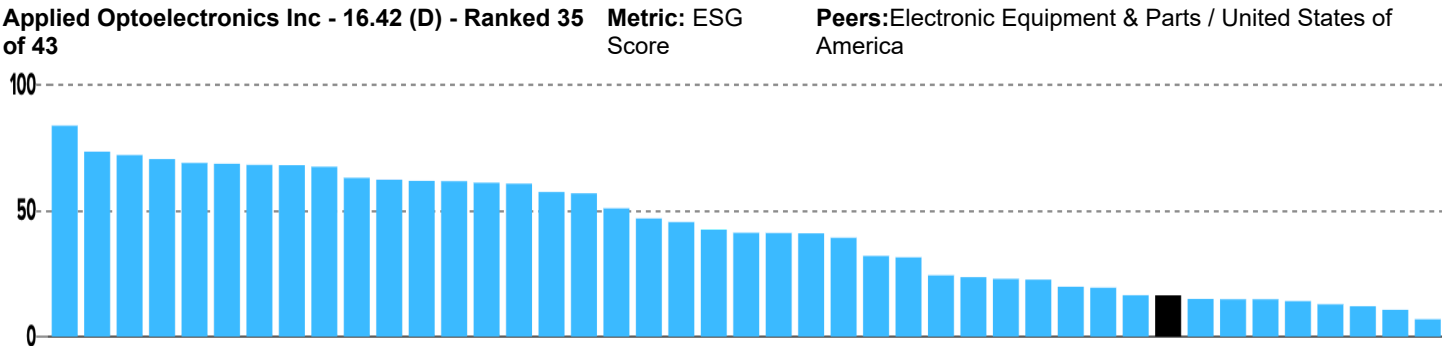


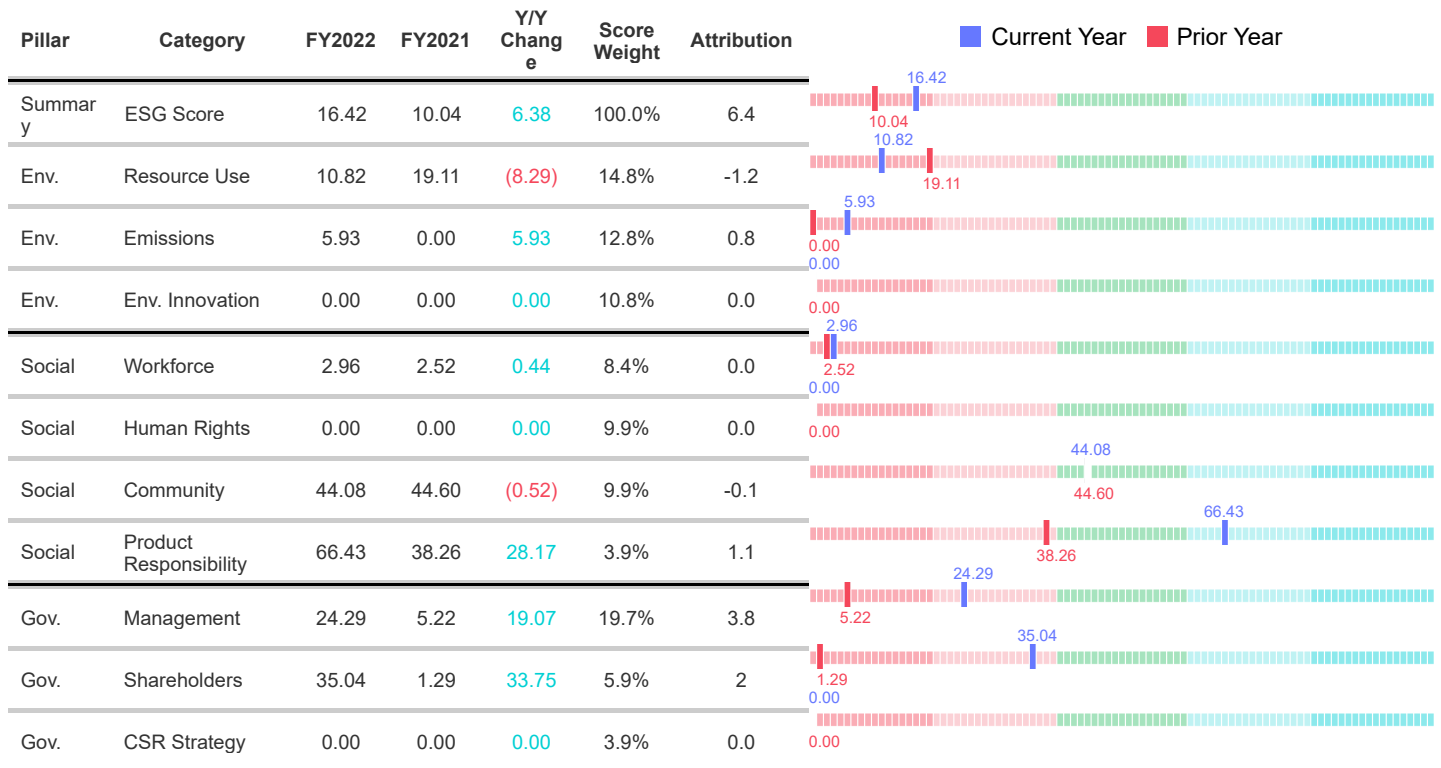
COMPANY OVERVIEW		
Market Cap. (Mil USD)	\$614	D ESG Score
Revenue (Mil USD)	\$218	
No. of Employees	2,149	A+ ESG Controversies Score
D&I Index Ranking	Not Ranked	
TRBC Ind. Group	Electronic Equipment & Parts	D ESG Combined Score
Countries/ Region	United States of America	
Fiscal Yr. End	2022-12-31	D- Environmental Pillar Score
ESG Reporting Scope		
		D+ Social Pillar Score
		D+ Governance Pillar Score

ESG SUMMARY	
Applied Optoelectronics Inc is a(n) Electronic Equipment & Parts company headquartered in the United States of America. For the fiscal year ended in December 2022, AAOI.O received an ESG score of 16.42 (Grade: D).	
Over the last 5 years, the company has an average ESG score of 14.72, and a median ESG score of 15.68. Refinitiv ESG score is calculated as a sum of weighted individual pillar scores. For AAOI.O, Environmental, Social, and Governance pillars are weighted 38.42%, 32.02%, and 29.56% respectively in ESG score weighting, consistent with companies within the Electronic Equipment & Parts industry groups.	
AAOI.O's controversy score of 100.00 (Grade: A+) is calculated based on total count of controversies related to the company, as collected by Refinitiv ESG team and normalized based on company's market capitalization. Discounted by its controversies, AAOI.O received an ESG Combined score of 16.42 (Grade: D) for the year.	

COMPANY RELATIVE PERFORMANCE					
Company Ranking Compared to	Refinitiv ESG Universe	Refinitiv ESG Universe	Electronic Equipment & Parts	United States of America	Electronic Equipment & Parts / United States of America
Number of Companies	11751		152	3403	43
ESG Combined Score	10797	<div></div>	135	3042	34
ESG Score	10816	<div></div>	137	3057	35
Environmental Pillar Score	9517	<div></div>	128	2096	28
Social Pillar Score	9715	<div></div>	115	2792	30
Governance Pillar Score	9899	<div></div>	135	2772	41
ESG Controversy Score	1	<div></div>	1	1	1



YEAR-OVER-YEAR ESG PERFORMANCE - ATTRIBUTION



YEAR-OVER-YEAR ESG PERFORMANCE - MATERIAL FACTORS

Changes in company's year-over-year ESG scores are driven by two factors: Company's relative ranking against its peers, and changes in underlying data as reported by company. In the table below, "Metric Score" section identifies material changes in scores and the "Metric Value" section highlights any changes in the underlying values. Materiality is defined as any directional changes in scores greater than 8.33 (approximately one letter grade).

			Metric Score			Metric Value		
Pillar	Category	Metric Name	FY2022	FY2021	YoY Change	FY2022	FY2021	YoY Change
Env.	Resource Use	Environmental Materials Sourcing	0.00	76.98	(76.98)	FALSE	TRUE	(Yes)
Env.	Emissions	EMS Certified Percent	76.72	--	76.72	100.00%	--	100.00%
Social	Product Responsibility	QMS Certified Percent	69.44	--	69.44	100.00%	--	100.00%
Gov.	Management	Board Functions Policy	57.33	0.00	57.33	TRUE	FALSE	Yes
Gov.	Management	Nomination Committee Independence	55.67	--	55.67	100.00%	--	100.00%
Gov.	Management	Nomination Committee Involvement	44.54	--	44.54	0.00%	--	0.00%
Gov.	Management	Non-Executive Board Members	46.57	56.17	(9.60)	85.71%	87.50%	(1.79%)
Gov.	Management	Independent Board Members	58.86	27.92	30.94	85.71%	75.00%	10.71%
Gov.	Management	Total Senior Executives Compensation To Revenues in million	34.32	23.90	10.42	24,145.13	40,581.48	(16,436.34)
Gov.	Management	Highest Remuneration Package	77.60	65.10	12.50	\$2,155,860	\$3,627,900	(\$1,472,040)
Gov.	Shareholders	Shareholders Vote on Executive Pay	56.43	0.00	56.43	TRUE	FALSE	Yes
Gov.	Shareholders	Non-audit to Audit Fees Ratio	90.79	--	90.79	0.00%	--	0.00%

PERFORMANCE DRIVER SUMMARY

AAOI.O's ESG score changed from previous year's 10.04 to 16.42, improving marginally, driven by changes in 7 of the 10 ESG categories.

Relative improvements in Shareholders, Product Responsibility, Management categories were partially offset by relative deteriorations in Resource Use, Community categories (See Year-Over-Year ESG Performance - Attribution section for details)

At the metrics level, changes in 51 out of 147 number of metric scores are the primary drivers for category and summary score changes.

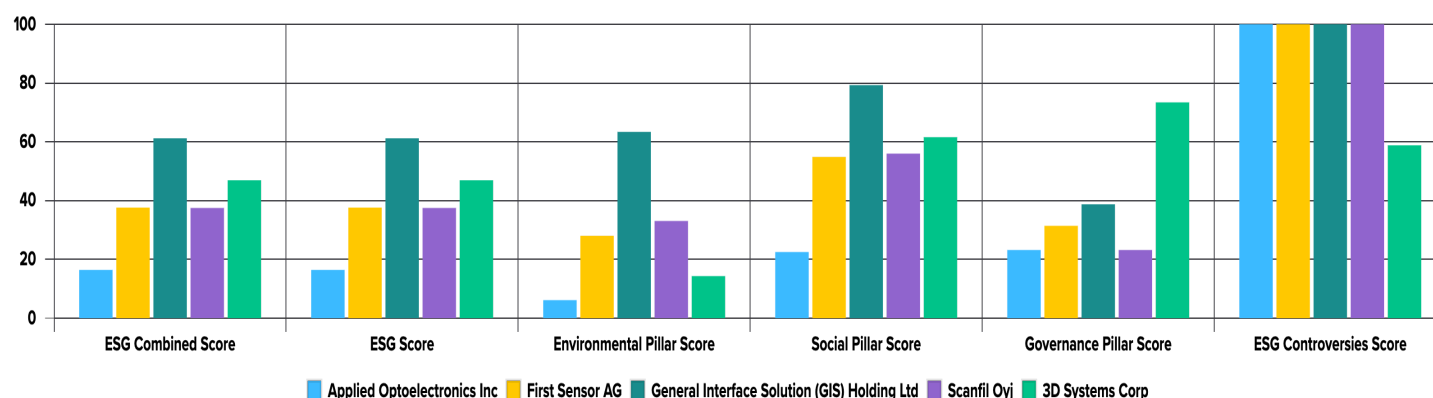
Of the 51 metrics identified, changes in relative ranking against peers drove 35 number of changes while changes in underlying reported metric values drove the rest (See Year-Over-Year ESG Performance - Material Factor section for details)

Please note changes in ESG scores are driven by two primary factors: Changes in underlying company-reported metric values and/or their relative ranking to the peer group.

PEER SUMMARY

Closest four peers by market capitalization and Electronic Equipment & Parts

	AAOI.OQ	SISG.DE	6456.TW	SCANFL.HE	DDD.N
	Applied Optoelectronics Inc	First Sensor AG	General Interface Solution (GIS) Holding Ltd	Scanfil Oyj	3D Systems Corp
Company Market Cap (Mil USD)	\$614	\$625	\$620	\$582	\$552
Total Revenue (Mil USD)	\$218	\$142	\$2,325	\$995	\$488
ESG Combined Score	16.42	37.63	61.21	37.50	46.93
ESG Score	16.42	37.63	61.21	37.50	46.93
Environmental Pillar Score	6.14	28.03	63.39	33.08	14.32
Social Pillar Score	22.51	54.87	79.31	56.00	61.59
Governance Pillar Score	23.20	31.43	38.75	23.20	73.43
ESG Controversies Score	100.00	100.00	100.00	100.00	58.82

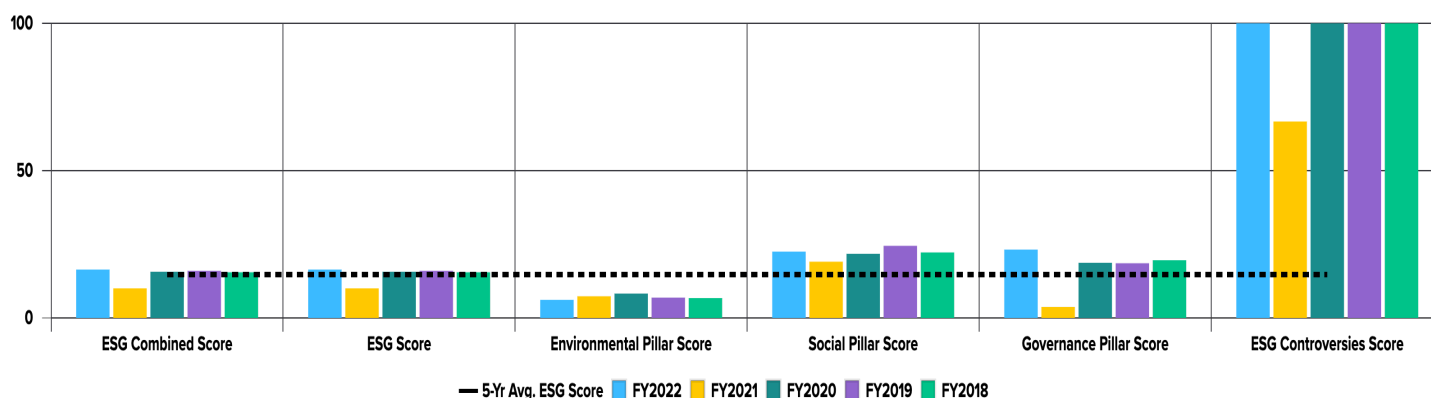


PEER DETAIL

	AAOI.OQ	SISG.DE	6456.TW	SCANFL.HE	DDD.N
	Applied Optoelectronics Inc	First Sensor AG	General Interface Solution (GIS) Holding Ltd	Scanfil Oyj	3D Systems Corp
Policy Water Efficiency	FALSE	TRUE	TRUE	TRUE	TRUE
Policy Energy Efficiency	FALSE	TRUE	TRUE	TRUE	FALSE
Targets Water Efficiency	FALSE	TRUE	TRUE	FALSE	FALSE
Targets Energy Efficiency	FALSE	FALSE	TRUE	TRUE	FALSE
Total Energy Use To Revenues USD in million	--	473.91	257.71	162.66	208.88
Renewable Energy Use Ratio	--	--	--	--	--
Water Use To Revenues USD in million	--	457.79	510.52	60.98	--
Water Recycled	--	--	--	--	--

HISTORIC PERFORMANCE

	FY2022	FY2021	FY2020	FY2019	FY2018
Period End Date	2022-12-31	2021-12-31	2020-12-31	2019-12-31	2018-12-31
Historic Market Cap (Mil USD)	\$54	\$140	\$196	\$239	\$305
Total Revenue (Mil USD)	\$223	\$212	\$235	\$191	\$267
ESG Combined Score	D	D	D	D	D
ESG Score	D	D	D	D	D
Environmental Pillar Score	D-	D-	D-	D-	D-
Social Pillar Score	D+	D+	D+	D+	D+
Governance Pillar Score	D+	D-	D+	D+	D+
ESG Controversies Score	A+	B+	A+	A+	A+



HISTORIC PERFORMANCE SUMMARY

Over the last 5 reporting periods, AAOI.O has an average ESG score of 14.72, ranging from a high of 16.42 (FY2022) to a low of 10.04 (FY2021).

Of the three pillars that make up the overall ESG score, Social pillar performed the best, with an 5-year average score of 22.02, followed by Governance pillar (Average score: 16.76) and then Environmental pillar (Average score: 7.08).

By category and on average, Community, Product Responsibility, and Management are the three best performing categories over the last 5 years while CSR Strategy, Human Rights, and Env. Innovation are the three laggard categories during the same period.

CONTROVERSIAL BUSINESS PRACTICES

Does the company engage in any controversial business activities? **No**

Did the company have any controversies in violation of the Ten Principles of the UN Global Compact?

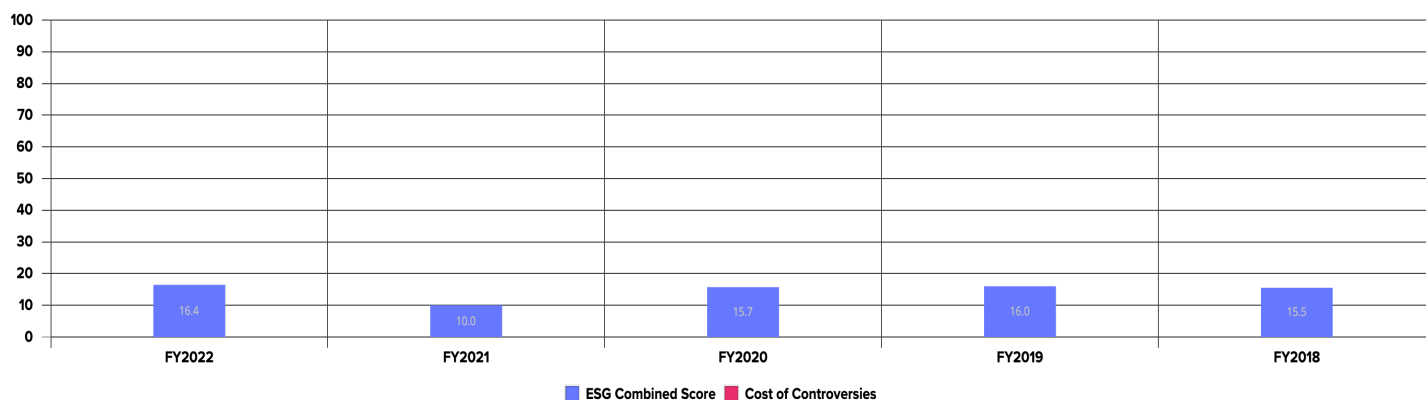
No

ESG CONTROVERSIES

Bad press can be costly to companies. Controversies reported in the media can bring damages to reputation, future business opportunities, and ultimately the bottom line.

ESG controversies score aims to recognize these potential damages, and account for these factors in the scoring of a company's overall ESG performance. From a scoring perspective, controversies could significantly impact a company's overall rating in a negative way.

Below is a list of controversies collected from the public domain.



ESG CONTROVERSIES DETAILS

Fiscal Period	Source Date	Category	Title	Link
FY2021	2021-07-09	Shareholders - Controversies	Shareholder Rights Controversies Count	Notice of Pendency and Proposed Settlement of Shareholder Derivative Action
FY2021	2021-08-04	Shareholders - Controversies	Profit Warnings	Applied Optoelectronics Inc expected to post a loss of 18 cents a share - Earnings Preview - Reuters News

ESG METHODOLOGY

Refinitiv's ESG Scores are designed to transparently and objectively measure a company's relative ESG performance across ten themes based on company reported data. Below document provides detailed information on ESG scoring methodology.

[ESG Scores Methodology](#)

DISCLAIMER

2024© Refinitiv. All rights reserved. All information in this service is provided for general information purposes only and does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results. Refinitiv's ESG scores are derived from third party publicly available sources ("**Third Party Sources**") and are formulated on the basis of Refinitiv's own transparent and objectively applied methodology. Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources and in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this service. The disclaimer in respect of Benchmark Regulation at https://www.refinitiv.com/content/dam/marketing/en_us/documents/policies/benchmark-disclaimer.pdf shall be incorporated by reference into this disclaimer.