

2022 Sustainability(ESG) Report

Walsin Technology Corporation

About This Report

With our global and one-stop supply platform and going deep into the lives of consumers through various consumer electronics products, Walsin Technology Corporation (hereinafter referred to as Walsin Technology) has become the most reliable passive component supplier in the eyes of world-class enterprises.

In order to make “Walsin Always Around You” more than just a slogan, we not only actively enhance our competitiveness in the industry, but also hope to communicate with a wide range of stakeholders through the “ESG Report”. Our understanding of and commitment to ESG issues will also strengthen the direction of our sustainable development.

Release time

This report is issued annually, and is also posted on the Company's website.

Date of previous issue: June 2022

Date of this issue: June 2023

Reporting scope

The reporting period of this report is from January 1, 2022 to December 31, 2022, covering the most relevant and sustainable actions of Walsin Technology (including the Taiwan Plants, Guangzhou Plant, Dalang Plant, and Suzhou Plant; if there are projects that exclude some plants or involve other areas, they will be supplemented in the report; if not specified, then all plants are covered) and the most relevant sustainable actions of all stakeholders, with a focus on the "significant" issues defined by the Company.

Every year, the report will be revised based on the Company's development status in the scopes of the Company's organizational scale, structure, ownership and supply chain. The errors in the 2021 electricity consumption data which resulted in incorrect energy data have been corrected in this year's report..

Basis of This Report

1. This report is compiled based on the GRI Standards published by the Global Sustainability Standards Board (GSSB).

2. The data disclosed in this report comes from the Company's own statistics and investigation results, and some have been verified by third-party impartial units.



The financial data is publicly disclosed information verified by Deloitte Taiwan (unless otherwise specified, all calculations are in New Taiwan dollars)



Our ISO 14001 and ISO 45001 qualifications have been certified by DQS Taiwan Inc.



This report is verified by BSI Pacific Limited, Taiwan Branch.

Contact information

Please feel free to contact us for any suggestions or questions.

Walsin Technology Corporation



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Company website: <http://www.passivecomponent.com>

We place equal emphasis on shareholders, employees and social responsibility, and continuously turn CSR into the DNA of PSA!

Despite the impact of the pandemic on the world economy and human life, Passive System Alliance is still steadily growing and gradually expanding its territory. As of 2022, the Group has 11 listed and OTC companies and over 40,000 employees domestically and internationally, with a total revenue of approximately NTD120 billion. Both the support of shareholders and the efforts of our employees are important keys for growth. Therefore, we attach great importance to the concept of "balancing shareholder value, employee welfare and social responsibility" in our seven major business concepts, hoping that while seeking profits for the company and a reasonable return to shareholders, we can further fulfill our corporate social responsibility, create a high-quality work environment to coexist and thrive with our employees, and strengthen the Company's operational performance to further give back to shareholders and the society, in order to achieve a multiple-win cycle of business management, and also create a solid foundation for the Group's sustainable development.

In terms of corporate governance and shareholder value, we believe that good financial performance, maintenance of a healthy state of cash flow, and sustained growth of operating income and profitability are important keys to a company's sustainable operation, and the quality of financial performance also affects a company's investment value. Therefore, PSA Group has put forward clear quantitative financial performance objectives to enhance the understanding of the Group's long-term investment value by shareholders and investors, as well as their confidence in a good return on equity, in order to create a higher economic value for shareholders, investors, employees and partners in a long-term and stable manner.

In terms of employee welfare, PSA Group referred to relevant codes of conduct and regulations and established systematic human resources regulations and policies for human rights protection, appointment, salary, training, promotion and retirement. We start from the aspects of talent cultivation and retention, communication, and life assistance to showcase our care for employees and emphasis on talents, in order to lead various companies in the Group to become social enterprises. The Company also places greater emphasis on the balanced development of employees' lives and work, and has a wide range of club activities.

In terms of talent cultivation, in response to the Group's move towards globalization and in order to increase operational efficiency and growth momentum, we have not only opened up employees' applications for external assignments, but also continued cultivating local talents in various operating sites. Currently, a considerable proportion of the management team comes from local talents. In addition, we have designed annual training courses and established an online learning system according to departmental needs to provide employees with convenient and effective learning tools to enhance their growth and industrial competitiveness. We have also started cultivating the new generation of outstanding professionals in various fields as early as possible.

In terms of talent retention, the Group has planned a comprehensive performance and job competence evaluation, and referred to the reasonable salary level in the talent market to implement a dividend and incentive bonus system based on employees' annual performance evaluation, so that employees can settle down in their jobs, continuously contribute their expertise, and grow together with the Company.

In order to achieve the purpose of smooth communication upward and transparent communication, each company of the Group has established mechanisms such as the system for improvement proposals and the opinion box to understand the thoughts and suggestions of group employees on corporate governance and workflow optimization, in order to respond, reward or adjust in a timely manner, and better promote horizontal communication within the Company.

Message from the Chairman:

We place equal emphasis on shareholders, employees and social responsibility, and continuously turn CSR into the DNA of PSA!

PSA Charitable Foundation, which belongs to the same group, has a unique EAP (Employee Assistance Program). Its experts provide employee confidentiality and professional consulting services to assist employees in solving work, physiology and psychology related emotions and stress, health, family, financial and legal issues. In addition, new employees are interviewed through the "Employee Assistance Programs" to help them quickly adjust themselves to the company culture and solve the physical and mental issues that affect employee performance. Currently, more than 5,600 group employees have added the official Line@ account of Employee Assistance Programs, which assist employees in handling various issues in the workplace and life through bilateral communication while maintaining their privacy. 39 sessions of the internal care management and stress relief course have been completed in 2022, with a total of 330 sessions over the years; 493 employee care interviews were completed from 2020 to 2022, with a total of 4,695 person-times over the years, and is very popular among employees.

Continuing the concept of giving back to the society, PSA Charitable Foundation continues to promote five major types of public welfare activities: auditory care, volunteer participation, newspaper reading for education, caregiver break and friendly workplace. As of now, it has invested over NTD100 million and nearly 5,500 person-time manpower, including 245 cases of hearing aid subsidies, with an amount exceeding NTD7.89 million, recruitment and training of 3,500 volunteers to test the hearing health of over 20,000 elderly people, coaching over 1,800 hearing impaired individuals to use free hearing aids for banking services, and providing stress relief courses to give a break to more than 630 caregivers, making it the foundation that provides the most hearing care to community care centers across Taiwan. It is hoped that through our continuously promotion of the CSR concept, we can make more people feel its importance and enhance their awareness. Our ongoing newspaper reading program at primary and secondary schools in Pingtung and Taoyuan regions has also involved a total of 4,245 classes and 83,584 students.

The Passive System Alliance employees also spontaneously established public welfare organizations such as the WTC Charity Foundation for the care, cultivation and material supply of schools and children in rural areas with limited resources. For example, we provide long-term subsidies for transportation vehicles, academic tutoring and talent learning, fresh milk, nutritious lunch, computer equipment and English passports.

Walsin Technology continues its multiple actions on business performance, green energy products and environmental protection, including:

Occupational health and safety policy: Complying with occupational health and safety regulations, regularly conducting health and safety training for all employees, and continuously improving management and effectiveness.

Employee health: Creating a smoke-free and maternity friendly work environment, providing health checks, and setting up health cafes in the Plant; we obtained the highest certification for a healthy work environment.

Environmental protection and green energy products: Strictly abide by environmental protection regulations, actively develop green energy products that comply with international environmental standards, and obtain multiple certifications.

As a part of the supply chain, Passive System Alliance will continue to practice CSR and turn it into the DNA of PSA. We hope that with this, we can continue to see more concrete progress and spiritual continuity in all aspects of the Group, and work together with shareholders, employees and stakeholders to create a sustainable future!



Chairman of Passive System Alliance

A handwritten signature in blue ink, appearing to read '169.5' followed by a checkmark-like flourish.

Diagram illustrating the structure of the book, showing three main sections:

- 2-4 Major Issue Impact Boundary
- 24
- Third Party Warranty Statement

The diagram uses colored parallelograms to represent the sections and their relationships. The first section (2-4) is represented by a light orange parallelogram. The second section (24) is represented by a light gray parallelogram. The third section (Third Party Warranty Statement) is represented by a light orange parallelogram. The diagram also shows a large gray parallelogram labeled '5' in the center, which is the intersection of the three main sections.

1

Company Overview

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1-1 Passive System Alliance's Core Businesses

Passive components and electronic protection components

2022 revenue of NTD38.8 billion.

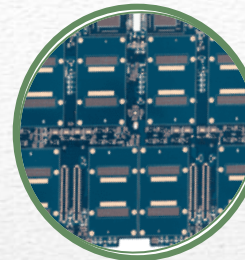
- Chip-R ranking NO. 2 in the world.
- MLCC ranking NO. 5 in the world.
- Material self-sufficiency and development and capability optimization for process equipment.



PCB printed circuit board

2022 revenue of NTD53.7billion.

- Prismark 2021 PCB ranks NO. 5 in terms of revenue (hard and soft boards).
- The monthly production capacity of hard boards can reach 110 million square feet.
- NO. 1 NB PCB supplier (35%).
- NO. 3 STB PCB supplier (35%).



IC sealing and testing services.

2022 revenue of NTD9.5billion.

- Vertical integration of production.
- Main component supplier of first tier U.S. mobile phones.



EMS electronics professional OEM service.

2022 revenue of NTD17.6 billion.

- 73 SMT production lines in Taiwan, mainland China and Malaysia.
- Leading manufacturer in medium-sized EMS enterprises.
- Specializing in BMS and other automotive electronic manufacturing services.



11
listed and OTC
companies



NTD119.8B
2022 Group revenue



51 +
Production
base



~40,000
Passive System Alliance
employees



NTD111B
group value



NTD 235
billion
total asset value



17+
distribution centers
and service bases

1-2 Company Introduction



Taiwan



Yang Mei, Taiwan

Since 1992

Products: MLCC, Metal/Dipole antenna



Kaohsiung, Taiwan (R&D HQ)

Since 1996

Products: MLCC, Thin Film Chip-R, RF



Luzhu, Taiwan

Since 2022

Products: Chip-R, RF

China



Suzhou Plant, China

Since 2000

Products: MLCC, Chip-R, antenna



Guangzhou Plant, China

Since 1991

Products: Disc/Safety Cap, Varistor, MOV



Dalang Plant, China

Since 2000

Products: MLCC, Chip-R, antenna



Headquarters

24th Floor, No.1 Songzhi Road,
Xinyi District, Taipei



Date of establishment

July 29, 1970



Registered capital

NTD8,000,000,000



No. of employees

5,500



Stock code

2492 Walsin Technology



Date of listing

September 17, 2001



Paid-in capital

NTD4,858,000,000



Direct customers

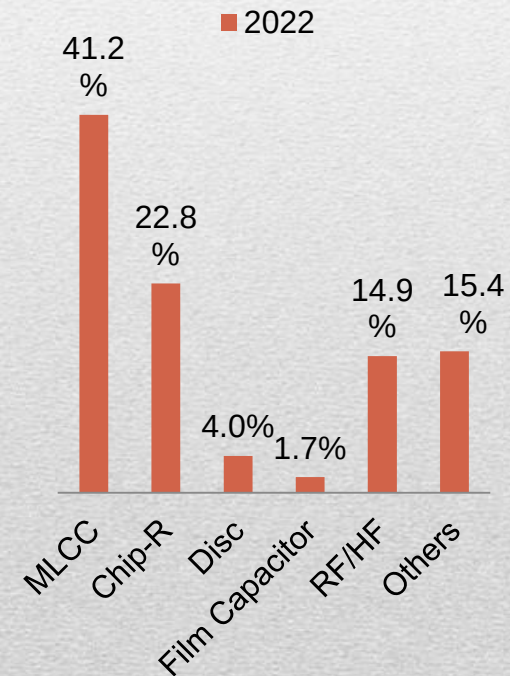
600+

1-3 Brands and Products

Walsin Technology is in the electronic component manufacturing industry, with the main business of manufacturing, processing and sales of multilayer ceramic chip capacitors, chip resistors, high-frequency/RF components, disc capacitors, surge protection, varistors, protection components, chip fuses, dielectric ceramic powders, semiconducting Ceramic capacitors, ceramic chips, diodes and inductors. In addition, Walsin Technology effectively leverages the synergy within the industrial value chains by actively collaborating with key partners such as the powder supplier Prosperity Dielectrics Co., Ltd. and the ultramicro resistance expert Kamaya, Meanwhile, the company has forged strategic alliances with renowned international electronic component distributors and agents to enhance product specifications and services.

1-3-1 Major Brands

1-3-2 Products and Revenue Proportions



WALSIN

KAMAYA

PDC

INPAQ

SOSHIN

Nitsuko

JOYIN

MATSUO



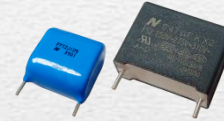
MLCC



Disc Capacitors



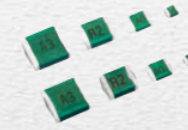
SMD Capacitors



Film Capacitors



Tantalum Capacitor



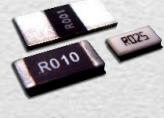
Mica Capacitors



Chip Resistors



Thin-Film Chip Resistors



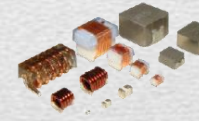
Metal/ Metal Foil Current Sense



Chip Fuse



Current Fuse



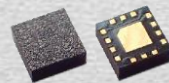
Inductors



Power Inductors



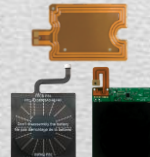
RF LTCC Components



Antenna Switch & Module



GPS Antennas



NFC/WPC



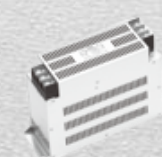
MOV/MLV



Thermistor



Diode & TVS



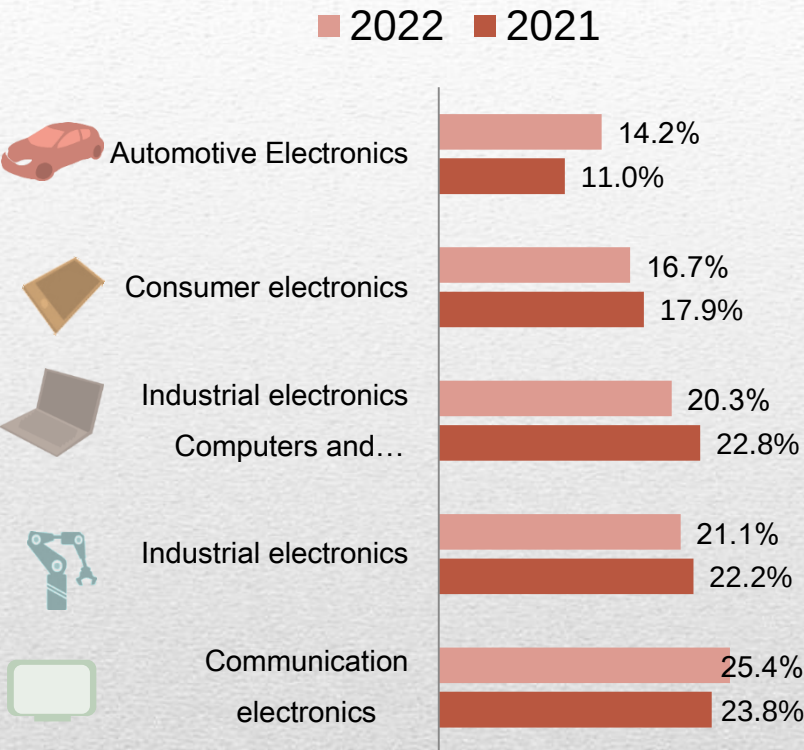
EMI Filters

Customized Antennas also available

Note: The data above is calculated by the proportion of the revenue of each of the company's product line to the turnover in the consolidated statements (including Walsin Technology, Prosperity Dielectrics Co., Ltd., Kamaya and Inpaq Technology).

1-4 Product Application and Innovation

1-4-1 Application Fields



1-4-2 R&D and Innovation

Walsin Technology firmly believes that R&D is the foundation of future core competitiveness and the strengthening of product portfolio and profitability. Therefore, in addition to establishing a R&D Center and experimental plant in Japan, in the past few years, we have invested an average of nearly 3% annually in technology research and innovation, been committed to miniaturization, cost-effectiveness, green environmental protection, protection of components, and the development of various special products. At the same time, we have established a R&D project system to have a solid grasp of project performance and quality, and have constructed multiple leading core technologies in the industry, including material development in MLCC production, stacking and thin film technology, various self-developed main process equipment, 3D design of RF components, and RF component measurement technology and equipment. The Company is able to lead domestic passive component factories in product development speed, and has modular integration technology capabilities. At the same time, in order to follow the trend of terminal applications and the rapid growth of automotive electronics, the Company planned the expansion of the RF SAW and antenna switch module in the RF product line in 2016, as well as the expansion of product specifications of protective components in 2018.

In terms of industry-academia cooperation, in addition to cultivating domestic talents in materials science, we also established an excellent R&D reward system to encourage the R&D of processes, materials and technologies, and established long-term cooperation plans with Japanese passive component material and equipment manufacturers to acquire the latest raw materials and process technologies. In response to market product development trends, we established clear product R&D blueprints and continuously strive for the R&D of new products and processes to meet the needs of new customers.



1-5 Sales System

Global sales and marketing headquartered in Taiwan, Walsin Technology has established a US branch in 1997 to actively explore the US market. In 2001, it acquired NEC's Nitsuko Electronics to gain access to the Japanese market. From 2005 to 2015, it successively established branches in Munich of Germany, Japan, South Korea, Singapore and Malaysia to serve key account customers from EMS to IT industry. In addition, it has established a strategic alliance relationship with internationally renowned electronic component distributors and agents to expand the local market with Walsin Technology's private label. Up to now, Walsin Technology has a distribution agency channel and hubs for global distribution. Through extensive integration with local communication terminals, we indirectly service customers with smaller demands or B2C customers. Walsin Technology has become the most reliable passive component supplier in the eyes of international first-class enterprises with its high-quality product quality, complete product specifications, global supply platforms and proud market share.

N. America

Canada
Mexico
California, USA
Indiana, USA
Texas, USA

S. America

Brazil
Mexico
Puerto Rico

Africa

South Africa

Europe

Austria	Latvia
Belgium	Lithuania
Czech-Slovakia	Netherlands
Denmark	Norway
Estonia	Poland
Finland	Russia
France	Spain
Germany	Sweden
Hungary	Switzerland
Ireland	Ukraine
Israel	United Kingdom
Italy	

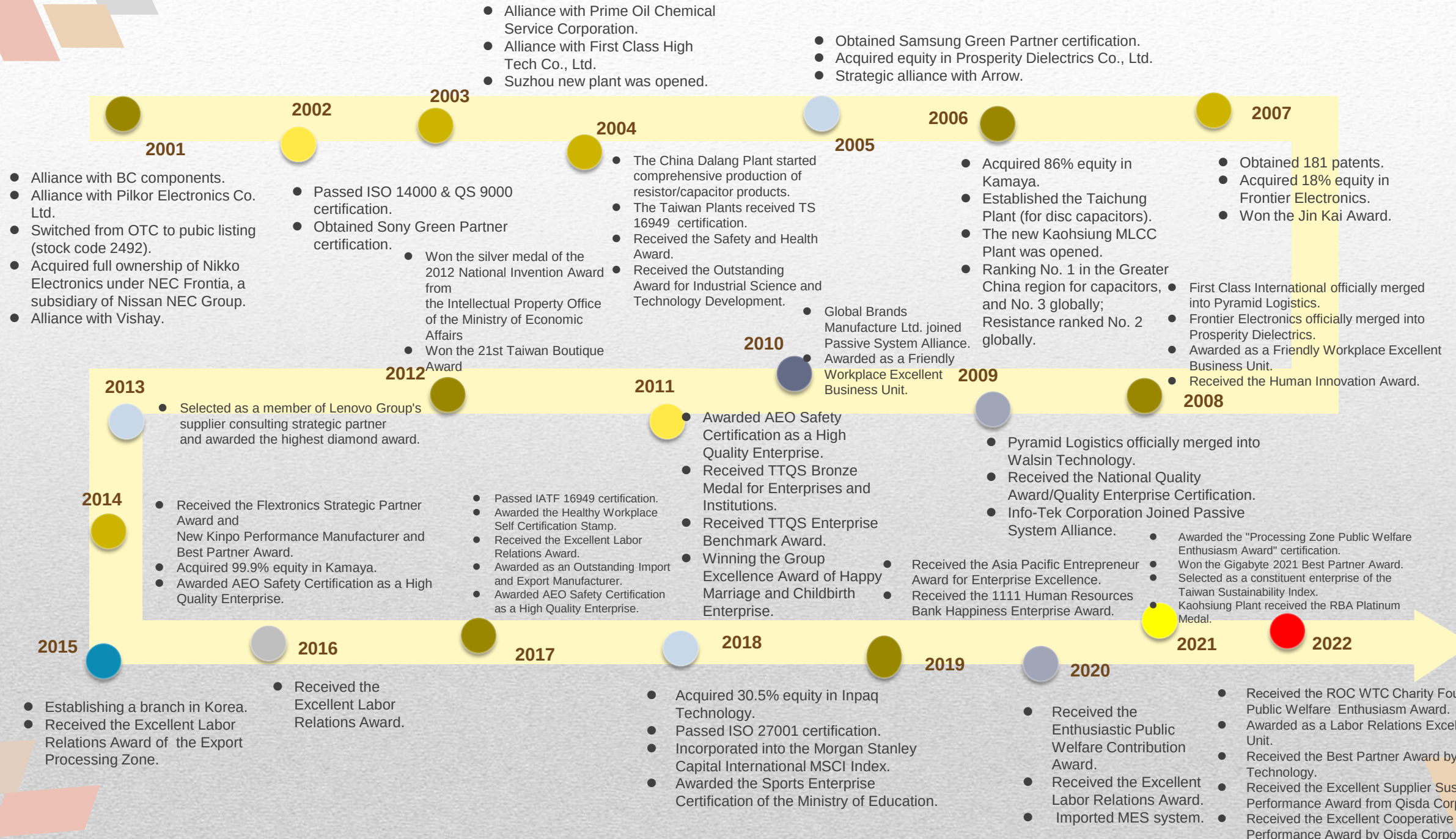
South Asia

India
Indonesia
Ipoh, Malaysia
Penang, Malaysia
Melaka, Malaysia
Philippine
Singapore
Thailand
Vietnam

North Asia

Dalang, China	Hefei, China	Korea
Huangjiang, China	Yuzhou, China	Taipei, Taiwan
Shenzhen, China	Chongqing, China	Taoyuan, Taiwan
Guangzhou, China	Hong Kong	Yangmei, Taiwan
Jiangyin, China	Hokkaido, Japan	Hsinchu, Taiwan
Kunshan, China	Nagano, Japan	Miaoli, Taiwan
Suzhou, China	Osaka, Japan	Taichung, Taiwan
Wujiang, China	Shiga, Japan	Kaohsiung, Taiwan
Wuxi, China	Kyoto, Japan	
Wuhu, China	Shimane, Japan	
	Miyazaki, Japan	

1-6 Chronicles of Important Events



2

Stakeholder and Issue Management

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2-2 Identification of Major Issues P15

2-3 SDGs Response and Management Policies P16-P23

2-4 Major Issue Impact Boundary P24

2-1 Stakeholder Identification and Communication

Based on the five principles of GRI Standards and AA1000 SES: dependence, responsibility, influence, tension, and diverse perspectives, Walsin Technology identifies the main stakeholders, including shareholders/investors, employees, suppliers/contractors, corporate customers/distributors, media/government agencies, and other non-profit organizations (general consumers are not included as Walsin Technology adopts the B2B business model). For the different stakeholders mentioned above, we have established various communication channels, which not only enable stakeholders who care about us to obtain the necessary information, but also allows us to obtain suggestions and future planning directions from their feedback, thus achieving good bilateral communication and being able to negotiate and solve relevant impacts through various communication platforms.



Employees

Employees are the most important stakeholders of Walsin Technology, and we become a good employer in their minds by cultivating their professional skills and providing a good workplace.

- Strategic planning meeting (yearly): Planning for the Company's strategic objectives and their execution.
- Management bilateral communication (monthly): Communication meeting between senior executives and senior management.
- Labor-management meeting (quarterly) and welfare committee meeting (quarterly): Providing suggestions to and negotiating with the Company.
- Trade union congress (irregular).
- Employee opinion survey (regular): Internal surveys are conducted on issues such as employee satisfaction, employee opinions, and company management measures.
- Various questionnaire surveys (yearly), including surveys conducted for the preparation of the ESG report.
- Electronic bulletin board/flat bulletin board (at any time): Publishing various types of information.
- Complaint hotline (at any time): Once a complaint is received, it will be immediately filed and handled by dedicated personnel.
- Employee opinion box (at any time).
- Employee Assistance Programs: Consulting services are provided by professionals from the Passive System Alliance Foundation to listen to employees' voices and providing relevant feedback to the Company.
- Symposium with the President (irregular): Direct face-to-face communication with employees.



Shareholders/Investors

Walsin Technology creates stable profits and investment returns, and demonstrates excellent sustainable governance performance.

- Briefing to corporate investors (irregular).
- Market Observation Post System: Regularly publication of general operational information (monthly).
- Shareholders' meeting (yearly): Preparing and disclosing financial reports and annual reports in accordance with regulations.
- Company official website: Relevant information can be accessed from the investor section, and a contact window is set up.
- Questionnaire survey (yearly): Stakeholder questionnaire survey.



Corporate customers/distributors

Walsin Technology aims to be the most reliable supplier of passive components, adheres to the principle of customer first, and is committed to providing excellent digital life experiences.

- Customer satisfaction survey (yearly).
- Questionnaire survey (yearly), including surveys conducted for the preparation of the ESG report.
- Company official website.
- Customer service Internet mail box (around the clock).
- Exhibitions and customer visits: Understanding customers and market development direction (irregular).
- Key customer product promotion conference (half yearly).



Suppliers/contractors

Walsin Technology has established a mutually beneficial value chain with business partners to strengthen cooperative relationships, create new business models, improve ESG cooperative relationships, and together enhance sustainable competitiveness.

- Supplier audits and interviews (regular).
- Questionnaire survey (yearly), including surveys conducted for the preparation of the ESG report.
- Organization meeting for contractors' agreement (irregular).



Media/government agencies and other non-profit organizations

Walsin Technology adheres to regulations and complies with policies to drive industrial upgrading; we actively fulfill corporate social responsibility, regard social feedback as the core of its operations, and are committed to solving environmental and social problems and creating positive influences.

- Active participation in public hearings (irregular) and law advocacy meetings organized by the competent authority.
- Official correspondence, project seminars, and compliance with the requirements of the competent authority.
- Comply with regulations.
- Questionnaire survey (yearly), the survey conducted for the preparation of the ESG report.
- Maintaining good interactive relationships with local community leaders and residents.
- Enhancing the learning, health and capabilities of disadvantaged students through the WTC Charity Foundation.
- Working with the Walsin Technology Foundation to organize listening care activities in the community and assist weaker social welfare units.

2-2 Identification of Major Issues

External sources for collecting major corporate issues include GRI Standards issued by the Global Sustainability Standards Board (GSSB); the internal sources include feedback from stakeholders through various channels.

To identify major issues, Walsin Technology adopts a risk-oriented substantive analysis model and follows three evaluation criteria: "stakeholders to whom the issue is to be communicated with", "degree of interest of stakeholders on the issue" and "degree of impact of the issue on the Company's strategic goals" to ensure that the information disclosed in this report meets the needs of both the Company and stakeholders.

Walsin Technology distributed survey questionnaires to different stakeholder groups and internal management on the level of attention of the issues and impact on the Company. Based on the collected questionnaires, a cross analysis was conducted to select the top 25% high-risk items (with high attention and impact), and the Sustainable Development Committee's responsible person confirmed them as major issues in this report. However, based on the principle of prudence, only information within the organization is disclosed for each major issue, and no disclosure is made to external units for the time being.

Comparison Table of Major Issues between 2021 and 2022

2021 major issues		2022 major issues	
Economic performance	Occupational safety and health	Economic performance	Market position
Compliance with environmental protection regulations	Customer privacy	Waste	Customer privacy
Compliance with socio-economic regulations	Marketing and labeling	Occupational safety and health	Anti-competitive behavior
Security practice	Employee-employer relations	Indirect economic impact	Customer health and safety



2-3 SDGs Response and Management Policies

Economic performance	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-3 External Participation 3-7 Operational Performance 5-4 Salary and Benefits	     	1.1, 1.2, 1.4, 1.b, 5.1, 8.2, 8.3, 8.5, 10.2, 10.3, 10.4, 12.6, 16.6 and 16.b

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Indirect	Valuing the rights and interests of employees and stakeholders, and maintaining a stable return on shareholder equity	Stable long-term performance and dividend policy	Creating long-term stable business performance	Expand production capacity, and stably increase market share	Continuously investing in capital expenditure and R&D expenditure	Investor hotline and spokesperson mechanism	Continuous optimization of financial ratios	Return on equity 3.72%	None

2-3 SDGs Response and Management Policies

Market position	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	5-1 Human Resources Policy 5-4 Salary and Benefits	   	1.1, 1.4, 8.5, 10.3, 10.4, 16.6, 16.7 and 16.b

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Indirect	Cherish the rights and interests of employees, and the salary standards are based on the educational background, expertise, and professional experience, without discrimination due to race, skin color, age, gender, sexual orientation, gender identity, race or ethnicity, disabilities or illnesses, pregnancy, religious beliefs, political factions, club membership, marriage or physical and mental disabilities.	Comply with the government's minimum wage standards and conduct regular evaluations.	Attract talents to join, motivate employees to invest on a long-term basis, and grow together with the Company through fair and competitive salaries.	In addition to establishing a reasonable compensation system, refer to local laws and regulations, industry practices and the operational performance of each subsidiary to design the incentive bonus system.	Management level and human resources	Labor-management meeting, union representative meeting, employee opinion box and complaint hotline	Regularly review the legality and rationality of the salary system, and conduct evaluation based on the level of external salary surveys.	Compliance with government required salary standards.	Continuous evaluation and optimization.

2-3 SDGs Response and Management Policies

Indirect economic impact	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	6-1 Internal Public Welfare Organizations	  	1.1, 1.2, 1.5, 2.1, 2.2, 4.2, 4.5, 4.6, 4.7 and 4.a

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Indirect	With the continuous profitability of the Company, the same amount of employee salary donation is allocated to double the donation amount to help disadvantaged students in remote areas. 100% of the funds are used as donations without any administrative or personnel expenses.	Fulfill social responsibilities and help disadvantaged children.	Continuously provide long-term assistance to disadvantaged children in remote areas across Taiwan.	Provide assistance in nutritional meals, after-school tutoring, book supplementation, repair of teaching equipment, transportation, and sports shoes for disadvantaged students.	WTC Charity Foundation	WTC Charity Foundation and Human Resources Department	Review the financial situation of the WTC Charity Foundation every semester for any deficits and compliance with regulatory requirements. The short-term goal is to maintain the number of existing adopted schools and the existing counties and cities covered, while the medium to long-term goal is to increase the number of adopted schools by more than two every three years and increase the number of counties and cities not covered by one every three years.	100% implementation rate of each school, and the financial health of the WTC Charity Foundation is sound.	Continuously increase the scope of subsidies under a sound financial condition.

2-3 SDGs Response and Management Policies

Anti-competitive behavior	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-1 Business Philosophy and Regulatory Compliance	 	1.4, 10.2, 10.3 and 10.4

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Facilitation	Participate in industrial competition based on the principles of ethics and fairness.	Prevent and avoid violations of antitrust regulations.	Create a corporate culture of compliance with regulations, and establish a trustworthy and respected company reputation.	GD-04075 Code of Conduct for Antitrust Compliance	Management level	"Contact Window" on the official website.	Are there any violations in the current year?	No major violation.	Continuously maintain zero major violation.

2-3 SDGs Response and Management Policies

Waste	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	4-1 Environmental Management System 4-4 Pollution Control	  	6.3, 11.6, 12.4, 12.5 and 12.6

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Facilitation	1. Prevent pollution and be committed to feasible and sustainable operation. 2. Continuously improve the environmental management system and environmental performance. 3. Comply with environmental regulations and other requirements. 4. Use PDIP as the framework for setting and reviewing environmental goals.	1. Comply with relevant laws and regulations 2. Protect the environment and minimize the negative impact of business operations on the environment.	1. Adhere to government regulations and continue to pass ISO14001. 2. No major violations of environmental protection items every year.	1. Implement various waste management measures in accordance with waste regulations, including classification and storage, on-site posting of corresponding labels, selection of qualified disposal companies, and regular filing. 2. Regularly visit cooperative cleaners to understand the waste disposal situation.	1. Implement monthly compliance verification of regulations, and confirm the latest regulatory changes. 2. Continuously seek the evolving recycling and cleaning technology.	Explain major environmental regulations and requirements in the monthly plant manager meeting, report abnormal incidents, coordinate improvement measures, and explain implementation results.	1. Regularly file the records on the inspection form. 2. Regularly process manufacturer visit records. 3. No major violations have occurred.	No major violations (referring to the work suspension, business suspension, business closure, or revocation or cancellation of pollution related permits ordered by relevant authorities, or a cumulative fine of NTD1 million or more for a single incident), or other violations (already immediately improved).	Continuously maintain zero major violation.

2-3 SDGs Response and Management Policies

Customer privacy	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-9 Information Security and Privacy Protection	 	9、17

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Direct	Strictly control the Company's business secrets and undisclosed confidential information to ensure the best interests of customers, the Company, shareholders, suppliers and employees.	1. Comply with relevant laws and regulations. 2. Continue the controls and effectively execute.	No infringement, leakage, theft or loss of customer information or complaints.	1. An information security execution team has been established to list six major management measures to continuously monitor the Company's information security. 2. An appropriate network architecture has been established to prevent the spread of computer viruses among plants. 3. Regularly perform computer vulnerability scans and software updates every year. 4. Strengthen employee security training.	Information Security Committee and Information Security Execution Group	"Contact Window" on the official website.	Six management measures: equipment management, system management, communication management, information management, personnel management, and document management.	No incidents of infringement, leakage, theft or loss of customer information or complaints.	Continuously maintain zero violation.

2-3 SDGs Response and Management Policies

Occupational safety and health	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	5-6 Employee Health and Care 5-7 Safe and Healthy work environment		3.3, 3.4 and 3.8

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Direct	Facilitation	1. Prevention of occupational injuries and diseases. 2. Continuously improve the occupational safety management system and occupational safety performance. 3. Comply with occupational safety and health regulations and other requirements. 4. Use PDIP as the framework for setting and reviewing occupational safety goals.	1. Comply with relevant laws and regulations. 2. Continue the controls and effectively execute.	1. Zero fatal accidents. 2. Comply with government regulations and customer requirements. 3. Zero penalty. 4. Improve the management system and facilities for the sustainable development direction of the enterprise.	According to ISO standards, integrate regulatory requirements and company systems, establish an environmental safety and health management system, effectively control the legality of various operations, and improve the implementation, including safety and health advocacy and training, mechanical equipment safety, work environment monitoring, health management, chemical and personal protective equipment management, and accident investigation and analysis to ensure the work environment and personal safety.	Manpower: Environmental safety and health personnel	“Contact Window” on the official website, human resources unit and environmental safety unit	Internal audit and management review meeting.	No occupational injuries have occurred.	1. Inventory and improve the safety device of the stacking machine, and install a light blocking device with horizontal expansion. 2. Safety operation standards and re-training for operators in each shift.

2-3 SDGs Response and Management Policies

Customer health and safety	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-4 Supply Chain Management 4-1 Environmental Management System		3.9

Impact and degree of involvement			Management policies and elements						Evaluation of management policies		
Upstream	Company	Downstream	Policies and commitments	Responsibility	Sustainable goals	Action plan	Resource	Grievance mechanism	Evaluation mechanism	2022 Evaluation results	Management policy adjustment
Indirect	Indirect	Indirect	Committed to reducing the impact of products on the environment and complying with EU requirement to promote green consumption, and ban or limit the use of harmful substances.	Preventing and avoiding violations of relevant regulations.	Ensuring the maintenance of a safe and healthy environment.	Ensuring the effective operation of the quality management system and hazardous substance management system, and implementing supervision and continuous improvement.	Management level	"Contact Window" on the official website.	1. Complying with various certifications and specifications (including: RoHS, IECQ QC 080000 and HSF) 2. No violation of relevant regulations.	100% achievement of management system certification and customer requirements.	Continuously maintain zero legal violation.

2-4 Major Issue Impact Boundary

Major issue	Corresponding chapters and sections	Impact point
Economic performance	3-3 External Participation 3-7 Operational Performance 5-5 Salary and Benefits	Economic aspect: The economic performance of a company is one of the key factors determining its sustainable operation. Walsin Technology adheres to providing high-quality professional services, and is committed to improving service quality and business performance to strengthen the Company's operational capability and lay the foundation for sustainable operation.
Waste	4-4-1 Waste Recycling	Economic and environmental aspects: If the raw materials and waste of the product are not properly managed, it will lead to an excessive waste of resources and environmental pollution, and the punishment by the competent authority. Therefore, Walsin Technology introduces the management concepts of environment friendliness and circular economy in the stages of material selection, design, use and disposal.
Customer privacy	3-9 Information Security and Privacy Protection	Economic aspect: Leakage, theft or loss of customer or supplier data will seriously affect customer trust, leading to an increase in the churn rate. Therefore, Walsin Technology has formulated information security strategies and standards, and established a security team to continuously evaluate the effectiveness and appropriateness of security, in order to minimize information security risks.
Occupational safety and health	5-8 Safe and Healthy work environment 5-7 Employee Health and Care	Environmental and demographic aspects: A good work environment enables workers under company control to enjoy a safe, secure and comfortable work environment, thereby maintaining a good company image, increasing job application rates, and reducing personnel turnover.
Market position	5-5 Salary and Benefits 5-1 Human Resources Policy	Economic aspect: Competitive salaries help attract and retain excellent talents. In addition to setting reasonable and competitive salary levels, Walsin Technology designs incentive and bonus systems to reduce the employee turnover rate. Eliminating concerns about inequality in salary distribution, formulating human rights policies, and complying with relevant international human rights conventions.
Indirect economic impact	6-1 Internal Public Welfare Organizations	Economic and demographic aspects: In addition to pursuing operational performance, Walsin Technology has not forgotten to fulfill its social responsibility. The WTC Charity Foundation provides long-term subsidies to remote and disadvantaged schools and children in Taiwan to enhance employer branding and increase the job application rate.
Anti-competitive behavior	3-1 Business Philosophy and Regulatory Compliance	Economic aspect: In order to avoid losing customers due to fines or penalties for violation of regulations, Walsin Technology follows antitrust measures and regularly organizes relevant practical courses to deeply root important concepts to every employee.
Customer health and safety	3-4 Supply Chain Management 4-1 Environmental Management System 4-4 Pollution Control	Environmental and demographic aspects: Walsin Technology is committed to significantly reducing the impact of its products on the environment in order to avoid losing customer orders. Therefore, we comply with EU requirement to promote green consumption, ban or limit the use of harmful substances, and introduce the harmful substance management system.

Corporate Governance

3-1 Business Philosophy and Regulatory Compliance P26

3-2 Governance Organization P27~29

3-3 External Participation P30-P31

3-4 Supply Chain Management P32-34

3-5 Quality Management P35

3-6 Risk Management P36-P38

3-7 Operational Performance P39

3-8 Customer Relations P40

3-9 Information Security and Privacy Protection P41

3-1 Business Philosophy and Regulatory Compliance

[Ethics] Walsin Technology regards "ethics" as the fundamental core value and business philosophy, and specifically implements it in the Company's requirements for professional ethics and compliance with regulations, and even regards it as the highest principle in executing all business operations.

[Professional] Walsin Technology adheres to providing high-quality professional services and is committed to improving service quality and business performance, in order to strengthen the Company's operational capability and lay the foundation for sustainable operation.

The Company holds internal propaganda once a year to arrange for the Chairman, President or senior management to convey the importance of ethics to directors, employees and appointees. In addition, annual reporting is made to the board of directors on the effectiveness of the preventive measures established based on the management's verification and evaluation of the implementation of ethical corporate management, and the evaluation of the compliance with relevant business processes.

Compliance with the code of ethical conduct

Walsin Technology provides guidance for all employees of the Company in carrying out company operations. All employees of the Company, branches and subsidiaries, regardless of their position, rank or location, should comply with the "Code of Ethical Conduct for Employees", which includes work environment guidelines, equal opportunities, confidentiality clauses, prohibition of part-time work and avoidance of conflicts of interest, gift giving or receiving and business etiquette, respect for employees and customers, whistleblowing, protection and exemption, in order to gain public trust, enhance corporate image, and ensure the sustainable operation and development of the Company.

Anti-corruption

To implement the concept of ethical corporate management, Walsin Technology strictly prohibits any acts of corruption, bribery or extortion. Internally, employees are required to adhere to the principles of ethics and fairness at all times, and the punishments for receiving improper benefits are stipulated in documents such as work rules and reward and punishment measures. Employees are also required to receive relevant training to ensure understanding of relevant rules. Externally, it is strictly prohibited for cooperating manufacturers to engage in unfair commercial competition and bribery, and suppliers are required to sign a letter of commitment to integrity. All business offices of Walsin Technology manage related risks through audits, whistleblowing or complaints, and there have been no lawsuits or investigated cases related to corruption over the years.

Anti-competitive Behavior, Antitrust and Anti-monopoly

Walsin Technology announces and follows antitrust measures, and regularly holds relevant practical courses, hoping to deeply ingrain important concepts into every employee of the Company through continuous cultivation. Walsin Technology has not been involved in legal proceedings related to anti-competitive behavior, antitrust or anti-monopoly measures over the years.

Legitimacy of Health, Safety and Marketing Labeling

Walsin Technology has not violated any regulations or voluntary guidelines regarding the health and safety impact of products and services, product and service information, and marketing (including advertising, promotion and sponsorship) over the years. There were no recalls due to product safety incidents in 2022.



The Company strictly abides by the labor related laws and regulations of the locations of the global operating sites, protects the legitimate rights and interests of employees, and follows the spirit and basic principles of human rights protection in various international human rights conventions, such as the "United Nations Global Covenant", the "United Nations Universal Declaration of Human Rights", the "Declaration on the Fundamental Principles and Rights of the International Labour Organization" and the "RBA Code of Conduct", and formulated the Company's human resources and human rights policies (which can be connected to the Company's official website).

The Company conducts annual risk assessments of various departments in accordance with the internal regulations - RBA Management Manual by the Risk Control Office, focusing on labor, health and safety, environment, ethics and management systems; in addition, each plant conducts regular RBA internal audits and plans third-party audits every year to implement continuous compliance with RBA code of conduct. The Kaohsiung Plant conducted a third-party RBA audit in 2021 and won a platinum medal. The Suzhou Plant passed the SMETA 4P audit in December 2022, and the Dalang Plant completed the RBA third-party initial audit in March 2023 and won a silver medal.

Business principles

Emphasis on ethics and commitment.

Treating customers as partners.

Focusing on the core business and adhering to quality.

Global perspective and international operation.

Emphasize long-term stability and inheritance.

Equal emphasis on shareholder value, employee welfare and social responsibility.

Collaboration

3-2 Governance Organization

Organization Structure

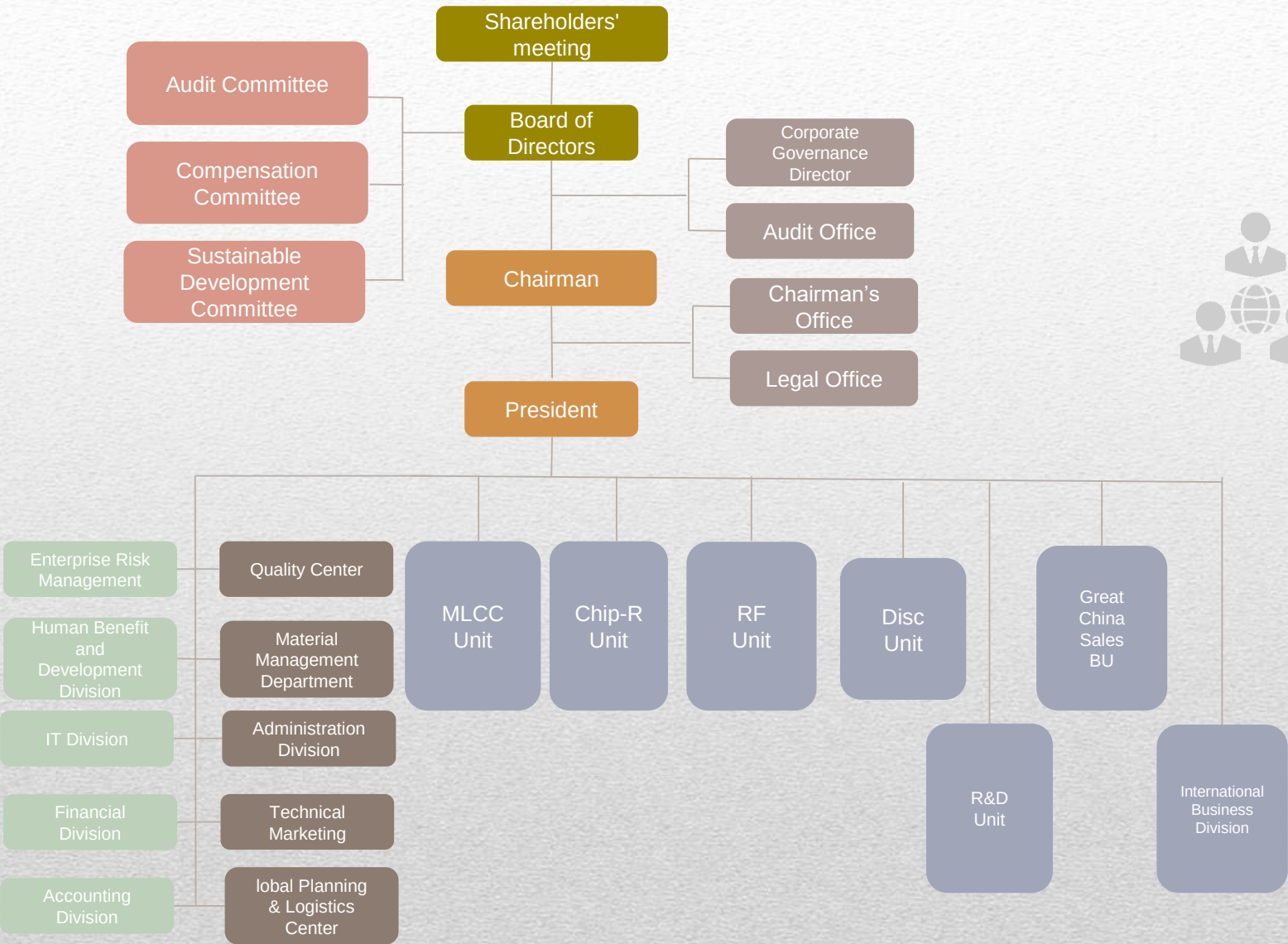
The governance policies of Walsin Technology are mainly handled in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and relevant laws and regulations. The President is responsible for the overall operation and decision-making of Walsin Technology and all related enterprises. Walsin Technology believes that good corporate governance can establish a solid foundation for operational development, provide high-quality products and services to the market, and enhance long-term company value.

Under the principle of adhering to operational transparency, emphasizing shareholder equity, and believing that a sound and effective board of directors is the foundation of good corporate governance, the board of directors of Walsin Technology authorizes the Audit Committee and Compensation Committee established under it to assist the board in fulfilling its supervisory responsibilities, and the chairpersons of each committee regularly report their activities and resolutions to the board of directors.

In promoting the Company's sustainable management strategy as a whole, the board of directors also plays a supervisory and guiding role. Every year, the chairman of the Sustainable Development Committee reports to the board of directors on the annual execution results and future work plans. If a negative event occurs that affects stakeholders, the responsible unit will report the cause of the event and the countermeasure to the board of directors. There were no major incidents in 2022 (fines exceeding NTD1 million or penalties of work suspension).

At present, Walsin Technology's operating sites that have conducted corruption risk assessment for risk assessment on anti-corruption issues include existing sites in Taiwan and mainland China. Subsidiaries Dongguan WTC, Suzhou WTC and Pan Overseas (Guangzhou) Electronic Co., Ltd. were also included in the scope.

The Company conducts annual risk assessment operations on a regular basis every year, covering major topics such as anti-corruption and "future company operations", "continuous tracking of early risk assessment", "international economic and political situation", "environmental protection and climate change", etc. After completion, the risk assessment report is submitted to the President for approval, and to the Audit Committee (Risk Management Committee) and the board of directors to report on the operation of risk management for their final approval.



3-2 Governance Organization

Board of Directors

The board of directors of Walsin Technology values efficiency, transparency, diversity and professionalism in order to strengthen corporate governance. The board of directors examines the professional abilities required to execute business, including operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market observation, leadership and decision-making ability, in order to avoid blind spots in decision-making.

The board of directors is the center of Walsin Technology for major business decisions, and its responsibilities include appointing and supervising the Company's management, and being responsible for the overall operational status of the Company. In order to establish a good governance system for the board of directors, improve its supervisory functions and strengthen its management functions, the Company has formulated the Rules of Procedure for Board Meetings in accordance with paragraph 8, Article 26-3 of the Securities and Exchange Act and the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance.

The board of directors of Walsin Technology regularly listens to the briefing of the management team before each quarterly board meeting, and the topics also include the economy, environmental protection, and corporate social responsibility (including the evaluation of relevant risks and opportunities, compliance with international standards, and the code of professional ethics).The management team must propose company strategies to the board; the board must evaluate their feasibility, regularly review the progress of such strategies, and urge the management team to make adjustments when necessary.

Walsin Technology purchases liability insurance for all directors and important employees every year, and discloses the attendance rate of board directors in the annual report to strengthen the requirements on directors for their own responsibilities and obligations, in order for them to play the role of supervision and management.

For relevant data on the Audit Committee and Compensation Committee members of Walsin Technology and the operation of the board of directors, please refer to Walsin Technology's annual report Three. Corporate Governance Report”

<http://www.passivecomponent.com/zh-hant/investor-relations/annual-reports/>



Board Performance Evaluation

The board of directors conducts an internal performance evaluation annually and an evaluation by an external professional independent agency every three years; the measurement items should include the following five aspects:

- (1) The level of participation in company operations.
- (2) Improvement of the quality of board decision-making.
- (3) Composition and structure of the board of directors.
- (4) Election and continuing study of directors.
- (5) Internal control.

Please refer to the relevant information of [the board of directors on the official website](#) for the results of the 2022 performance evaluation.

Director's remuneration

The Company and companies in the consolidated financial statements refer to director's remuneration, including transportation fees and director's remuneration from profit distribution. In terms of transportation fees, the individual compensation amount is determined by referring to those of the same industry peer levels and is reviewed and determined by the Compensation Committee. The remuneration from earnings distribution shall be handled in accordance with the articles of association of the Company and the companies in the consolidated financial statements; the board of directors shall prepare a distribution plan and submit it to the shareholders' meeting for approval. The remuneration of the President and Vice Presidents, including salary, bonus and employees' remuneration, is based on the position held and the responsibilities assumed, with reference to the level of similar positions of industry peers and the results of business performance, and submitted to the Compensation Committee for review and determination.

Avoidance of Conflicts of Interest

Walsin Technology has provisions in the Rules of Procedure for Board Meetings and the Organizational Rules of the Audit Committee regarding the avoidance of directors' interests. For meeting proposals that the directors or the legal persons they represent have personal interests in, they should explain the important content of their interests at the current board meeting. If there is a risk of harm to the Company's interests, they should not participate in the discussion and voting, and must avoid discussing and voting, nor should they exercise their voting rights on behalf of other directors. For the directors who are not allowed to exercise their voting rights on the resolutions of the board meeting per the preceding paragraph, the situation shall be handled in accordance with the provisions of paragraph 4, Article 206 of the Company Act, with the application of paragraph 2, Article 180 mutatis mutandis. In addition, Walsin Technology has independent directors who provide suggestions based on their expertise and experience by taking an objective and impartial stance. When discussing any proposal, the board of directors should fully examine the opinions of independent directors and include their reasons or opinions for agreement or opposition in the meeting minutes, taking into account the principle of avoiding interests and effectively protecting the interests of the Company. In addition, none of the board members have cross shareholding with major suppliers.

Senior Managers' Remuneration

The performance evaluation and compensation policies, systems, structures and standards for directors and managers are formulated and reviewed by the Compensation Committee based on the Company's long-term and short-term development plans, as well as industry standards. The Committee has independent directors to provide external compensation advice, and holds at least two meetings annually to regularly review and ensure the competitiveness and rationality of salaries.

3-2 Governance Organization

Audit Committee

The Audit Committee is responsible for assisting the board of directors in carrying out its supervisory duties and exercising its powers under the Securities and Exchange Act, the Company Act and other laws and regulations. The Audit Committee regularly communicates with the Company's certifying CPAs and reviews their selection, independence and performance. At the same time, the Company's internal auditors regularly submits an audit summary report to the Audit Committee based on the annual audit plan. The Audit Committee also regularly evaluates the Company's internal control system and internal auditors and their work.

Compensation Committee

On December 29, 2011, Walsin Technology established the "Compensation Committee" and established the "Compensation Committee Organizational Regulations" (hereinafter referred to as the "Organizational Regulations") in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", with the aim of assisting the board of directors in formulating policies, systems, standards and structures for the performance evaluation and compensation of directors, supervisors and managers, and regular evaluation and review are performed. The organizational charter of the Compensation Committee has been approved by the board of directors, and all previous resolutions have been reviewed by the board of directors.

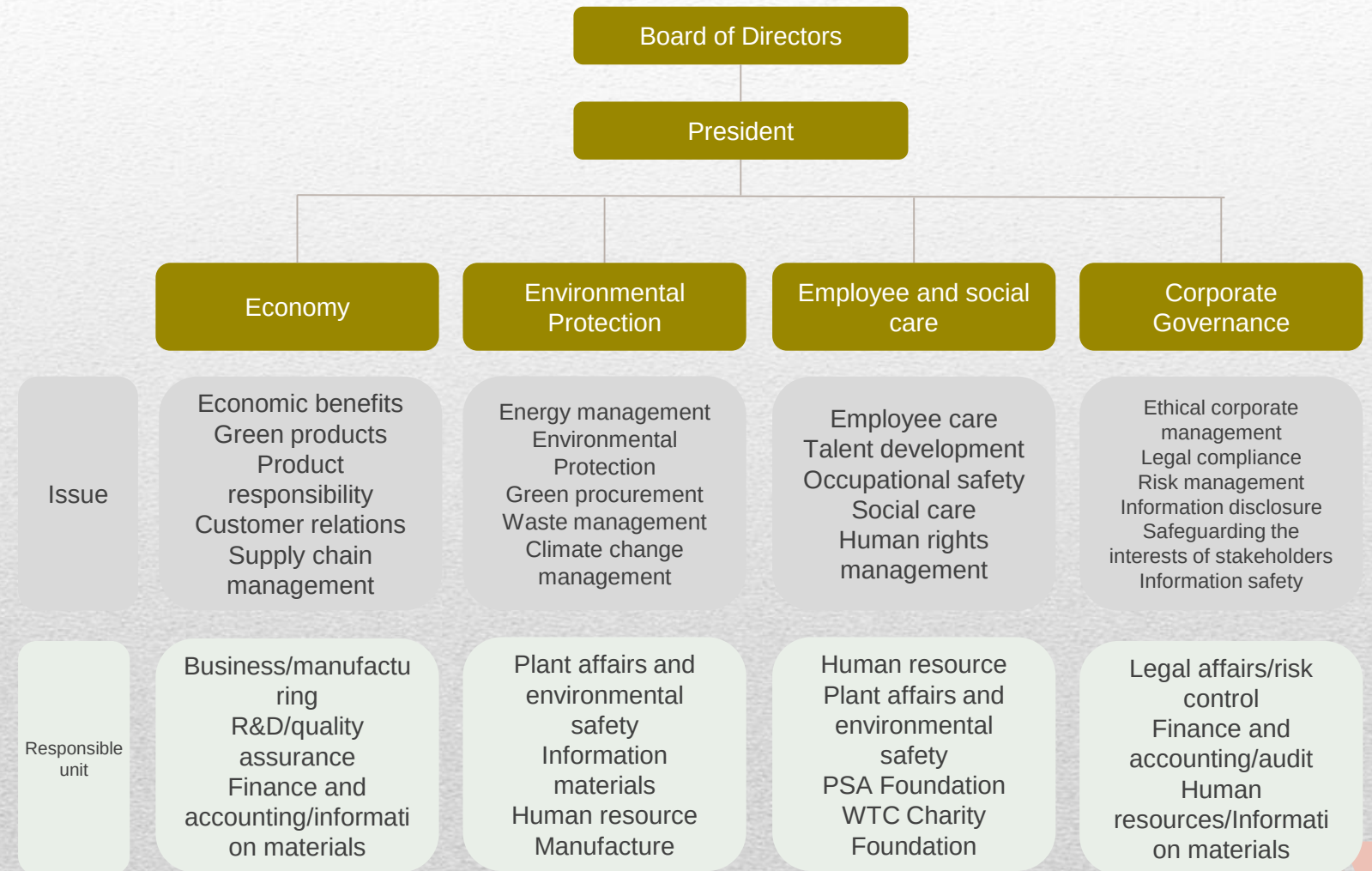


For relevant data on the Audit Committee and Compensation Committee members of Walsin Technology, as well as the operation of the board of directors, please refer to Walsin Technology's 2022 annual report: "Three. Corporate Governance report".



<http://www.passivecomponent.com/zh-hant/investor-relations/annual-reports/>

Sustainable Development Committee



Organizations participated in

Membership	Identity	Plant/country
Chinese Society for Quality	Member	Taiwan
Labor Relations Promotion Association for Export Processing Business	Member	Taiwan
Kaohsiung Export Processing Zone Motor Electronics Association	Member	Taiwan
Taiwan Science Park Science Industry Association	Member	Taiwan
Taiwan Climate Partnership	Member	Taiwan
Taiwan Electrical and Electronic Manufacturers' Association	Member	Taiwan
Chinese East Asia Economic Association	Member	Taiwan
Taiwan Enterprise Association of Guangzhou	Member	Guangzhou
Membership fee for Taiwan Enterprise Association of Suzhou	Member	Suzhou
Taiwan Business Association Dongguan, Dalang Branch	Member	Dalang
Dongguan Hi-Tech Industry Association	Member	Dalang
Dongguan Precursor Chemical Management Association	Member	Dalang

Political donation

Irregular donation amount
For the use by non-specific political parties or figures on public affairs that contribute to the local community or society, such as assisting the people, organizing events, and rebuilding after disasters.

There were no political donations in 2022.



3-3 External Participation

Government subsidies

Subsidized items	Amount (NTD)	Country
Government subsidized import fee/Jianlong/Jan~Dec 2021	69,000	Dalang
Subsidy for skill improvement in March 2022	853,651	Dalang
Government subsidized import fee//Jan~Dec 2021 subsidy for two warehouses	32,377	Dalang
Government subsidized export fee/Jianlong/Jan~Dec 2021	80,146	Dalang
Subsidy for skill improvement in May 2022	134,903	Dalang
Guangdong Provincial Social Insurance Bureau one-time employment subsidy	5,760,485	Dalang
Adjustment and refund of social pension insurance premium rate (reduced to 14% from 15%) 2201~2208	3,948,491	Dalang
Vocational skill level recognition award and subsidy funds	221,153	Dalang
Subsidy by the Bureau of Commerce from April to June, 2022 for projects in the development of the highway and railway transportation industry	505,662	Dalang
2022 one-time job expansion subsidy	192,403	Dalang
Transportation subsidy for the "Dongguan Port Water Transport Dedicated Line" of the Bureau of Commerce	26,432	Dalang
2022 Dongguan City "Double Increase Plan" key personnel costs	1,099,573	Dalang
Bonus for Double Increase Plan service package -2022	2,883,394	Dalang
Temporary collection of cross-border transportation subsidies by the Commerce Bureau from July to August 2022	570,575	Dalang
Supporting funds for the development of Phase-I highway transportation by Dongguan Municipal Bureau of Commerce in September 2022	530,767	Dalang

Subsidized items	Amount (NTD)	Country
Tao Employment Service Office - Stable Employment Plan Subsidy	180,000	Taiwan
Subsidy for nursing rooms of high-tech plants	1,2240	Taiwan
Maternity inspection and maternity leave salary subsidies	7,417	Taiwan
Exhibition subsidy from the Project Office of the Ministry of Economic Affairs (Electronic Exhibition Munich, Germany)	50,000	Taiwan
Generation A - low loss RF chip module material development plan	16,200,000	Taiwan
Tax subsidy	38,061	Hong Kong
Hiring Incentive	6,141,586	Malaysia
Career Stability Bureau Support Grant	64,558	Japan
PCB disciplinary fee subsidy	84,745	Japan
Vocational Stability Bureau support subsidy (for the closure of primary schools with COVID-19 infection)	22,672	Japan
Employment adjustment fund for employment institutions hiring elderly (or those living alone) or disabled job seekers	55,044	Japan
2021 unemployment insurance stabilization subsidy	684,295	Guangzhou
One-off employment subsidy paid by the social security center	581,633	Guangzhou
Employment subsidies paid by the Social Security Bureau for out-of-poverty population	66,346	Guangzhou
Stable job and unemployment subsidies - 2021	791,622	Suzhou
The first batch of subsidized projects for consumption promotion activities in Dongguan in the fourth quarter of 2020	663,459	Dalang
Stable job and unemployment subsidies	2,651,933	Dalang

3-4 Supply Chain Management

Suppliers (including equipment, raw materials, spare parts, consumables, engineering, information, service, etc.) are important partners for the operation of Walsin Technology. Through close cooperation, we ensure that the quality and quality system provided by suppliers meet the needs of Walsin Technology.

All suppliers were evaluated and reviewed in 2022 based on environmental and social standards, and relevant management measures were developed for evaluation and control. For the main raw material suppliers that have been introduced, the inspection period is set to from one to three years based on the risk level. We continue to advocate and urge continuous supplier improvement in environmental protection, safety, health, human rights, conflict minerals, and other aspects, in order to achieve a green supply chain through the common pursuit of sustainable business operation and growth, and to fulfill the corporate social responsibility to jointly pursue sustainable business operation and growth.



Number of major raw material manufacturers

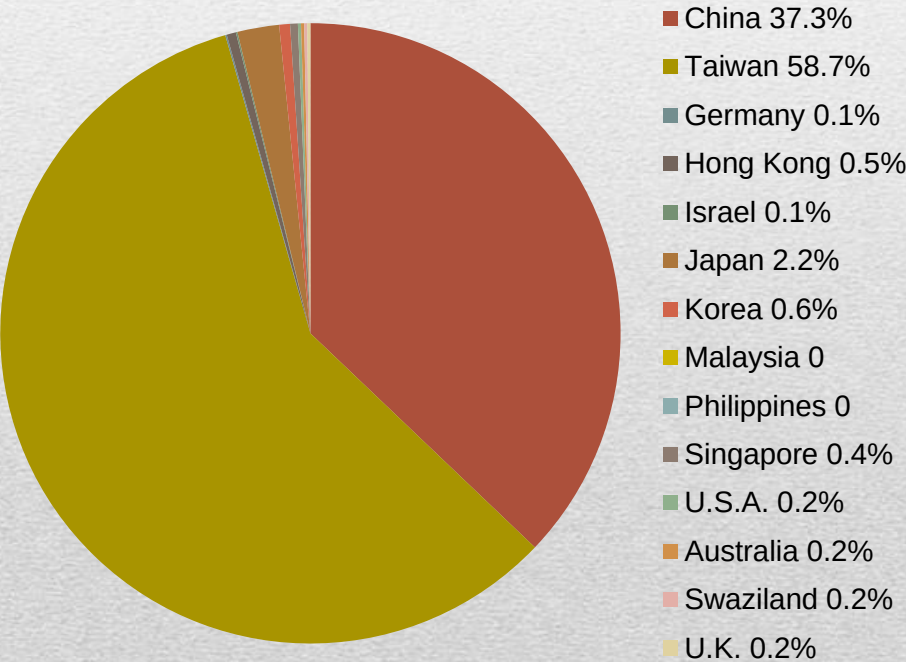
179 companies/all passed



Already evaluated via social impact spot checks.

66 companies/all passed

Note: In 2022, there were a total of 179 major raw material manufacturers, of which 66 (37%) were spot checked for social impact evaluation, and all of them passed.



In 2022, there were a total of 1,236 raw material manufacturers.	
Operating sites and suppliers with significant risks of forced or compulsory labor events	None.
Operating sites and suppliers with significant risks of using child labor	None.
Number of suppliers at risk due to forced or compulsory labor incidents	None.

3-4 Supply Chain Management

Suppliers are important partners in the operation of Walsin Technology. Through close cooperation, we ensure that the quality and quality system provided by suppliers meet the needs of Walsin Technology, jointly pursue sustainable business operation and growth, and advocate and urge continuous improvement in environmental protection, safety, health, human rights, conflict minerals and other aspects to achieve a green supply chain, in order to fulfill the corporate social responsibility and pursue sustainable business operation and growth together.

In 2022, both international raw materials and foreign exchange markets continued to fluctuate. In order to maintain stable supply and continuously reduce costs, in addition to maintaining long-term close cooperation with current qualified suppliers, improving existing raw materials and developing new ones, the Company continues to introduce new suppliers and independently develop key new raw materials to reduce the impact of raw material cost increase. The inventory level of the Company's raw materials is determined based on a comprehensive consideration of raw materials, exchange rate trends, funds and risks. At present, there are at least two qualified suppliers for the main raw materials, and the supply is stable.



3-4 Supply Chain Management

Conflict Mineral Response

Walsin Technology Co., Ltd. has implemented policies on the sources of tantalum (Ta), tin (Sn), tungsten (W), gold (Au) and cobalt (Co) in its products, and conducted due diligence on procurement in "conflict affected and high-risk areas" to reasonably ensure that their sources comply with the responsible mineral supply chain of OECD's "Organization for Economic Cooperation and Development Due Diligence Guidelines", and the Responsible Minerals Certification Program (RMAP) of Responsible Minerals Initiative (RMI)'s to ensure that the mineral and metal supplies come from legitimate sources and comply with responsible procurement.



Local Procurement

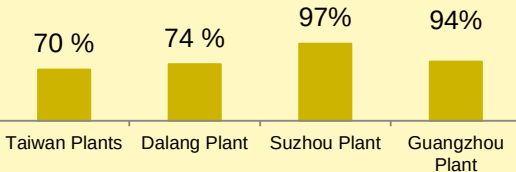
Suppliers are important partners for Walsin Technology's sustainable operation. In terms of material procurement strategy, Walsin Technology prioritizes suppliers that have local production. This not only accelerates material supply efficiency and reduces carbon emissions, but also supports local economic stability and employment opportunities.

70% of the procurement expenditure in Taiwan comes from Taiwan; the procurement expenditure of Dongguan WTC comes from mainland China, accounting for 74%; the procurement expenditure of Suzhou WTC comes from mainland China, accounting for 97%.



Local Procurement Amount Ratio

Suppliers are important partners for Walsin Technology's sustainable operation. In terms of material procurement strategy, Walsin Technology prioritizes suppliers that have local production. This not only accelerates material supply efficiency and reduces carbon emissions, but also supports local economic stability and employment opportunities.



Attention to the Human Rights of Suppliers' and Contractors' Labor

Walsin Technology informs suppliers and contractors of the Supplier Code of Conduct and conducts an annual audit and evaluation of human rights. We also stipulate in the Supplier Management Procedure and Safety and Health Management Measures that suppliers and contractors must comply with relevant human rights provisions of the Labor Act, including the prohibition of child labor and forced labor. In accordance with the effective Supplier Management Measures, gender, age, income and other related issues are included in the annual evaluation standards to control suppliers. At present, no supplier has any specific actual or potential negative human rights impact.



3-5 Quality Management

The top management of Walsin Technology is the President, and the Quality Center supervisor is assigned to supervise and promote the quality management system of the entire Company, ensuring the effective operation of the quality management system and hazardous substance management system, and the implementation of supervision and continuous improvement.

The progress of various management systems in 2022 achieved 100% customer quality management system certification, and the harmful substance testing results of products fully comply with international standards and customer requirements to protect the environment and ensure a safe and healthy environment.

3-5-1 Quality Policy

To provide products and services that satisfy customer needs and expectations.

To comply with customers' and government rules and environment substance requirements.

Committed to continuously implement quality improvement activities and effectively manage environmentally concerned substances to achieve the ultimate goal of Zero defect products.

3-5-2 Quality System and Responsible Unit

On the support of the efficiency and performance of process management, there are operational models such as human resource management, financial management, customer management and information management to enhance the overall operational performance of the Company.

Operations Management Quality



The process of delivering products to the customer after manufacturing and subsequent services are also crucial. Business and quality control personnel maintain close contact with customers at all times, striving to improve customer satisfaction and reduce complaints.

Sales and Service Quality



The marketing unit investigates market demand, provides the R&D unit to develop products required by customers, and formulates product specifications and technical standards.

Design Quality



The material units seeks qualified suppliers, provides the best raw materials according to approved standards, and provides quality awareness and education to suppliers to create an environment of coexistence and mutual prosperity.

Supplier Quality



The manufacturing unit obtains technical specifications and raw materials from the R&D unit and material unit, and combines statistical techniques, advanced equipment technology, complete document control operations, and an endless spirit of improvement in their work to manufacture flawless products to meet customer needs.

Many related quality activities are implemented in this stage, such as incoming inspection, in-process inspection, outgoing inspection, product reliability testing, equipment and instrument calibration, application of statistical technology, and quality project improvement

Manufacturing Quality



3-5-3 Quality Certification

Management System Certification	Kaohsiung, Taiwan MLCC / Chip-R /RF	Yangmei, Taiwan Taping	Dongguan, China MLCC / Chip-R
ISO 9001 Quality Management System	◎	◎	◎
IATF 16949 Automotive Industry Quality Management System	◎	◎	◎
IECQ QC080000 Hazardous Substance Process Management System	◎	◎	◎
ISO14001 Environmental Management Systems	◎	◎	◎
ISO45001 Occupational Health and safety Management System	◎	◎	◎
ISO14064-1 Greenhouse Gas Emissions	◎	◎	◎
SONY Green Partner	◎	◎	◎
RoHS Product Compliance	◎	◎	◎

3-6 Risk Management

According to the internal "Measures for Risk Management Policies and Procedures", the Risk Control Center of Walsin Technology formulates risk assessment issues annually based on the Company's goals and the domestic and international situation at that time, and provides them to relevant departments for response. The results are then consolidated into a risk assessment report, submitted to the President for approval, and the high-risk part is extracted for approval by the Board of Directors in accordance with relevant corporate governance regulations. The content of the risk assessment report is also provided to the Audit Office as a reference for the next year's audit plan.

Risk item	Responsible department	Risky business matters
Strategy risk	President's Office	Constructing corporate values, principles and major operational policies, and prioritizing resources.
Operations management and market risk	Clothing Business Division, MLCC Unit, R&D Unit, Chip-R Unit, RF Unit, International Business Division, Great China Sales BU and DISC Business Division	Adhering to the Company's strategic goals, strategies and related high-level goals, carrying out product research and development, manufacturing, sales, and production technology improvement to improve quality and reduce costs.
Risk management operation	Enterprise Risk Management	Assisting each operating unit in conducting regular risk identification and analysis, risk assessment and response planning and execution, and valuable waste management and bidding.
Customer credit risk	Enterprise Risk Management	Customer credit line setting and review, management of accounts receivable collection, and commission fee review.
Inventory risk	Global Materials Division Global Logistics Support Center	Raw material procurement, semi-finished product processing, and finished product outsourcing and inventory control.
Managing information risk	Global Accounting Division	Correct accounting entries and business analysis of the Company.
Financial and liquidity risk	Financial Division	Interest rate and exchange rate hedging, bank limit management and relationship maintenance, and monitoring of overseas funds.
Supervision of subsidiaries	Investment Management Department	Supervision of financial information and accounting systems of overseas subsidiaries.
Environmental safety and Plant management Risk	Plant Affair and Environmental Safety and Health Department	Plant safety, control of hazardous materials and environmental safety, update of environmental regulations, and newcomer raining.
Personnel risk	Human Benefit and Development Division	Sensitive personnel should follow company regulations to reduce the risk of fraud.
Legal risks	Legal Affairs Head Office	Reviewing contracts and company authorizations to reduce legal risks for the Company and safeguard its assets and goodwill.
Information and data risk	Global Information Division	Developing regulations related to information security management, promoting information security related activities, and ensuring the accuracy, immediacy, integrity, access control, preservation, and system recovery mechanisms of information and data.
Customs affairs and transportation Management of risks	Import, Export and Bonded Department	Customs abnormal event control, customs declaration cost management, customs information update and personnel training, bonded goods control, cargo transportation management, and cost control.
Physical security risks of goods	AEO Quality Enterprise Certification Working Group	Setting AEO Quality Enterprise Certification related matters according to customs requirements, and regularly inspecting the physical safety of goods at factories and transportation agents.
Sustainable enterprise management	Sustainable Development Committee	Setting the sustainable development vision and policies, holding regular management review meetings, re-examining the code of conduct, and adjusting the direction of implementation in response to the internal and external environment.
Personal Data Management of risks	Data Security and Personal Data Protection and Execution Team	Assessment and management of privacy risks for personal data, inspection, review and assessment of the legality and suitability of the personal data management system, response, handling and notification of personal data security incidents, and planning and implementation of personal data protection management.
Information Management Risk	Information Security Committee	Complying with the 27001 Information Safety Management System, formulating information security management related specifications and promoting related activities, establishing and implementing the risk management system, establishing emergency response and recovery measures for security incidents, implementing audit improvement recommendations, planning and implementing corrective measures, studying new information security products or technologies, and identifying information security related laws and regulations and contracts.

3-6 Risk Management

Environmental Protection and Safety and Health

- ◆ Reducing greenhouse effects to reduce climate change effects
At present, cardboard boxes and other packaging materials used in packaging are all recycled paper, and all suppliers provide SGS inspection reports to reduce tree felling and achieve the carbon reduction goal.
- ◆ Environmental regulations in various countries are becoming increasingly strict
 1. Pay attention to local legal requirements to avoid operational risks caused by penalties or suspension orders by local environmental protection agencies, or customer bans.
 2. Invest funds and labor costs to establish/maintain/improve air pollution and wastewater treatment equipment systems, so as to strive to meet local regulatory requirements.
- ◆ Strengthen the implementation of environmental protection policies
 1. In order to strengthen the supervision and implementation of environmental protection policies, factories at home and abroad conduct monthly reviews and implement hazardous material and environmental safety controls on potential pollution issues related to water, air, land and processes, and train professionals to obtain relevant certificates.
 2. The human resources unit cooperates with environmental safety unit to arrange training courses related to green products and the environment, and educate employees on the importance of environmental protection.
- ◆ The environmental safety unit arranges fire drill every year for employees to participate in the operation, and also irregularly arranges fire and earthquake escape drills.

Economy

- ◆ In response to global trade issues and the potential impact of tariff barriers implemented by various countries, timely adjustments should be made to the supply of raw materials, and evaluate setting up factories in countries with higher tariffs.
- ◆ Maintain stable electricity supply for the main facilities in each plant
In response to future power shortages which may become a normal situation, each plant has preventive and contingency measures for power outages and power rationing, and measures such as installing generators for important equipment to strive to implement the energy-saving plan.
- ◆ Significant indirect economic impact: Adjusting production capacity and regional investment in response to the pandemic.

Climate Change

- ◆ Implementation in accordance with the “Emergency Response Measures”.
- ◆ Regularly implement drills, inspections and disaster prevention organization training.
- ◆ During typhoons, earthquakes and heavy rain, duty personnel are stationed at the Plant to immediately inspect the condition of the Plant. Additionally, security personnel are available to take care of each other's safety.
- ◆ The environmental safety unit shall inspect and prepare sandbags in advance before the typhoon season.
- ◆ Pay attention to whether the customer's company or Plant is affected by typhoon, hurricane, earthquake or heavy rain. If any, the business management unit shall inquire about its trading volume and accounts receivable status, and notify the business unit to contact the customer immediately to understand its operation or disaster losses, so as to further reduce the risk of bad debts.

Financial impact and Opportunities Arising from Climate Change

Climate change has triggered abnormal weather conditions such as global temperature rise, storms, snow, and drought, which have had an impact on business operations and production activities, as well as financial losses and threats to labor health and safety, and brought challenges to the sustainable development of enterprises. Global enterprises and their supply chains need to face this issue squarely, and jointly improve their ability to cope with climate change and solve problems. Walsin Technology will incorporate effective management and response to the impact of climate change risks into its Sustainable Development Committee's discussion and management, and will promote related procedures while evaluating the significant opportunities and risks.

The risks and opportunities brought about by climate change may have significant changes in operations, income or expenses. Although Walsin Technology currently does not have a budget to implement the TCFD simulation program, it has developed countermeasures as follows for various climate change risks:



Climate change risks	Potential financial impact	Opportunities	Countermeasures/action plans
Greenhouse gases Voluntary reduction commitment	The increased investment and energy-saving equipment improvement cost for each Plant in 2022 is approximately NTD14,114,411.	Energy reduction plan	1. Voluntary reduction of greenhouse gases and reduction of energy consumption 2. Through relevant external verification
Corporate image impact	Corporate image loss	Being devoted to carbon reduction, and enhancing social image	1. Establishing ISO 14001 management system to effectively improve overall environmental performance. 2. Strengthening the resilience and adaptability to climate related disasters. 3. Lifecycle analysis of product environmental impact for reduction at source.
Extreme high temperature	Investing in equipment to control the increase in costs, electricity consumption and carbon emissions.	Enhancing disaster prevention capabilities	1. Installing air conditioning equipment in the electrical room 2. Power generator maintenance measures
Rainstorm	Production being affected, and property and revenue losses.	Enhancing disaster prevention capabilities	Incorporated into future Plant site selection review (none of the operating sites is flooded due to rainstorm)
Drought	Production being affected, and property and revenue losses.	Improving water resource efficiency.	1. Measures for storing tap water 2. Effectively utilizing limited water resources. 3. Expand water recycling and reuse to reduce water demand.
Lightning strike	Production losses caused by power outage.	Enhancing disaster prevention capabilities	Lightning rod maintenance mechanism

3-7 Operational Performance

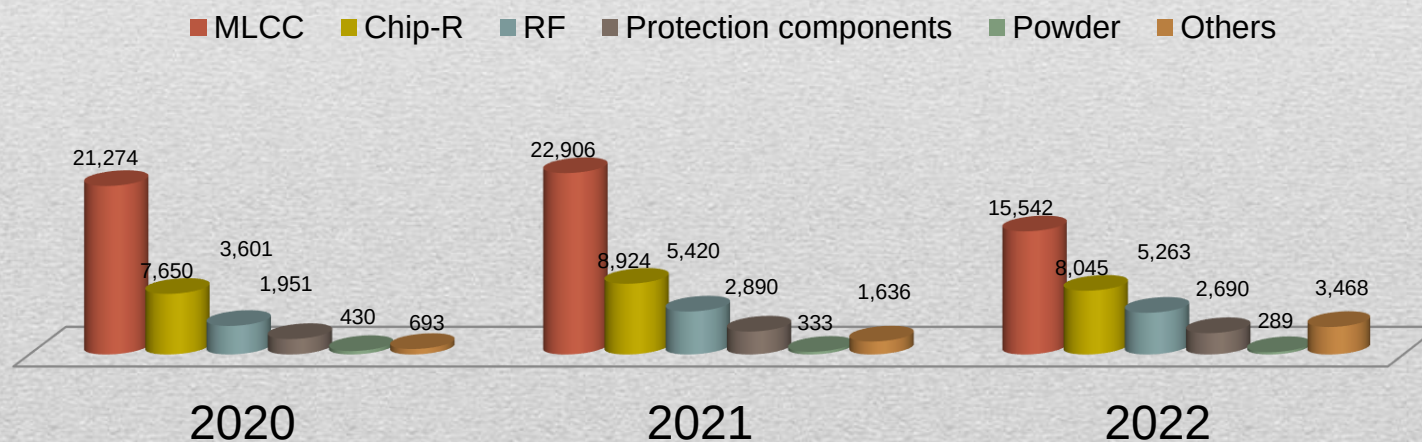
Good financial performance is mainly reflected in the growth of operating revenue and the continuous improvement of profitability, which are the keys to the sustainable operation of the enterprise; the quality of financial performance directly affects the investment value of the Company, and is therefore more important for shareholders/investors. Walsin Technology pursues good financial performance, and proposes clear quantitative financial goals to allow investors to better understand the long-term investment value of the Company, and enhance investors' confidence that we can maintain profitable growth and a good return on equity. Through good financial performance, Walsin Technology has consistently created higher economic value and provided returns to all stakeholders, including shareholders/investors, employees, customers, suppliers, government and the society.

Main products	Unit	2020		2021		2022	
		Capacity	Output volume	Capacity	Output volume	Capacity	Output volume
MLCC	million units	564413	495663	642521	527236	654656	298867
Chip-R	million units	601824	499399	652370	596324	707566	447695
RF components	million units	2760	2625	5250	3942	5783	2037
Protection components	million units	11100	9572	20000	17617	20000	15027
Powder	Ton	4554	4461	4862	4716	4862	2324
Others	million units	572	465	401	359	653	432

	2020	2021	2022
Net sales	35599	42109	35297
Gross profit	11243	12512	6300
Net profit	7218	8961	2295

(NTD million)

Net sales



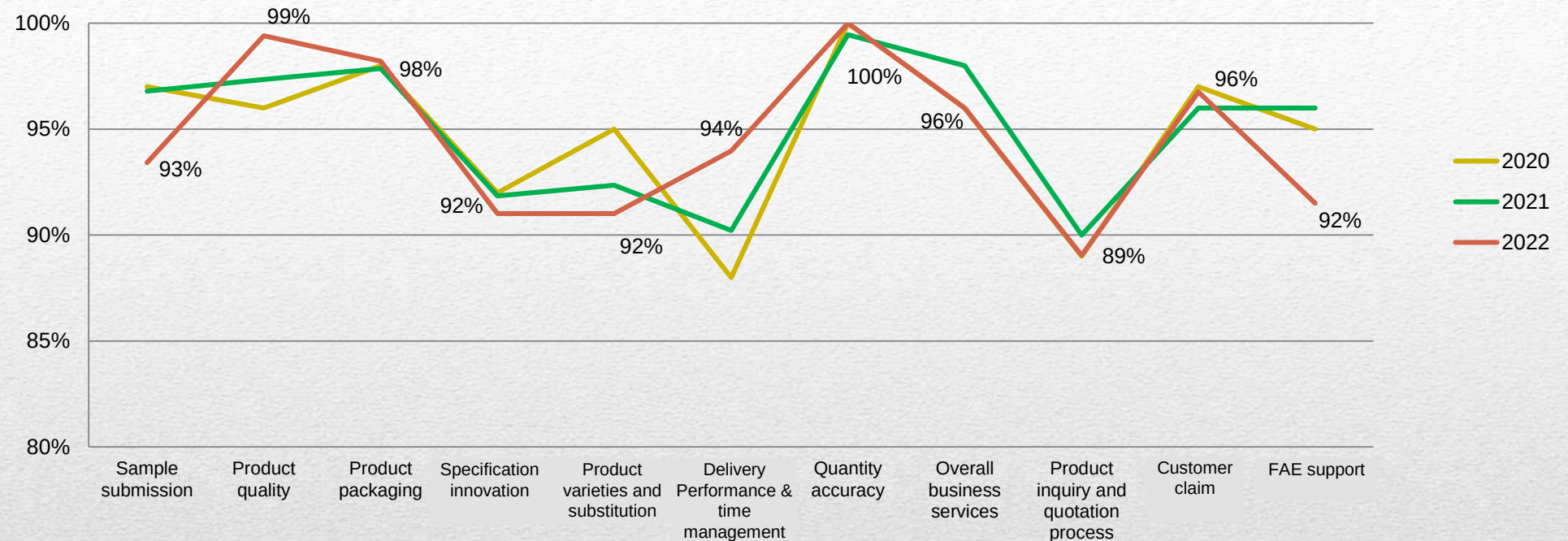
For the consolidated financial report of Walsin Technology, please refer to "Six. Financial Overview" of Walsin Technology's 2022 annual report.



<http://www.passivecomponent.com/z-h-hant/investor-relations/annual-reports/>

3-8 Customer Relations

Customer satisfaction evaluation and survey results are important foundations for the development and refinement of customer relations. In order to enhance its competitiveness and understand customer satisfaction with the Company's products and services, Walsin Technology has customer satisfaction survey procedures in its management system. Questionnaires and in-depth interaction with customers serve as a reference for the Company's strategic planning and continuous improvement. At the same time, the Company also conducts surveys on various dissatisfied responses, and urges responsible units to propose corrective and preventive measures. In the future, we will also strive to improve various satisfaction levels to better meet customer needs. In the future, we will continue to strive for technological leadership, excellent manufacturing and service performance, and establish a win-win cooperative relationship. Walsin Technology firmly believes that continuous innovation and the highest quality products and services are the keys to consolidating customer satisfaction. Good customer satisfaction can stabilize existing customers, attract new customers, and strengthen customer relationships, thereby achieving long-term profits for the Company.



Note:

The customer satisfaction survey questionnaire was revised in 2022 with the following adjustments:

1. The survey item "quotation" was changed to "product inquiry and quotation process" without affecting previous years' satisfaction statistics.
2. The survey items "business service quality" and "business visits and new product introduction" were merged into "overall business services". In order to make historical data comparable, the average of the survey data of "business service quality" and "business visits and new product introduction" from 2020 to 2022 was considered as the "overall business services" data for that year.

 **2022 average overall customer satisfaction 95%**

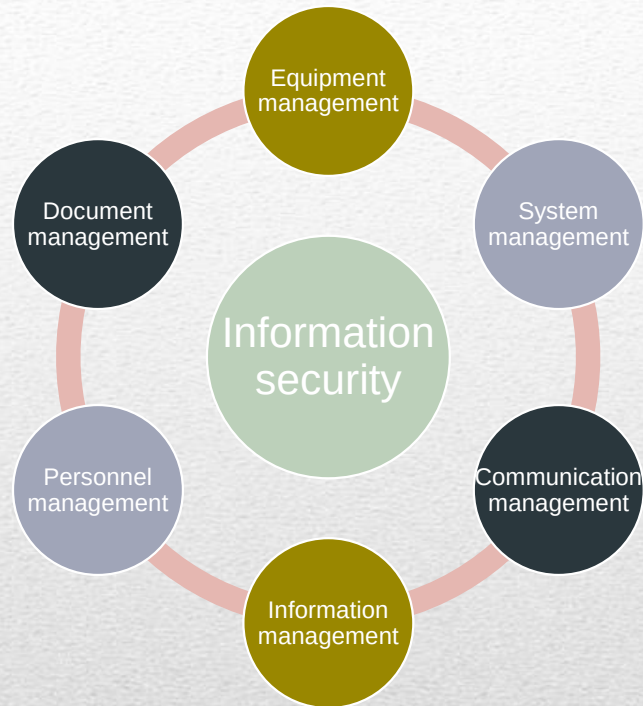
3-9 Information Security and Privacy Protection

Information security is one of the fundamental core competencies of enterprise competition. Walsin Technology fully protects its confidential business information and fully understands its commitments and responsibilities to customers, shareholders and employees. Therefore, it is necessary to establish information security strategies and management standards, strictly control the Company's business secrets and undisclosed confidential information, in order to ensure the best interests of customers, the Company, shareholders, suppliers and employees.

Walsin Technology has established an Information Security Committee, with the Chief Information Officer serving as the convener, and the highest level supervisors of human resources, risk control, audit, legal affairs, materials, and R&D units serving as committee members. Regular meetings are held to review the information security policies and major internal and external issues of the current year, establish an effective information security management mechanism, and continuously protect Walsin Technology's information security.

Walsin Technology has also established an Information Security Execution Group, listing six major management measures to continuously ensure the Company's information security. At the same time, an information security management system has also been established. In 2022, the ISO27001 information security certification was re-audited and the certificate renewed on November 30, and all operating procedures comply with internationally recognized information security management systems.

In the face of various virus threats and network attack events, the Information Security Execution Team continues establishing blocking mechanisms and monitoring programs to prevent external attacks, and has also established appropriate network architectures to prevent the spread of computer viruses among plants. The security team also conducts regular computer vulnerability scans and software updates every year to prevent security vulnerabilities. In order to prevent employees' personal computers from creating security vulnerabilities, the security team continues strengthening spam filtering and employee security training. Regular disaster recovery drills are also held every year to ensure rapid recovery in the event of major security incidents. The Information Security Group is committed to minimizing the risks to information security by continuously evaluating the effectiveness and appropriateness of information security.



Customer privacy

Infringement of customer privacy	Complaints from regulatory authorities	Information leakage, theft, or loss of customer data incidents
No occurrence in 2022.	No occurrence in 2022.	No occurrence in 2022.
Customer information has been properly protected, and there has been no data outflow so far. The Company has a dedicated file room to keep customer information with a locked file cabinet and password protection in the system, and there has been no information leakage.		

2022 information security implementation results:

- Four plants have passed the ISO27001 re-audit and certificate renewal.
- Five information security projects, including the virtual desktop project for importing key talents, mobile device management project, standardization of remote desktop settings, vulnerability prevention projects and endpoint protection upgrade are included
- 13 safety regulations and 16 safety forms have been revised and completed.
- 573 indirect personnel completed online training courses on information security.
- 119 people completed 6 professional training courses in information security.
- Participated in 2 joint information security organizations.

4 Environmental Protection

4-1 Environmental Management System P43

4-2 Material and Energy Management P45

4-3 Water Resources Management P46

4-4 Pollution Control P48

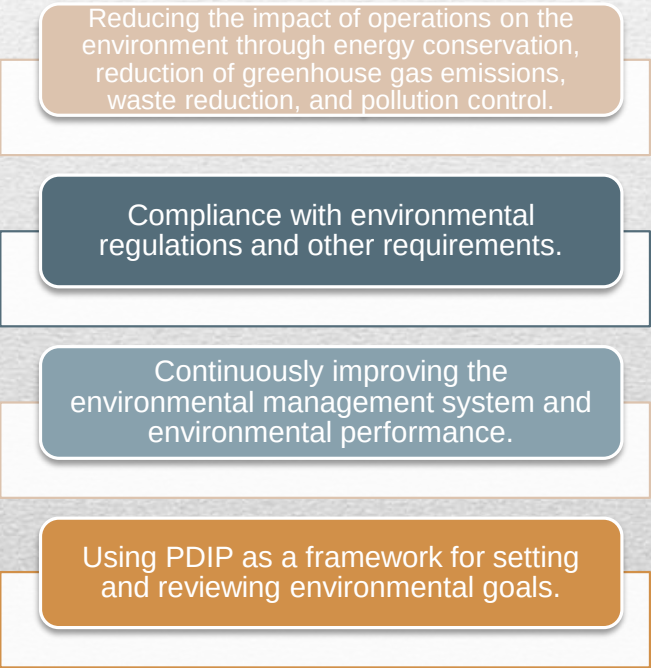
4-5 Energy Conservation Measures P50



4-1 Environmental Management System

Walsin Technology deeply recognizes that it is its duty to protect the environment and ensure the sustainable development of the Earth at any stage of corporate activities. Therefore, since its establishment, the Company has always attached great importance to environmental protection. Despite having experienced financial storms, European debt crises, and even facing the ever-changing economic environment and increasingly stringent environmental safety laws and regulations, the Company still adhere to its original intention and lists “fulfilling the civic responsibility for a green planet” as one of the corporate missions, and reviews the implementation effectiveness of relevant projects at the monthly senior management meeting.

4-1-1 Environmental Policy

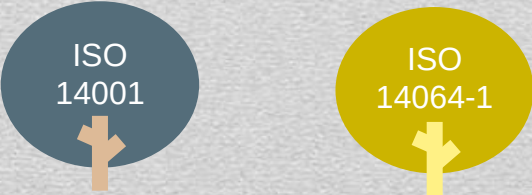


Note: PDIP (Policy Deployment and Improvement Plan)

4-1-2 Environmental Management System

Starting from the social responsibility of caring for the Earth, Walsin Technology continues to establish an active environmental management system with the goal of "preventing pollution, improving the performance of energy resource utilization, creating sustainable management, and fulfilling corporate social responsibility", aiming to comply with relevant domestic laws and regulations and align with international standards. Every plant worldwide has established an ISO 14001 environmental management system to promote continuous improvement of environmental management plans through the P-D-C-A management model, and properly handle environmental issues arising from activities, services and product processes. During the process, relevant indicators are established for various electricity consumption, water consumption, wastewater generation, waste generation, greenhouse gas emissions and production capacity density which are monitored at any time to effectively meet environmental responsibility requirements while taking into consideration production costs.

The plants of Walsin Technology are all located in industrial areas and do not belong to or are adjacent to sensitive ecological protection zones or protected or restored habitats. The activities, products and services of the Company have no significant influence or impact on protection zones or other areas with significant biodiversity significance. Since the establishment of the plants, there have been no cases of complaints affecting the ecological area; in addition, Walsin Technology also encourages employees to participate voluntarily and sets up environmental management positions in accordance with the Environmental Protection Act. So far, we have appointed personnel responsible for wastewater and toxic substances.



4-1 Environmental Management System

4-1-4 Environmental Regulation Compliance

Walsin Technology has not suffered significant fines or non-monetary penalties for violating environmental regulations in 2022.

(referring to work suspension, operations suspension, close down, cancellation or revocation of pollution related permits ordered by relevant authorities, or a single incident with a cumulative fine exceeding NTD1 million)



Location	Address	Environm ent Protection zone	Important organisms Diversity Value Zone
Yangmei Plant	No. 566, 566-1 and 566-3 Gaoshi Road, Yangmei District, Taoyuan	No.	No.
Kaohsiung Plant	Kaohsiung Qianzhen Processing Export Zone	No.	No.
Luzhu Plant	No. 118 Minzhi Road, Luzhu District, Kaohsiung	No.	No.
Dalang Plant	No. 638 Meijing West Road, Dalang Town, Dongguan, Guangdong Province	No.	No.
Suzhou Plant	369 Changyang Street, Suzhou Industrial Park, Jiangsu Province	No.	No.
Guangzhou Plant	No. 277 Hongming Road, East District, Guangzhou Economic and Technological Development Zone, Guangdong Province	No.	No.

4-1-5 Hazardous Substance Control

Walsin Technology is committed to significantly reducing the impact of its products on the environment, cooperating with the EU's promotion of green consumption, the Restriction of Hazardous Substances (RoHS), and the Waste Electronic and Electrical Equipment (WEEE) directive. Although the Company is not currently included in the IEC 62474 regulatory framework, it has made relevant regulations for the supply chain and has also formulated the "Environmental Management Substance Management Measures", and introduced in 2010 the Hazardous Substance Management System (IECQ QC 080000), including the establishment of the Hazardous Substance Free (HSF) policy for identification of customer needs, local regulations, and product and process risks, to manage the required processes and objectives, provide necessary resources, and understand product and management capabilities through products, processes and system monitoring to continuously improve for achievement of the goal of hazardous substance management, thereby reducing response risks. The Company also regularly arranges courses on RoHS environmental related prohibited substances and SDS hazardous substances every year to make employees realize the importance of reducing the use of hazardous substances and move towards this goal simultaneously; the R&D, procurement, property management, production, and human resources departments are also integrated into the quality management system and its established procedures to move towards meeting the goals of RoHS, WEEE and REACH.

All the products sold by Walsin Technology comply with relevant environmental regulations such as EU RoHS, EU REACH, SONY SS-00259, etc. and have also obtained SONY GP certification and certification from multiple partners such as Inventec, Flex and LITE-ON. In addition, the Company continues to actively research and develop green components, with a lead content of less than 100 mg/kg in capacitors and resistors. The Company not only leads the industry, but has also obtained green partner certification from all customers with on-site audits, indicating that the Company's efforts in environmental protection are deeply recognized. In addition, in response to RoHS exclusion clause 7C-1, the Company has established a plan to replace all lead containing raw materials still in use for chip resistors to comply with EU regulations, ensuring the Company's sustainable operation.

4-2 Material and Energy Management

4-2-1 Material Consumption and Recycling

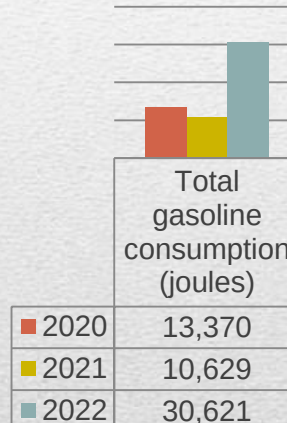
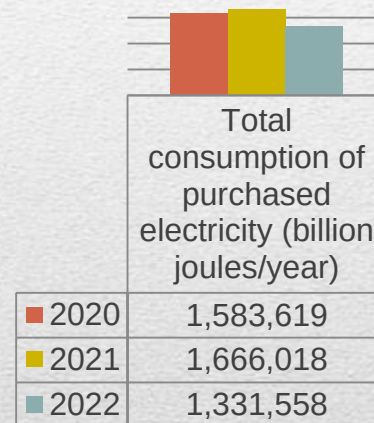
The main raw materials of Walsin Technology are ceramic powder, inner electrode, end electrode, and alumina substrate. The Company has long been committed to process design and technological improvement, thereby reducing raw material consumption. Energy conservation resources are included in the annual PDIP goal to not only reduce pollution emissions from the source, but also reduce operating costs, resource consumption and environmental impact.

Recycled raw materials are not suitable for Walsin Technology's products due to the products' characteristics, and the products belong to B2B products. The sold products and packaging materials are for downstream enterprise customers to use, so there is currently no recycling plan.

Walsin Technology has prepared statistics on the use of raw materials and packaging materials in various plants, including Taiwan, Dalang, Suzhou and Guangzhou plants, and in 2022 the cumulative use was 21,732,669 KG

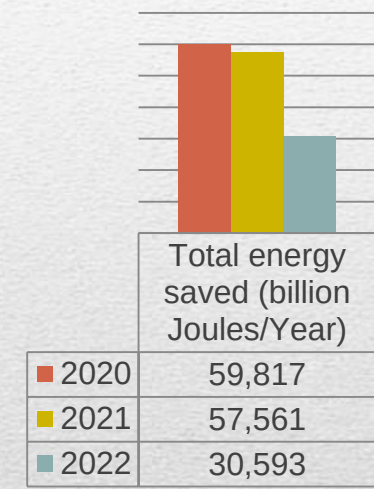
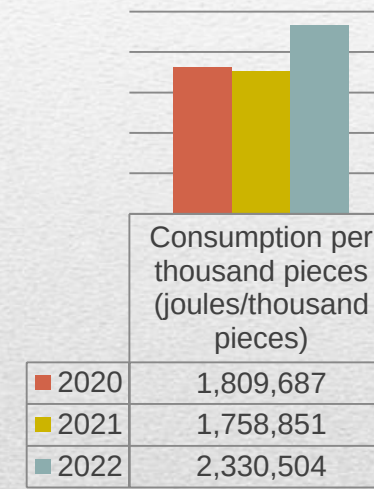
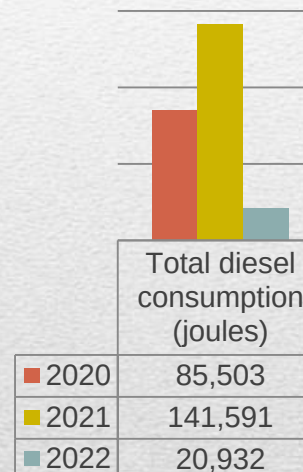
4-2-2 Direct Energy

The direct energy used by Walsin Technology includes diesel and gasoline, mainly used for emergency generators, forklifts, trucks and automobiles. There is no combustion process in the production part, and direct energy only accounts for less than 3% of the overall energy consumption.



4-2-3 Indirect Energy

Walsin Technology has purchased electricity as the main source of indirect energy, and the energy used in 2022 belongs to non-renewable energy.



Remarks

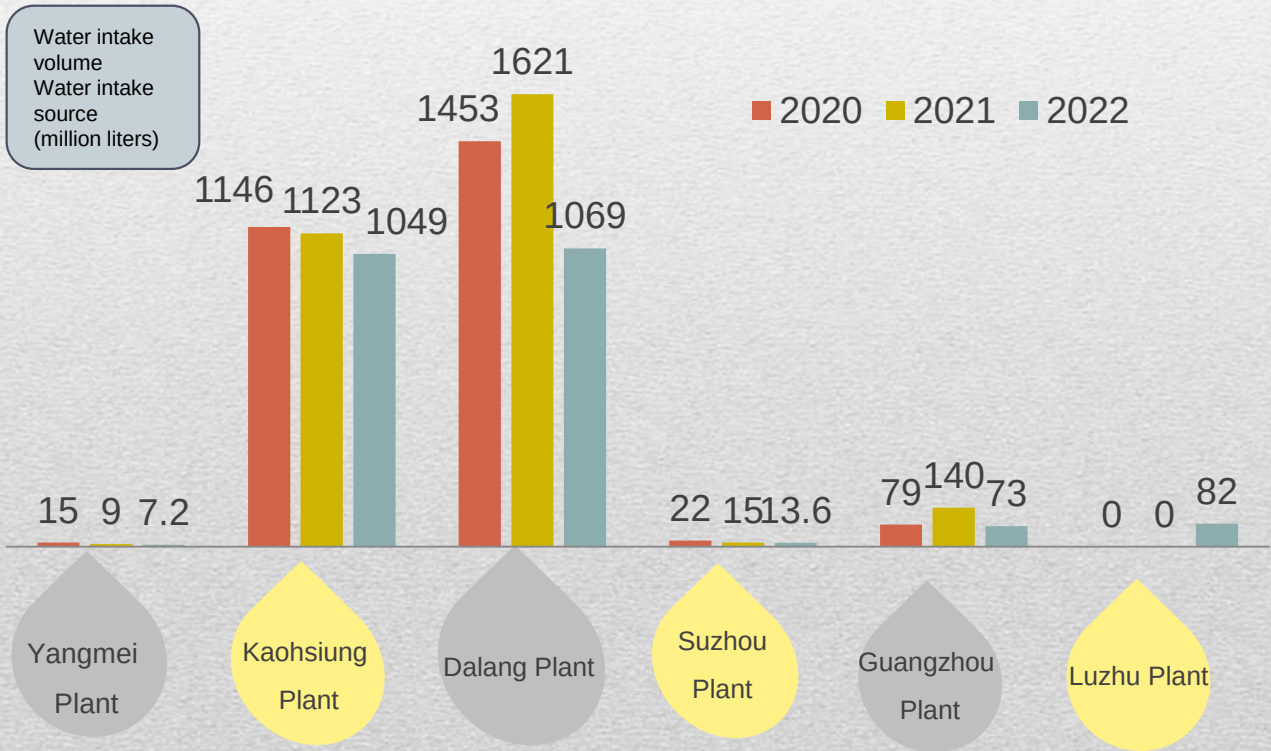
1. Energy calorific value: Electricity calorific value: 3.6 billion joules/kilowatt hour;
1-1. For the Taiwan Plants, according to the latest energy calorific value announced by the Energy Bureau, a calorific value of 7800 kcal/L is used for automotive gasoline, and 8400 kcal/L for diesel.
1-2. Reference for Plants in China
<General Principle for Calculation of Comprehensive Energy Consumption> (GB/T 2589-2020) A calorific value of 33,421,100 J/L is adopted for automotive gasoline, and 35,872,200 J/L for diesel.
2. Calculate at 4,186.8 J per kcal.
3. The statistics of externally purchased electricity is based on the electricity bill; for gasoline and diesel the statistics is based on tank meter reading or purchase invoices.
4. Correct the total electricity consumption in 2021 (misplacement of 2021 power consumption figure).
5. In 2022, the consumption per thousand pieces increased due to a decrease in demand for consumer products and an increase in relative energy consumption due to transition to automotive products.

4-3 Water Resource Management

In recent years, influenced by global climate change, the development and allocation of water resources have become an important topic for various countries. Water resource management, water-saving and emergency response to water scarcity have also become an extremely important part of enterprise risk management and disaster adaptation. Realizing the limitations of water resources, Walsin Technology has always listed water conservation as one of the most important resource management items. In addition to improving facilities and equipment, the Company advocates the change of water use behavior within the Company to improve water conservation efficiency. Besides, with a significant increase in production, Walsin Technology invests a considerable amount of money in water resource recovery facilities every year, and has achieved significant results.

4-3-1 Water Intake Source

All plants of Walsin Technology are located in export processing zones or industrial zones, and the sources of domestic and process water are obtained through the water supply company without the use of surface water, groundwater, seawater or produced water, and the water intake is not identified to have a significant impact on the water source.



Note: Luzhu plant was put into operation in 2022.

Plant	WRI	Water intake source
Yangmei Plant	Low - medium (1-2)	Shimen Dam
Kaohsiung Plant	Low - medium (1-2)	Fengshan Water Supply Plant
Dalang Plant	Medium - high (2-3)	Xiniupi Reservoir
Suzhou Plant	High (3-4)	Taihu lake
Guangzhou Plant	Medium - high (2-3)	Beijiang Main Stream
Luzhu Plant	Low - medium (1-2)	Dagang Mountain



Remarks:

According to the Water Risk Map of the World Resources Institute (WRI), the Suzhou Plant is located in an area with high water pressure, Dalang and Guangzhou Plants are located in areas with medium to high water pressure, and the rest of the plants are located in areas with low water pressure. The discharged water bodies are all fresh water (≤ 1000 mg/L total dissolved solids). However, the Suzhou Plant does not have a main production process, and water shortage does not affect product production. Moreover, there has been no shortage of water resources in the Suzhou/Dalang/Guangzhou plant operations so far; water sources are sufficient and water trucks are used as backup water sources.

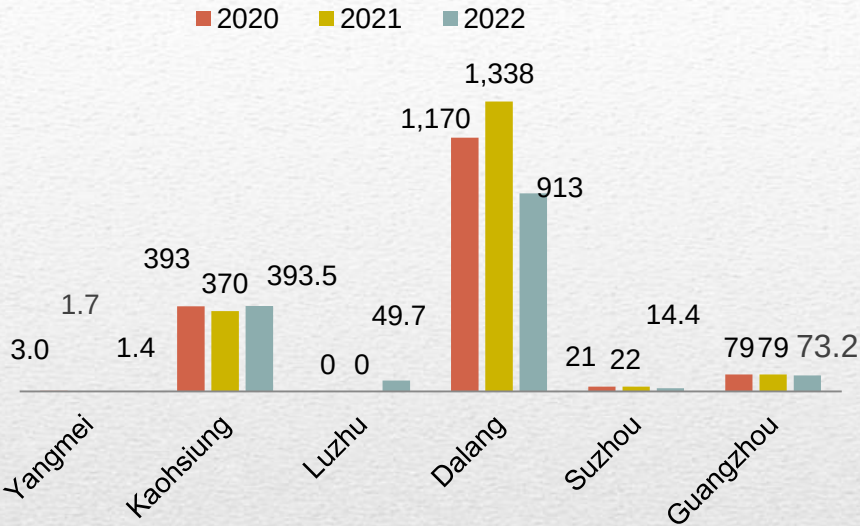
4-3 Water Resource Management

Plant	Discharge	Discharge standard
Yangmei Plant	Lawful surface water body	Not an object subject to application for water usage plan or permit (document) (the consumption is small and the environmental impact is insignificant).
Kaohsiung Plant	Public sewage treatment plant	Discharge Control Standard for Kaohsiung Zhongzhou Sewage Treatment Plant
Dalang Plant	Dalang Town Township Control Network	Emission Standards for Electroplating Water Pollutants in Guangdong Province (self-built sewage treatment station; discharge after reaching the the standard)
Suzhou Plant	Industry park sewage treatment plant	Water Quality Standards for Sewage Discharged into Urban Sewers GB/T 31962
Guangzhou Plant	Municipal sewage pipeline network	Guangdong provincial standards (water pollutant emission limits) Third level standard for the second period
Luzhu Plant	High Tech Park sewage treatment plant	Tainan Science Management Park - Discharge Control Standard for Wastewater Treatment Plant in High Tech Park

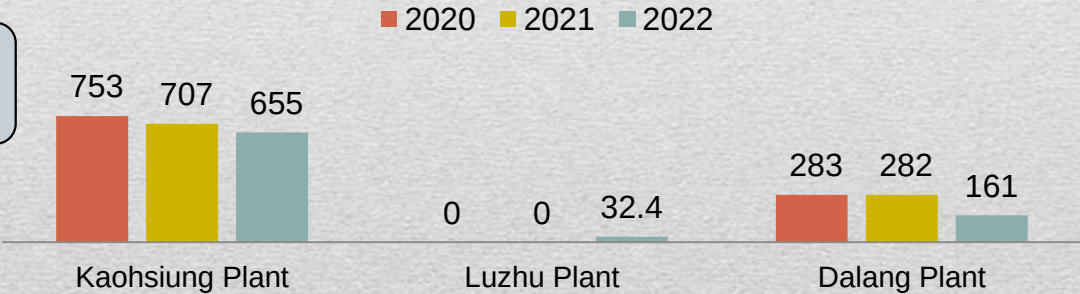
4-3-2 Wastewater Discharge

Walsin 60% o is recOther drainage is also treated through sewage treatment facilities or directly discharged into sewers according to laws and regulations. The discharge quality meets the requirements of the competent authority and has no significant impact on the ecological environment.

Water consumption volume
(million liters/year)



Process wastewater discharge volume
(million liters/year)



Note: Yangmei Plant and Suzhou Plant do not have process wastewater, as they do not have a production process; there is no electroplating station process in Guangzhou Plant, so there is no wastewater.

4-4 Pollution Control

4-4-1 Waste Recycling

Each plant of Walsin Technology has established a quality balance process to control and manage process related waste. Every year, we also regularly purchase or repair pollution prevention equipment, add chemicals to wastewater treatment, and entrust environmental testing and waste handling. In addition, during the product manufacturing process, waste is classified according to the waste cleaning method, and is divided into hazardous and general (non-hazardous) waste. All of them are entrusted to qualified vendors for removal, treatment or output. In addition, regular audits are conducted at the waste disposal vendors every year to check whether the waste disposal is properly handled in accordance with regulations, and whether the cleaning and transportation documents, permits, proper disposal documents and derivative waste disposal methods are legal. The Company tracks the cleaning and transportation path of each waste via GPS internally to ensure that the waste cleaning and transportation location is correct and to avoid illegal or abnormal situations. In addition to the methods above, we actively seek treatment methods for waste reuse, so there is no significant impact on the environment.

Year	Waste Category	Total output (Taiwan+overseas)	Total disposal volume (Taiwan+overseas)	Taiwan Plants							Dalang Plant, Guangzhou Plant and Suzhou Plant					
				Total disposal volume	Disposal method						Disposal transfer volume	Direct disposal volume	Volume of waste directly disposed of			
					Solidification burial	Reuse	Incineration	Physical	Chemical	Heat treatment			Recycling/reuse of metals and metal compounds	Solvent recovery/regeneration	Physical and chemical treatment	Other disposal operations
2020	Hazardous	4218.3	4182.6	2880.5	180	1617.3	192.4	511	379.4	0	0	1302	812.4	353.3	13.7	122.8
	Non-hazardous	7690.9	7710.2	3663.4	0	0	875.3	2788.1	0	0	0	4046.7	0	0	0	4046.8
2021	Hazardous	5201.1	5105.4	3569.6	185.5	1793.2	454.3	593.1	548.4	23.7	0	1535.8	949.8	257.5	17.3	311.3
	Non-hazardous	7776.8	7912.2	4458	0	0	1129.4	3330.3	0	0	0	3454.2	0	0	0	3454.2
2022	Hazardous		3557.1	2642.1	61.5	1314.8	155	417.74	577.1	115.9	2.2	915	730.7	67.4	6.4	110.5
	Non-hazardous		6407.6	4225.9	0	0	1248	2977.9	0	0	353.4	2181.7	0	0	0	2181.7

Note: The Taiwan Plants include Kaohsiung Plant, Luzhu Plant and Yangjeei Plant.

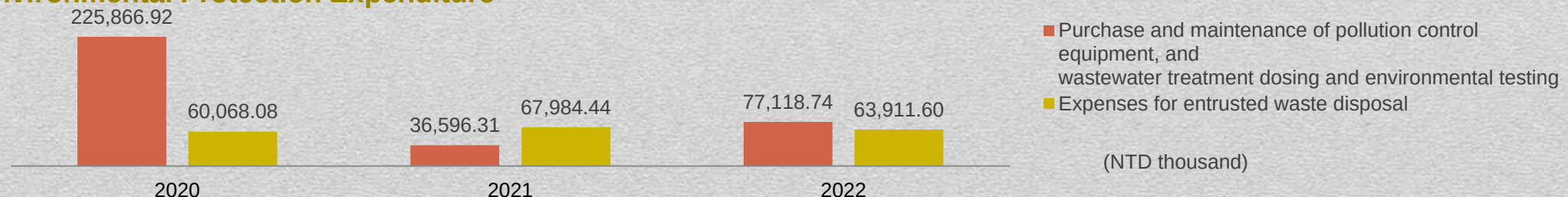
(unit: ton/year)

Note: Hazardous waste includes A-8801 electroplating filter core and sludge, C-0111 barium containing sludge, C-0202 waste nitric acid, C-0202 waste electroplating solution, C-0301 waste solvent, and E-0217 waste electronic components.

(NTD thousand)

Note: Non-hazardous waste includes D-0299 waste plastic mixture, D-0499 waste zirconium plate, D-1799 waste oil mixture, D-1801 household waste, D-2527 hardware waste, and H-0002 household waste.

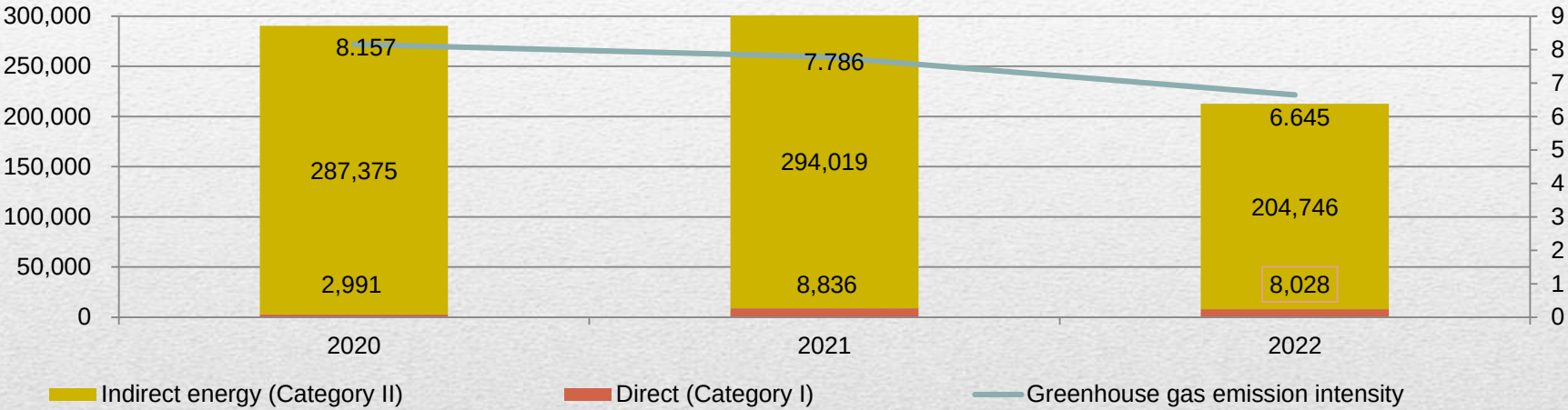
4-4-2 Environmental Protection Expenditure



4-4 Pollution Control

4-4-3 Greenhouse Gas Inventory

The climate change caused by global warming has directly or indirectly affected the natural ecosystem, and governments around the world have also attached great importance to greenhouse gas control issues. Therefore, the increasingly stringent international carbon emission control conventions and regulations will indirectly form a barrier for enterprise trading, and only green products and industries with low energy consumption and low emissions can gain the support of the public. Walsin Technology has established a greenhouse gas inventory management system in 2009 and continues to carry out the system. In addition to meeting the requirements of ISO 14064-1, the Company adheres to the principles of completeness, consistency, accuracy, relevance and transparency, and actively reduces greenhouse gas emissions in line with government policies to achieve the goal of reducing carbon dioxide emissions.



Remarks

1. The Company refers to the ISO 14064-1:2018 standard, takes the geographical boundary of the Company as the scope, and uses the definition of control operation rights in the report to set the organizational emission boundary. The data is based on the inventory of all greenhouse gases generated within the report boundary from January 1, 2022 to December 31, 2022.
2. As the first greenhouse gas inventory was conducted in 2021 in accordance with the new version of ISO14064-1:2018 standard, 2021 was set as the base year for greenhouse gas inventory.
3. Greenhouse gas identification is based on the identification of direct emission sources and indirect energy emission sources. The direct emission sources mainly consist of fuel combustion (including fixed combustion methods such as diesel generators, and mobile combustion methods such as government vehicles and forklifts), refrigerant, and fugitive emissions from septic tanks; the main source of indirect energy emissions is electricity purchased from power companies. Other indirect emission sources are: indirect transportation (outsourced transportation vehicles)/indirect raw materials (purchased electricity/tap water)/indirect service (on-site normal waste).
4. The recommended value of IPCC 2006 was referred to for the annual escape rate of refrigerant; if there is any supplement in that year, it shall still be calculated based on the escape rate. The calculation standard for the emission of carbon dioxide fire extinguishers is the annual procurement volume. (the 2018 data has not yet been verified by a third party, and the calculation standard for refrigerant emissions in 2019 and 2020 is based on the current year's procurement volume; after 2021, the calculation is based on the escape rate.)
5. Quantification principle: The "emission coefficient method" is used for the calculation of emissions from various greenhouse gas emission sources, and the formula is as follows: usage or production volume (activity data) × emission coefficient × Global Warming Potential Coefficient (GWP) = CO2 equivalent.
- 5-1. The amplification coefficient for the emission data for 2022 is based on IPCC AR6.
- 5-2 The power emission coefficient extracted from the latest announcement of the Energy Bureau of the Ministry of Economic Affairs in 2021, which is 0.509 kgCO2e/kWh, was referred to for Taiwan Plants.
- The 2022 national average emission factor of national power grid announced by the Ministry of Ecology and Environment of China, which is 0.5703t CO2/MWh, was referred to for Dalang, Suzhou and Guangzhou plants.
- 5-4. The types of greenhouse gases examined include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).
6. The recommended uncertainty value published by IPCC in 2006 was adopted for the uncertainty standard, and the upper and lower limits of uncertainty (%) after calculation are both 7.07%, which is close to the high level of data accuracy; the report is therefore judged to be acceptable.

4-4 Pollution Control

4-4-4 Air Pollution Control

Walsin Technology first rationalizes the process to reduce pollutants entering the exhaust gas, and then processes the pollutants in the exhaust gas through air pollution equipment. The actual testing results over the years show that the air pollutant emission concentration of Walsin Technology meets the emission standards set by the Environmental Protection Administration.

Emissions of nitrogen oxides (NOx) and sulfur oxides (SOx)

Item	2020	2021	2022
Particles (Par)	4,028	1,244	266
NOx	1,693	1,995	2,449
VOC	362,808	668,741	461,931

Note: The data above represents the total emissions of Kaohsiung Plant 6

Main Management Measures for Air Pollution in 2022

Item	Content	Expected benefit
Regenerative Incinerator (RTO)	By adjusting the concentration ratio of the zeolite runner and controlling the combustion temperature in the furnace, the optimal combustion condition is achieved, thereby improving removal efficiency and reducing power consumption.	VOC removal efficiency reaches 93%.
Washing tower	Regular cleaning and replacing the consumables for the Rasch ring.	Stable maintenance of washing tower removal efficiency.

Remark: The above is the data from Taiwan Plants.



4-5 Energy Conservation Measures



power

- ◆ Each plant reduces the contract capacity after making reasonable calculations.
- ◆ Timers are installed for office lighting, air conditioning and computers for energy conservation.
- ◆ The power factor provided by each plant is over 95%.
- ◆ The UPW water supply pump is equipped with a frequency converter to save energy.
- ◆ Energy-saving devices are installed in public equipment to improve power factor and save electricity.
- ◆ The electricity consumption is monitored every month, and the sources of electricity consumption are traced if any abnormalities are found.
- ◆ The aisle air supply fan in front of the toilet is turned off to save energy.
- ◆ The 24-hour hot water supply in the dormitory is changed to a supply by time segment.
- ◆ The power factor of the capacitor is kept above 95%.
- ◆ The T8 lights in the production area, meeting room, laboratory, public area and warehouses of each Plant have been replaced with T5 lights or LED lights.
- ◆ LED lamps are adopted for the emergency escape indicator lights.
- ◆ interval lighting is adopted in public corridors and areas with low frequency of movement.
- ◆ The button switches of staircase lights are changed to light controlled switches.



Lighting



Water usage

- ◆ RO concentrated water from pure water equipment is recycled and used to supplement the cooling water tower.
- ◆ Air conditioning condensate is recycled and used as toilet flush.
- ◆ Each Plant's faucets are changed to water-saving nozzles.
- ◆ The water usage level is monitored every month, and the source of water consumption is traced if there are any abnormalities.
- ◆ The faucets are changed to water-saving nozzles.
- ◆ The cooling water in the production process is recycled and reused.
- ◆ The RO concentrated water from the air conditioning cooling tower is reused.
- ◆ The (Dalang) phase II cooling water tower is expanded with RO concentrated water supply; the concentrated water consumption accounts for about 50% of the total consumption, and the monthly RO concentrated water consumption about 475 M3.



Air pressure

- ◆ The old air compressors are replaced with new ones.
- ◆ Heat pumps and frequency converters are installed for air compressors to save energy.
- ◆ The drainage systems of air compressors and dryers are improved to reduce exhaust waste.
- ◆ The pressure of air compressors is reduced to save energy.
- ◆ Pipelines are regularly checked for leaks and prompt repair.
- ◆ The air pressure only needs to meet the demand for production.
- ◆ Air compressor radiators are replaced.
- ◆ The central vacuum pump on the third floor of the main Plant is tested and renovated.
- ◆ The central vacuum pump in the fourth Plant is renovated to reduce electricity and air conditioning consumption.



Air conditioning

- ◆ The outlet temperature of the ice water machine in each Plant is adjusted to a moderate level.
- ◆ Old ice water machines are replaced with new ones.
- ◆ The old circulating pumps of ice water machines' ice water pumps are replaced with new ones, and the filter meshes of circulating pumps are enlarged; the number of pumps in operation is reduced to lower electricity consumption.
- ◆ Frequency converters are installed for air conditioners' fans to save energy.
- ◆ Temperature switches are installed on the heaters of external air conditioners.
- ◆ The air conditioning MAU operates in parallel on each floor for energy saving.
- ◆ The temperature of air conditioners is raised to save energy, and timers are installed to save electricity during holidays.
- ◆ Frequency converters are installed on air conditioners' water pumps to save energy.
- ◆ Temperature controllers are installed on the cooling fans of cooling towers.
- ◆ The water outflow and inflow temperatures of ice water hosts are adjusted according to the outdoor air temperature in each season.
- ◆ Air conditioners in the production offices are turned off at night to save energy.
- ◆ Curtains or insulation stickers are used to reduce the radiation heat from outdoor.
- ◆ Fans are used to enhance indoor air circulation and reduce the set temperature of the air conditioner.
- ◆ The air conditioning temperature in offices and other air conditioning areas are maintained at 26 °C or above.
- ◆ The air conditioning system is regularly inspected to ensure normal operation efficiency.
- ◆ Anti-backflow and temperature mixing for cooling water pipes to improve energy saving.
- ◆ The air conditioning time is adjusted in restaurants to save energy.
- ◆ The original ice water machines are replaced with modular machines for operation in winter to achieve energy saving.
- ◆ Evaporator condensers are regularly cleaned.
- ◆ The temperature control of office and workshop air conditioning is set to be turned on at 26 °C~28 °C.
- ◆ The operation of the air conditioners in the offices of the second and fourth factories are controlled for energy saving.
- ◆ The central vacuum pumps on the second floor of the third Plant are renovated to reduce power and air conditioning consumption.
- ◆ The fans of cooling towers for air conditioning is controlled during winter and spring.
- ◆ Central vacuum is added on the third floor of the fourth Plant.
- ◆ The condensed water from air conditioners is recycled and reused.



Hot air exhaust

- ◆ Installing frequency converters for hot exhaust fans to save energy.
- ◆ The exhaust pipe in the production furnace area is covered with insulation to reduce energy consumption by air conditioning.
- ◆ The 3KW fan at the MLCC powder coating preheating furnace air pipe connecting with the wet coating air pipe is deactivated.
- ◆ For the air pollution fans, it is ensured that the frequency decreases by 2Hz for energy saving.
- ◆ The drying equipment is improved by adding 2 sets of attached Ferris wheel to reduce power consumption.
- ◆ An insulation cover is added to the sintering furnace to reduce cold air consumption and electricity consumption.
- ◆ The working time of the heat pump is optimized to improve its efficiency.



Others

- ◆ Save energy by increasing the nitrogen production capacity of Phase I and Phase II nitrogen stations and recovering compressed air.
- ◆ Replaced static motors to save their electricity consumption and cleaning costs.
- ◆ Adjustment of frequency conversion of air pollution equipment for energy saving.

4-5 Energy Conservation Measures

This table only captures major electricity saving projects for explanation. The total electricity saved in the reporting year (2022) of this report is 8,698,706 Kwh (31,315,343 billion joules).

Plant name	2022 Reduction Action Project	Equipment name	Energy saved (Kwh)	Billion Joules
YM	Reduction of power consumption of air conditioning in the plant.	Adjustment to the use of ice water host and box type air conditioning.	236,200	850,320
KH	Installation of frequency converters for energy saving.		297,490	1,070,962
KH	Improvement of air compressor and dryer drainage system to reduce exhaust waste.	Installation of drainage water coolers for air compressors and dryers.	451,841	1,626,627
KH	Moderate increase of the outlet temperature of ice water machines in various factories.	Moderate increase of the outlet temperature of ice water machines.	2,517,291	9,026,248
KH	Installation of frequency converters to air conditioning water pumps for energy saving.	Installation of frequency converters to air conditioning water pumps.	1,463,844	5,269,837
DL	The power factor provided by each plant is over 95%.	The power factor is over 95%.	802,196	2,887,906
DL	Energy saving item of air compression pipes added to the fourth plant.		689,600	2,482,560
DL	Replacement project of BBO exhaust pipes on the second floor of the fourth plant.		505,626	1,820,254
SZ	The module machine replaces the original ice water machine in winter to reduce no-load energy consumption and auxiliary circulation system energy consumption; the total investment is RMB295,000 per month, with an annual savings of RMB150,000.	Module machine	359,318	1,293,546
GZ	Each plant reduces the contract capacity after reasonable calculation of the contract capacity.	Reduction of contract capacity	568,836	2,047,810
GZ	The power factor of the capacitor is kept above 95%.	The power factor is over 95%.	284,244	1,023,278

5

Best Workplace

5-1 Human Resources Policy P54

5-2 Employee Status P55

5-3 Training and Performance P56

5-4 Security Practice P58

5-5 Salary and Benefits P60

5-6 Employee Care and Communication P64

5-7 Employee Health and Care P66

5-8 Safe and Healthy work environment P68



5-1 Human Resources Policy Content

Walsin Technology adheres to the Code of Conduct of Responsible Business Alliances (RBA) and labor and gender equality regulations in its operating location, formulated relevant human rights protection and labor policies, and publicly announced them to all employees. Together with employees, Walsin Technology has created a high-quality work environment of co-existence and co-prosperity, and adheres to labor related regulations. There were no illegal incidents in 2022. Since the Company's establishment, there have been no human rights related cases involving discrimination or indigenous rights, or complaints filed through formal mechanisms.

Human Rights

The human resources policy of Walsin Technology adheres to the principle of fairness and reasonableness towards all employees. In terms of human resources management, there is an absolute balance between institutionalization and humanization. In terms of appointment, salary, training, promotion, dismissal, retirement, etc., they are not to be affected by factors such as race, social class, gender, or political orientation. In addition, in compliance with the implementation of the Personal Data Protection Act, the confidentiality of employees' personal information is protected to the fullest extent possible.

The human rights policy is publicly available on the official website:
<https://www.passivecomponent.com/zh-hant/humanpolicy/>.

Gender Equality in the Workplace

Walsin Technology complies with regulations, formulates and actively advocates the Gender Equality Act, introduces various policies and measures related to sexual harassment control, and promotes a work environment of gender equality. and won the reward of excellent labor relations manufacturers in the export processing zone.

Prohibition of child labor

Walsin Technology has explicitly stipulated in its Employee Recruitment Management Measures and Social Responsibility Code of Conduct Management Measures that child labor is not allowed, and advocates not to engage in forced labor, not to use illegal foreign workers, and strictly prohibits underage employees in hazardous work. Therefore, in accordance with national and regional laws and regulations, Walsin Technology has formulated all wage and labor conditions and safety and health standards, as well as internal regulations to regulate the Company.

Trade Union Protection

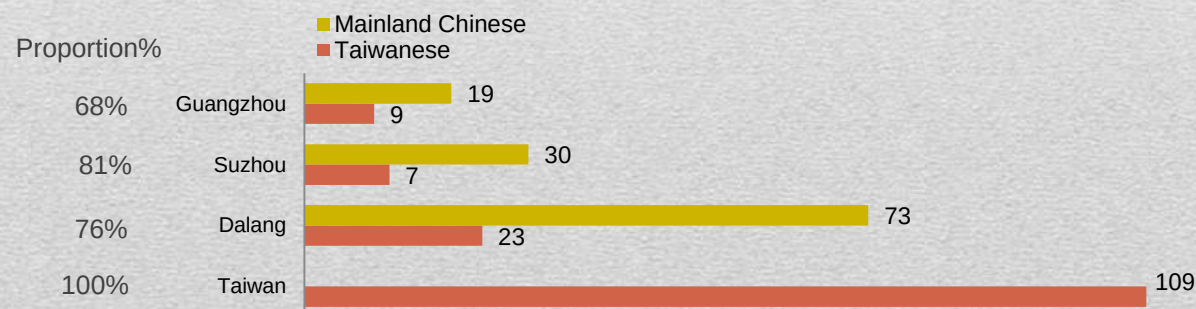
Walsin Technology established a trade union in 1994 to protect the rights and welfare of employees, and coordinates various related issues on behalf of employees and the Company. All policy advocacy, employee voices and coaching are conducted through two-way communication, and regular symposiums are held as a bridge for communication between labor and management to achieve the purposes of "mutual cooperation", "increasing production capacity", "improving quality", "enhancing employee skills", "improving labor conditions", "protecting labor rights", "promoting employee welfare", "taking care of employee life", and "assisting the government in promoting government orders".

Although Walsin Technology's trade union has not signed a formal group agreement with the management, it regularly holds quarterly labor meetings, where representatives of the management and employees communicate face-to-face to make normal, mutually trusted and effective exchanges, respond to employees' problems and needs in a timely manner, and establish a good communication platform.

Local management is adopted.

Walsin Technology believes that using local people is not only beneficial to the local economy, but also helps the Company understand local needs and culture, thereby strengthening human assets. Therefore, all Taiwanese management personnel are Taiwanese, while overseas plants use local management personnel according to the situation.

Local m personnel number (deputy)



5-2 Employee Status

All employees of Walsin Technology's plants are full-time employees, while Taiwan Plants do not hire temporary or part-time fixed-term contract employees. For plants in China, due to local laws, employees sign contracts every three years and are only considered as non fixed-term contract employees from the tenth year onwards; however, their salaries and benefits are the same as those of non fixed-term contract employees.

		Age	Subtotal a	Number of new employees b	Number of resignations	Newcomer ratio b/a	Turnover rate
Taiwan	Male	Under 29 years old	494	146	348	30%	70%
		30~50 years old	636	47	149	7%	23%
		Over 51 years old	73	2	7	3%	10%
		Subtotal	1,203	195	504	16%	42%
	Female	Under 29 years old	432	111	216	26%	50%
		30~50 years old	859	53	187	6%	22%
		Over 51 years old	159	0	19	0%	12%
		Subtotal	1,450	164	422	11%	29%
	Total		2,653	359	926	14%	35%

Non-employees	Security personnel	Cleaners	Cooks	No. of people
Yangmei Plant	5	6	3	14
Kaohsiung Plant	34	26	7	67
Dalang Plant	20	0	0	20
Guangzhou Plant	5	0	0	5
Suzhou Plant	18	0	0	18

		Age	Subtotal	Number of new employees	Number of resignations	Newcomer ratio	Turnover rate
Overseas	Male	Under 29 years old	726	1,251	1,830	58%	252%
		30~50 years old	809	519	702	156%	87%
		Over 51 years old	39	0	1	0	3%
		Subtotal	1,574	1,770	2,533	89%	161%
	Female	Under 29 years old	439	511	732	86%	167%
		30~50 years old	927	291	443	319%	48%
		Over 51 years old	5	1	1	500%	20%
		Subtotal	1,371	803	1,176	171%	86%
		Total	2,945	10,071	8,791	29%	299%

Note: 1. The statistical interval is from January 1, 2022 to December 31, 2022.

2. The total number of people is based on the data on December 31, 2022.

3. Calculation basis: All employees who have completed the registration process are included as new employees; those who left the Company in less than 14 days after joining are not included in the number of resignations; retirees are not included.

4. Overseas population is only counted for China.

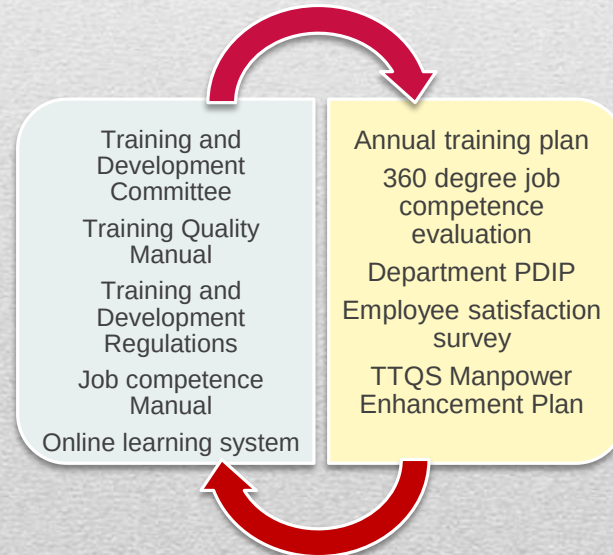
5-3 Training and Performance

Walsin Technology is a continuously developing enterprise, located in a fiercely competitive environment, and the employees' abilities must be continuously improved. Training is one of the methods for the Company to improve their technical level and strengthen their competitiveness which can not only lay the skill foundation for employees and meet their self-development needs, but can also give the Company sufficient adaptability to respond to rapid internal and external changes, industry demands, and various challenges that come one after another.

Training Planning and Execution

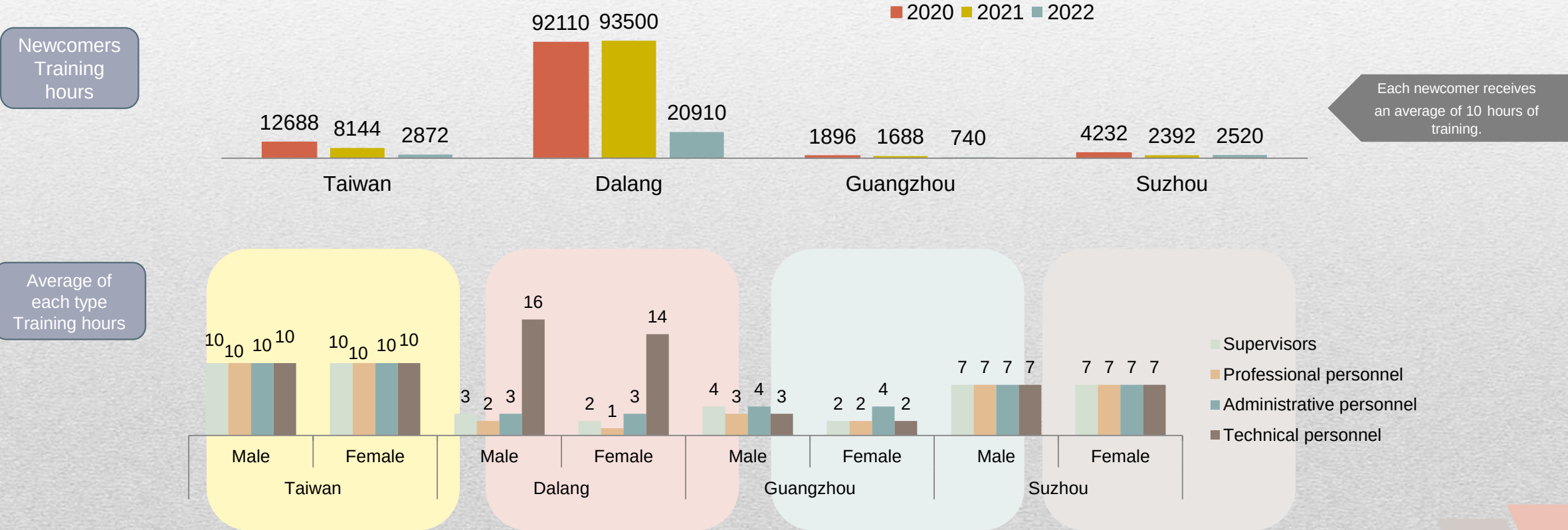
Walsin Technology writes an annual training and development plan every year, and has established a Training and Development Committee, and introduced job competence requirements and the company job competence manual and other related development strategies and implementation as it grows year by year. The Company also conducts 360 degree job competence evaluations from time to time, and uses the evaluation results to provide relevant suggestions for employee development. Based on these suggestions, the Company arranges training plans, and then implements human resource management plans and systems through the introduction of the TTQS system to enable the Company to continuously possess competitive advantages in the fiercely competitive global market, and continuously create and showcase its high-performance business results.

In addition, the Company encourages employees to continue self-study and participate in external courses after work, and provides employees with public funds and public-affair leaves to study without any worries. In addition to face-to-face courses, Walsin Technology has established an e-learning system that covers management courses, business marketing courses, and general education courses. Online courses have been added to the annual PDIP, allowing employees to have more diverse and unrestricted learning options.



Operations Related Procedure Training

Walsin Technology and its employees are required to comply with business related laws and policies. Employee training is one of the most important projects in our compliance plan. In addition to new employee training, relevant training courses are regularly offered every year to keep employees informed of the latest laws and regulations and strengthen their commitment to professional ethics. Given the increasing importance placed by stakeholders on issues such as the environment, human rights, health and safety of products and services, labeling and anti-competitive behavior, the Company continues to pay attention to various related issues and strives to comply with or even surpass regulations, and includes them in employee training.



Note: The chart above appears to have a difference in the number of training hours between men and women, due to the higher male ratio of R&D and manufacturing personnel among professionals, and their more frequent training compared to other categories of professionals in the same profession. However, the number of training hours for men and women in the same position is the same, and there is no difference between men and women.

5-4 Security-related Human Rights Policy and Procedures Training

The security personnel of Walsin Technology's Taiwan and overseas plants are employed from legitimate and professional security companies who have received relevant training from the local government and are qualified, and have participated in internal training within the Company. The training content covers non-discrimination, non-use of force, no- insult, and etiquette.

5-4-1 Training Content for Security Personnel of Each Plant

Plant name	Contract Category	Security personnel No. of people	The security companies have provided human rights related training to them. Course name and number of hours	Name and number of hours of relevant human rights training courses provided by the Company to security personnel
YM	Outsourced	7 people	1. 8 hours of training for newcomers. 2. 1 hour of instructions for on-site security personnel. (on-the-job training * 1 hour/month/only held in 2021Q4 due to the pandemic).	1 hour of foreign invasion drill.
KH	Outsourced	34 people	1. 8 hours of training for newcomers. 2. 1 hour of instructions for on-site security personnel (on-the-job training * 1 hour/month).	1. 2 hours of fire safety training. 2. First aid training for 2 hours
DL	Outsourced	20 people	1. 24 hours of training for newcomers. 2. 12 hours of on-site security instructions. 3. 24 hours of job responsibility training for each job.	1. 8 hours of fire safety training. 2. 4 hours of job responsibility training. 3. Counter terrorism security training for 3 hours.
GZ	Outsourced	5 people	1. 8 hours of pre-job training for newcomers. 2. 2 hours of explosion proof drill.	1. 18 hours of job internship. 2. 1 hour of job instruction.
SZ	Outsourced	18 people	1. 8 hours of training for newcomers.	1. 2 hours of fire safety training. 2. 2 hours of job responsibility training. 3. Counter terrorism security training for 3 hours.

5-4 Security-related Human Rights Policy and Procedures Training

5-4-2 Fair Performance Evaluation System

The purpose of Walsin Technology's performance management and development system is to improve the overall performance of individuals and the organization, implement two-way communication and employee development plans, and conduct evaluations using fair and reasonable performance evaluation procedures.

Except for new employees serving the Company for less than three months, all employees are required to undergo an annual performance evaluation. Organizational and personal goals are set for implementation, and the achievement of goals is measured through two annual performance evaluations. The evaluation of indirect personnel is divided into three stages in order to achieve fairness and justice. In addition, job competence has been introduced as a standard item for performance evaluation, which includes the six items of "ethics and integrity", "proactiveness/self-management", "continuous learning and improvement", "communication and coordination", "execution ability", and "teamwork". Different job categories also have their own professional job competencies. Based on the evaluation results, the training courses for individuals and future areas to be strengthened are determined, and appropriate assistance is provided for employees' career development. The performance evaluation results will serve as the basis for personnel promotion, ability development and bonus distribution. For employees who do not meet expectations, Walsin Technology provides performance improvement plans and job adjustments, and the Human Resources Department also provides care and assistance, as well as personnel placement plans.

Performance Evaluation Method

Walsin Technology's performance evaluation system takes into account the principles of both corporate development and individual job competence development. It consists of a self-evaluation and 2 to 4 levels of supervisor evaluation to ensure the rationality of performance results. Regular performance evaluations and interviews are conducted every six months to review the work performance of employees, and assist in the development of job competence. Except for the Chairman, all employees who have served the Company for more than three months during the performance evaluation period must undergo performance evaluation, and the performance evaluation rate for the employees is 100%. Please refer to the figure on the right for details. Walsin Technology uses the annual performance evaluation as the benchmark in accordance with the Company's "Personnel Promotion Measures", and promotes outstanding talents of various units to encourage employees to enhance job competence and pay attention to performance.

After a certain years of service, employees who have grown in ability can be promoted in their positions or grades through the recognition of professional abilities by their direct supervisors.

■Automatic promotion: Those who perform well in the performance evaluation; unless the supervisor of the business unit disagrees with the promotion, the promotion will be automatic after the consolidation of the human resources unit.

■Promotion proposal: The promotion proposal is scheduled to be submitted before March each year, and the data will be compiled and sent by the human resources unit to the Personnel Evaluation Committee for review and approval. For those being promoted, the promotion will take effect on April 1 of the current year.

Area	Job		Number of people of each plant subject to performance evaluation			Performance evaluation ratio of each plant	
			Male	Female	Total	Male	Female
Taiwan	Indirect	Supervisors	122	52	174	70%	30%
		General positions	393	217	610	64%	36%
	Direct	Supervisors	36	90	126	29%	71%
		General positions	694	1,116	1,810	38%	62%
Dalang, China	Indirect	Supervisors	99	55	154	64%	36%
		General positions	101	183	284	36%	64%
	Direct	Supervisors	169	133	302	56%	44%
		General positions	942	592	1,534	61%	39%
Guangzhou, China	Indirect	Supervisors	21	19	40	53%	48%
		General positions	26	31	57	46%	54%
	Direct	Supervisors	7	21	28	25%	75%
		General positions	76	155	231	33%	67%
Suzhou, China	Indirect	Supervisors	14	27	41	34%	66%
		General positions	5	64	69	7%	93%
	Direct	Supervisors	9	10	19	47%	53%
		General positions	79	71	150	53%	47%

5-5 Salary and Benefits

5-5-1 Compensation System

As a global enterprise, Walsin Technology sets reasonable and competitive salary levels based on the talent market conditions of its overseas bases. At the same time, the Company designed incentive bonus systems based on local laws, industry practices, and the operational performance of its subsidiaries to motivate overseas employees to invest on a long-term basis and grow together with the Company. The total amount and distribution method of cash bonuses and employee dividends are formulated in accordance with relevant regulations of the Company and laws; however, the salaries and rewards of directors, supervisors and managers must be reviewed by the Compensation Committee and approved by the board of directors before distribution. The distribution standards are closely linked to the Company's financial and operational performance.

Walsin Technology attaches great importance to the consistency and fairness of salary processing and management. The salary standard for each employee is based on the education, expertise and professional experience, without the interference of the race, skin color, age, gender, sexual orientation, gender identity, race or ethnicity, disability, pregnancy, religious belief, political faction, club membership, marital status, or physical or mental disability. In addition, the Company's salary adjustments are made in conjunction with basic salary adjustments and the external salary survey results the Company participates in.

Taiwan plants pay employee salaries and benefit expenses.

	2019	2020	2021	2022
Total salary amount (NTD thousand)	1,625,754	2,050,209	2,495,766	1,607,475
Total benefit amount (NTD thousand)	270,047	336,446	426,750	366,163

Note: The variable salary of the Company is linked to the Company's operating performance and is appropriated based on quarterly and annual profits.

Salary for full-time employees who do not hold supervisory positions in Taiwan Plants.

	2020	2021	2022
No. of people	2,388	2,708	2,479
Total salary amount (NTD thousand)	1,825,368	2,171,251	1,436,983
Average salary (NTD thousand)	764	802	580
Median salary (NTD thousand)	583	595	486

Ratio of minimum starting salary of each plant to local basic salary



Note: The minimum starting salary for both men and women is the same.

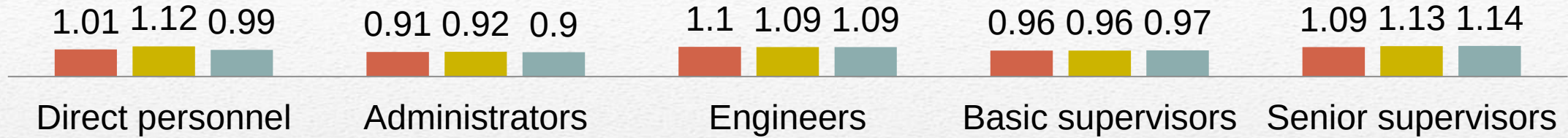
5-5 Salary and Benefits

Salary ratio of women to men (comparison among 2020, 2021 and 2022)

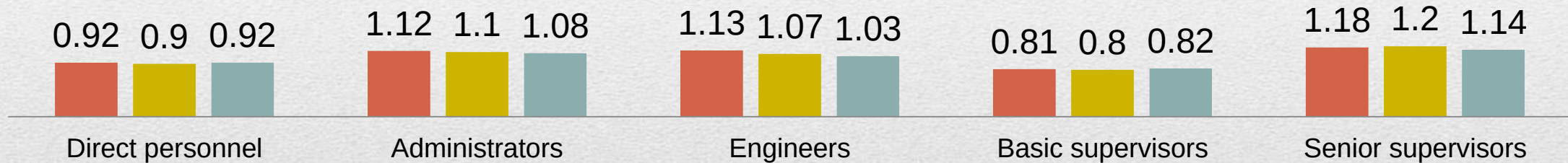
(the base is 1 for men)

2020 2021

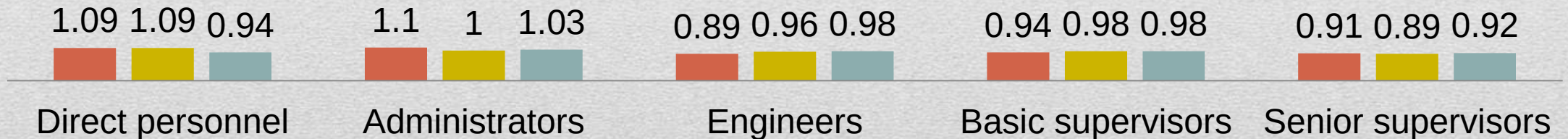
Taiwan



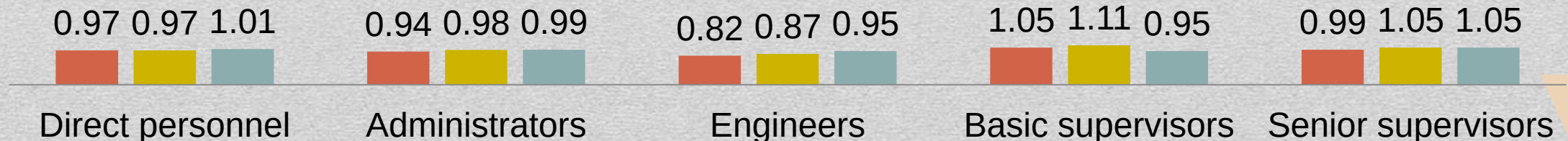
Guangzhou



Dalang



Suzhou



5-5 Salary and Benefits

5-5-2 Employee Multiple Protections

In addition to the labor insurance and health insurance stipulated by law, Walsin Technology provides additional group insurance (including personal life insurance, personal accident insurance, group injury medical insurance, hospitalization medical insurance and cancer medical insurance) to ensure that employees receive more comprehensive protection.



5-5-3 Parental Leave

WTC complies with government policies and the principle of caring for employees to implement the policy of childcare with job retention and salary suspension, and promises to ensure that employees will retain their original positions and jobs after childcare. At the same time, in order to encourage female employees to breastfeed, safe and comfortable milk collection rooms are set up in each plant for female employees to use to create a friendly work environment.

Handling Status	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	142	163	305	163	192	355	188	228	416
Actual number of applying for for parental leave	10	1	11	13	1	14	9	5	14
Number of employees to be reinstated in the current year - a	12	4	16	6	1	7	12	2	14
Actual number of employees reinstated in the current year - b	10	2	12	4	1	5	9	2	11
Reinstatement rate % (b/a)	83%	50%	75%	67%	100%	71%	75%	100%	79%
Number of employees still in service one year after taking parental leave (c)	9	1	10	7	1	8	3	1	4
Retention rate% (c/b of previous year)	75%	100%	77%	70%	50%	67%	75%	100%	80%



5-5-4 Perfect Retirement System

Walsin Technology has established retirement regulations in accordance with the relevant provisions of the Labor Standards Act, and the "Labor Pension Reserve Supervision Committee" to regularly monitor the allocation of pension reserves and be responsible for reviewing retirement application cases. For those to whom the pension system of the Labor Pension Act is applicable, the Company shall allocate no less than 6% of the pension to the employee's personal pension account every month, and display the allocation amount in the monthly salary statement for the convenience of employees' understanding and verification. As Walsin Technology has been in operation for over 20 years, some employees are unable to keep up with the Company's operational pace due to their age and work conditions. For the Company's sustainable operation, preferential retirement measures have been formulated for those to whom the old retirement system are applicable, allowing the Company to smoothly carry out organizational restructuring and improve its physical condition.

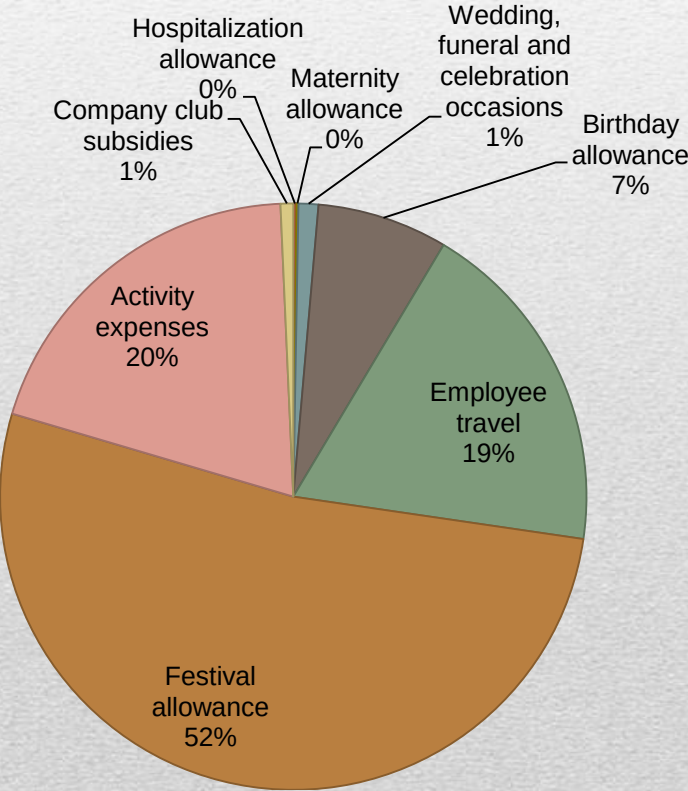
5-5 Salary and Benefits

5-5-5 Employee Benefits and Diversified Activities

Employee welfare planning is an important factor for the maintenance of labor relations beyond salary. Since the establishment of the Employee Welfare Committee in 1994, Walsin Technology has planned various welfare measures and other employee care related matters. To relieve employees' work pressure and promote interaction between employees and parents, diversified leisure activities are planned every year to enable employees to achieve physical and mental health. In addition, an employee opinion box is set up to respond to employee opinions at any time, and employee satisfaction questionnaires are regularly sent to integrate public opinion, improve welfare promotion, and enhance employee loyalty.



Employee welfare expenditure amount in 2022 (unit: NTD)		
Hospitalization allowance		57,200
Maternity allowance		35,000
Wedding, funeral and celebration occasions		360,200
Birthday allowance		2,367,929
Employee travel		6,167,435
Festival allowance		17,196,950
Activity expenses		6,493,447
Company club subsidies		230,121
Total expenses		32,908,282



Living allowance and subsidy

- Wedding gift
- Funeral ceremony
- Maternity allowance
- Hospitalization consolation fund
- Emergency assistance for employees
- Rental allowance
- Employee restaurant and meals
- Company bus transportation for work
- Car and motorcycle parking lot

Festival celebration and bonus

- Birthday gift certificate
- Year-end gift certificate
- Dragon Boat Festival gift certificate
- Mid-Autumn Festival gift certificate and gift box
- Labor Day gift certificate
- Mother's Day gift box
- Employee stock dividend
- Employee proposal/incentive bonus
- Employee patent application reward

Diversified activities

- Year-end dinner and lottery
- Year-end lottery
- Department dinner coupon
- Movie ticket
- Employee travel
- Overseas travel subsidy
- Family day activities
- Parent-child barbecue
- Bowling competition

Other benefits

- Regular health check ups
- Chartered medical institutions
- Stress-relief massage by visually impaired
- Chartered discount store
- Employee education scholarship
- On-the-job further study/study assistance program
- Company club subsidies
- Coffee bar
- Vendor's booth within the Company

5-6 Employee Care and Communication

In terms of employee care and communication, Walsin Technology not only seeks to improve the overall performance of the organization by enhancing employees' self-esteem and self growth abilities, but also provides a safe and secure work environment for employees. At the same time, it is committed to promoting communication, protection and discipline projects.

The WTC Charity Foundation provides confidential and professional consulting services in order to assist employees in resolving work, life and psychological issues on health, marriage, family, finance, legal, emotional, stress and other personal issues. In addition, based on employee assistance programs, the Employee Assistance Programs is established which not only regularly interviews with new employees to assist employees in quickly adjusting to the Company's culture and life, but develops diversified services to assist in solving organizational work efficiency and personal issues that affect employee performance, and to enhance employees' sense of identification with the Company through employee care, so employees can have peace of mind, stability and happiness within the organization, and assist the organization in becoming a "happy enterprise".

Employee Assistance Programs
Employee Assistance Programs (EAP)

Emergency rescue

Walsin Technology has established the "Emergency Relief Measures for Employees", with the aim of helping employees who have temporarily experienced significant changes and have difficulties in their livelihoods to obtain cash assistance to temporarily overcome difficulties.

Walsin Technology attaches great importance to two-way communication, and is committed to strengthening open and transparent communication channels between supervisors and employees, as well as between employees and employees. Through multiple channels such as the union, clubs and department meetings, bulletin boards, online announcements and regular labor management meetings, Walsin Technology promotes mutual understanding between labor and the management to enable all employees to move towards common goals more efficiently, and enable employees to understand the Company's vision, goals and direction, and guide employees to align their personal goals with the Company's to achieve a win-win situation.

Multiple communication channels

Proposal encouragement

Employees can truthfully and immediately reflect their voices and provide suggestions through various communication channels, and the responsible units will respond and handle the feedback and issues in a timely manner. A harmonious relationship between labor and the management has been maintained for many years. In addition, employees are encouraged to provide improvement suggestions to the Company at any time, and the Company will provide proposal bonuses based on the improvement results.

5-6 Employee Care and Communication

EAP Activities Over the Years

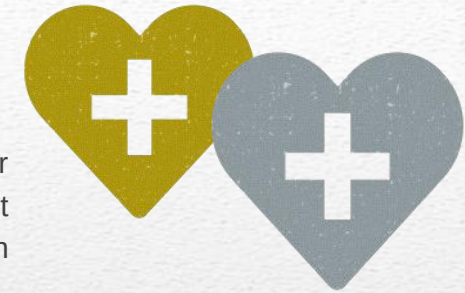


5-7 Employee Health and Care

Employee health is the biggest asset of the Company. In addition to setting up relevant equipment and implementing relevant measures in accordance with the law, Walsin Technology further actively promotes the health of the workplace and employees through various relevant tests, lectures and activities. As a result of these efforts, the Company has been awarded the Health Workplace Certification and Health Promotion Mark for many consecutive years.

5-7-1 Regular Health Checks

In addition to requiring new employees to undergo general health checks, Walsin Technology provides regular health checks (or special health checks as required by law) for employees who have been in service for at least one year during their employment period. In addition to letting employees understand their own health, Walsin Technology provides health care, relevant health information, or assistance in medical referral and medical treatment for employees with abnormal health check results.



Medical treatment	Kaohsiung Plant	Yangmei Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
Health check for special operations	Once a year	Once a year	Once a year	Once a year	Once a year
General health check	Once/2 years	Once/2 years	Once a year	Once a year	Once a year
Health check for senior managers/expatriates	Once a year	Once a year	Once a year	Once a year	Once a year
Non-occupational medical care	Health insurance payment (plus self-payment amount)		Medical insurance	Medical insurance	Medical insurance

5-7-2 On-site Physicians

Walsin Technology, in accordance with the Labor Health Protection Regulations on human resource allocation and frequency of on-site services, has deployed occupational care and physician on-site services in each plant to provide various medical consultations for employees, on-site visits to the work environment, execution and result tracking of health examinations, planning and execution of health promotion activities, emergency medical services, etc. to ensure the health of employees.

5-7-3 Promotion of Non-Smoking Workplace

Walsin Technology actively promotes a smoke-free workplace for the health of the workplace and workers. Except for specific outdoor smoking areas, smoking is strictly prohibited within the Company to maintain the physical and mental health of employees, and prevent health hazards and environmental pollution caused by smoking. In addition, through health education advocacy on the intranet, leaflets and posters, anti-smoking campaigns are promoted, and smoking cessation clinic consultation and medical referral services are provided to create a fresh and smoke-free work environment.

5-7-4 Other Health Promotion Activities

Due to COVID-19, most of the originally planned health promotion activities have been suspended, but changed to workplace pandemic prevention advocacy and health education to continuously provide care for employees.

In response to the pandemic, the specific measures taken in the Company's plants are as follows:

1. Establishing a COVID-19 emergency response plan.
2. Preparation and management of pandemic prevention materials.
3. Establishing a mechanism for zoning, work shifts and working from home.
4. Establishing the pandemic prevention leave categories - allowing pandemic prevention leave applications (pandemic isolation leave, pandemic care leave, vaccination leave, etc.).
5. Plant entry control - All personnel must wear face masks, have their temperature taken, and clean and disinfect their hands when entering the plant. Implement the principle of not hiding symptoms and not going to work when sick.
Entry into the plant will be declined if there is a history of activity or contact in high-risk areas, health abnormalities (such as a fever or severe respiratory symptom).
6. Health management - Advocating that employees abide by cough etiquette and hand hygiene, wash hands frequently, and avoid touching the eyes, mouth and nose.
If an employee has a fever, severe respiratory symptom, diarrhea, abnormal taste and smell, or has a history of contact or activity in high-risk areas, the supervisor shall report the situation and the medical department shall manage it. After health evaluation, the employee shall be arranged to return to the plant and comply with independent health management requirements. Overseas plants shall strive to administer COVID-19 vaccines to employees within the plant. Comply with the government's and the enterprise's independently employee rapid screening to ensure safety in the plant.
7. Environment management - Strengthening environment cleaning in public areas and installing alcohol dry cleaning hand sanitizer.
8. Vehicle Management.
9. Management and control of meetings/group activities/training - postponement/cancellation or replacement with other means (such as video conferencing).
10. Migrant worker management.

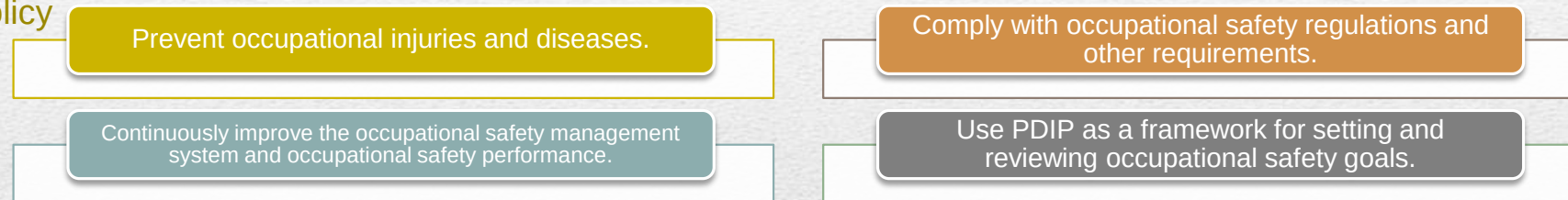


5-8 Safe and Healthy Work Environment

Walsin Technology cares about employee health and work environment. All plants have established an ISO 45001 occupational safety and health management system, which can identify hazards inside and outside the plant comprehensively, evaluate their risks, and provide effective control to reduce the occurrence of occupational disasters. The establishment and maintenance of this system not only meet the requirements of safety and health responsibilities, but also ensure that both employees and non-employees have a safe and comfortable work environment in their workplaces under the control of the Company.



5-8-1 Safety and Health Policy



5-8-2 Occupational Safety and Health Committee

Each plant of Walsin Technology has an occupational safety and health committee established, with the management representative serving as the chairman and given decision-making power. The committee members are composed of occupational safety and health personnel, department heads, supervisors, commanding personnel, engineering and technical personnel related to occupational safety and health, medical personnel responsible for labor health services and labor representatives, with workers accounting for at least one-third of all members.

Each plant holds quarterly meetings to ensure effective control of occupational safety and health.

Responsibilities of Occupational Safety and Health Committee	
◆ Provide suggestions on the occupational safety and health policies formulated by the employer.	◆ Review the automatic inspection and safety and health audit matters of business units.
◆ Coordinate and recommend occupational safety and health management plans.	◆ Review preventive measures for hazards of machinery, equipment or raw materials.
◆ Review the implementation plan for safety and health training.	◆ Review the occupational disaster investigation report.
◆ Review the work environment monitoring plan, monitoring results and implementation measures.	◆ Assess the performance of on-site safety and health management.
◆ Review health management, occupational disease prevention, and health promotion matters.	◆ Review safety and health management matters for contracted business.
◆ Review various safety and health proposals.	◆ Other matters related to occupational safety and health management.

5-8 Safe and Healthy Work Environment

5-8-3 Safety and Health Measures

Environmental Safety Manual	Establish a safety and health work manual to specify safety management matters for employees to follow.
Occupational Safety and Health Management Unit	Establish an occupational safety and health management unit in accordance with the provisions of the Occupational Safety and Health Act, with the top managers of the Company serving concurrently as “Occupational Safety and Health Business Supervisors”; each plant has designated personnel such as occupational safety managers, occupational health managers, occupational safety and health administrators, fire prevention administrators, emergency personnel and occupational nurses as needed, who submit monthly safety and health performance reports.
Facility Safety	◆ All production equipment is equipped with safety protection facilities, such as ball mills/protective shields, coating machines, laminating machines/safety doors, cutting machines/safety shields, etc. ◆ Install detectors in hydrogen consumption areas to prevent leakage hazards. ◆ Dangerous machinery (elevators, forklifts) shall be maintained and regularly inspected by the original manufacturer on a monthly basis. ◆ Contractors shall be informed of the safety and environmental protection precautions in writing when signing project contracts.
Zero Disaster Campaign in the Workplace	Zero-disaster cumulative work hour target: 1 million work hours for both Yangmei Plant and Guangzhou Plant; 3 million work hours for both Kaohsiung Plant and Dalang Plant; 800,000 work hours for Suzhou Plant.

5-8-4 Safety and Health Related Training

Walsin Technology attaches great importance to employee occupational safety and health training. Other than having occupational safety and health related personnel completing retraining in accordance with occupational safety and health training regulations within the prescribed time limit, and holding general safety and health training, the Company provides courses related to SDS hazardous substances and RoHS related prohibited substances for general employees; in addition, regular training sessions such as fire safety drills and emergency evacuation drills are held every year.

WTC has obtained the certification of ISO45001 occupational safety and health management system. According to the regulations of this system, there is "Contractor Management Measures" in place. Before entering the plant, contractors must sign a "Safety and Health Contract" to ensure that the construction status at the plant complies with safety and health regulations. Contractors are notified of hazards before entering the plant, and reminded of relevant safety and health precautions during operation. Supervision is carried out during the construction period. If relevant operating standards are not followed, a deduction mechanism is in place to remind the contractor to pay attention to safety and health during construction.

5-8 Safe and Healthy Work Environment

5-8-5 Hazard Identification

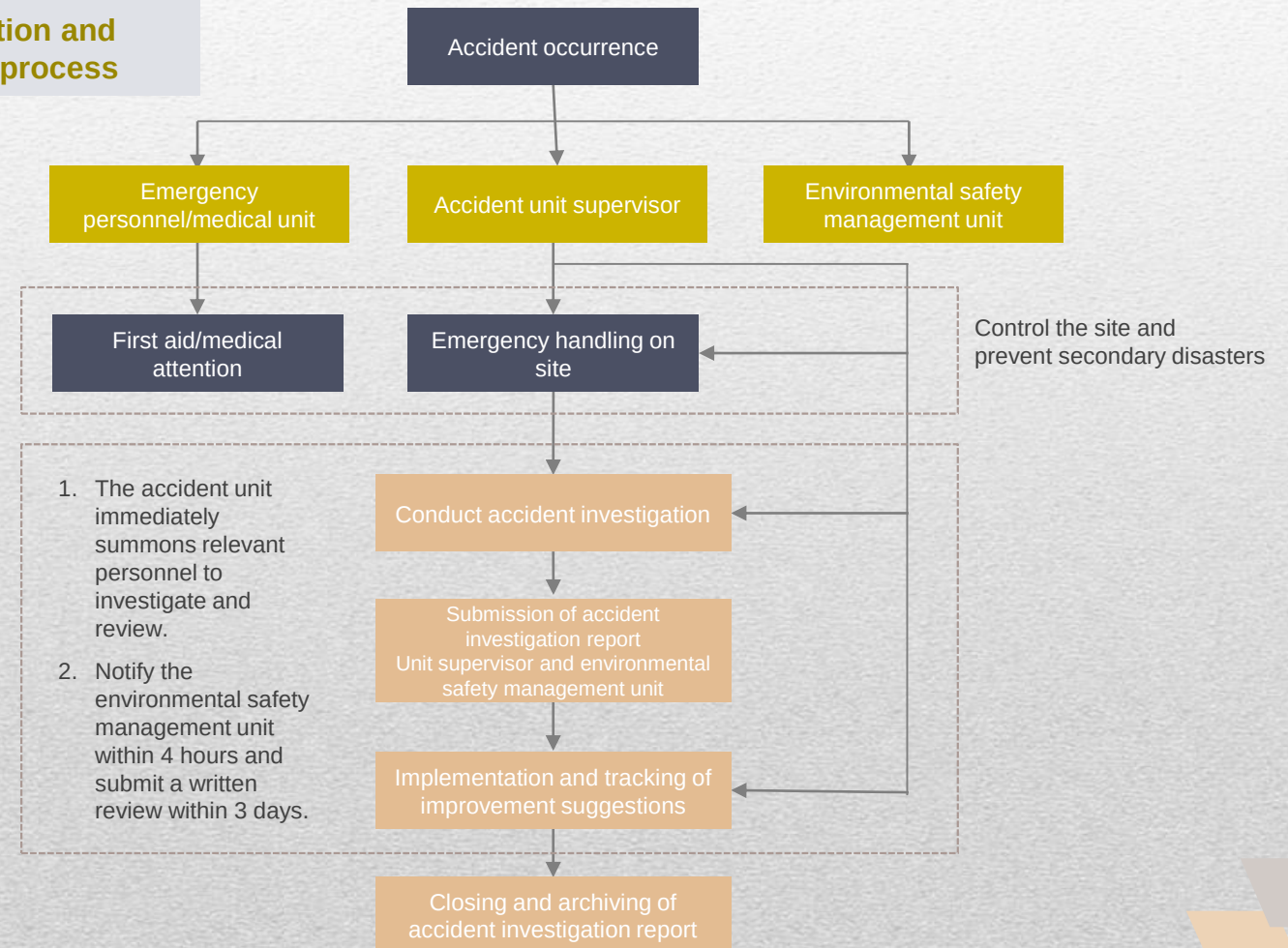
Safety and health hazard identification management process



In order to timely identify potential hazards in the workplace and evaluate the risks of such hazards, the Company has developed corresponding measures such as: Management Measures for Safety and Health Hazard Identification and Risk Assessment, and Management Measures for Accident Handling and Investigation Operations.

To ensure the effectiveness and applicability of risk assessment, a comprehensive hazard risk identification evaluation is carried out regularly every year, led by the Safety and Health Management Department and qualified personnel from each unit to carry out hazard risk identification. Grading management is established, and priority is given to managing and improving high-risk areas; monthly environmental safety and health audits are also conducted to make supervisors and employees aware of the importance of safe and hygienic operations and environment, in order to work together to improve plant safety and reduce operational risks.

Accident investigation and handling process



5-8 Safe and Healthy Work Environment

5-8-6 Risk Reduction and Prevention

Walsin Technology's employees and contractors adhere to the safety and health work rules. If employees discover any abnormal conditions during work, they will report them to their superiors in a timely manner to avoid occupational hazards. If the Company discovers any suspected immediate danger in the workplace, it will immediately stop the operation and evacuate personnel in the workplace to a safe place. In addition, the Company has established a relevant appeal mechanism to ensure that employees are not punished or affected by abnormal reactions, and proposal bonuses are provided for encouragement. Before entering the plant, the contractor must sign a safety and health contract in accordance with regulations to ensure that the construction status at the plant complies with relevant safety and health regulations. Before entering the plant, the contractor shall be notified of the hazards, reminded of relevant safety and health precautions during operation, and supervised during construction. If there is any non-compliance with relevant operating standards, payment deductions will be made in accordance with regulations to remind the contractor to pay attention to safety and health during construction.

Occupational health service functions that minimize risks	Kaohsiung Plant	Yangmei Plant	Luzhu Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
Environmental testing to identify potential health hazards	Once every six months	Once every six months	Once every six months	Once a year	Once a year	Once a year
Health check for special operations to confirm if employees are contaminated by hazardous factors	Once a year	Once a year	Once a year	Once a year	Once a year	Once a year
Prevention of musculoskeletal diseases caused by repetitive tasks	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented
Prevention of diseases caused by abnormal workloads such as shifts, night work and long working hours	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented
Prevention of physical or mental harm caused by the actions of others	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented	Continuously implemented



5-8-7 Emergency Response Mechanism and Training

To cope with various emergency events that may occur, Walsin Technology has prepared relevant emergency response plans for fires, chemical leaks, typhoons, earthquakes, abnormal discharge of wastewater (gas), power outages and accidents, and standardized multiple corresponding mechanisms. Each plant also prepares emergency response organizations to respond to various emergencies, and sets up fire protection equipment and the following fire safety measures in accordance with (or better than) local regulations to ensure property and life safety:

- ◆ Qualified institutions are entrusted to carry out fire maintenance every year to ensure the effectiveness of fire equipment.
- ◆ Open flame management is strictly implemented, and smoking is only allowed in designated areas of specific plants.
- ◆ For any construction that uses open flames or generates sparks, other non-open flame construction methods shall be considered first; when the open flame method must be used, application in advance is required and necessary precautions must be taken before starting the fire, and checking afterwards is required to prevent fire accidents caused by slag.
- ◆ Purchase of insurance policies to ensure residual risks are covered.
- ◆ Every year, fire drills and emergency evacuation drills are carried out to ensure quick fire extinguishing and correct evacuation to minimizing damage.



5-8 Safe and Healthy Work Environment

5-8-8 Degree of Participation

GG-17001B (Organizational Charter of the Occupational Safety and Health Committee)						
Safety and Health Committee	Kaohsiung Plant	Yangmei Plant	Luzhu Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
Set up	Yes	Yes	Yes	Yes	Yes	Yes
Chairman (decision level)	Management representative	Management representative	Management representative	Management representative	Management representative	Management representative
Committee Members	1. Occupational safety and health personnel. 2. Heads, supervisors, and commanding personnel of each department. 3. Engineering and technical personnel related to occupational safety and health. 4. Medical staff in labor health services. 5. Labor representatives.					
Worker representative members	>1/3	>1/3	>1/3	>1/3	>1/3	>1/3
Meeting frequency	Quarterly	Quarterly	Quarterly	Monthly	Quarterly	Quarterly
Responsibilities	1. Provide suggestions on the occupational safety and health policies formulated by the employer.					
	2. Coordinate and recommend occupational safety and health management plans.					
	3. Review the implementation plan for safety and health training.					
	4. Review the work environment monitoring plan, monitoring results, and measures adopted.					
	5. Review health management, occupational disease prevention and health promotion matters.					
	6. Review various safety and health proposals.					
	7. Review the automatic inspection and safety and health audit matters of business units.					
	8. Review preventive measures for hazards of machinery, equipment or raw materials.					
	9. Review the occupational disaster investigation report.					
	10. Assess the performance of on-site safety and health management.					
	11. Review safety and health management matters for contracted business.					
	12. Other matters related to occupational safety and health management.					

Occupational Safety and Health Training	Kaohsiung Plant	Yangmei Plant	Luzhu Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
Safety and Health Business Supervisors	1 people	1 people	1 people	1 people	1 people	1 people
Safety (Health) Managers	2 people	1 people	1 people	1 people	1 people	1 people
Safety and Health Administrators	2 people	1 people	0 people	3 people	3 people	1 people
Fire Prevention Administrators	1 people	1 people	1 people	4 people	4 people	1 people
First Aid Personnel	89 people	7 people	8 people	45 people	11 people	30 people
Organic Operations Supervisors	65 people	Waived	2 people	Waived	Waived	Waived
Radiation work	52 people	Waived	1 people	18 people	Waived	Waived

5-8 Safe and Healthy Work Environment

5-8-9 Occupational Diseases and Injuries

Walsin Technology has not experienced any illness or death related to work over the years, and there have been no cases with special health examination results classified as Level 4. In terms of occupational injuries, Walsin Technology conducts cause analysis, develops and implements improvement plans for all occupational disaster cases, regularly analyzes the units with high incidence rates and types of occupational disasters, and lists those with relatively high severity, high number of events, or cross-unit or repetitive nature as key areas of training and management.

Recordable Occupational Injury None. Occupational injury information of non-employee (contractors' or outsourced) workers.

Plant	Total working hours	Number of serious occupational injuries	Number of recordable occupational injuries (excluding traffic accidents)	Recordable occupational injury rate	Serious occupational injury rate	Number of days lost
Yangmei Plant	799,362	0	1	1.25	0	3
Kaohsiung Plant	4,829,424	0	4	0.83	0	73
Luzhu Plant	165,155	0	0	0	0	0
Dalang Plant	11,880,000	0	1	0.08	0	30
Suzhou Plant	1,323,874	0	1	0.76	0	2
Guangzhou Plant	4,284,000	0	7	1.63	0	44

Note: 1. The statistics include all employees and all non-employees whose work or workplace is controlled.

2. Deaths or inability of the workers to return to their pre-injury state of health within six months due to occupational injuries are considered serious occupational injuries.

3. Recordable occupational injury rate: recordable number of occupational injuries in the workplace/working hours * 1,000,000.

4. Serious occupational injury rate: Number of serious occupational injuries in the workplace (excluding deaths)/working hours * 1,000,000.

Occupational Disease Mortality Rate in 2022

Walsin Technology's plants in both Taiwan and mainland China had no occupational diseases of employees and non-employees during the reporting period.

Compliance with Occupational Safety and Health Regulations

Walsin Technology had no cases of significant fines or non-monetary sanctions for violating relevant regulations in 2022.

2022 Statistical of Occupational Disaster Types	Proportion (%)	Number of cases
Fall	16%	3
Collision	11%	2
Being hit	11%	2
Being cut, incised or scratched	11%	2
Being caught or crimped	21%	4
Contact with high or low temperature	5%	1
Contact with harmful substances	5%	1
Electric shot	5%	1
Improper actions	16%	3
Total		19

5-8 Safe and Healthy Work Environment

5-8-10 Number of People Entering the Plant for Work Every Day

	Kaohsiung Plant	Yangmei Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
All employees and non-employees who have undergone internal audit or certification	100%	100%	100%	100%	100%

Average monthly employee number	Kaohsiung Plant*3	Yangmei Plant*3	Luzhu Plant	Dalang Plant	Suzhou Plant	Guangzhou Plant
Total number of employees	2,338	382	91	2,494	346	492
Number of non-employees whose work and/or workplace is controlled by the organization (resident outsourced contractors)	55	10	11	45	18	14
Number of non-employees whose work and/or workplace is controlled by the organization (contractors)	182	32	15	200	50	50
Total number of employees (proportion %)	91%	90%	78%	91%	84%	88%
Number of non-employees whose work and/or workplace is controlled by the organization (resident outsourced contractors)	2%	2%	9%	2%	4%	3%
Number of non-employees whose work and/or workplace is controlled by the organization (contractors) (proportion %)	7%	8%	13%	7%	12%	9%
Total	2,575	424	117	2,739	414	556

Data source:

Number of Employees and People Cited by On-site Outsourced Companies in the Monthly Occupational Disaster Statistics

Engineering contractors: Monthly construction cases * average number of people 2 (approximately 1~4 people entering the factory per construction case, and therefore calculated as an average of 2 people)

6

Social care and giveback

6-1 Internal Public Welfare Organizations P76

6-2 Social Care Related Activities Over the Years P78



6-1 Internal Public Welfare Organizations

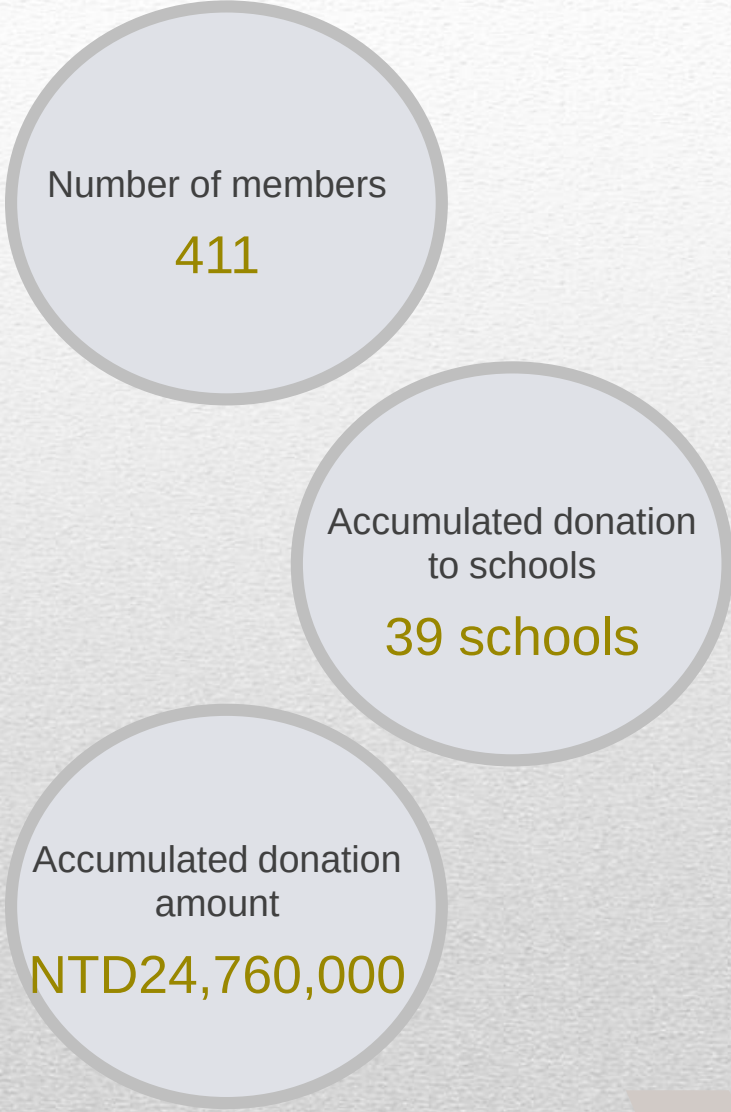
After participating in the donation for the 921 earthquake in 1999, Walsin Technology's employees discovered that there were still many disadvantaged children and elderly people in Taiwan who needed long-term assistance through organized groups. Therefore, they spontaneously established the "WTC Charity Foundation" in April 2000, with NTD100 per month withheld from their monthly salaries as funds for donation. This plan received the encouragement and support from the President Chu, You-Yi at that time, and the Company also allocated the same amount as the employee salary donation amount to double the effect. Subsequently, the members actively increased the fixed salary donation amount according to their own abilities, and from then on, the WTC Charity Foundation has more strength to be dedicated to social welfare activities. Later in April 2007, the Ministry of the Interior registered and approved the establishment of the "ROC WTC Charity Foundation", which officially became a national association.

The WTC Charity Foundation has been utilizing limited resources to continuously assist disadvantaged children in remote areas for a long time, providing assistance in nutritional meals, after-school tutoring, book supplementation, repair of teaching equipment, transportation, and children's sports shoes. Its footprints covered various parts of Taiwan, including Yilan, Taoyuan, Hsinchu, Miaoli, Changhua, Nantou, Yunlin, Chiayi, Kaohsiung and Pingtung, with a total of 39 primary schools. In addition to continuous cooperating with rural schools to improve the quality of education for disadvantaged children, the director and relevant officials visited the adopted units every year to provide appropriate support for the needs of each school, hoping that students can have better resources and to broaden their horizons in their learning process.

In addition, the WTC Charity Foundation provides emergency assistance and living assistance to employees who have experienced unexpected family or personal accidents or financial difficulties, while providing long and short-term assistance, depending on the situation, to social welfare units that mainly assist elderly individuals living alone, women with cancer and the mentally disordered. These units include Family Support Center, Taiwan Cancer Foundation, Kind Garden, Chensenmei Sanatorium, Kaohsiung Palette Association, Huashan Social Welfare Foundation, Pingtung Agape Social Welfare Association, Therapeutic Riding Center of Taiwan, etc. to deepen and broaden the public welfare reach of the WTC Charity Foundation, and further implement the concept of giving back to the society.

At its peak, the number of members in Taiwan reached approximately 500, with approximately 411 members in 2022. According to statistics, from 2007 to 2022, the WTC Charity Foundation donated a total of NTD24.76 million from its revenue during the 15 years (89% of the main expenses were donated to disadvantaged primary school children, 7% to social welfare units, and 2% to company employees for emergency assistance).

Fulfilling corporate social responsibility has been a crucial aspect of Walsin Technology's pursuit of professional technology improvement and company growth. Through the persistence of the Company and the WTC Charity Foundation, "CSR charity" has become the DNA of Walsin Technology's employees.



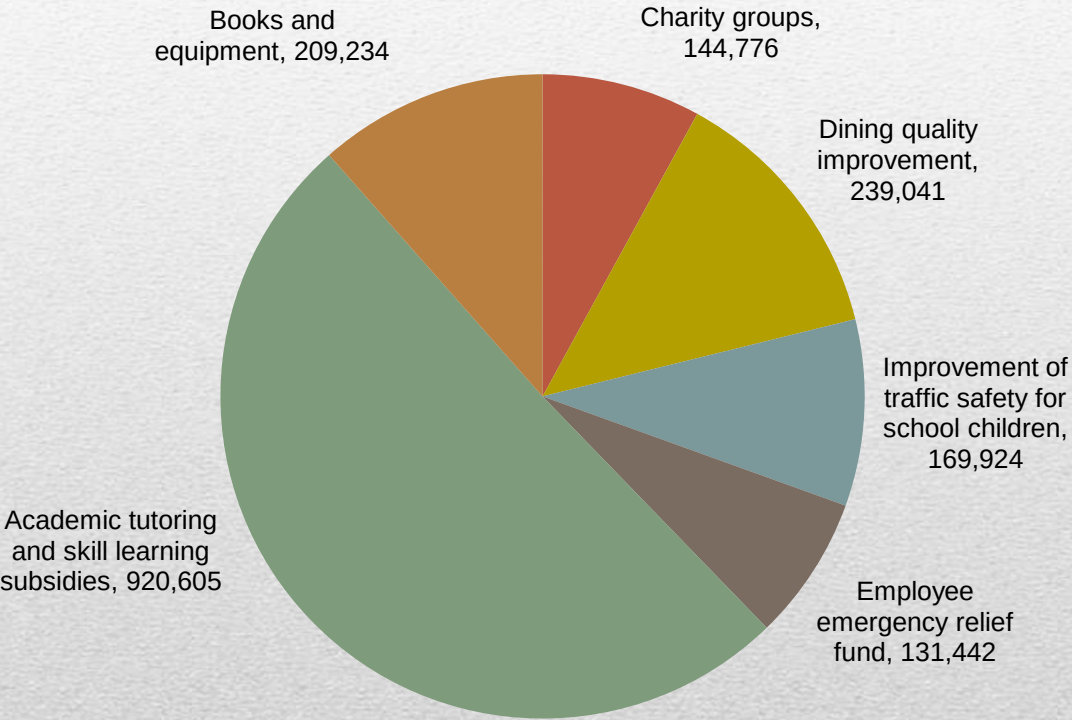
6-1 Internal Public Welfare Organizations

The total subsidy amount in 2022 is NTD1,815,022 (Taiwan NTD1,678,880, mainland China NTD136,142).

2022 Taiwan subsidy units:

Unit: NTD

Subsidized units		
Zhu'an Primary School, Yilan County	Sanho Primary School, Chiayi County	Zhujin Primary School, Kaohsiung
Yunle Primary School, Yilan County	Xiaji Primary School, Chiayi County	Jingyi Primary School, Kaohsiung
Dali Primary School, Yilan County	Wengang Primary School, Chiayi County	Jinshan Primary School, Kaohsiung
Houliao Primary School, Changhua County	Gangchien Primary School, Chiayi County	Xiaolin Primary School, Kaohsiung
Mingquan Huadefu Experimental Primary and Junior High School, Changhua County	Sanjiang Primary School, Chiayi County	Yuren Primary School, Taoyuan
Baoshan Primary School, Changhua County	Xinda Primary School, Kaohsiung	Beihou Primary School, Taoyuan
Dazhuang Primary School, Changhua County	Guanting Primary School, Kaohsiung	Sanho Primary School, Taoyuan
Chenglong Primary School, Yunlin County	Nanho Primary School, Hsinchu County	Shezi Primary School, Taoyuan
Xingnan Primary School, Yunlin County	Jiaxian Primary School, Kaohsiung	Xizhou Primary School, Kaohsiung
Danan Primary School Anjing Branch, Chiayi County	Gouping Primary School, Kaohsiung	Jilai Primary School, Kaohsiung
Family Support Center	Palette Association	Manchou Primary School, Pingtung



6-2 Social Care Related Activities Over the Years



The Taiwan Plants and Dalang Plant hold regular blood donation activities every year to transfer the love of employees to those in need through blood donation, so that "donating a bag of blood to save a life" will no longer be just a slogan, but a practical action.

On International Children's Day every year, members of Suzhou WTC Charity Foundation personally go to the welfare home to offer care for children, and send out living materials and cakes.



The Taiwan Fund for Children and Families provides long-term care for disadvantaged children and their families. Walsin Technology invites employees to actively participate in the Love Garden Tours organized by the Family Support Center, and give assistance to disadvantaged children can receive assistance through charity sales and donations.



Every year, under the leadership of the President, all staff members of Dalang WTC Charity Foundation with supplier representatives bring gifts and red envelopes to the welfare home to send care to the elderly.

Since 2014, WTC Charity Foundation provided a monthly subsidy of RMB150 per person to six impoverished students at Yinkeng Primary School in Zhakou, Guangxi, until they graduated from junior high school.



Through youth career exploration activities, we aim to provide disadvantaged students with firsthand experience in the workplace, strengthen their exploration of career aspirations, and enhance their future competitiveness.

The Therapeutic Riding Center of Taiwan regularly sponsors events and convenes Walsin Technology employees to participate through WTC Charity Foundation, in order to make the purpose of the establishment of the Center more well-known.



To care for the lonely and widowed elderly in community nursing homes, they deliver food to the elderly on the Double Ninth Festival, and make Wonton for the elderly on the day.



In 2002, a fundraising was initiated by Bajin Rinpoche from Gongya Temple to provide education and accommodation for children living alone and without support in Nangqian County, Yushu, Qinghai Province, in order to provide them with basic survival guarantees and educational development opportunities.



Dalang WTC Charity Foundation regularly organizes donation activities for clothing, books and school supplies, and donates them to people in need in the mountainous areas through the HuaiEn Charity Association.

6-2 Social Care Related Activities Over the Years



Dalang WTC Charity Foundation holds a regular fruit charity sale every year, and the proceeds are used for public welfare expenses.



Walsin Technology sponsors multiple primary schools' academic tutoring fees to enhance the foundation of reading, writing and mathematical abilities for disadvantaged students through academic tutoring and calligraphy teaching, in order to develop their competitiveness for further education.

Walsin Technology gives new shoes it purchases and sponsored by other companies to students in remote primary schools, so that students who lack resources can also have beautiful new shoes to wear.



The peanuts and radishes cultivated from the funds raised from Walsin Technology's charity sale for Zhu'an Primary School Country in Yilan County for its graduation trip have taught children the principle of "as you sow, so will you reap".



To encourage children's diversified development, Walsin Technology has sponsored Karate at Dazhuang Primary School in Changhua County since 2012. The school has been receiving support and has won the first place in the national competition every year.



Remote rural school children spend more time commuting between school and home every day than other children. Considering the time, physical strength required and due to safety concerns, Walsin Technology sponsors the transportation expenses of multiple schools, making it more reassuring for students to go to and back from school.

In order to provide children with balanced nutrition and protein supplementation, Walsin Technology has sponsored fresh milk subsidies for multiple primary schools since 2014.



Taoyuan Pingzhen District has a deep geographical relationship with Walsin Technology. Walsin Technology provides Beishi Community Development Association with audioscopy service to provide more comprehensive care for the health of elders.



Walsin Technology subsidizes music course related expenses in multiple schools to create diversified future development opportunities for children.



Walsin Technology sponsors the printing of English passports at Dazhuang Primary School in Changhua County, allowing local school children to have the same language education and learning resources as their peers at other schools from an early age without falling behind in language learning.



Appendix 1 Comparison Table of SASB Standards Indicators

Appendix 2 GRI Content Index Table

Appendix 3 External Assurance

Appendix 1: Comparison of Indicators of SASB Standards

Issue disclosure	Accounting indicator	Indicator code	Nature	Corresponding chapters and sections	Page No.
Energy management	(1) Total energy consumed (2) Percentage of power grid electricity (3) Percentage of renewable energy	RT-EE-130a.1	Fixed quantity	4-2 Material and Energy Management 4-4 Pollution Control	45 48
Hazardous Substance Management	Recycling percentage of hazardous waste generated	RT-EE-150a.1	Fixed quantity	4-4 Pollution Control	48
	Recycled quantity and total amount that can be reported and disclosed	RT-EE-150a.2	Fixed quantity	4-4 Pollution Control	48
Product Safety	Number and total quantity of recalls issued	RT-EE-250a.1	Fixed quantity	3-1 Business Philosophy and Regulatory Compliance	26
	Total monetary losses caused by legal proceedings related to product safety	RT-EE-250a.1	Fixed quantity	3-1 Business Philosophy and Regulatory Compliance 4-1-4 Environmental Regulation Compliance	26 and 44
Product Life Cycle Management	Percentage of products classified by revenue which contain IEC 62474 declarable substances	RT-EE-410a.1	Fixed quantity	4-1-5 Hazardous Substance Control	44
	Percentage (by revenue) of qualified products compliant with ENERGY STAR® Standard	RT-EE-410a.2	Fixed quantity	Walsin Technology Corporation adopts a B2B business model and this standard does not apply.	-
	Revenue from products related to renewable energy and energy efficiency	RT-EE-410a.3	Fixed quantity	No related revenue in 2022.	-
Raw material procurement	Description of risk management related to the use of critical materials	RT-EE-440a.1	Discussion and analysis	3-4 Supply Chain Management	32
Business ethics	Policy description and prevention measures on (1) corruption and bribery and (2) Description of anti-competitive behavior policies and preventive measures	RT-EE-510a.1	Discussion and analysis	3-1 Business Philosophy and Regulatory Compliance	26
	Total monetary losses due to legal proceedings related to bribery or corruption	RT-EE-510a.2	Fixed quantity	3-1 Business Philosophy and Regulatory Compliance	26
	Total monetary losses due to legal proceedings on anti-competitive practices regulations	RT-EE-510a.3	Fixed quantity	3-1 Business Philosophy and Regulatory Compliance	26
Issue disclosure	Accounting indicator	Indicator code	Nature	Corresponding chapters and sections	Page No.
Activity indicators	Number of products by product category	RT-EE-000.A	Fixed quantity	3-7 Operational Performance	39
	No. of employees	RT-EE-000.B	Fixed quantity	5-2 Employee Status	55

Appendix 1. GRI Content Index Table

Declaration of Use	Walsin Technology Corporation has published the 2022 Sustainability Report in accordance with the GRI Standards, and the range of data covers the period from January 1 to December 31, 2022.			
GRI 1 Used	GRI 1: Basic 2021			
Applicable GRI Industry Standards	None			
GRI Standards	Items disclosed	Related chapters and sections	Page No.	Reason for omission
General Disclosure				
GRI 2: General Disclosure 2021	2-1 Organizational Details	1-2 Company Introduction	7-8	
	2-2 Entities Included in Organizational Sustainability Reporting	About This Report	I	
	2-3 Reporting Period, Frequency and Contact Information	About This Report	I	
	2-4 Re-compilation of Information	About This Report	I	
	2-5 External Guarantee/Assurance	About This Report	I	
		Appendix 2	To be filled by	
	2-6 Activities, Value Chain and Other Business Relationships	1-3 Products and Brands	9	
		3-4 Supply Chain Management	32-34	
	2-7 Employees	5-2 Employee Status	54	
	2-8 Non-employee Workers	5-4 Security-related Human Rights Policy and Procedures Training	54.57	
	2-9 Governance Structure and Composition	3-2 Governance Organization	27	
	2-10 Nomination and Selection of the Top Governance Unit	3-2 Governance Organization	28	
	2-11 Chairman of the Top Governance Unit	3-2 Governance Organization	27-28	
	2-12 Role of the Top Governance Unit on the Supervision of Impact Management	3-2 Governance Organization	28	
	2-13 Person in Charge of Impact Management	3-2 Governance Organization	27-29	
	2-14 Role of the Top Governance Unit on Sustainability Reporting	3-2 Governance Organization	27-29	

Appendix 1. GRI Content Index Table

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Reason for omission
General Disclosure				
GRI 2: General Disclosure 2021	2-15 Conflict of Interest	3-2 Governance Organization	28	
	2-16 Communicate Key Major Events	3-2 Governance Organization	27	
	2-17 Group Intelligence of the Top Governance Unit	3-2 Governance Organization	28	
	2-18 Evaluation of the Performance of the Top Governance Unit	3-2 Governance Organization	28	
	2-19 Compensation Policies	3-2 Governance Organization	29	
	2-20 Compensation Decision Process	3-2 Governance Organization	28-29	
	2-21 Annual Total Compensation Proportion	-	-	Organizational secrets and not disclosed
	2-22 Statement of Sustainable Development Strategy	Message from the Chairman	3-4	
	2-23 Policy Commitments	5-1 Human Resources Policy Content	54	
	2-24 Inclusion into Policy Commitments	3-4 Supply Chain Management	26	
		5-1 Human Resources Policy Content	54	
	2-25 Procedure for Remediating Negative Impacts	2-1 Stakeholder Identification and Communication	14	
		3-1 Business Philosophy and Regulatory Compliance	19	
		5-1 Human Resources Policy Content	54	
		5-8 Safe and Healthy Work Environment	62	
	2-26 Mechanism for Seeking Advice and Raising Doubts	5-1 Human Resources Policy Content	54	
	2-27 Regulatory Compliance	3-2 Governance Organization	27	
	2-28 Membership of Public Associations	3-3 External Participation	31	
	2-29 Stakeholder Engagement Policy	2-1 Stakeholder Identification and Communication	14	
		2-2 Identification of Major Issues	15	
	2-30 Group Agreement	5-1 Human Resources Policy Content	54	

Appendix 1. GRI Content Index Table

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Reason for omission
GRI 3: Major Issues 2021	3-1 Process for Determining Major Issues	2-2 Identification of Major Issues	15	
	3-2 List of Major Issues	2-2 Identification of Major Issues	15	
	3-3 Major Issue Management	2-3 SDGs Response and Management Policies	16-23	
Major Issue: Economic performance				
GRI 201 Economic performance 2016	201-1 Direct Economic Value Generated and Distributed by the Organization	3-7 Operational Performance	39	
		5-5 Salary and Benefits	48	
	201-4 Financial Subsidies from the Government	3-3 External Participation	24	
Major Issue: Market position				
GRI 202 Market Position 2016	202-1 The ratio of salary of basic staff of different genders to local minimum salary	5-5 Salary and Benefits	60	
	202-2 Proportion of local residents employed as high-level management	5-1 Human Resources Policy	54	
Major Issue: Indirect economy				
GRI 203 Indirect Economic Impact 2016	203-1 Development and Impact of Infrastructure Investment and Support Services	6-1 Internal Public Welfare Organizations	67-70	
Major Issue: Anti-competitive behavior				
GRI 206 Anti-competitive Behavior 2016	206-1 Legal Actions Against Anti-competitive Behavior, Antitrust, and Anti-monopolistic Behavior	3-1 Business Philosophy and Regulatory Compliance	26	
Major Issue: Waste				
GRI 306 Waste 2020	306-1 Generation of Waste and Significant Impact Related to Waste	4-4-1 Waste Recycling	48	
Major Issue: Customer privacy				
GRI 418 Customer Privacy 2016	418-1 Complaints of Confirmed Infringement of Customer Privacy or Loss of Customer Information	3-9 Information Security and Privacy Protection	41	
Major Issue: Occupational safety and health				
GRI 403 Occupational Safety and Health 2018	403-1 Occupational Safety and Health Management System	5-8 Safe and Healthy work environment	68-69	
	403-2 Hazard Identification, Risk Assessment and Accident Investigation	5-8 Safe and Healthy work environment	68-69	
	403-3 Occupational Health Services	5-7 Employee Health and Care	66	

Appendix 1. GRI Content Index Table

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Reason for omission
Major Issue: Customer health and safety				
GRI 416 Customer health and safety 2016	416-1 Evaluation of the Impact of Product and Service Categories on Health and Safety	3-4 Supply Chain Management	25	
		4-1 Environmental Management System	43	
	416-2 Violations of Health and Safety Regulations Related to Products and Services	No violations in 2022.		
Other: General issues				
GRI 204 Procurement Practice 2016	204-1 Proportion of Procurement Expenses from Local Suppliers	3-4 Supply Chain Management	32	
GRI 205 Anti-corruption 2016	205-1 Operating Sites Undergoing Corruption Risk Assessment	3-2-1 Organization Structure	20	
GRI 302 Energy 2016	302-1 Energy Consumption within the Organization	4-5 Energy Conservation Measures	50-51	
	302-3 Energy Source Density	4-5 Energy Conservation Measures	50-51	
	302-4 Reduction of Energy Consumption	4-5 Energy Conservation Measures	50-51	
GRI 303 Water and Discharged Water 2018	303-1 Mutual Influence of Shared Water Resources	4-3 Water Resource Management	46-47	
	303-2 Management of Impacts Related to Discharged Water	4-3 Water Resource Management	46-47	
	303-3 Water Intake Volume	4-3-1 Water Intake Source	46-47	
	303-4 Displacement	4-3-3 Wastewater Discharge	46-47	
	303-5 Water Consumption	4-3-2 Sources of Water Consumption	46-47	
GRI 305 Emissions 2016	305-1 Direct (Category I) Greenhouse Gas Emissions	4-4-3 Greenhouse Gas Inventory	49	
	305-2 Indirect (Category II) Greenhouse Gas Emissions	4-4-3 Greenhouse Gas Inventory	49	
	305-3 Other Indirect (Category III) Greenhouse Gas Emissions	4-4-3 Greenhouse Gas Inventory	49	
	305-4 Greenhouse Gas Emission Intensity	4-4-3 Greenhouse Gas Inventory	49	

Appendix 1. GRI Content Index Table

GRI Standards	Items disclosed	Related chapters and sections	Page No.	Reason for omission
GRI 308 Supplier Environmental Assessment 2016	308-1 Using Environmental Standards to Screen Suppliers	3-4 Supply Chain Management	34	
	308-2 Negative Impact of Supply Chain on the Environment and Actions Taken	3-4 Supply Chain Management	34	
GRI 401 Labor Relations 2016	401-1 Employees and Resigned Employees	5-2 Employee Status	55	
	401-2 Benefits Provided to Full-time Employees (Excluding Temporary and Part-time Employees)	5-5-5 Employee Benefits and Diversified Activities	63	
	401-3 Parental Leave	5-5-3 Parental Leave	62	
GRI 404 Training and Education 2016	404-1 Average Number of Training Hours per Employee per Year	5-3 Training and Performance	56-57	
	404-2 Improvement of Employee Job Competence and Transition Assistance Plans	5-3 Training and Performance	56-57	
	404-3 Percentage of Employees Undergoing Regular Performance and Career Development Reviews	5-4-2 Fair Performance Evaluation System	59	
GRI 405 Employee Diversity and Equal Opportunities 2016	405-1 Diversification of Governance Units and Employees	3-2-2 Board of Directors	21	
		5-2 Employee Status	55	
GRI 406 Non-discrimination 2016	406-1 Non-discrimination Cases and Improvements Made by the Organization	5-1 Human Resources Policy Content	54	
GRI 407 Freedom of Association and Group Negotiation 2016	407-1 Operating Sites and Suppliers with Possible Risks of Freedom of Association and Group Negotiation	3-4 Supply Chain Management	32	
GRI 408 Child Labor 2016	408-1 Operating Sites and Suppliers with Significant Risks of Using Child Labor	3-4 Supply Chain Management	32	
GRI 409 Forced or Compulsory Labor 2016	409-1 Operating Sites and Suppliers with Significant Risks of Forced or Compulsory Labor Events	3-4 Supply Chain Management	32	
GRI 2016 Security Practice 2016	410-1 Training on Human Rights Policy and Procedures for Security Personnel	5-4 Security-related Human Rights Policy and Procedures Training	58	
GRI 414 Supplier Social Evaluation 2016	414-1 New Suppliers Screened Using Social Standards	3-4 Supply Chain Management	32	
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	3-4 Supply Chain Management	32	
GRI 415 Public Policies 2016	415-1 Political Donation	3-3 External Participation	30	
GRI 417 Marketing an Labeling 2016	417-1 Requirements for Product and Service Information and Labeling	3-5 Quality Management	35	
	417-2 Incidents of Non-compliance with Product and Service Information and Labeling Regulations	3-1 Business Philosophy and Regulatory Compliance	26	
	417-3E vents of Non-compliance with Marketing Communication Regulations	3-1 Business Philosophy and Regulatory Compliance	26	



獨立保證意見聲明書

華新科技股份有限公司 2022 年永續報告書

英國標準協會與華新科技股份有限公司(簡稱華新)為相互獨立的公司，英國標準協會除了針對華新科技股份有限公司 2022 年永續報告書進行評估和查證外，與華新並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對華新科技股份有限公司 2022 年永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查華新提供之相關資訊所作成之結論，因此審查範圍乃基於並侷限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將由華新一併回覆。

查證範圍

華新與英國標準協會協議的查證範圍包括：

- 1. 本查證作業範疇與華新科技股份有限公司 2022 年永續報告書揭露之報告範疇一致。
- 2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估華新遵循 AA1000 當責性原則(2018)的本質和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結華新科技股份有限公司 2022 年永續報告書內容，對於華新之相關運作與永續績效則提供了一個公平的觀點。基於保證範圍限制事項、華新所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述。我們相信有關華新的環境、社會及治理等績效資訊是被正確無誤地呈現。報告書所揭露之永續績效資訊展現了華新對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為就華新所提供之足夠證據，表明其符合 AA1000 保證標準 v3 的報告方法與自我聲明依循 GRI 永續性報導準則係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自外部團體的議題相關於華新政策進行訪談，以確認本報告書中聲明書的合適性
- 與管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人
- 訪談 4 位與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作宣告的支持性證據
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導準則的詳細審查結果如下：

包容性

2022 年報告書反映出華新已持續尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了華新之包容性議題。

重大性

華新公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了華新之重大性議題。

回應性

華新執行來自利害關係人的期待與看法之回應。華新已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了華新之回應性議題。

衝擊性

華新已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。華新已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了華新之衝擊性議題。

GRI 永續性報導準則

華新提供有關依循 GRI 永續性報導準則 2021 之自我宣告，並對每個涵蓋其行業準則和具相關性的 GRI 主題準則之重大主題，其揭露項目依循全部報導要求的相關資料。基於審查的結果，我們確認報告書中參照 GRI 永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了華新的永續性主題。然而，未來的報告書可以進一步加強以下的項目：

- 鼓勵不以「保密規定限制」作為 GRI 2-21 揭露項目：年度總薪酬比率的省略理由，可以參考國際同業實務作法以回應標準之要求，提升組織永續報導的透明性。

保證等級

依據 AA1000 保證標準 v3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為華新負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由其專業背景，且接受過如 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練，具有主導稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:


Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2022054
2023-06-20

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INDEPENDENT ASSURANCE OPINION STATEMENT

Walsin Technology Corporation 2022 ESG Report

The British Standards Institution is independent to Walsin Technology Corporation (hereafter referred to as WTC in this statement) and has no financial interest in the operation of WTC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of WTC only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by WTC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to WTC only.

Scope

The scope of engagement agreed upon with WTC includes the followings:

- 1. The assurance scope is consistent with the description of Walsin Technology Corporation 2022 ESG Report.
- 2. The evaluation of the nature and extent of the WTC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Walsin Technology Corporation 2022 ESG Report provides a fair view of the WTC sustainability programmes and performances during 2022. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the WTC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate WTC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that WTC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to WTC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 4 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that WTC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the WTC's inclusivity issues.

Materiality

WTC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of WTC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the WTC's management and performance. In our professional opinion the report covers the WTC's material issues.

Responsiveness

WTC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for WTC is developed and continually provides the opportunity to further enhance WTC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the WTC's responsiveness issues.

Impact

WTC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. WTC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the WTC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

WTC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the WTC's sustainability topics. However, the future report will be improved by the following areas:

- It is encouraged not to use "confidentiality constraints" as a reason for omitting the disclosure GRI 2-21 annual total compensation ratio. The organization should consider referring to international peer practices to respond to the requirements of the standards and increase the transparency of the sustainability report.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The ESG report is the responsibility of the WTC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



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