AOI

Sustainability Report

2024

Contents

2024 AOI Sustainability Report

A Message from Our CEO

I am pleased to share the inaugural Applied Optoelectronics (AOI) 2024 Sustainability Report, which highlights the positive impact we are making for our employees, customers, and communities.
At AOI, we are committed to delivering high-performance optical solutions that enable the next generation of communications. As our industry evolves, so do our responsibilities—to ensure the safety of our employees, enrich employee engagement and minimize our environmental footprint. This year, we continued to strengthen our sustainability efforts while maintaining the innovation and operational excellence that define AOI.

Environmental Stewardship

We recognize that sustainability is not just an obligation, it is an opportunity to improve efficiency, manage risks, and create long-term value. In 2024, we minimized our environmental impact by expanding energy efficiency measures while maintaining our use of renewable energy. We are committed to the following environmental goals that drive our progress every year:

- Obtain at least 20% of the energy used in our operations from renewable sources

- We commit to explore opportunities to reduce our GHG emissions through targeted initiatives in our operations and innovations in our products that reduce emissions in our value chain

- Properly recycle waste materials including paper, electronic components, glass and batteries

- Reduce our generation of hazardous waste by at least 10% over the five-year period from 2024 to 2028.

All our manufacturing operations across our facilities in Sugar Land, Texas; Ningbo, China; and Taipei, Taiwan are ISO 14001:2015 certified. These rigors place strict environmental management standards on our manufacturing operations.

Employee Engagement, Development, and Safety

Our business success depends on our ability to attract, develop, and retain top talent. We foster an open dialogue between employees and senior management, ensuring that employee feedback is addressed. Our professional development programs provide leadership training for executives, management development for supervisors, and career advancement opportunities for all employees through accessible learning platforms.

Employee safety is one of AOI's core values. We provide the necessary training at our production facilities to empower our employees with knowledge and tools that will help reduce risks. Our supervisors are trained in courses about safety management to further drive this commitment for a safe workplace.

We also offer competitive compensation, benefits, and wellness programs that support employees' overall well-being. These include financial education resources, health and wellness initiatives, and access to flexible programs designed to encourage healthy lifestyles.

Responsible Sourcing and Materials Management

We rely on a limited number of suppliers for critical raw materials, components, and specialized equipment to manufacture our products. To mitigate risks and manage costs, we actively evaluate supplier relationships for risks including environmental and social criteria and maintain sufficient inventory levels in case of supply interruptions. This includes ensuring the minerals used in our products do not come from areas of conflict. In addition, we comply with international regulations regarding the use of hazardous materials in electronic products, including the EU's RoHS and REACH regulations, as we strive toward a greener supply chain. Additionally, we engage in ongoing communication with suppliers to prevent disruptions and uphold quality standards.

Innovation for a Sustainable Future

Sustainability and innovation go hand in hand. Our vertically integrated manufacturing model gives us greater control over product design and environmental impact. In 2024, we continued to advance energy-efficient optical solutions, supporting industry transitions to high-bandwidth, lower-power technologies. Our Quantum Bandwidth™ brand, for example, enables telecom providers to implement next-generation networks with improved efficiency.

The rise of artificial intelligence (AI) and hyperscale data centers presents new challenges for energy consumption and network infrastructure. AOI's advanced optical transceivers and proprietary light engines are helping data center operators manage growing bandwidth demands with greater energy efficiency, enabling a sustainable digital transformation.

Looking Ahead

As we enter 2025, we remain focused on driving technological advancements while strengthening our environmental and social commitments. AOI will continue to enhance its sustainability initiatives, invest in responsible manufacturing, and adapt to evolving regulatory requirements. Our approach is pragmatic—ensuring compliance, improving efficiency, and delivering value to our stakeholders while maintaining our leadership in optical networking.

Thank you for your continued trust in Applied Optoelectronics. Together, we are building a more connected and sustainable future.

Dr. Chih-Hsiang (Thompson) Lin
Founder, President, Chief Executive Officer, and Chairman of the Board
Applied Optoelectronics

About AOI

Applied Optoelectronics, Inc. (AOI) is a global leader in advanced optical communications solutions, serving four key end markets: internet data centers, cable television (CATV), telecommunications, and fiber-to-the-home (FTTH). With a vertically integrated manufacturing model and proprietary laser fabrication processes, AOI designs and produces a comprehensive range of products—from components and subassemblies to fully integrated turn-key solutions. Our commitment to innovation and high performance allows us to address the growing demands for bandwidth fueled by trends like artificial intelligence (AI), cloud computing, video traffic, and network-connected devices.

AOI is at the forefront of the optical networking industry, delivering sustainable, high-quality solutions to help customers enhance their networks efficiently and cost-effectively. In addition to enabling next-generation technologies, AOI prioritizes environmental stewardship across our operations and maintains rigorous quality control standards to ensure durability and reliability in demanding conditions. From providing DOCSIS 4.0 solutions for CATV network upgrades to supporting hyperscale data center operators' AI-driven infrastructure needs, AOI is dedicated to advancing connectivity while fostering sustainable innovation.

2024 AOI Sustainability Report

Mission

At Applied Optoelectronics, Inc. (AOI), we're dedicated to transforming communication through the design, development, and manufacturing of advanced optical devices, packaged optical components, laser transmitters, fiber optic transceivers, and HFC networking. We strive to connect the world faster and clearer, empowering businesses globally.

Annual Highlights

AOI's products are designed to deliver high performance, reliability, and scalability for the evolving demands of our core markets: internet data centers, CATV, telecommunications, and FTTH. Our portfolio spans a wide range of optical communication technologies, including lasers, optical components, transceivers, and integrated turn-key equipment.

Emissions
Reduced GHG emissions by **16%** from a 2018 baseline

Safety
Achieved **1,786 consecutive days** (nearly 5 years) without a recordable injury across all operations as of December 31, 2024

Products
AOI's transceivers have decreased the energy consumption per bit by approximately **83%**

Products
AOI's Quantum18 amplifiers reduce energy consumption by **1.2 MW** per year for every **10,000 homes** served, compared to legacy systems

Products

AOI's products are designed to deliver high performance, reliability, and scalability for the evolving demands of our core markets: internet data centers, CATV, telecommunications, and FTTH. Our portfolio spans a wide range of optical communication technologies, including lasers, optical components, transceivers, and integrated turn-key equipment. In the internet data center market, we specialize in producing advanced optical transceivers that enable hyperscale operators to support artificial intelligence (AI) applications requiring immense computing power and bandwidth. By leveraging in-house manufacturing of laser chips and light engines, we deliver products capable of achieving speeds from 10 Gbps to 800 Gbps, offering superior performance and cost efficiency.

In the CATV market, AOI provides innovative solutions for network upgrades, including DOCSIS 4.0-compliant amplifiers, nodes, and distribution equipment under our Quantum Bandwidth™ brand. These products support Multiple System Operators (MSO) in delivering high-speed, flexible bandwidth to meet growing customer demands. Our telecom and FTTH products further extend AOI's capabilities, offering reliable optical components for advanced 5G deployments and next-generation passive optical networks (PONs) like XGS-PON and WDM-PON. With a commitment to quality and sustainability, AOI's products are engineered to operate reliably in challenging environments, ensuring lasting value for our customers worldwide.

Environmental

At AOI, we recognize the importance of environmental stewardship and are committed to minimizing our environmental footprint through proactive and sustainable practices. We integrate environmental responsibility into all facets of our business, with a focus on key areas including greenhouse gas (GHG) emissions reduction, energy efficiency, responsible water management, waste reduction, and sustainable material sourcing. Our Environmental and Safety Management System (ESMS), underpinned by our Environmental and Safety Policy, fulfills the requirements of the ISO 14001 and 45001 standards. This policy provides our framework for mitigating environmental pollution, minimizing our impacts, and establishing measurable objectives and targets. Our Environmental Health and Safety manager is responsible for overseeing the implementation, monitoring, and continuous improvement of our environmental management practices.

Climate and Energy
Greenhouse Gas Emissions

AOI is committed to reducing our greenhouse gas (GHG) emissions through innovative practices, strategic investments, and ambitious long-term targets. We have committed to seek validation of our GHG reduction targets by the Science-based Targets Initiative (SBTi). We are currently conducting further analysis to ensure that our targets are robust and aligned with the latest standards. We plan to share finalized targets and our strategy to achieve them in a future update. AOI recognizes our role in addressing climate change and we are taking comprehensive steps to minimize our environmental footprint.
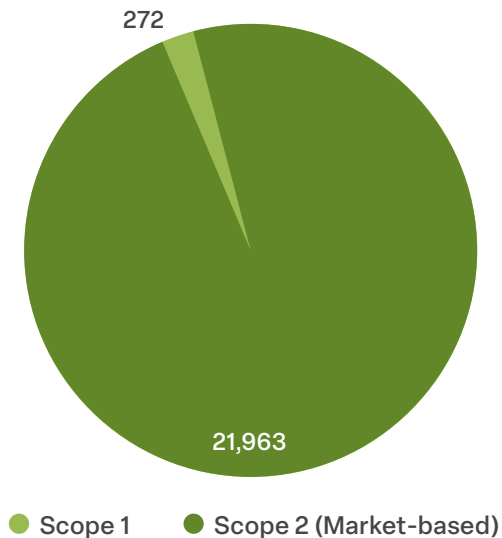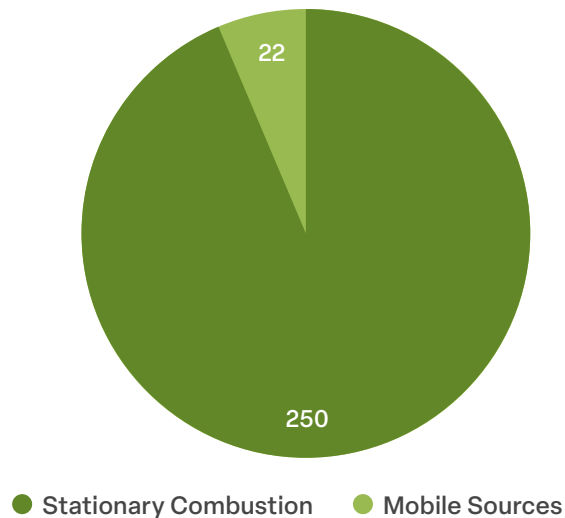
We commit to explore opportunities to reduce our GHG emissions through targeted initiatives in our operations and innovations in our products that reduce emissions in our value chain

Scope 1 & 2 Emissions (tCO$_2$)

272

21,963

● Scope 1   ● Scope 2 (Market-based)
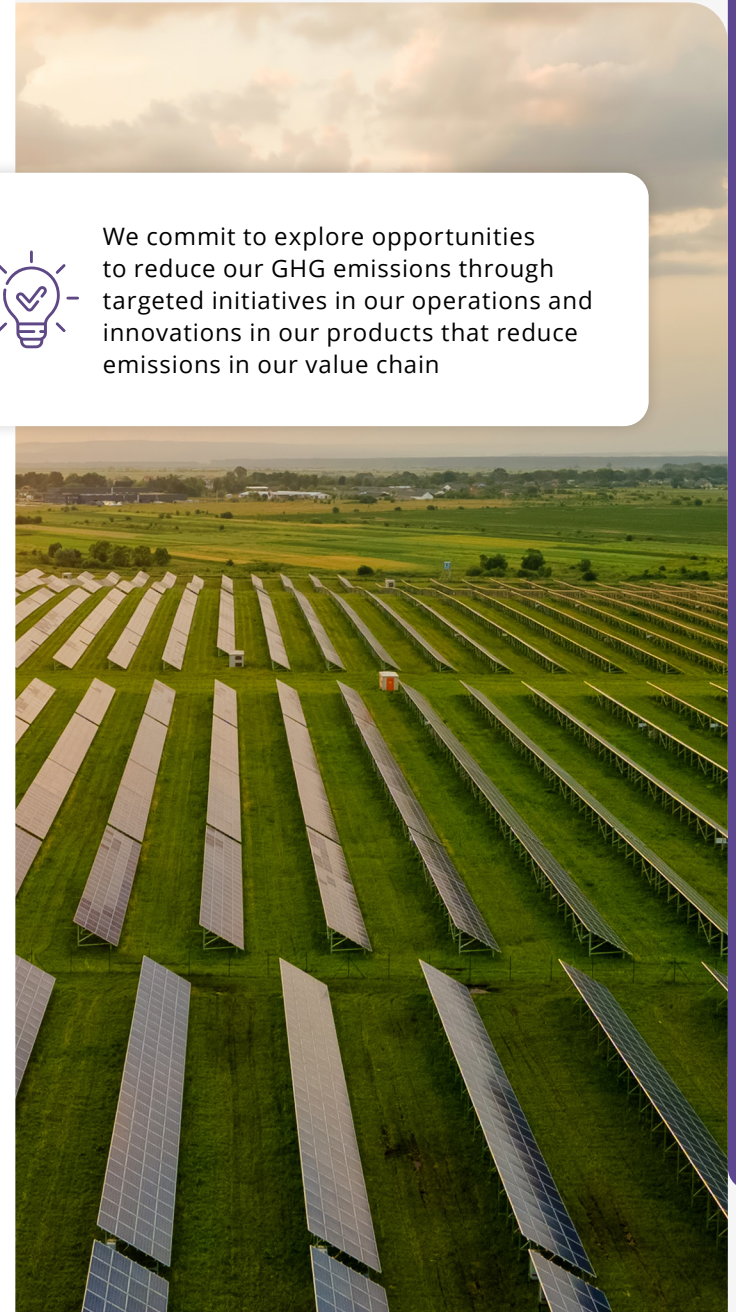
Scope 1 and 2[1]

AOI's scope 1 emissions come from natural gas used at our facilities for heating, natural gas and diesel used to run backup power generators in case of emergencies, and gasoline consumption for company vehicles. Our scope 1 emissions make up a minor contribution to our total scope 1 and 2 emissions (1.2%).

AOI's scope 2 emissions come from electricity usage at our global facilities. To calculate our scope 2 emissions, AOI uses regional emission factors, and includes renewable electricity contributions in our market-based emissions figure. We generate renewable electricity through an onsite solar array at our China facility and procure renewable energy credits (REC) for our facilities in the U.S. In 2024, AOI purchased RECs covering 3,096 MWh of electricity use, or 1,037 tCO_2. This is equivalent to the greenhouse gas emissions from 485 gasoline-powered passenger vehicles being driven for one year[2]. Our solar generation in China generated 1,120 MWh of electricity in 2024, representing 596 tCO_2 of avoided emissions.

Scope 1 Emissions Breakdown (tCO_2)

22

250

● Stationary Combustion   ● Mobile Sources

Scope 1 & 2 Trend (tCO_2)

2018	2019	2020	2021	2022	2023	2024
26,508	28,010	30,052	26,762	23,268	19,463	22,235

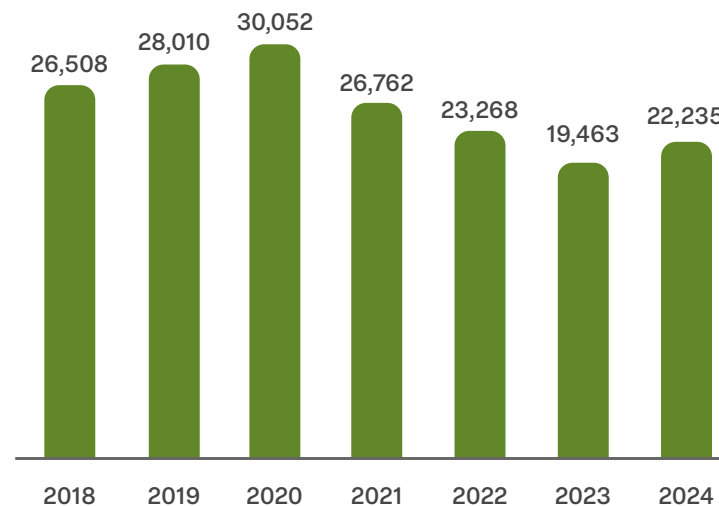[1] Unless otherwise noted, all emissions data in this report are presented in metric tons of carbon dioxide (CO2) only rather than CO2-equivant (CO2e). Methane (CH4) and nitrous oxide (N2O) are excluded from reported figures.

[2] U.S. Environmental Protection Agency. Greenhouse gas equivalencies calculator. Retrieved from https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

AOI has implemented additional measures to further reduce emissions. Recycling initiatives in Taiwan and the U.S. avoided an estimated 453 tCO_2e in 2024, while employee engagement efforts, such as encouraging staff to power down computers at the end of the workday, saved approximately 164 tCO_2e in 2024.

Beyond our own operations, AOI's high-speed transceivers enable significant energy savings for customers during their use phase. The energy efficiency of AOI's transceivers has improved greatly over time; since 2012, AOI's transceivers have decreased the energy consumption per bit by approximately 83%. In addition, AOI's Quantum18 amplifiers reduce energy consumption by 1.2 MW per year for every 10,000 homes served, compared to legacy systems. The estimated reduction from AOI's products is equivalent to removing 174 gasoline-powered vehicles from the road annually (based on the EPA's Greenhouse Gas Equivalencies Calculator)[3].

These actions have resulted in a decreasing trend in our GHG emissions over time. We began conducting GHG inventories in 2018 and have since reduced our emissions by 16%. Our emissions peaked in 2020, and when compared to 2024, our emissions have decreased by 26%.

Key initiatives to reduce GHG emissions include:

Offsetting 20% of emissions by purchasing renewable energy credits (RECs), which directly support the transition to cleaner energy solutions.

Implementing **motion-sensing lights** and **LED systems** across facilities and conference areas to reduce energy consumption.

Ensuring **optimal performance and emissions control** through routine equipment maintenance and advanced abatement systems.

[3] U.S. Environmental Protection Agency. Greenhouse gas equivalencies calculator. U.S. Environmental Protection Agency. Retrieved January 2025, from https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

2024 AOI Sustainability Report

Energy Management

Energy efficiency remains a cornerstone of AOI's sustainability strategy. We know that managing energy consumption is integral to achieving our environmental goals, and we will continue to invest in innovative solutions to enhance energy performance.

To improve energy efficiency in our operations, we have installed motion-sensing and LED lighting systems across our operations to reduce electricity usage. We have added curtains to windows in our US facilities to minimize cooling needs during summer months and conduct regular maintenance of our equipment and systems to ensure optimal energy performance.

AOI has made significant strides in adopting renewable energy. Our US operations have contracted to purchase enough renewable energy certificates (RECs) to offset 20% of our US scope 2 emissions from 2023 to 2026, which has already contributed to a notable reduction in carbon emissions. In 2024, we purchased 3,096 RECs, representing 3,096 MWh of renewable electricity. Additionally, Our China facility has a 966kW onsite solar installation operated by a third party through a power purchase agreement (PPA). Renewable energy generation accounted for 2.2% of electricity used in 2024.

Employee engagement has played a key role in energy savings. Simple behavioral changes, such as powering down computers after work hours, have contributed to consistent reductions in energy consumption. AOI's efforts in energy management align with its broader emissions reduction goals and reinforce its dedication to advancing a low-carbon future. Looking ahead, the company plans to expand our investments in renewable energy and efficiency projects to sustain its leadership in sustainability.

Energy Source	2024	Unit
Purchased Electricity	50,104	MWh
Renewable Energy Generated On-Site	1,120	MWh
Natural Gas	43,491	CCF
Diesel	1,107	Gallons
Gasoline	2,387	Gallons

Climate Risk and Resilience

AOI recognizes the importance of preparing for climate-related impacts and ensuring operational resilience. To address this, we have implemented a Business Continuity Plan to reduce the impact of extreme weather events (such as cyclones and floods) on our facilities worldwide.

While not all business operations within AOI are associated with significant environmental impacts, the company adopts a proactive approach to identify those that do. To ensure comprehensive management, AOI has established, implemented, and maintains an ongoing, systematic process for identifying relevant environmental risks and opportunities.

Once environmental aspects are identified, AOI employs a structured process for assessing the associated risks and opportunities. This assessment includes:

Environmental Risk Assessment

Evaluating the risks posed by identified environmental aspects and hazards, while accounting for the effectiveness of any existing controls designed to mitigate those risks.

Broader Risk Evaluation

Identifying and assessing other risks related to the establishment, implementation, operation, and maintenance of the Environmental and Safety Management System (ESMS).

To guide this process, AOI has developed a methodology document used for assessing each aspect against a defined set of environmental criteria. This ensures that all potential aspects are evaluated and that any deemed as a Significant Environmental Aspects (SEA) are prioritized for further management and mitigation.
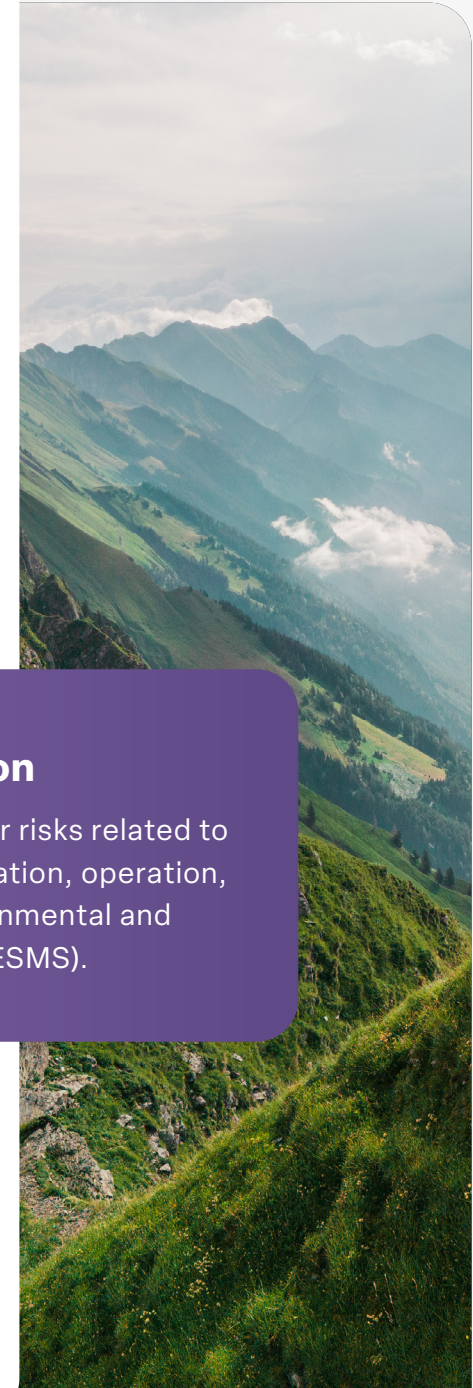
Water

Water is a key resource for AOI as our operations and employees depend on a reliant water supply. In our direct operations, water is primarily used to produce our laser products. We also use freshwater for general use by employees in our facilities for drinking water, dining rooms, restrooms, cooling towers, and irrigation. Water use is even more critical in our supply chain, where some Tier 2 suppliers, such as semi-conductors and Printed Circuit Boards, depend heavily on its use for their operations.

AOI measures the water withdrawal volumes across over 99% if our facilities by area. Water consumption is primarily influenced by changes in employee headcount, and while no specific water-related targets have been established, AOI remains vigilant in ensuring compliance with local water management regulations.

AOI monitors water quality at the site level where drinking, lab or special process requirements exist. At most of our sites, water quality is monitored at the municipal level. Our process wastewater is pre-treated through a process of acid neutralization to ensure compliance with local regulations. All chemicals from wastewater are separated into appropriate waste containers and disposed of properly so that only clean water rinse is allowed to enter the sewer system.

Risks associated with water are evaluated as part of our ongoing risk management process. AOI conducted a water risk assessment using the WRI's Aqueduct tool for our three facilities in the US, China, and Taiwan, where we withdraw from municipal supply, and found that all three facility locations are in areas of low (<10%) water stress (i.e., areas where water demand exceeds supply or areas of poor water quality). To mitigate any future risks associated with water or otherwise, we incorporated water risks into our Business Continuity Management Policy and Disaster Recovery Plan.

AOI has implemented several measures to minimize water use such as automatic shut-off valves that reduce the amount of water used when washing hands.

AOI Water Consumptions (Megaliters)

2019: 99
2020: 120
2021: 93
2022: 106
2023: 79
2024: 91

2024 AOI Sustainability Report

15
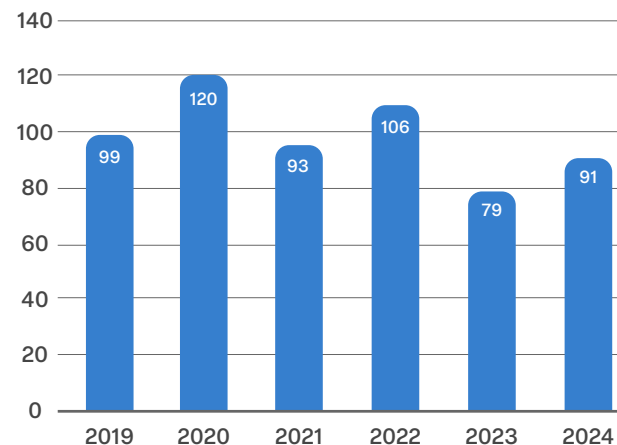
Waste

AOI has developed a robust waste management system to track, reduce, and responsibly dispose of waste materials. AOI's Waste Reduction and Recycling Program is a key component of our ISO 14501/14001 certification and our Environmental and Safety Policy. Our processes include continuous monitoring and tracking through tools such as the Annual Waste Summary (AWS), Pollution Prevention (P2) Plan, and Waste Reduction Spreadsheet. We also routinely recycle cardboard and other packaging materials, scrap samples, e-waste (batteries, computers, laptops, monitors, etc.), food waste, and construction waste via third-party local contractors.

Routine maintenance and automation of equipment help minimize waste generation, and hazardous chemicals are substituted with non-hazardous alternatives where possible. Through increased automation and optimization of research and development projects, we have achieved significant reductions in waste generation in recent years.

Target
Reduce hazardous waste generation by 10% over five years (2024-2028).

Total Waste Breakdown by Region
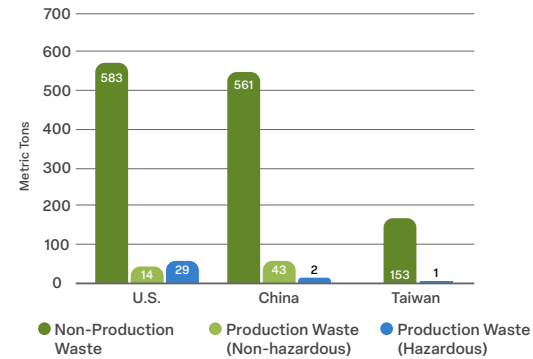
Production Waste (Non-Hazardous) Disposal Methods

Non-Production Waste Disposal Methods

Materials

AOI prioritizes the responsible sourcing and management of materials used in our products, adhering to strict regulatory standards. Our primary materials include integrated circuits (ICs), mechanical parts for transceiver products, and chemical compounds, including metals like gold and platinum for wafer growth.

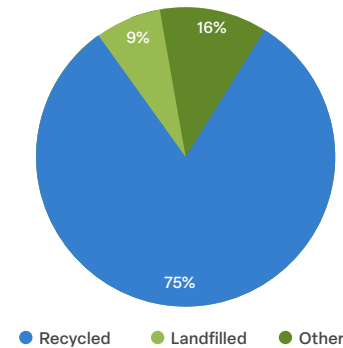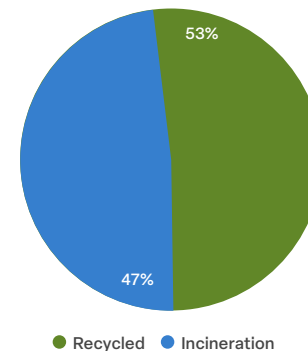We ensure compliance with key regulations through our corporate policies. Our Conflict Minerals Policy ensures that the vendors that we work with do not source their materials from zones of conflict (immediate risk) and that they have an adequate conflict-free sourcing policy and process as well (process risk). Where risks are identified, AOI prioritizes immediate risks before addressing process risks.

Hazardous Materials

Regulatory standards such as RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals), and PFOS (Perfluorooctane Sulfonate) are critical to managing the environmental and health risks associated with hazardous substances. RoHS restricts specific dangerous substances in electrical and electronic equipment. REACH requires companies to identify and manage risks linked to the chemicals they produce and market in the EU.

PFOS regulations aim to phase out and replace these persistent, bioaccumulative, and toxic chemicals. By complying with these standards through our RoHS/REACH/PFOS Policy Statement and Compliance Standard Operating Procedure, AOI ensures that the materials we source are safe, environmentally friendly, and in line with global regulatory expectations.

Social

AOI's commitment to social responsibility is at the heart of our operations. We prioritize creating an environment where employees thrive, customers are valued, and communities flourish. From offering competitive compensation and comprehensive benefits to fostering diversity, equity, and inclusion, we strive to cultivate a workplace that empowers individuals and promotes well-being.

This section highlights our approach to employee attraction, retention, and development, as well as our efforts to engage and support the communities where we operate. Through initiatives like professional development programs, inclusive workplace celebrations, and partnerships with educational institutions, we aim to build a workforce that reflects diverse perspectives and thought processes. Additionally, our dedication to fostering a supportive, inclusive culture is exemplified through resource groups, flexible work schedules, and initiatives promoting equity and representation at all levels of the organization.

With a focus on continuous improvement, we measure our success through employee feedback, engagement metrics, and the achievement of strategic goals, ensuring AOI's commitment to social responsibility translates into meaningful impacts for our workforce and society at large.

2024 AOI Sustainability Report

People and Culture

Benefits and Compensation

Our focus on competitive compensation, comprehensive benefits, and a supportive culture ensures that every team member feels valued and empowered to thrive.

At AOI, our people are the driving force behind our success, and their engagement, development, and well-being are at the core of our company's values. We are committed to fostering a culture that prioritizes employee growth and satisfaction through comprehensive training programs, tailored development opportunities, and initiatives that promote inclusion and work-life balance. By investing in our workforce, we ensure our team is equipped to meet the evolving demands of our industry while contributing to the company's broader goals.

AOI provides a robust range of health and welfare benefits, including medical, dental, and vision plans designed to meet diverse needs, as well as tax-advantaged accounts like FSAs and HSAs. Additionally, we provide a company-paid Employee Assistance Program (EAP) for personal and professional support, company-sponsored short- and long-term disability insurance, life insurance coverage, and a 401(k)-retirement plan with company matching. We also offer up to 12 weeks of job-protected Family and Medical Leave (FMLA). In addition, we offer generous PTO policies, and wellness programs, creating a workplace where every individual can thrive and succeed.

2024 AOI Sustainability Report

Employee Attraction and Retention

We recognize that attracting the right talent is essential to driving our success and achieving our goals. In 2024, we refined our recruitment processes, building on partnerships and outreach initiatives that prioritize innovation, inclusivity, and strategic alignment with our values. These efforts are designed not only to identify top talent but also to create pathways for individuals from diverse backgrounds to contribute their unique skills and perspectives.

We remain committed to cultivating a workforce that reflects the rich diversity of the communities we serve, ensuring our team is as dynamic and multifaceted as the markets we operate in. By focusing on equitable hiring practices, engaging with educational institutions, and expanding partnerships with diverse talent networks, AOI is setting the foundation for a future driven by collaboration, creativity, and shared success.

We leverage the following strategic initiatives and programs to enhance our talent acquisition efforts:

Employee Referral Programs

Employees are incentivized to refer high-quality candidates through bonuses tied to the success of the referred individuals. This program not only taps into our team's networks but also fosters a collaborative recruitment process.

Targeted Job Posting Performance Analysis

By analyzing application rates across various job posting platforms, we optimize our outreach strategies to connect with top talent effectively. This data-driven approach ensures our postings are placed where they will attract the best candidates.

These efforts reflect our commitment to building a strong, talented workforce through innovative and performance-driven recruitment practices.

To ensure our recruitment strategies are efficient and impactful, we use a combination of qualitative and quantitative methods:

Post-Hire Evaluations
New hires participate in a three-month check-in session with their managers to assess their integration, role satisfaction, and alignment with expectations.

Exit Interviews
Conversations with exiting employees help us understand their reasons for leaving and reflect on their recruitment experience, providing actionable feedback for refining our processes.

Key Recruitment Metrics

These efforts reflect our commitment to building a strong, talented workforce through innovative and performance-driven recruitment practices.

To ensure our recruitment strategies are efficient and impactful, we use a combination of qualitative and quantitative methods:

Cost Per Hire
Monitoring expenses associated with attracting and onboarding candidates.

Source of Hire
Identifying which channels yield the most qualified candidates

Offer Acceptance Rate
Measuring the percentage of candidates who accept job offers, helping us evaluate the appeal of our offers and company culture.

This multi-faceted approach allows us to continuously refine our recruitment strategies, ensuring alignment with organizational goals and candidate satisfaction.

2024 AOI Sustainability Report

Employee Training and Professional Development

Employee advancement is a cornerstone of our commitment to fostering professional growth and creating a supportive, engaging workplace. We believe that when employees thrive, the entire organization flourishes. To this end, we provide a variety of tailored training programs, mentorship opportunities, and professional development initiatives designed to empower individuals at every stage of their careers. From onboarding to leadership roles, AOI ensures that employees have the resources and guidance they need to succeed and grow within the company.

Our personalized training programs are developed collaboratively between managers and employees, ensuring alignment with individual career aspirations and organizational objectives. Through access to over 85,000 free courses through our learning management system, team members can continuously enhance their skills and stay ahead of industry trends. Additionally, our structured performance and career development reviews provide clear feedback and actionable pathways for advancement, helping employees set and achieve meaningful goals.

AOI recognizes the importance of mentorship in fostering employee success. Our mentorship program supports new hires during their probationary period, pairing them with experienced colleagues who provide training, resources, and guidance to ensure a smooth transition and successful integration into the company. Feedback from these mentorship relationships is used to refine the program continually, ensuring it remains effective and impactful.

Through these comprehensive initiatives, AOI demonstrates a commitment to employee advancement, building a skilled and motivated workforce that drives innovation, excellence, and long-term success.

2024 AOI Sustainability Report

Diversity, Equity and Inclusion

We are committed to fostering a workplace that celebrates diversity, champions equity, and promotes inclusion. Our DEI initiatives are designed to create an environment where all employees feel valued, supported, and empowered to thrive. Through targeted efforts, cultural celebrations, and strategic programs, AOI is building a culture that reflects the rich diversity of the communities we serve.

37%
AOI Female Employees

2024 DEI Highlights

Employee Resource Groups (ERGs)

AOI is actively building resource groups and networks to provide support for underrepresented employees. These groups foster inclusivity, offer professional development opportunities, and create meaningful connections within our workforce.

Advancing Representation in Leadership

Targeted hiring and internal promotions have significantly increased the presence of women in leadership roles. These efforts underscore our dedication to creating equitable opportunities at every level of the organization.

Metrics-Driven Progress

We track key metrics, such as employee engagement survey results, diverse hiring and promotion statistics, and feedback from cultural initiatives, to measure the impact of our DEI efforts. Regular reviews and updates ensure that we continuously adapt and align our goals with the needs of our employees.

Cultural Inclusivity

We honor the diverse traditions of our workforce by celebrating events such as Chinese New Year and providing traditional treats like moon cakes. Additionally, we accommodate religious practices by implementing flexible work schedules during Ramadan, allowing Muslim employees to balance their fasting with professional responsibilities.

Community Engagement

AOI's relationship with the communities we operate in is built on trust, collaboration, and a shared vision for a better future. We believe that responsible corporate citizenship involves not only minimizing our environmental footprint but also contributes to the social and economic well-being of the communities we call home.

Here are some of the ways we gave back to our communities in 2024:

Volunteering: AOI encourages employee participation in local causes through volunteer programs like quarterly blood drives and pet adoption events, with the company covering adoption fees to foster community engagement and unity – all locations efforts combined totaling 1000+ hours.

Corporate Philanthropy: Giving back to our community is central to AOI's strategy, offering financial support to organizations and initiatives that promote cultural, educational, and charitable goals, creating lasting positive change. In 2024, AOI supported our local communities through financial donations to organizations such as the Chinese Community Center, Taiwanese Chamber of Commerce, and the Fort Bend Sheriff's Office.

2024 AOI Sustainability Report

Health and Safety

Maintaining the health and safety of our employees, contractors, and visitors is a top priority at AOI. Through a robust Environmental Safety Management System (ESMS) modeled on OSHA 29 CFR 1910 and aligned with ISO 45001 certification standards, we ensure that safety is integrated into our operations. This system encompasses a compilation of programs, training, objectives, and regular meetings designed to uphold and continuously improve environmental, health, and safety (EHS) performance across our organization.

Through our practices, AOI fosters a culture of safety that extends beyond compliance. By prioritizing education, regular reviews, and proactive measures, we create a workplace where employees feel secure and empowered to perform at their best. Our ongoing commitment to health and safety strengthens both our operations and the trust our team places in us.

"Safety is no accident—it requires consistency and ongoing care and attention. It is not simply a 'set it and forget it' process. Intentionality and persistence are key to success."

- Jorge Galindo, Corporate EHS Manager

Safe and Healthy Workplace

AOI is dedicated to ensuring a safe and healthy work environment across all operations. We consider any injury to an employee unacceptable and strive to have zero injuries in our workplaces. AOI is committed to accident prevention through the implementation of safe practices and procedures, including hazard identification and employee trainings, and by providing the necessary personal protective equipment to safeguard the well-being of our employees.

Safe and Healthy Workplace

AOI's commitment to health and safety is reflected in our transparent tracking and reporting of key safety metrics, such as recordable injuries, lost time incidents, and near-miss reports. These metrics provide valuable insights into our safety performance and help identify opportunities for continuous improvement. By monitoring these trends, we ensure accountability and drive progress toward a safer, healthier workplace.

Safety Metric Highlights

- **0** recordable incidents in 2024.

- **0** recordable injuries in 2024.

- **0** 3-Year Rolling Total Recordable Incident Rate (TRIR)

- Achieved **1,786** (2018 thru 12/31/2024) consecutive days without a recordable injury across all operations.

In 2024, AOI maintained an exceptional safety record, reporting zero recordable incidents, injuries, or fatalities across our operations. Further, AOI has achieved 1,786 consecutive days – nearly five years – without a recordable injury, demonstrating our strong and consistent commitment to workplace safety. Ensuring 100% of our employee's complete safety trainings drives the strong performance we are sharing; employees completed an average of 20 hours of safety training. We recorded 6 near miss reports and conducted 195 safety inspections throughout 2024, these measures allow us to better identify and mitigate safety risks.

Near Miss Frequency Rate (NMFR)*
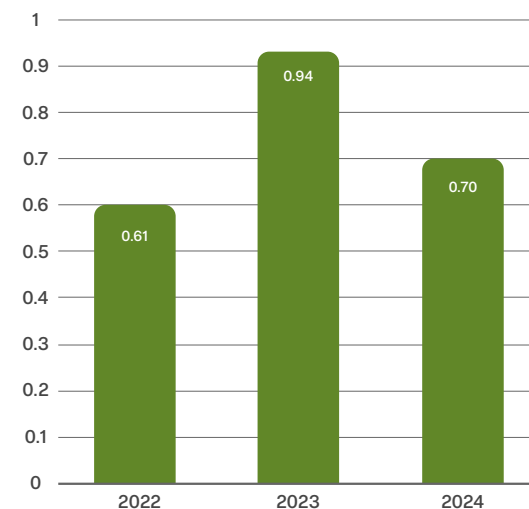
NMFR = (Number of near misses / Number of hours worked) * 200,000

Training and Awareness Initiatives

At AOI, employee education and preparedness are a key component of our EHS strategy. Recognizing that a well-informed and safety-conscious workforce is essential for exceeding our safety and environmental goals, we implemented a series of targeted training programs and communication initiatives in 2024. These efforts address critical safety and environmental areas, ensuring that our team is equipped to maintain a safe, compliant, and sustainable workplace.

Hazard Communication Training: Educated employees on the proper identification, handling, and labeling of hazardous materials to minimize risks associated with chemical exposure.

General Housekeeping/Walking-Working Surfaces Training: Focused on maintaining clear and safe walking and working environments to prevent slips, trips, and falls.

New Hire Orientation Training on EHS: Integrated comprehensive EHS training into the onboarding process to instill a culture of safety from day one.

Significant Environmental Aspects & Significant Safety Hazards (SEAs & SSHs) Training: Provided an in-depth understanding of critical environmental and safety risks, equipping employees to manage these effectively.

BOE Safety Drills: Conducted hands-on safety drills to enhance preparedness for Breakout Emergency (BOE) scenarios.

Monthly EHS Newsletters: Distributed monthly updates and best practices to reinforce safety knowledge and promote continuous improvement.

X-Ray and Laser Safety Awareness Training: Delivered specialized training to mitigate risks associated with X-ray and laser equipment, ensuring safe operation and compliance.

MOCVD Building Safety Training: Addressed the unique safety considerations of Metal-Organic Chemical Vapor Deposition (MOCVD) processes and facilities.

Safety Toolbox Talks: Organized practical, hands-on sessions to address specific safety topics and provide actionable guidance.

These programs reflect our commitment to fostering a proactive safety culture. By equipping our employees with the knowledge and tools to identify and mitigate risks, we are strengthening our EHS performance and ensuring a safer, more sustainable workplace for everyone.

Risk and Incident Management

AOI identifies and mitigates potential risks inherent to our manufacturing processes through a comprehensive approach that integrates engineering, administrative, and procedural controls. Our proactive measures focus on minimizing risks to employees, equipment, and the environment.

Our key areas of focus to reduce risks and incidents include:

Chemical Safety: Comprehensive protocols are in place to ensure the safe handling, storage, and disposal of flammable, toxic, and corrosive substances. Regular safety audits and training programs also educate employees on chemical risks and mitigation strategies. Emergency response plans have also been established and regularly tested to address potential chemical incidents.

Radiation Safety: Devices emitting minimal-threat radiation, such as X-rays and lasers, are managed with strict operational controls. We also provide specialized safety training and equip employees with the appropriate PPE to ensure compliance and safe usage. Routine inspections and maintenance are also conducted to confirm the proper functioning of radiation-emitting devices.

Ergonomics: Workstations and tasks, including microscopy work and material handling, are designed to minimize physical strain and injury risks. We employ ergonomic assessments and implement solutions (like adjustable workstations and task rotations) to improve employee comfort and reduce repetitive motion injuries.

Lock Out/Tag Out (LOTO): Our LOTO procedures prevent the unexpected energization of machinery during maintenance or servicing. Employees are trained to adhere to standardized LOTO protocols, and regular audits verify compliance with LOTO standards.

By continuously enhancing our risk management practices and prioritizing employee safety, AOI is committed to creating a resilient and secure manufacturing environment that supports our business and sustainability objectives.

Products

AOI designs, develops, and manufactures advanced optical devices, packaged optical components, laser transmitters, fiber optic transceivers, and HFC networking. These products connect users across the world and make communication faster and clearer, empowering efficient connection for businesses worldwide.

We understand that the resources required to produce our products have environmental and social impacts, which is why we have developed systems to assess these impacts and ensure the quality of our products.

Product Management

AOI employs a range of systems to maintain and enhance the quality, efficiency, safety, and environmental sustainability of its products:

Quality Management Systems (QMS)
AOI's certification to ISO 9001 and TL 9000 standards ensure compliance with regulatory and customer requirements.

Efficiency Enhancements
Automation technologies reduce errors and increase productivity.

Safety Protocols
AOI follows OSHA standards and implements comprehensive risk management practices for product development and manufacturing.

Performance Enhancements
A Total Quality Management (TQM) approach drives continuous improvement with a focus on customer satisfaction and employee engagement.

Life Cycle Management System
AOI uses a Product Lifecycle Management (PLM) system to manage product design, development, and end-of-life processes.

Eco-Design Strategies
AOI incorporates product lifecycle considerations to minimize environmental impact, supported by participation in programs like the Carbon Disclosure Project (CDP).

Supplier and Employee Engagement
Suppliers are regularly evaluated for quality standards, and employees receive ongoing training in quality control and sustainability practices.

Product Impact Assessments

AOI calculates an estimated carbon footprint of AOI products by facility and monitor the changes year-over-year. This intensity figure is calculated by the total scopes 1, 2, and 3 emissions of each facility divided by the total quantity of products produced by each facility. Monitoring this figure helps us understand the efficiency of our manufacturing process in terms of emissions and allows us to better understand where changes in our overall emissions footprint may come from.

Product Innovation for Sustainability

Our high-speed transceivers greatly reduce energy consumption per bit by enhancing data transmission efficiency. This helps lower the carbon footprint of data centers and reduce operational costs, which is becoming more crucial as data demands increase and sustainability takes on greater importance. The accompanying figure illustrates the significant reduction in AOI transceiver energy consumption per bit over time, highlighting advancements in efficiency as data transmission speeds have increased. By consolidating data rates into high-speed modules, such as the latest 800G transceivers, AOI has achieved a substantial decrease in power consumption per bit compared to earlier-generation products like 10G and 40G transceivers. This efficiency improvement can benefit data center customers by reducing overall energy usage while supporting higher bandwidth demands.

In addition, AOI Quantum18™ low-power amplifiers and AI-driven network optimizations in QuantumLink™ enable remote management and proactive maintenance. Such solutions significantly reduce unnecessary field operations, further lowering industry-wide emissions.

Reduction of AOI Data Center Optical Transceiver Energy Consumption Per Bit
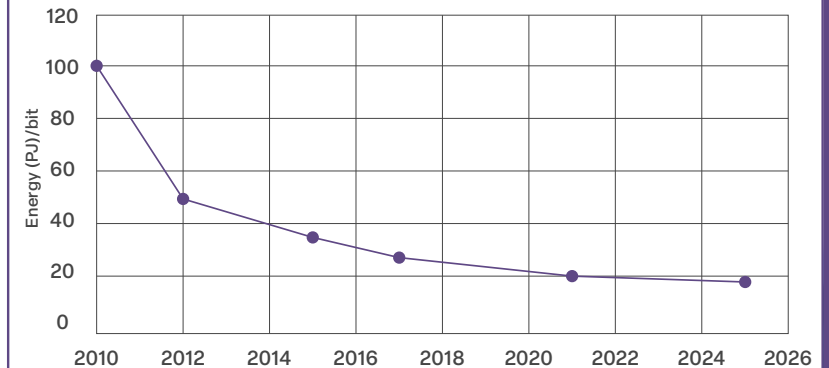
Product Certifications

AOI maintains various certifications that validate its commitment to quality, safety, and sustainability:

ISO 45001: Occupational health and safety management

ISO 14001: Environmental management systems

ISO 9001/TL9000: Quality management systems.

Responsible Business Alliance (RBA) Validated Assessment Program: Standards for on-site compliance assessments and effective, shareable audits.

Authorized Economic Operator (AEO): Certification for customs compliance and security.

Materials and Regulatory Compliance

AOI places a strong emphasis on responsible material sourcing and regulatory compliance, which is critical for minimizing environmental and social impacts while advancing product innovation. The company integrates policies, monitoring systems, and sustainable practices to ensure compliance and manage materials effectively.

The primary materials used in AOI products include integrated circuits (ICs) and mechanical parts for transceiver products, as well as chemical compounds and metals (gold and platinum) for wafer growth. To ensure the materials we source are coming from conflict-free areas, we adhere to our Conflict Minerals Policy (see Supply Chain section for more information).

We also ensure the safety of our products through full compliance with laws that aim to protect human health and the environment from hazardous substances and chemical risks. These include the EU's Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations. AOI ensures all our products contain substances on the Candidate List of Substances of Very High Concern (SVHC) in concentrations that are below 0.1% of product weight.

2024 AOI Sustainability Report

Supply Chain

At AOI, we are committed to ensuring our supply chain aligns with high standards of sustainability, ethics, and corporate responsibility. Through comprehensive supplier screening, risk assessments, and compliance frameworks, we work to uphold ethical conduct, environmental responsibility, and respect for human rights in all operations.

Across our operations in the U.S., China, and Taiwan, we implement region-specific practices to address local challenges while maintaining alignment with international standards. While each AOI facility tailors its supply chain practices to regional requirements and industry norms, all initiatives adhere to internationally recognized standards such as the Responsible Business Alliance (RBA) and ISO certifications. By assessing our suppliers for sustainability and implementing rigorous oversight of conflict minerals and forced labor, we foster transparency, accountability, and continuous improvement within our supply chain.

Supplier Screening and Risk Assessment

AOI evaluates our suppliers based on environmental and social criteria to ensure alignment with our ethical principles and sustainability objectives. Across our operations, relevant suppliers are required to adhere to the RBA's Code of Conduct through signing a conduct document, which promotes ethical practices, environmental responsibility, and worker well-being.

Our global supplier screening and assessment processes encompass various measures, including audits, supplier self-assessments, and compliance with region-specific regulations. These processes ensure alignment with ISO certifications, material composition declarations (MCD), conflict minerals reporting, and key EU directives such as RoHS and REACH.

Ongoing Supplier Risk Assessment

After suppliers are onboarded, AOI monitors the ongoing performance of suppliers through methods tailored to the specific needs of each region using the following methods:

Annual Reporting: Suppliers are required to complete Conflict Minerals Reporting Templates (CMRT) and Extended Minerals Reporting Templates (EMRT) annually. These reports are reviewed to ensure supplier conformance with regulatory and ethical standards.

Supplier Self-Assessments: Environmental, health, and safety standards are evaluated through supplier-provided self-assessment forms to identify and address risks.

Risk Identification and Corrective Action

AOI actively monitors supplier performance and potential risks, taking corrective action when necessary. When identified, risks are communicated to suppliers, and non-compliance may result in reduced business volumes, supplier exclusion during onboarding, or contract termination.

Human Rights in the Value Chain

Upholding human rights across our operations and supply chain is critically important to AOI. Our comprehensive policies and practices reflect our commitment to compliance with global human rights standards and ethical sourcing frameworks, ensuring that our supply chain aligns with our values of integrity and accountability.

Forced Labor

We are committed to eradicating forced labor within our supply chain and upholding the highest standards of ethical sourcing. Our policies explicitly prohibit any association with suppliers linked to forced labor practices with zero tolerance.

AOI has implemented robust processes to ensure compliance with export regulations, particularly the Uyghur Forced Labor Prevention Act. We conduct thorough screenings of all suppliers against the Bureau of Industry and Security's (BIS) consolidated Entity List during onboarding and before each purchase. Throughout the supplier relationship, we conduct regular follow-up screenings to identify and mitigate any new risks or non-conformances. This ensures that our supply chain remains compliant with the latest BIS updates and regulations.

Conflict Minerals Management

At our company, we are committed to responsibly managing risks associated with the use of critical materials, including those designated as conflict minerals. We have established a clear policy prohibiting the procurement of materials that directly or indirectly finance armed groups in conflict-affected areas. This policy forms the foundation of our commitment to ethical sourcing and guides our actions throughout the supply chain.

To ensure compliance, we adhere to established due diligence frameworks, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Using the Responsible Minerals Initiative (RMI) Active and Conformant Facilities List, we identify and prioritize potential risks within our supply chain. We work closely with our suppliers, requiring them to align with our responsible sourcing practices and disclose the origins of the materials they provide. These requirements are incorporated into our contracts to ensure accountability.

We trace materials back to verified conflict-free sources by incorporating data from the RMI Active and Conformant Facilities List into our due diligence process. When risks or non-conformances are identified, we implement mitigation plans, which may include sourcing alternatives or collaborating with suppliers to improve their compliance.

Monitoring and reporting are integral to our approach. We review all CMRT/EMRT submissions across our supply chain and publish annual reports, such as the Conflict Minerals Report, to ensure transparency and accountability. Through these measures, we are committed to minimizing risks, upholding RMI Conformant Facilities standards, and fostering a responsible, conflict-free minerals supply chain.

2024 AOI Sustainability Report
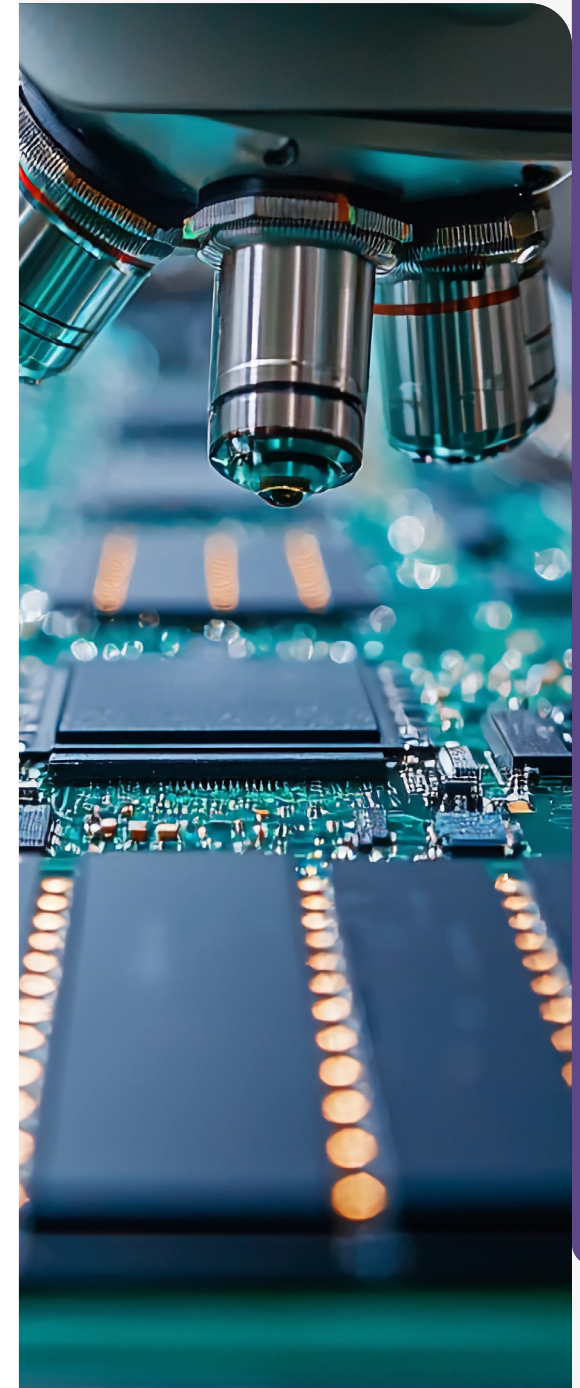
Governance

At AOI, effective governance is integral to our mission of fostering ethical leadership and responsible business practices. Our governance framework ensures that we address risks, opportunities, and challenges with transparency, integrity, and accountability, supporting our commitment to sustainability and operational excellence.

To reinforce our governance efforts, AOI incorporates ESG considerations into decision-making processes, aligning risks and opportunities—such as climate change, regulatory compliance, and supply chain sustainability—with our strategic objectives. Senior leadership collaborates across functions to prioritize material ESG issues, ensuring the company's long-term resilience and alignment with industry best practices.

Through initiatives like annual ethics training, robust anti-corruption policies, and transparent reporting channels, AOI maintains a strong ethical foundation that reflects our dedication to responsible corporate conduct and sustainable growth.

Board of Directors

As a company we believe that strong governance is the cornerstone of ethical and effective leadership. Our Board of Directors plays a pivotal role in steering the company's strategic vision and aligning it with our ESG goals. Supported by the Audit and Governance Committees, the Board oversees critical areas such as risk management, compliance, and corporate governance. While environmental and sustainability issues are not currently managed at the Board level, AOI is actively exploring enhancements to its governance structure to expand oversight in these critical areas. This may include creating a dedicated committee or broadening the scope of existing committees to ensure comprehensive ESG integration.

29%
Female Board Members

71%
Diverse Board Members

2024 AOI Sustainability Report

37

ESG Roles & Responsibilities

The Board's Audit Committee and Governance Committee oversee specific aspects of ESG, risk, and compliance. The Audit Committee is primarily responsible for risk management and compliance, while the Governance Committee focuses on corporate governance matters. Although ESG matters are not currently overseen by the board, we are actively evaluating our governance structure to ensure comprehensive oversight of these critical areas. This includes the possibility of establishing a dedicated committee or expanding the responsibilities of existing committees.

AOI integrates ESG considerations into its decision-making processes. This includes evaluating risks related to climate change, regulatory compliance, supply chain sustainability, and social impacts. ESG risks and opportunities are regularly reviewed as part of our risk assessment framework to ensure alignment with the company's strategic objectives.

The company's Chief Legal Officer plays a key role in overseeing corporate governance and risk management, including ensuring compliance with applicable ESG-related regulations and integrating ESG considerations into the company's governance framework.

The North America General Manager and the Assistant Vice President for Quality are responsible for overseeing environmental and sustainability issues, focusing on implementing initiatives that reduce the company's environmental impact, promote sustainable practices, and align operations with ESG goals.

In addition, senior executives collaborate to identify, prioritize, and address material ESG issues, ensuring alignment with the company's strategic objectives. Certain aspects of ESG oversight, such as risk management and corporate governance, are also delegated to Board committees.
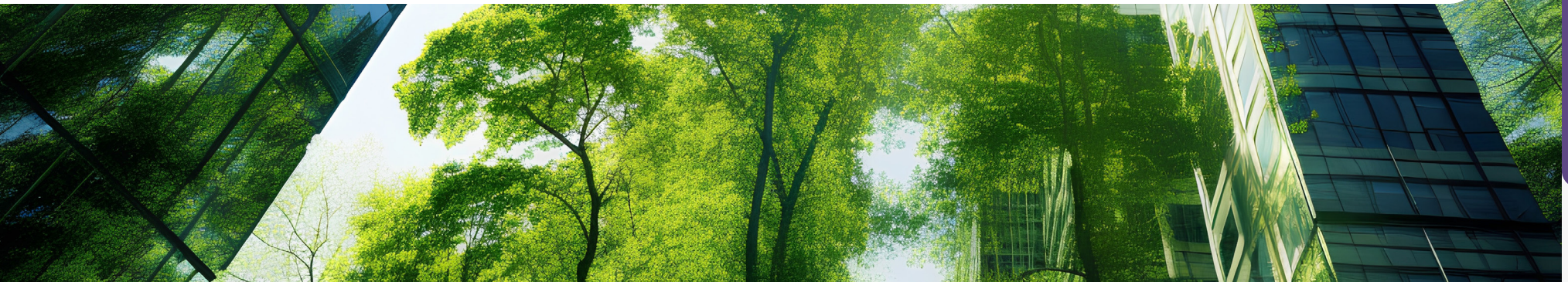
Business Conduct and Ethics

AOI's Code of Business Conduct and Ethics outlines the ethical principles, legal standards, and behavioral expectations for our employees and stakeholders. The Code is communicated to employees through annual business ethics training, which ensures that all employees understand the company's expectations for ethical behavior and compliance with applicable laws and regulations. During this training, employees receive a copy of the Code, review its contents, and acknowledge their understanding and commitment to adhere to its principles.

In addition to the annual training, the Code is readily accessible to employees via the company's intranet and is also included in the Company's Employee Handbook, ensuring easy reference throughout the year. New hires are introduced to the Code during their onboarding process, emphasizing its importance from the start of their employment.

Anti-Corruption

Issues related to corruption are primarily addressed in the Code of Business Conduct and Ethics, which outlines the company's commitment to ethical conduct and compliance with applicable laws, including anti-corruption, bribery, and conflict of interest. Additionally, the company has implemented a Gift and Entertainment Policy to provide further guidance on appropriate business practices and ensure transparency and compliance in relation to gifts, hospitality, and other potential conflicts of interest.

Anti-corruption policies are enforced through a combination of preventive measures, training, and ongoing monitoring. The company provides regular training on anti-corruption and bribery laws, including the Foreign Corrupt Practices Act (FCPA), to ensure all employees—especially those in high-risk regions or sectors—are aware of the company's strict policies and legal obligations.

Employees are encouraged to report any concerns or violations through confidential channels, such as the company's whistleblower hotline for anonymously reporting ethical concerns. AOI has a written non-retaliation policy that provides assurance to employees that there will be no retaliation for reporting to the hotline. The company also enforces its anti-corruption policies by conducting regular reviews of its compliance programs, ensuring that appropriate controls are in place to prevent misconduct. Disciplinary actions, including termination, may be taken against employees found to have violated these policies.

By establishing clear policies, providing ongoing training, and ensuring consistent enforcement, the company maintains a zero-tolerance approach to corruption, particularly in high-risk regions and sectors.

Data Privacy and Cybersecurity

At AOI, we are committed to ensuring the highest standards of data privacy and cybersecurity to protect both our business and our stakeholders. We take a proactive approach in safeguarding sensitive information through a combination of robust policies, technological measures, and ongoing employee training.

IT Management System

At AOI, our IT Management System is designed to safeguard data privacy, ensure security, and maintain business continuity. We adhere to stringent statutory and regulatory requirements while implementing robust systems and processes to protect sensitive information, manage access, and ensure operational resilience.

Compliance with Statutory and Regulatory Requirements: AOI complies with all data privacy and security regulations in the locations where we operate, ensuring email security and the protection of personal information.

Access Control and Authorization: We strictly control and regularly review access to sensitive systems, with measures in place to monitor login attempts, lockouts, and unauthorized access. Password sharing is prohibited, and access is revoked immediately for security risks.

Encryption and Data Protection: Encryption is utilized for data at rest and in transit, including encrypted internal disks and USB drives, ensuring data confidentiality and security within and outside the organization.

Network and Application Control: Our network controls prevent unauthorized access to intranet systems and critical servers. Restrictions are placed on file sharing, instant messaging capabilities, and the use of unauthorized applications.

Audit and Monitoring: We maintain comprehensive audit logs for actions involving sensitive data, such as file backups and outgoing emails, ensuring continuous compliance with data privacy and security policies.

Disaster Recovery and Business Continuity: A Disaster Recovery Appliance supports our Business Continuity Plan, ensuring rapid restoration of critical systems and minimal downtime during server outages.

Through these measures, AOI demonstrates our commitment to secure and reliable IT management, while aligning with our broader sustainability and operational goals.

Value Chain Partners

To further ensure the protection of proprietary and customer data, we require all contractors and business partners who may have access to confidential information to execute a confidentiality agreement. This agreement outlines their responsibilities in safeguarding sensitive data. Additionally, ongoing training programs are conducted to emphasize the importance of data protection and the best practices for securing proprietary information.

When outsourcing development and maintenance services, we ensure that third-party vendors meet our rigorous security standards. We require that all software provided by external parties is free from malware and perform penetration testing to verify the integrity and security of our systems.

Employee Training

We conduct regular training sessions to ensure all employees are aware of our security policies and best practices. Cybersecurity training is required for all employees annually to ensure that our staff is equipped to prevent unauthorized access and potential breaches.

Certifications and Policies

While AOI is not currently certified to specific data privacy standards, our internal policies, such as the **IT-2002 Information Security Policy and Procedure**, serve as the foundation of our data security framework. These policies provide a clear set of guidelines for ensuring the privacy and protection of all data within our control.

Through these comprehensive measures, AOI demonstrates our commitment to maintaining a secure environment for employees, customers, and stakeholders, ensuring that sensitive information always remains protected.

About this Report

Unless otherwise stated, this reoprt covers activities, data and initiatives from our fiscal year 2024.

ESG Disclosure and Framework Alignment
This report addresses topics identified as material to our business and stakeholders. AOI aligns with various ESG frameworks and disclosure standards to uphold our commitment to transparency and meet stakeholder expectations. To ensure comprehensive ESG reporting, we utilize the following frameworks and standards:

Global Reporting Initiative (GRI): A set of global standards and guidelines for sustainability reporting.

Sustainability Accounting Standards Board (SASB): Industry-specific disclosure topics and guidelines to enhance ESG reporting.

CDP (formerly Carbon Disclosure Project): An international platform that enables organizations to measure and disclose environmental impact through an annual questionnaire and rating system.

Stakeholder Engagement and Reporting Commitment
We actively engage with key stakeholders—including investors, employees, customers, regulators, and ratings agencies—on ESG and broader business matters. Additional

details about AOI can be found in our public financial disclosures, such as our annual report and proxy filings, which are available on the U.S. Securities and Exchange Commission (SEC) website at www.sec.gov or on the Investors page of our website at ao-inc.com.

AOI remains committed to annual ESG reporting as we continue to monitor, assess, and expand our sustainability initiatives and disclosures.

Assurance
This report has not undergone third-party assurance; however, we may consider seeking external validation for future reports. The data and information presented were reviewed and verified internally by subject matter experts across the various ESG topics covered.

Contact Us
We value feedback on our ESG efforts and reporting. For any inquiries or suggestions, please reach out to us via email at ir@ao-inc.com.

2024 AOI Sustainability Report

Disclaimer

This report contains certain "forward-looking statements" relating to our business as defined by the provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "expects", "targets" "intends", "plans", "estimates", "will" or other words of similar meaning and include, but are not limited to, statements regarding the outlook for future business and financial performance of AOI. Forward-looking statements are based on management's current expectations and assumptions and therefore inherently involve risks and uncertainties. Actual results and outcomes could differ materially for various reasons, including, among others, assumptions not being realized, scientific or technological developments, evolving government regulations, evolving sustainability strategies, our expansion into new products, services and technologies, or other changes in circumstances. All forward-looking statements reflect AOI's beliefs and assumptions only as of the date such statements are made. AOI does not undertake any obligation to update any forward-looking statements, whether because of new information, future events or circumstances or otherwise.

Data Table (GRI-Aligned)

Performance Data				
Category	**Unit of Measure**	**2023**	**2024**	**GRI Reference**
Environmental				
GHG Emissions				
Scope 1	MTCO$_2$	55	272	305-1
AOI US Texas Sugar Land HQ	MTCO$_2$	30	243.4	305-1
AOI US Atlantic Duluth GA	MTCO$_2$	2	6.6	305-1
AOI China	MTCO$_2$	19	16.6	305-1
AOI Taiwan	MTCO$_2$	4	5.2	305-1
Scope 2 (market-based)	MTCO$_2$	19,410	21,963	305-2
AOI US Texas Sugar Land HQ	MTCO$_2$	3,374	4,300	305-2
AOI US Atlantic Duluth GA	MTCO$_2$	No data	82	305-2
AOI China	MTCO$_2$	10,598	11,349	305-2
AOI Taiwan	MTCO$_2$	5,437	6,233	305-2
Scope 2 (location-based)	MTCO$_2$	20,858	23,000	305-2
AOI US Texas Sugar Land HQ	MTCO$_2$	4,218	5,337	305-2
AOI US Atlantic Duluth GA	MTCO$_2$	No data	82	305-2
AOI China	MTCO$_2$	11,203	11,349	305-2
AOI Taiwan	MTCO$_2$	5,437	6,233	305-2
Scope 1 and 2 (market-based) Total	MTCO$_2$	19,463	22,235	305-1,2
Scope 1 and 2 (location-based) Total	MTCO$_2$	20,913	23,272	305-1,2

Energy				
Natural Gas	CCF	5,452	43,491	302-1
Purchased Electricity	MWh	48,157	50,104	302-1
Renewable Energy Generation	MWh	1,201	1,120	302-1
Waste Generated and Disposal Methods				
Total Waste Generated	Metric Tons	1,249	1,385	306-3
AOI US	Metric Tons	603	626	306-3
AOI China	Metric Tons	496	606	306-3
AOI Taiwan	Metric Tons	150	154	306-3
Waste to Landfill	Metric Tons	5	5	306-5
AOI US	Metric Tons	5	5	306-5
AOI China	Metric Tons	0	0	306-5
AOI Taiwan	Metric Tons	0	0	306-5
Waste Recycled	Metric Tons	614	646	306-4
AOI US	Metric Tons	582	583	306-4
AOI China	Metric Tons	6.12	43	306-4
AOI Taiwan	Metric Tons	26	20	306-4
Waste Incinerated	Metric Tons	612	694	306-5
AOI US	Metric Tons	0	0	306-5
AOI China	Metric Tons	488	561	306-5
AOI Taiwan	Metric Tons	124	133	306-5

2024 AOI Sustainability Report

Other Disposal Method	Metric Tons	1	10	306-5
AOI US	Metric Tons	1	9	306-5
AOI China	Metric Tons	0	0	306-5
AOI Taiwan	Metric Tons	0.1	0	306-5
Hazardous Waste	Metric Tons	16.6	31.2	306-3
AOI US	Metric Tons	14.6	29	306-3
AOI China	Metric Tons	1.8	1.6	306-3
AOI Taiwan	Metric Tons	0.2	0.9	306-3
Water				
Water Withdrawal	Megaliters	79.31	91.35	303-3
Water Discharge	Megaliters	78.52	90.45	303-4
Water Consumption	Megaliters	0.79	0.91	303-5
Social				
Employment				
Headcount	Number	2,146	2,657	405-1
AOI US	Number	328	368	405-1
AOI China	Number	1,352	1,599	405-1
AOI Taiwan	Number	466	690	405-1
Number of employees in management roles	Number	205	229	405-1
AOI US	Number	74	89	405-1
AOI China	Number	76	82	405-1
AOI Taiwan	Number	55	58	405-1

Number of employees in technical roles	Number	561	653	405-1
AOI US	Number	254	279	405-1
AOI China	Number	218	283	405-1
AOI Taiwan	Number	89	91	405-1
Number of full-time employees	Number	2,010	2,278	405-1
AOI US	Number	326	367	405-1
AOI China	Number	1,058	1,234	405-1
AOI Taiwan	Number	646	677	405-1
Number of part-time employees	Number	2	14	405-1
AOI US	Number	2	1	405-1
AOI China	Number	0	0	405-1
AOI Taiwan	Number	0	13	405-1
New Employee Hires	Number	1,382	2,136	405-1
AOI US	Number	64	78	401-1
AOI China	Number	1,230	1,594	401-1
AOI Taiwan	Number	88	464	401-1
Employee Turnover	Percentage	9.8%	16.3%	401-1
AOI US	Percentage	12%	13%	401-1
AOI China	Percentage	7.57%	7.02%	401-1
AOI Taiwan	Percentage	15%	42%	401-1

Safety				
Total Number of Fatalities	Number	0	0	403-9
Lost Time Recordable Incidents	Number	0	0	403-9
Lost Time Recordable Incidents Rate	Rate	0	0	403-9
Total Recordable Incidents	Number	0	0	403-9
Total Recordable Incident Rate	Rate	0	0	403-9
Average hours of safety training completed by AOI employees	Hours	No data	20	403-5
Near Miss Frequency Rate (NMFR)	Rate	0.94	0.7	403-2
Total number of injuries among contractors	Number	0	0	403-9
Total Recordable Injury Rate among contractors	Rate	0	0	403-9
Diversity				
AOI US				

Percentage of Employees Under Age 30

Management	Percentage	0%	3%	405-1
Technical	Percentage	18%	19%	405-1
All Other	Percentage	8%	10%	405-1

Percentage of Employees Age 30 – 50

Management	Percentage	50%	53%	405-1
Technical	Percentage	46%	41%	405-1
All Other	Percentage	44%	45%	405-1

Percentage of Employees Over 50				
Management	Percentage	50%	44%	405-1
Technical	Percentage	36%	39%	405-1
All Other	Percentage	47%	45%	405-1

AOI China

Percentage of Employees Under Age 30				
Management	Percentage	3%	2%	405-1
Technical	Percentage	57%	64%	405-1
All Other	Percentage	75%	83%	405-1

Percentage of Employees Age 30 - 50				
Management	Percentage	96%	99%	405-1
Technical	Percentage	42%	35%	405-1
All Other	Percentage	25%	16%	405-1

Percentage of Employees Over 50				
Management	Percentage	1.3%	2.4%	405-1
Technical	Percentage	0.9%	0.7%	405-1
All Other	Percentage	0.4%	0.7%	405-1

AOI Taiwan

Percentage of Employees Under Age 30				
Management	Percentage	0%	0%	405-1
Technical	Percentage	21%	20%	405-1
All Other	Percentage	35%	47%	405-1

Percentage of Employees Over 50				
Management	Percentage	25%	24%	405-1
Technical	Percentage	3%	4%	405-1
All Other	Percentage	7%	5%	405-1
Percentage of female employees	Percentage	37%	33%	405-1
AOI US	Percentage	43%	42%	405-1
AOI China	Percentage	29%	24%	405-1
AOI Taiwan	Percentage	56%	59%	405-1
Percentage Female Board Members	Percentage	29%	29%	405-1
Percentage Board Members Diverse in Terms of Ethnicity	Percentage	71%	71%	405-1
Charitable Giving				
Total employee volunteer hours	Hours	348	328	413-1
AOI US	Hours	-	-	413-1
AOI China	Hours	308	288	413-1
AOI Taiwan	Hours	40	40	413-1
Charitable Donations	USD	183,626	185,375	413-1
AOI US	USD	40,800	27,640	413-1
AOI China	USD	20,932	9,775	413-1
AOI Taiwan	USD	121,894	147,960	413-1

SASB Index

Topic	Code	Metric	Response
Greenhouse Gas Emissions	SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	(1) 272 MTCO2 (2) 0
	SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate and Energy, page 10
Energy Management	EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	(1) 50,104 MWh (electricity) (2) 97.8% (3) 2.2%
Water Management	SC-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 91.35 ML (2) 0.91 ML Our facilities with water withdrawals are not located in regions with High or Extremely High Baseline Water Stress (WRI Aqueduct Water Risk Atlas)
Hazardous Waste Management	EE/SC-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	(1) 31.2 tons; (2) 3%
	EE/SC-150a.2	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	(1) 0 (2) N/A
Product Safety	EE-250a.1	(1) Number of recalls issued, (2) total units recalled	-
	EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	-
Workforce Health & Safety	SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	Health and Safety section, page 25
	SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	$0
Employee Diversity & Inclusion	HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Diversity, Equity and Inclusion, page 23
Product Lifecycle Management	EE/HW-410a.1	Percentage products by revenue that contain IEC 62474 declarable substances	100%
	EE/HW-410a.2	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Not applicable
	EE/HW-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Not applicable

Topic	Code	Metric	Response
Supply Chain Management	HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	(a) 5% (b) 20%
	HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non=conformances and (b) other non-conformances	(1) 0% (2a) 100% (2b) 100%
Materials Sourcing	EE/HW/SC-440a.1	Description of the management of risks associated with the use of critical materials	Supply Chain - Conflict Minerals Management, page 35
Business Ethics	EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Governance section, page 36
	EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0.00
	EE/SC-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive be-haviour regulations	$0.00