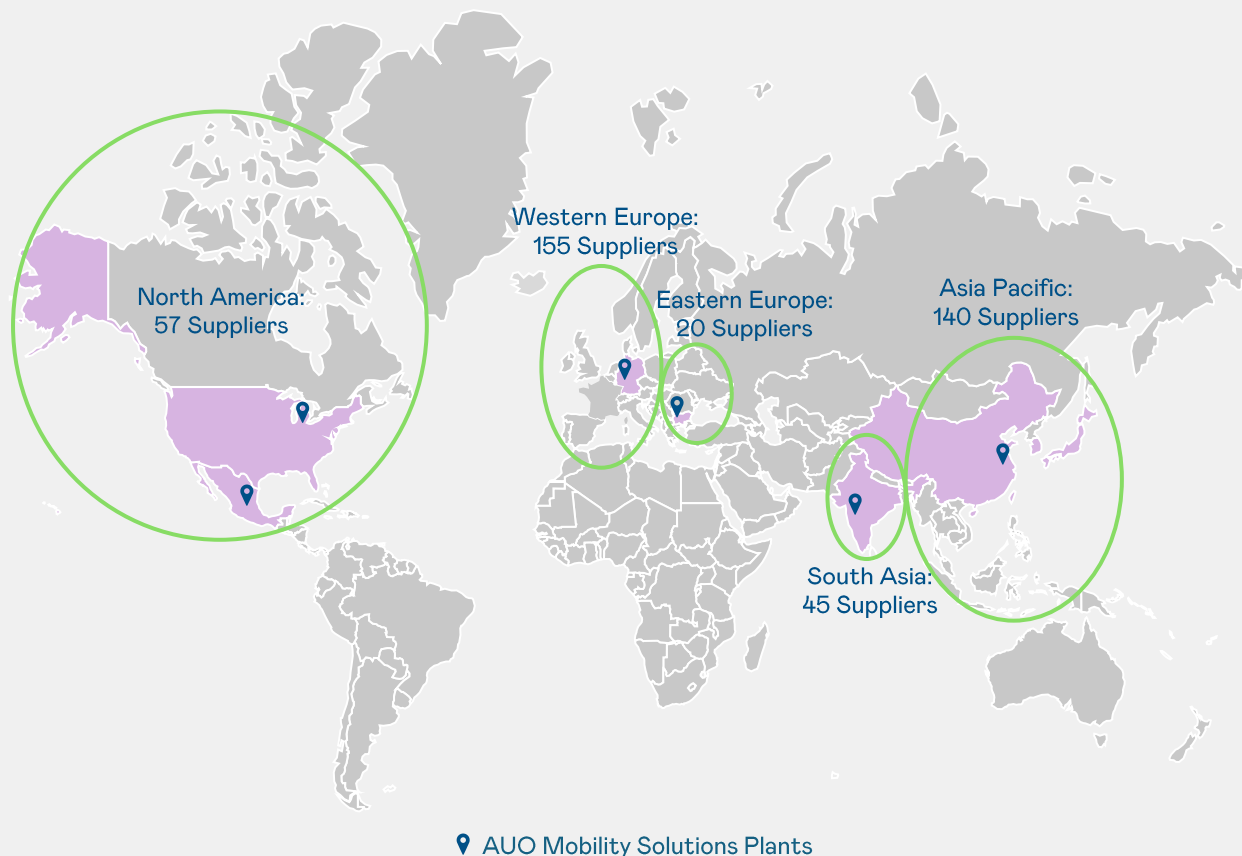


Figure 16: Worldwide Supply Chain Formation and Production Sites. AUO Mobility Solutions operates across five distinct regions, with about 417 suppliers in total.

G1-2 – Actions related to business conduct

Sustainability and management of supplier

AUO Mobility Solutions integrates environmental, social and governance criteria into its supplier selection and evaluation processes. All Tier 1 suppliers are required to comply with binding standards on human rights, labor conditions, environmental protection, anti-corruption and responsible business conduct. These requirements are defined in the *Code of Conduct for Business Partners of AUO Mobility Solutions*, which is based on the UN Global Compact, ILO conventions and the RBA Code of Conduct and is an integral part of supply agreements.

All suppliers undergo a comprehensive pre-qualification and due diligence process prior to onboarding, in which sustainability aspects form an integral component. This includes the mandatory completion of a self-assessment questionnaire and the provision of relevant certifications. Compliance is monitored through contractual obligations, self-assessments and on-site supplier audits.

To support effective implementation, all employees receive mandatory annual sustainability training, complemented by targeted training for the procurement team, including regular

updates on regulatory developments and internal requirements to ensure the integration of sustainability considerations into sourcing decisions.

AUO Mobility Solutions further engages with suppliers to enhance their sustainability performance through clear communication of expectations, continuous dialogue, and structured follow-up processes. Where gaps are identified, corrective action plans are jointly developed and systematically monitored to ensure continuous improvement.

Training activities on business conduct

Regular compliance trainings are conducted through classroom sessions or e-learning formats. Training content covers business ethics, anti-corruption, data protection and competition law. Participation focuses on employees in high-risk roles, including procurement, sales, project management and members of administrative, management and supervisory bodies. Training participation is monitored and documented, and coverage rates for high-risk functions are reported internally as part of ongoing compliance monitoring.

Approach to prevent, detect, investigate, and respond to corruption and bribery

A comprehensive framework to prevent, detect, investigate and respond to corruption related incidents is implemented across the organization. Preventive measures include clearly defined rules on gifts and benefits with location specific thresholds, approval requirements and the prohibition of using third parties to circumvent compliance rules.

Detection and investigation are supported by internal audits and compliance investigations overseen by the Compliance Panel and the Compliance Board. All reported incidents are documented, assessed and escalated as required. Each legal entity submits an annual self-certification confirming adherence to compliance requirements.

Confirmed violations result in appropriate disciplinary measures, contractual consequences for business partners and corrective actions to strengthen the Compliance Management System. Lessons learned are systematically incorporated to reduce future risks.

Corporate culture

At AUO Mobility Solutions, the culture is rooted in care, collaboration, and continuous development. The company aims to create a workplace where employees feel supported, connected, and empowered to grow. In 2025, several community and team events took place across global sites.

Health and wellbeing are key priorities. Measures are implemented across locations, including awareness and prevention programs. At the Mexico site, employees participated in breast cancer awareness initiatives.

Collaboration and knowledge exchange are strengthened through initiatives such as the “Building Culture Bridges” program, which enhances cross-site understanding and supports the “Act as One Team” philosophy by aligning ways of working across locations.

AUO Mobility Solutions is also committed to developing future leaders. The Global Leadership Training Program brings emerging talents together to build leadership, change management, and intercultural skills while fostering a strong international network.

Local team and community-focused initiatives across regions further promote engagement, inclusion, and community involvement. In Mexico and Germany, employees participate in community events such as company runs. These measures are tailored to local contexts and will be continued in the future.

Across all regions, these activities reflect a caring, collaborative, and globally connected culture that promotes wellbeing, teamwork, and community engagement, enabling both employees and the organization to thrive (CC3). AUO Mobility Solutions will continue to adapt and expand its overall offering, while specific initiatives may vary over time.



Figure 17: Company run in Mexico



Figure 18: 25th Anniversary event in Germany.

G1-3 – Targets related to business conduct

AUO Mobility Solutions monitors and promotes a positive corporate culture through regular employee engagement assessments. In 2025, the company achieved an average Great Place to Work® Trust Index of 73% with an overall participation rate of 80%, reflecting a strong internal climate of trust and integrity. For the upcoming survey, AUO Mobility Solutions aims to achieve Great Place to Work® certification across all sites, including in the United States and Bulgaria.



Good to know

→ Great Place to Work®

AUO Mobility Solutions commitment to create a workplace where people feel supported and connected is reflected in the fact that seven sites are certified as Great Place to Work® in 2025, with an average Trust Index of 73%. This improves employee satisfaction, engagement and retention, and supports a positive and trust-based workplace culture in line with the company’s HR-related objectives.



Imprint

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**Your Journey,
Our Vision**