



華新科技股份有限公司

WALSIN TECHNOLOGY CORPORATION

2024 ESG Report

Walsin Technology Corporation 2024 ESG Report

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.

- Basis of This Report**
- This report is compiled based on the GRI Standards published by the Global Sustainability Standards Board (GSSB).
 - 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.

- Reporting scope**
- The reporting period covered by this report is from January 1, 2024 to December 31, 2024. The scope and period of disclosure are consistent with the financial statements and cover the Taiwan headquarters and overseas subsidiaries in which more than 50% of shares are held. These include Dongguan WTC (Dalang Plant), Suzhou WTC (Suzhou Plant), Pan Overseas Guangzhou (Guangzhou Plant), and Kamaya Electric (Malaysia Plant). The scope disclosed covers 100% of the Group's production sites. The report is recompiled annually based on the Company's development status. If there are any exclusions of specific plants or involvement of other regions within the scope of the Company's organizational size, structure, ownership, or supply chain, supplementary explanations will be provided in the body of the report. If not otherwise specified, it is to be understood that all sites are covered.

- Release time**
- This report is published once a year and is reviewed and approved by the Board of Directors before being published on the Company's website.

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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.

Walsin Technology Corporation was selected for inclusion in the “FTSE4Good TIP Taiwan ESG Index” in June 2024.



FTSE4Good
TIP Taiwan ESG Index



Embedding ESG into PSA's DNA: A Balanced Focus on Shareholders, Employees, and Society

Over the past year, despite the impacts of shifting global economic conditions and geopolitical conflicts, PSA Walsin Technology Group has continued to grow steadily and expand its presence. As of 2024, the Group owns 10 listed companies at home and abroad, with approximately 39,000 employees and total revenue of approximately NT\$104.5 billion. These achievements are attributable to the dedication of PSA colleagues and the support of shareholders. Therefore, we place particular importance on the core value among PSA's seven management principles: "A balanced focus on shareholder value, employee well-being, and social responsibility." We aim to ensure company profitability and reasonable shareholder returns, while actively fulfilling our corporate social responsibility, creating a high-quality work environment of mutual prosperity with our colleagues, thereby enhancing operational performance and ultimately giving back to shareholders and society to achieve a virtuous cycle of win-win management. We will continue to take action in ESG (Environmental, Social, and Governance) to build a solid foundation for the Group's sustainable development.

The 2024 United Nations Climate Change Conference (COP29), themed "In Solidarity for a Green World," has inspired us to continuously promote environmental protection policies and adopt various measures in the development of green products and supplier management. We strictly comply with environmental protection regulations and actively develop green products that meet international environmental standards. We implement local procurement policies and conduct evaluations of suppliers, with comprehensive assessments from the economic, environmental, and social dimensions. Since investing in Board New Energy Co., Ltd. in 2023, we have been engaged in the development, construction, operation, and maintenance of renewable energy projects, as well as the installation of energy storage equipment, fully initiating a green transformation and aiming to gradually increase the proportion of renewable energy usage. Protecting the environment and promoting the sustainable development of the Earth is our unshirkable mission.

In terms of social responsibility and employee well-being, PSA Group has established comprehensive HR systems and policies covering human rights protection, recruitment, compensation, training, promotion, and retirement. We care for employees and value talent through initiatives in talent development, retention, communication, and life assistance, aiming to lead the Group's companies toward becoming social enterprises. We value employee health and occupational safety, comply with occupational health and safety regulations, and conduct regular health and safety education and training for all employees. We have created a smoke-free and pregnancy-friendly work environment and provide health checkups, health stations within plants, and health seminars.

In terms of talent development, in response to the Group's globalization and to enhance operational efficiency and growth momentum, we not only allow colleagues to apply for overseas assignments but also continue to develop local talent at various operational sites. Currently, a significant proportion of our management team consists of local talent. Furthermore, we design training programs based on departmental needs and have established an online learning system that provides employees with convenient and effective learning tools to enhance personal growth and industry competitiveness. Meanwhile, the Group has also implemented a comprehensive performance and competency evaluation system. With reference to reasonable market salary levels, we implement a profit-sharing and incentive bonus system based on employees' annual performance evaluations. This allows employees to work with peace of mind, continue to apply their expertise, and grow together with the Company.

To ensure upward feedback and transparent communication, each company within the Group has set up mechanisms such as improvement proposal systems and suggestion boxes to gather colleagues' opinions on corporate governance and workplace optimization. Timely responses, rewards, or adjustments are made to enhance internal communication within the Company. The "PSA Charitable Foundation," also part of the Group, offers a unique Employee Assistance Program (EAP), where professionals provide confidential and specialized consultation services to assist employees in resolving work, psychological, emotional, stress, health, family, financial, legal, and other issues. The Foundation also conducts onboarding interviews for new employees through the a dedecated platform to help them quickly adapt to the corporate culture and address physical and mental issues affecting performance. To date, over 7,500 Group employees have joined the official LINE@ account of Employee Assistance Programs, allowing for two-way communication to help employees address various challenges in their work and personal lives while maintaining privacy. In addition, internal care management and stress-relief courses are also well received by employees. In 2024, a total of 82 sessions were completed, with 465 sessions held cumulatively over the years. From 2020 to 2024, a total of 645 employee care interviews were conducted, with 4,847 interviews conducted cumulatively.

Embedding ESG into PSA's DNA: A Balanced Focus on Shareholders, Employees, and Society

Continuing its commitment to giving back to society, the Walsin Technology Foundation has sustained five major public welfare initiatives: auditory care, volunteer participation, newspaper reading education, caregiver respite, and friendly workplace programs. To date, over NT\$120 million and more than 5,500 instances of manpower have been devoted to these efforts. Nearly 400 hearing aid subsidy cases have been supported, totaling more than NT\$11 million. Over 1,000 community auditory care awareness sessions have been held, serving nearly 30,000 elderly individuals; the free hearing aid bank has served more than 2,500 people. The Foundation has also developed the “Cloud Knowledge Platform for Auditory Care” and promoted the “Walsin Hand-Rub Hearing Screening Method” to enhance awareness of auditory health. With 3,500 volunteer trainees, the Foundation is the organization with the most hearing care involvement at community care centers across Taiwan. Our newspaper reading education program, currently implemented in elementary and junior high schools in Pingtung and Taoyuan, has so far involved 5,849 classes and 94,966 students. Additionally, more than 1,250 caregivers have received respite through stress-relief courses. It is our hope that by continuously promoting the concept of public welfare, colleagues and the broader society will together appreciate the importance of giving back to the community.

Colleagues from the PSA Walsin Technology Group have also voluntarily established a public welfare club—Cihui Club—which supports under-resourced rural schools by providing care and resources to students, such as long-term support for transportation vehicles, after-school tutoring, talent development programs, enhanced school lunches, computer equipment, and English Passport subsidies.

In terms of corporate governance and shareholder value, we believe that strong financial performance, healthy cash flow, and continuous revenue and profit growth are key to sustainable business operations. Financial performance directly impacts the Company's investment value. Therefore, the PSA Group has established clear financial performance targets to help shareholders and investors understand the long-term investment value of the Group. Through sound management, we aim to generate greater economic value and give back to shareholders, investors, employees, and partners.

As part of the electronics manufacturing supply chain, the PSA Walsin Technology Group will continue to implement ESG principles. We look forward to seeing more concrete progress across all areas of the Group and to jointly creating a sustainable future with shareholders, employees, and stakeholders.



PSA 華科事業群
PASSIVE SYSTEM ALLIANCE

Yu-Heng Chiao,
Chairman

A handwritten signature in black ink, appearing to read 'Y. H. Chiao', written over a light grey circular background.

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1-1 PSA Group Members and Walsin Technology Core Business

PSA Group Members and Walsin Technology Core Business

Passive components and electronic protection components

Walsin Technology 【2492】	TW
Prosperity Dielectrics 【6173】	TW
INPAQ 【6284】	TW
Kamaya Electric	JP
Nitsuko Electronics	JP
Soshin Electric 【6938】	JP
Matsuo Electric 【6969】	JP

Printed circuit board (PCB) & electronics manufacturing services (EMS)

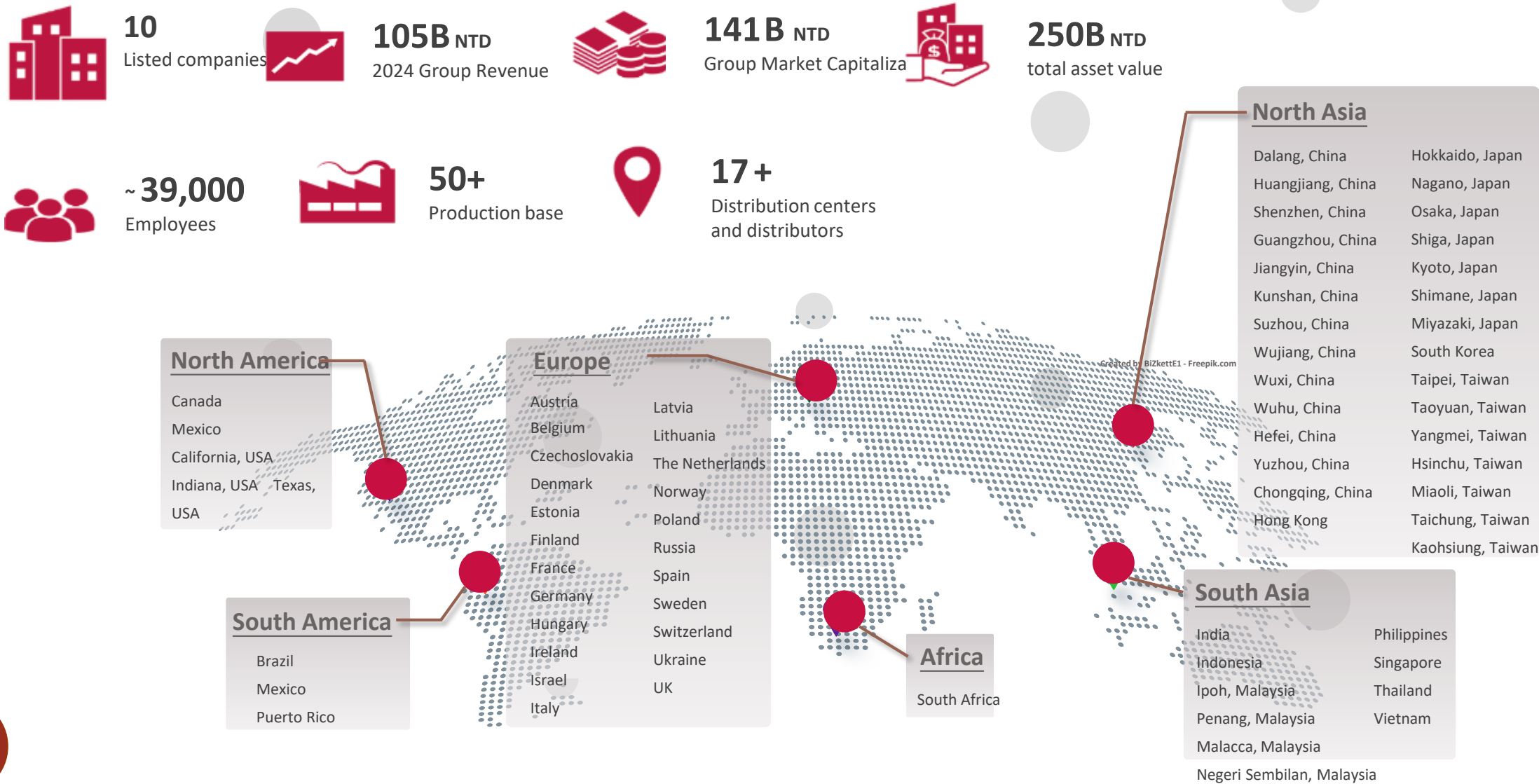
Hannstar Board 【5469】	TW
Global Brands Manufacture 【6191】	TW
Career Technology 【6153】	TW
ELNA Printed Circuits	JP
Info-Tek 【8183】	TW
SILITECH 【3311】	TW

Semiconductor packaging and testing

Walton Advanced Engineering 【8110】	TW
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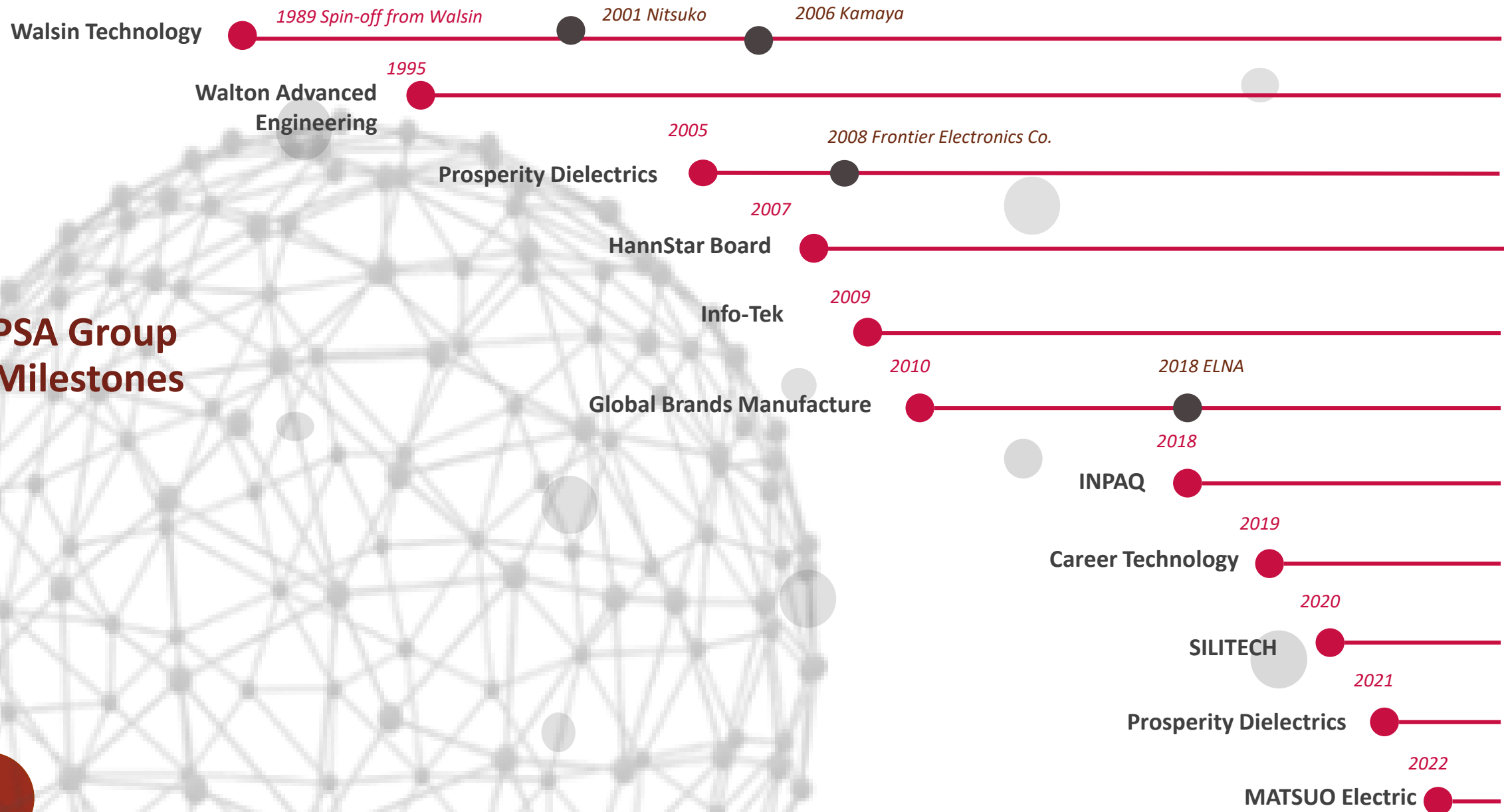
1-1 PSA Group Members and Walsin Technology Core Business

PSA Business Performance and Deployment



1-1 PSA Group Members and Walsin Technology Core Business

PSA Group Milestones



1-1 PSA Group Members and Walsin Technology Core Business

PSA Group's Management Team

Chairman:
Yu-Heng Chiao



**Passive components and
electronic protection
components**



**PCB printed circuit board
& EMS electronic
manufacturing services**



**Semiconduct
or packaging
and testing**



Business Group Headquarters HQ



Chief Financial
Officer



Chief Strategy
Officer



Chief Legal Officer



Chief Audit
Officer



Chief Human
Resources
Officer



Chief
Information
Officer



Chief Risk
Officer

1-2 Company Introduction

Walsin Technology Corporation Company Profile



4,858M_{NTD}
Registered capital



CRL+RF Comprehensive
Range of Capacitors, Resistors,
Inductors, RF Antennas, and
Protection Components



\$1,082M_{USD}
2024 Global Consolidated
Revenue



Top 5%
EcoVadis-Rated ESG
Enterprises



2492
Publicly listed company



12,000
Total Number of Employees
Worldwide



1st Tier
Mass Production Capacity

- WW No.2 capacity for ChipR
- WW No.5 capacity for MLCC



16,
Production centers are located in
Japan, Malaysia, Taiwan, and
China.



Quality-first
Quality management system
(QMS) inherited from Japanese
expertise

Taiwan & Overseas Plant Locations



Yang Mei, Taiwan
Since 1992 Production space 124,756 ft²
Products: MLCC, Metal/Dipole antenna



Kaohsiung, Taiwan (R&D HQ)
Since 1996 Production Space: 480,329 ft²
Products: MLCC, Thin Film Chip-R, RF



Suzhou Plant, China
Since 2000 Production space: 151,728 ft²
Products: MLCC, Chip-R, antenna



Dalang Plant, China
Since 2000 Production Space: 512,018 ft²
Products: MLCC, Chip-R, antenna



Guangzhou Plant, China
Since 1991 Production Space: 238,832 ft²
Products: Disc/Safety Cap, Varistor, MOV



DongGuan, China
Since 1996
Products: MOV, NTC, Sensor



Ipoh Plant, Malaysia
Since 1991 Production Space:
931,078 ft²
Products: VDA 6.3/IATF Automotive
Resistor/Fuse

1-3 Brands and Products

Walsin Technology Corporation focuses on the manufacturing of electronic components, professionally providing a wide range of high-quality electronic components, including multilayer ceramic chip capacitors, chip resistors, high-frequency/RF components, disc capacitors, surge absorbers, zinc oxide varistors, protection components, chip fuses, dielectric powders, semiconductive ceramic capacitor discs, diodes, and inductors. Services are provided to global corporate customers through a B2B model. Our products are widely used in various electronic devices across communication, consumer electronics, and automotive electronics sectors.

Walsin Technology possesses strong technical capabilities in the industry and actively integrates supply chain resources. We collaborate with powder supplier **Prosperity Dielectrics Co., Ltd. (PDC)** and with **KAMAYA ELECTRIC Co., LTD. (KAMAYA)**, an expert in ultra-small resistors. We have also established solid strategic alliances with internationally renowned electronic component distributors and agents, aiming to continuously enhance product specifications and service quality to ensure the provision of competitive, high-end electronic component solutions for our customers. Our target customers are major corporations worldwide. We are committed to becoming your trusted electronic component supply partner, delivering high-performance and high-quality products to meet the needs of various industries and applications.

Products and Revenue Proportions

Main Brands

WALSIN

KAMAYA

PDC

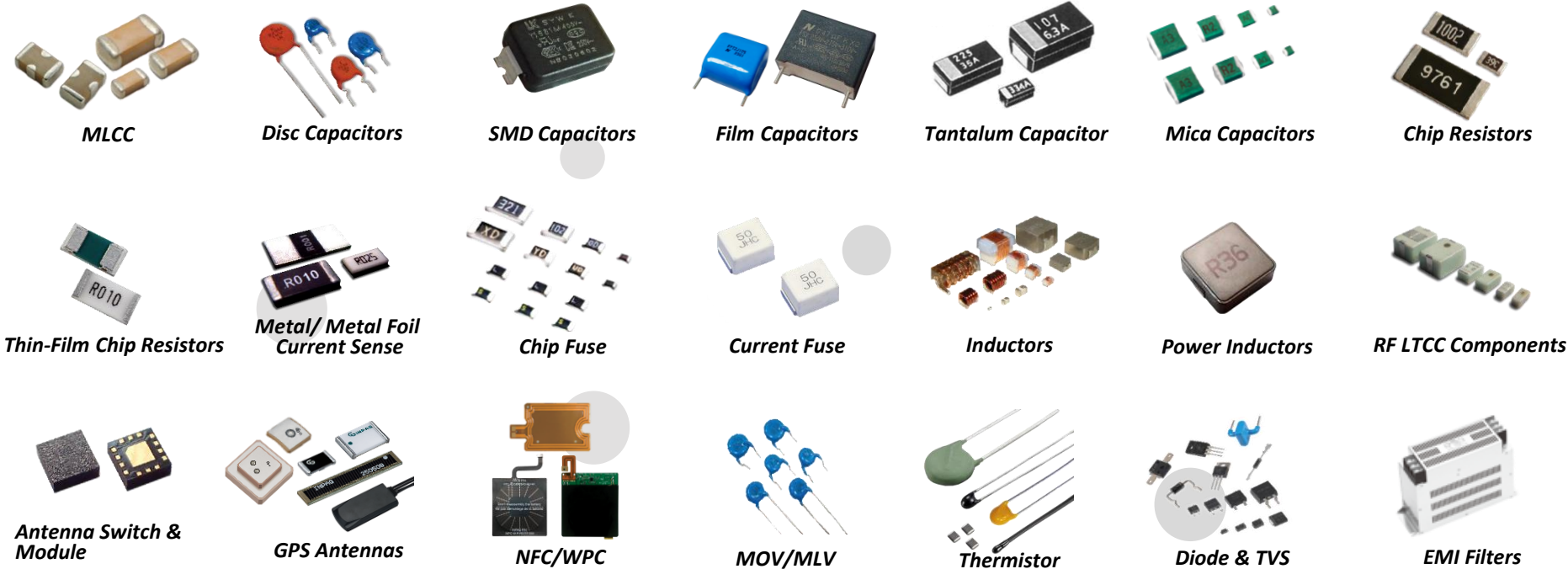
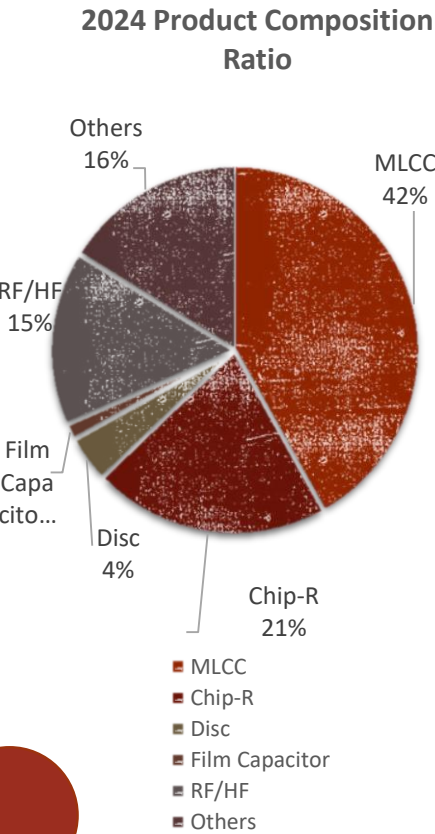
INPAQ

JOYIN

SOSHIN

Nitsuko

MATSUO



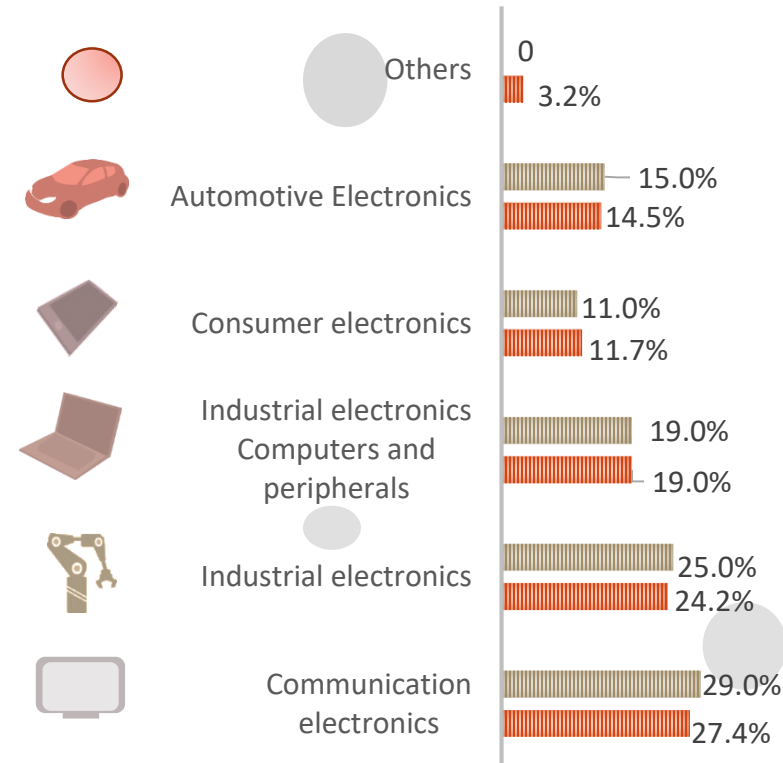
Customized Antennas also available

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

Application Fields

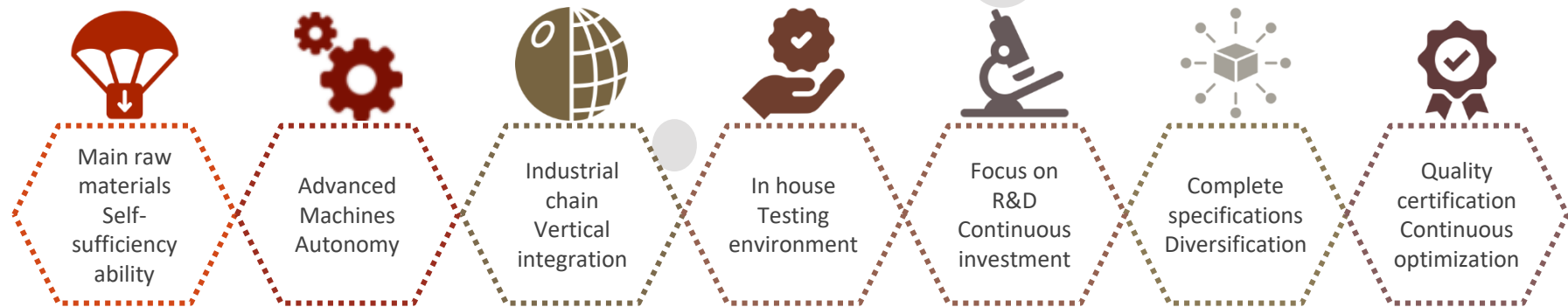
■ 2023 ■ 2024



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 Supply Platform, Local Services

Walsin Technology has Taiwan as its global marketing center. In 1997, it established a US branch to actively explore the American market. In 2001, it acquired NEC's Nikko 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 nearby heavyweight customers such as EMS and IT. 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.



• WTC Sales Offices

• WTC Sales Offices + Warehousing

Distributor

North Asia

- Donguan, China
- Suzhou, China
- Hong Kong
- Kanagawa, Japan
- Korea
- Yangmei, Taiwan

South Asia

- Ipoh, Malaysia
- India
- Indonesia
- Philippine
- Singapore
- Thailand
- Vietnam I

N. America

- Canada
- Mexico
- California, USA
- Indiana, USA
- Texas, USA

S. America

- Brazil
- Mexico
- Puerto Rico

Europe

- Austria
- Belgium
- Czech-Slovak
- Denmark
- Estonia
- Finland
- France
- Munich, Germany

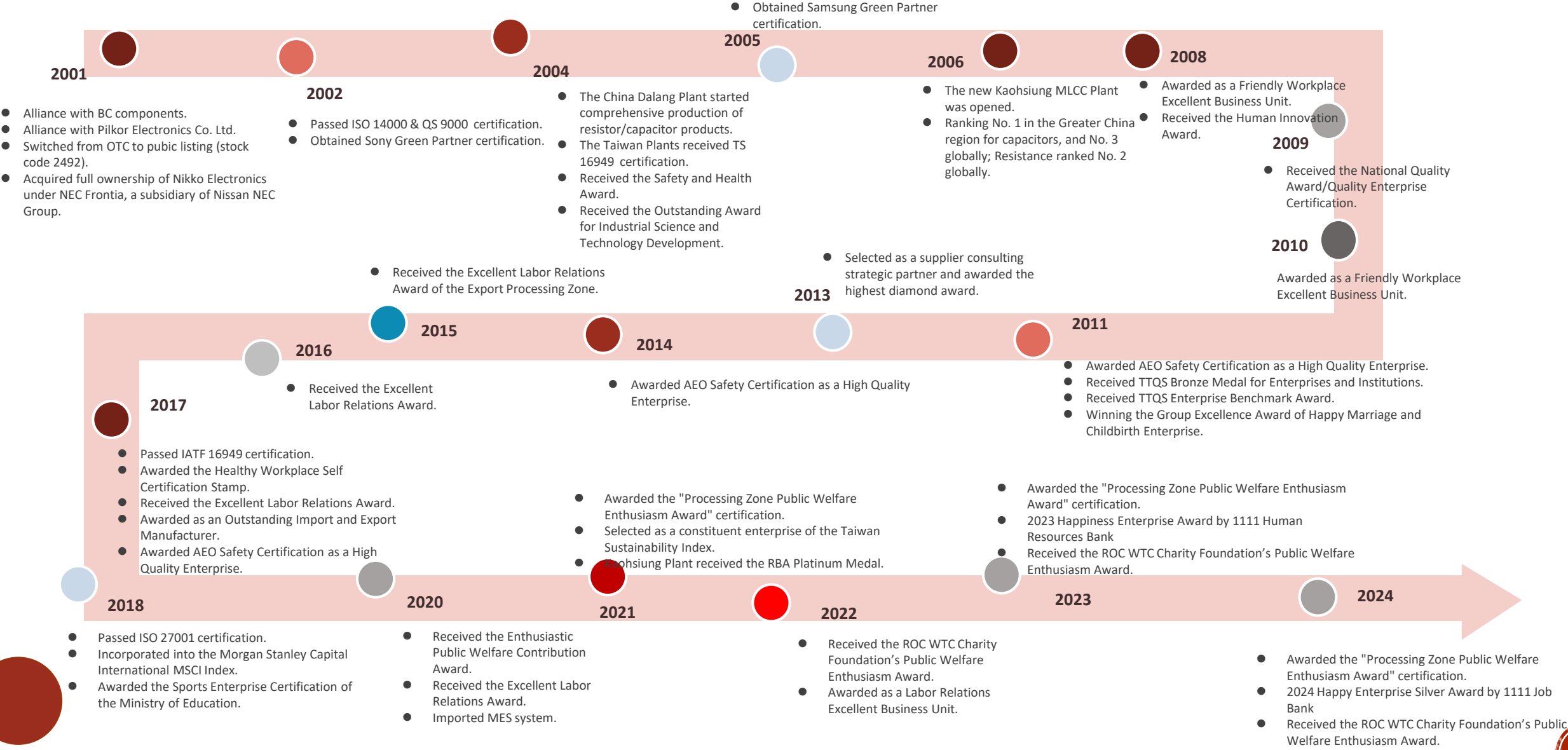
- Hungary
- Ireland
- Israel
- Italy
- Latvia
- Lithuania
- Netherland
- United Kingdom

- Norway
- Poland
- Russia
- Spain
- Sweden
- Switzerland
- Ukraine

Africa

- South Africa

1-6 Chronicles of Important Events



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2-1 Stakeholder Identification and Communication

Based on the five principles of GRI Standards and AA 1000 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 (annual), including ESG report stakeholder survey.
 - 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.



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.
 - Various questionnaire surveys (annual), including ESG report stakeholder survey.
 - 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.



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).
 - Various questionnaire surveys (annual), including ESG report stakeholder survey.
 - 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).
 - Various questionnaire surveys (annual), including ESG report stakeholder survey.
 - Organization meeting for contractors' agreement (irregular).



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/quarterly).
 - 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.
 - Various questionnaire surveys (annual), including ESG report stakeholder survey.

Complaint Channels

In accordance with the Company's "Code of Ethical Conduct and Operating Procedures," the Company encourages internal and external personnel to report unethical or improper conduct. Please provide your real name, description of the incident, evidence or leads, and contact information through the following channels. The complaint and reporting mailbox is as follows:
E-MAIL: audit@passivecomponent.com

2-2 Material Topic Identification

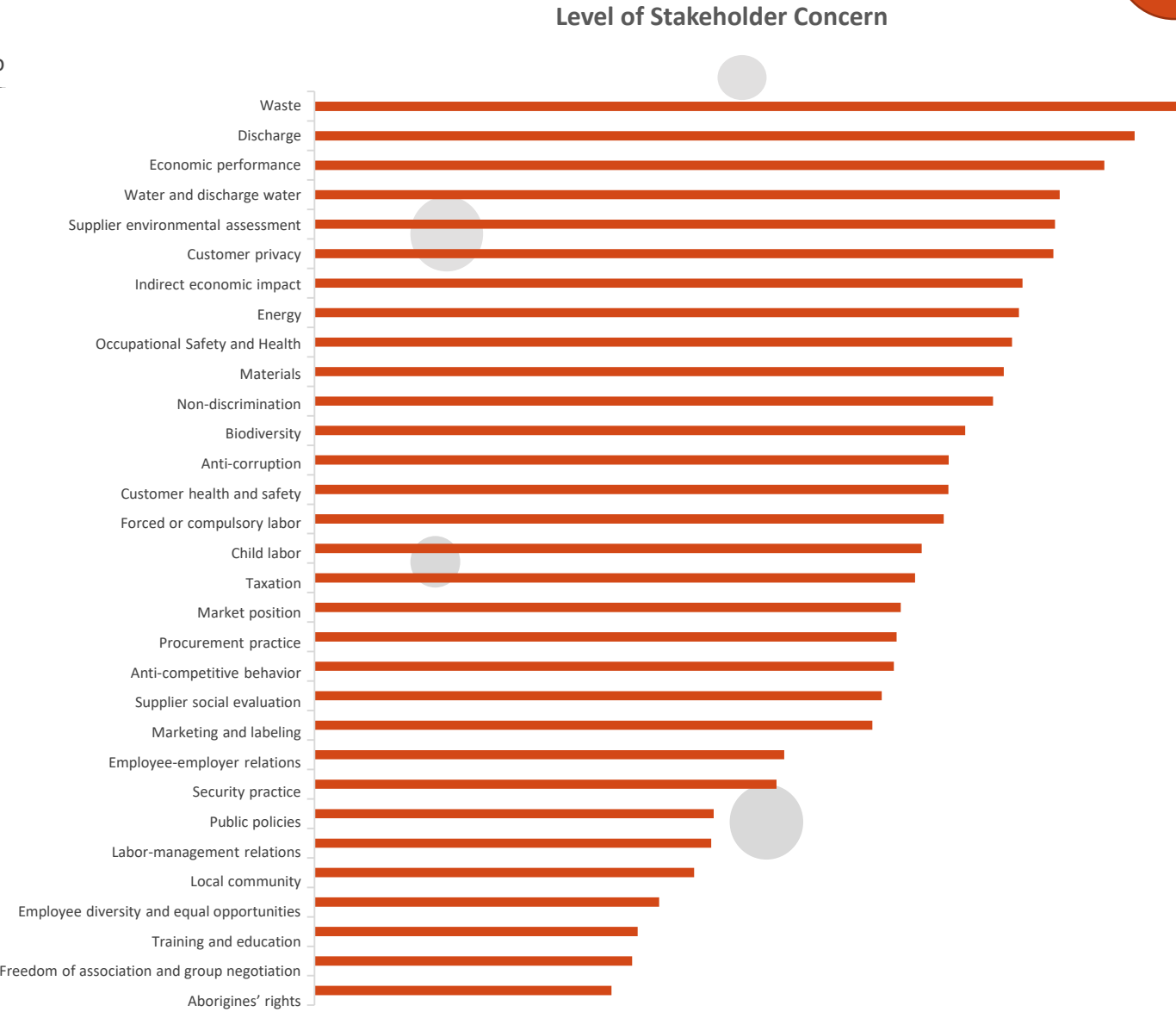
External sources for collecting corporate material topics include GRI Standards issued by the Global Sustainability Standards Board (GSSB); the internal sources include feedback from stakeholders through various channels.

To identify material topics, 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 surveys on the level of concern regarding various issues to different stakeholder groups. The Company also surveyed internal senior management regarding the positive/negative impact and likelihood of occurrence of each issue on the economy, environment, and people (including human rights). Based on the collected questionnaire results, the data was categorized into three aspects: stakeholder level of concern, degree of negative impact, and the average of degree and likelihood of positive impact. From each category, the top three scoring issues were selected as the material topics for this report. A total of eight material topics (including one duplicate) were identified for 2024. These topics were confirmed by the Sustainable Development Committee and submitted to the Board of Directors for final approval to serve as the material topics of this report. However, based on the principle of prudence, only internal organizational information is disclosed for each material topic.

Comparison Table of Material Topics between 2023 and 2024

2023 Material Topics		2024 Material Topics	
Economic performance	Occupational safety and health	Economic performance	Taxation
Discharge	Indirect economic impact	Discharge	Child labor
Customer privacy	Waste	Customer privacy	Waste
Market position	Anti-competitive behavior	Anti-corruption	Water and discharge water



2-2 Material Topic Identification



2-3 Major Issue Impact Boundary

Major issue	Corresponding chapters and sections	Impact Dimension (Positive/Negative)	Impact Description
Economic performance	3-3 External Participation 3-7 Operational Performance 5-5 Salary and Benefits	Positive Actual Impact: Corporate sustainability provides employment opportunities. Negative Potential Impact: Decline in performance may affect stakeholder confidence, leading to capital outflow and operational risks.	Economy: Economic performance is one of the key factors determining whether a company can achieve sustainable operations. Walsin Technology is committed to providing high-quality professional services and continuously improving service quality and business performance to strengthen the Company's operational foundation and lay the groundwork for sustainable development. However, in the face of external challenges such as changes in international political and economic conditions, supply chain instability, and market demand fluctuations, there may be potential risks to operational stability and financial performance, which in turn could affect the Company's momentum for continued growth.
Taxation	3-7 Operational Performance	Positive Actual Impact: A transparent tax policy enhances corporate image. Negative Potential Impact: Failure to file in accordance with regulations results in penalties for the Company.	Economy: Paying taxes in accordance with the law can enhance the transparency of corporate governance and public trust, strengthen positive relationships with governments, investors, and customers, and help attract sustainable capital. Conversely, involvement in tax evasion or violations may lead to heavy penalties, reputational damage, and interruption of partnerships, resulting in financial and operational risks. In addition, changes in tax systems, the tightening of cross-border tax policies, and the strengthening of government audits are all potential sources of risk. If a company fails to adjust and respond in a timely manner, it may face increased compliance burdens and more frequent tax disputes, further impacting overall financial stability and investor confidence.
Customer privacy	3-9 Information Security and Privacy Protection	Positive Actual Impact: Maintaining long-term cooperation with customers or suppliers. Negative Actual Impact: Loss of customers or suppliers.	Economy: The leakage, theft, or loss of customer or supplier data can seriously affect customer trust, leading to an increased churn rate. Therefore, Walsin Technology has clearly defined its information security strategy and standards and established an information security task force to continuously assess the effectiveness and appropriateness of information security, minimizing information security risks. However, as information security threats become increasingly complex—including ransomware, social engineering attacks, and supply chain security vulnerabilities—risks continue to rise. If a company fails to detect and prevent such threats in a timely manner, it may lead to the leakage of personal data, exposure of trade secrets, and compliance violations (such as breaches of the GDPR and other regulations), further triggering potential risks such as legal disputes, fines, and reputational damage, ultimately posing long-term impacts on operational stability and financial soundness.
Waste	4-2 Waste Management	Positive Actual Impact: Pollution reduction and ecological protection Negative Potential Impact: Resource waste and environmental pollution	Economy, Environment: Improper management of raw materials and waste can lead to excessive resource waste and environmental pollution, resulting in penalties from competent authorities. Therefore, Walsin Technology introduces the management concepts of environment friendliness and circular economy in the stages of material selection, design, use and disposal. However, if waste is not properly sorted, if disposal procedures do not comply with regulations, or if outsourced waste disposal vendors handle waste improperly, these all pose potential risks. Such issues may result not only in fines and regulatory liabilities but also in soil and water pollution, harm to the health of surrounding communities, and damage to the Company's reputation, which in turn may affect production continuity and customer trust.
Discharge	4-1 Climate-Related Issues	Positive Actual Impact: Environmental improvement and climate change mitigation Negative Potential Impact: Transition challenges	Economy, Environment: Walsin Technology is committed to environmental protection and the sustainable development of the planet. We have included "fulfilling the civic responsibility of a green Earth" as part of our core corporate values. Progress and effectiveness of relevant environmental initiatives are reviewed at monthly senior management meetings. In a constantly changing climate environment, the Company excels at turning challenges into opportunities by actively seeking innovative low-carbon energy solutions and promoting these low-carbon products and services throughout the market. If emissions are not effectively controlled, the Company may face potential risks such as carbon taxes, regulatory penalties, increased operating costs, and damage to brand trust, thereby impacting its competitiveness and ability to achieve sustainability goals.
Water and discharge water	4-3 Water Resources Management	Positive Actual Impact: Reduced water usage costs Negative Potential Impact: Facing penalties, affecting corporate reputation and finances	Economy, Environment: Investment in water-saving technologies and water resource recycling systems can effectively reduce operating costs and enhance process efficiency. Conversely, if discharged water is not properly treated, it may result in fines, operational disruptions, and reputational damage. Good water management helps maintain local water bodies and ecological balance, preventing pressure on community water resources. Improper discharge, on the other hand, can lead to pollution, causing long-term impacts on the environment and the community. In addition, if water usage is restricted due to extreme weather or changes in water resource policies, it may pose potential risks to production scheduling and revenue, further affecting the Company's financial stability and external trust.
Anti-corruption	3-2 Governance Organization	Positive Actual Impact: Strengthening the image of corporate ethical management Negative Potential Impact: Damaging corporate image and facing civil and criminal liability	Economy: A sound anti-corruption mechanism helps maintain economic stability and transparency in governance, reduces legal and financial risks, and enhances the trust of investors and customers, thereby bringing long-term value to the enterprise. However, if corruption occurs, the company may face litigation, contract termination, and financial losses. Ethical management ensures the effective implementation of environmental regulations and policies, preventing oversight failures due to corruption that could conceal or tolerate high-risk polluting behaviors, thereby increasing the risk of environmental damage. In addition, if effective supervision and internal reporting mechanisms are lacking, corruption risks may lie hidden in the supply chain, procurement, or cross-border transactions. Once exposed, it could severely damage the Company's reputation and result in potential civil and criminal liability as well as a collapse in market trust.
Child labor	5-1 Human Resources Policy Content	Positive Actual Impact: Enhancing social trust and corporate image Negative Potential Impact: Impacting brand image and business relationships	Economy, Human Rights: If the electronics manufacturing industry strictly prohibits the use of child labor and monitors the supply chain, it will strengthen the Company's image of social responsibility and enhance international competitiveness, creating stable economic benefits. However, if a child labor incident occurs, it may damage brand reputation, result in market sanctions, and negatively affect revenue. Moreover, if the supply chain fails to implement human rights due diligence, it may lead to hidden labor practices or violations of international labor standards, exposing the Company to potential risks such as termination of cooperation by international buyers, divestment by investment institutions, or even inclusion on trade blacklists.

Economic performance	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-3 External Participation 3-7 Operational Performance 5-5 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, 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	2024 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	Enhancing technical capabilities, optimizing product portfolio, and steadily increasing market share	Continuously investing in capital expenditure and R&D expenditure	Investor hotline and spokesperson mechanism	Continuous optimization of financial ratios	Return on equity: 6.26%	None.

2-4 SDGs Response and Management Policies

Taxation	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-7 Operational Performance	 	8.2, 8.3, 8.5 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	2024 Evaluation	Management policy adjustment
Indirect	Direct	Indirect	The Company upholds a corporate culture of ethical management and requires all business activities to comply with local legal and regulatory requirements. It is committed to implementing tax governance to fulfill its corporate social responsibility.	Comply with tax laws and regulations of various countries and international tax standards, honestly file tax returns and pay taxes in full, adhere to routine transactions, and refrain from engaging in transactions for the purpose of tax avoidance.	Maintain 100% integrity and transparency in tax information disclosure and compliance.	1. Participate in conferences held by tax-related organizations, monitors international tax trends, thereby managing tax risks and enhancing competitiveness. 2. Visit tax authorities to actively exchange views on international tax reform trends and developments, as well as major domestic tax issues, working together to build a sound tax environment.	Qualified and experienced tax professionals assist the Company in fulfilling its tax obligations. At the same time, the Company also utilizes professional services provided by external tax advisory firms to enhance professional knowledge.	“Contact Window” on the official website	Routine tax administration and management are carried out by the tax professional teams at each operational site, with relevant legal and tax planning and matters are regularly reported to the Chief Financial Officer.	Tax information disclosure is handled in accordance with 100% compliant regulations and standard requirements.	All major corporate decisions take tax implications into consideration.

2-4 SDGs Response and Management Policies

Customer privacy	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-9 Information Security and Privacy Protection	 	9 and 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	2024 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	Regular employee education and training to promote information security	1 major information security incident	1. Conduct education and training to enhance employee awareness of information security. 2. Perform regular access reviews to implement network isolation mechanisms. 3. Improve backup operations to strengthen data availability. 4. Implement drill plans to ensure the level of business operations.

※ For details on the major information security incident, please refer to page 64.

2-4 SDGs Response and Management Policies

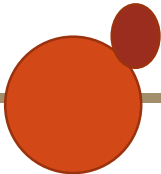
Waste	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	4-2 Waste management	  	6.3, 11.6, 12.4, 12.5 and 12.6

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	2024 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 ISO 14001. 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.	Continuously maintain zero major violation.

Note: No major violations (referring to incidents involving orders from competent authorities to suspend work, suspend operations, cease operations, revoke or cancel pollution-related permits, or a single incident resulting in cumulative fines of NT\$1 million or more).

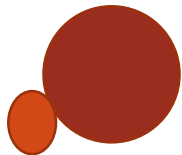


2-4 SDGs Response and Management Policies



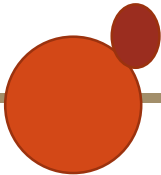
Discharge	Corresponding chapters and sections	Corresponding SDGs		Corresponding SDGs details
	4-1 Climate-related Leading Actions			13.1, 13.2, 13.3, 13.a, 7-3

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	2024 Evaluation Results	Management policy adjustment
Indirect	Direct	Indirect	Since its establishment, Walsin Technology Group has always placed great importance on environmental protection and has designated “fulfilling the civic responsibility of a green Earth” as one of its corporate missions. The implementation effectiveness of related initiatives is reviewed during monthly senior management meetings.	Reduce resource waste and establish a clear low-carbon strategic focus.	Set an annual electricity savings target of 1.5% to align with the global trend toward net-zero carbon emissions by 2050.	Conduct greenhouse gas inventories annually and engage third-party verification companies to perform validation, identifying carbon reduction hotspots based on the inventory results.	Continuously collect domestic and international carbon reduction technologies to gradually advance toward low-carbon transformation and build climate resilience.	Sustainable Development Committee	Hold carbon reduction meetings every two weeks to discuss carbon reduction topics.	In 2024, Walsin Technology Group achieved 100% of its Scope 14064 and ISO 14067). 2 greenhouse gas electricity-saving target.	1. Continue to track and discuss carbon reduction topics, such as planning and promoting supplier carbon inventories (ISO 14064 and ISO 14067). Engagement on guidance and reduction. 2. Strengthen the promotion of the importance of sustainability.





2-4 SDGs Response and Management Policies



Water and discharge water	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-1 Business Philosophy and Regulatory Compliance		6.3 and 6.6

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	2024 Evaluation Results	Management policy adjustment
Indirect	Direct	Facilitation	1. Formulate and implement a comprehensive corporate water strategy that encompasses social equity, environmental sustainability, and economic benefits within the scope of the Company's and supply chain's operations, with the goal of strengthening resilience in water resource management under climate change and enhancing the capacity for dynamic adaptation during future water shortages. 2. Protect, restore, and operate water-related ecosystems within the operations and supply chain.	1. Comply with the national Water Pollution Control Act. 2. Reduce water consumption and wastewater discharge to protect natural ecosystems.	1. Improve water quality, reduce pollution, eliminate waste dumping, and minimize the release of toxic chemicals and hazardous materials. 2. Ensure that effluent water quality meets standards to protect water-related ecosystems.	1. All plants properly treat process wastewater and other wastewater. 2. Implement integrated water resource management.	1. Implement monthly compliance verification of regulations. 2. Conduct daily inspections to confirm that wastewater treatment equipment is functioning normally, optimizing wastewater treatment efficiency.	Weekly plant affairs meetings, occupational safety monthly meetings, and factory meetings are held to explain major environmental regulations and requirements, report abnormal incidents, coordinate improvement measures, and present implementation results.	1. Record daily inspection checklists to identify any abnormal occurrences. 2. Confirm whether there are any major violations recorded for the year.	No major violations.	1. Conduct annual regular education and training for wastewater treatment plant personnel. 2. Maintain normal operation of the wastewater treatment plant, reduce equipment failure rate, and comply with regulatory effluent standards.

Note: No major violations (referring to incidents involving orders from competent authorities to suspend work, suspend operations, cease operations, revoke or cancel pollution-related permits, or a single incident resulting in cumulative fines of NT\$1 million or more).

2-4 SDGs Response and Management Policies

Anti-corruption	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-1 Business Philosophy and Regulatory Compliance		16.5, 16.6 and 16.7

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	2024 Evaluation Results	Management policy adjustment
Indirect	Direct	Indirect	Upholding integrity and pragmatism in business operations	Prohibition of offering or accepting improper benefits	Engage in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the integrity management policy and actively prevent unethical conduct.	1. All plants strictly implement audits in accordance with regulations and Company policies and provide whistleblower mailboxes for complaints. In addition to thoroughly investigating complaints based on their content, the Company also commits to protecting whistleblowers from improper treatment due to their reports. 2. The “Code of Ethical Conduct and Operating Procedures” is published on the Company website and the Market Observation Post System. 3. All newly added suppliers sign the Integrity Commitment Letter. 4. All new employees sign the Employee Service Agreement. 5. The Group Headquarters releases relevant videos on the electronic bulletin board to promote organizational regulations and emphasize the Company’s emphasis on integrity and honesty.	Management, Human Resources, Audit, Employees	Auditing, Hosting, or Complaint Handling	Internal Audit and Management Review Meetings	No major violations.	Continuously maintain zero major violation.

Note: No major violations (referring to incidents involving orders from competent authorities to suspend work, suspend operations, cease operations, revoke or cancel pollution-related permits, or a single incident resulting in cumulative fines of NT\$1 million or more).

2-4 SDGs Response and Management Policies

Child labor	Corresponding chapters and sections	Corresponding SDGs	Corresponding SDGs details
	3-5 Supply Chain Management 5-1 Human Resources Policy Content	 	8.7 and 16.2

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	2024 Evaluation Results	Management policy adjustment
Indirect	Direct	Indirect	It is explicitly stipulated in the Employee Employment Management Regulations and the Social Responsibility Code of Conduct Management Regulations that child labor shall not be employed. All suppliers are required to comply with and sign the “Supplier Code of Conduct,” and child labor shall not be used at any stage of manufacturing.	Fulfilling social responsibilities	No forced labor and no employment of illegal foreign workers.	Strictly prohibit underage employees from engaging in hazardous work. All wages, labor conditions, and occupational safety and health standards are established in accordance with the laws and regulations of the respective countries and regions.	Human Resources Department, Procurement Department	Human Resources Department, Procurement Department	Formulate relevant internal regulations within the Company for regulation.	No violations.	No violations.

Note: No major violations (referring to incidents involving orders from competent authorities to suspend work, suspend operations, cease operations, revoke or cancel pollution-related permits, or a single incident resulting in cumulative fines of NT\$1 million or more).

Corporate Governance

3-1 Business Philosophy and Regulatory Compliance P 30

3-2 Governance Organization P 31- 34

**3-3 Risk Management- Task Force on Climate-related
Financial Disclosures (TCFD)** P. 35-54

3-4 External Participation P 55

3-5 Supply Chain Management P 57 -59

3-6 Quality Management P 60

3-7 Operational Performance P 61-62

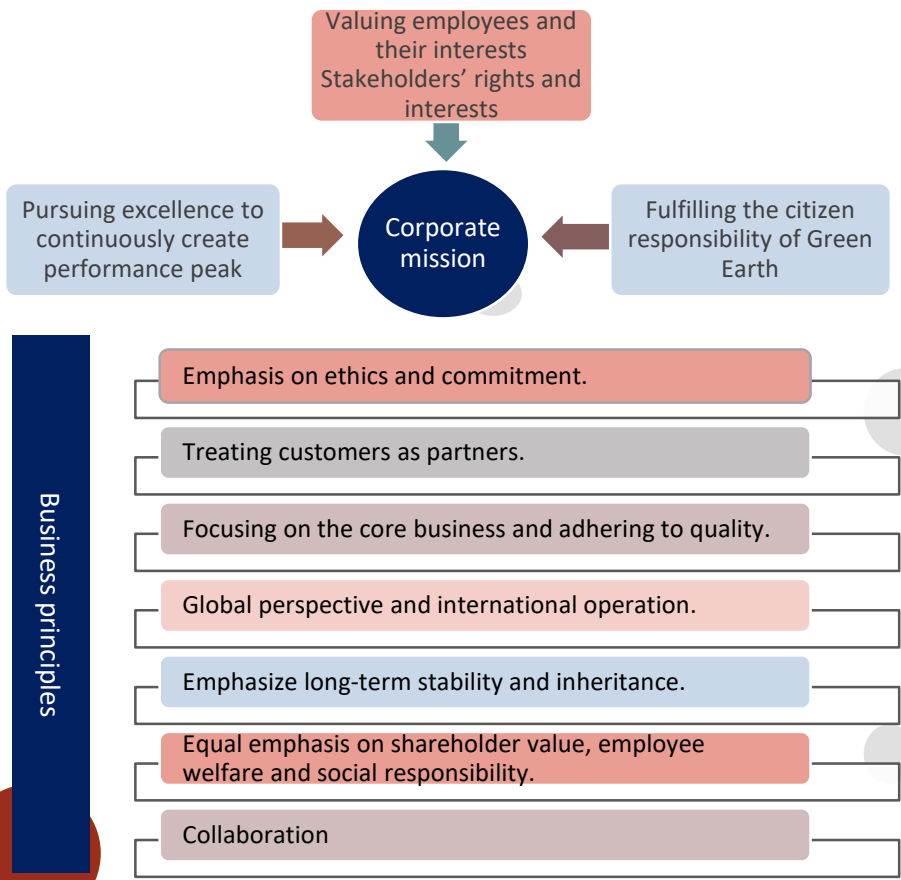
3-8 Customer Relations P 63

3-9 Information Security and Privacy Protection P 64

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.

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 and the Malaysia Plant underwent RBA third-party audits in 2023 and were awarded Silver Medals. The Dalang Plant also received a Silver Medal in March 2025 following a third-party audit. The Suzhou Plant passed the SMETA 4P audit in December 2024 and completed its second RBA third-party audit in February 2025, receiving a Silver Medal.

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 2024.

3-2 Governance Organization

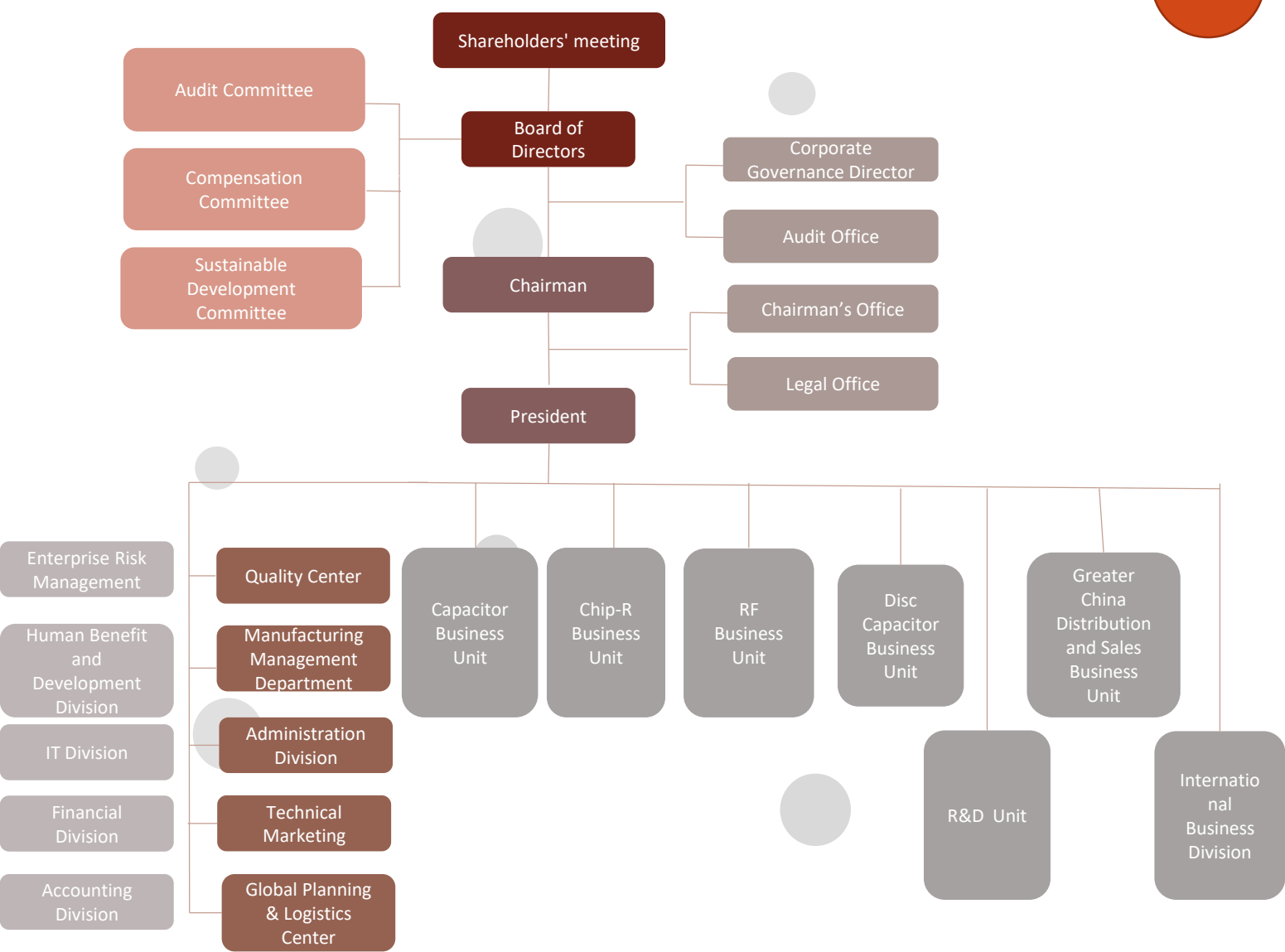
Organization Structure

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. In 2023, the Company had no incidents of regulatory violations resulting in fines. In 2024, there were no major violations (defined as a single incident resulting in a fine of NT\$1 million or more, or a suspension of operations). However, in February 2024, the Company was fined NT\$50,000 by the competent authority for violating Article 32, Paragraph 3 of the Labor Standards Act (i.e., when the number of workers exceeds 30, any extension of working hours must be reported to the local competent authority for record). The cause of this incident was that, although the Company had obtained prior approval through the labor union and labor-management meeting and had clearly specified the matter in the work rules in accordance with regulations, it only submitted the report to the Taipei City Government Department of Labor, where the Company is registered (with a copy to the Taoyuan City Government), without simultaneously filing with the Taoyuan City Government, which is the actual operational location. After being notified by the Ministry of Labor, the Company promptly completed the supplementary filing with the Taoyuan City Government Department of Labor and strengthened its internal review and reporting procedures to prevent similar incidents from occurring in the future. Walsin Technology has already conducted corruption risk assessments at operational sites including locations in Taiwan, China, and Kamaya Electric (Malaysia Plant), incorporating anti-corruption risk assessments. Subsidiaries such as Dongguan WTC, Suzhou WTC and Pan Overseas (Guangzhou) Electronic Co., Ltd. have been included within 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 composed of 7 directors (1 female and 6 male), all aged 50 and above. (For the educational background and professional experience of the Board members, please refer to pages 7–8 of the 2024 Annual Report.)

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, as well as the operation of the board of directors, please refer to Walsin Technology's 2024 annual report: "Three. Corporate Governance Report".



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Board Performance Evaluation

The Board of Directors conducts an internal performance evaluation annually and engages an external professional independent institution to conduct an evaluation once every three years. The evaluation may include the following five major aspects, and plans are in place to incorporate ESG-related issues, such as the Company's economic, environmental, and people impacts, into future performance evaluations. (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. For the 2024 performance evaluation results, please refer to the [Board of Directors section on the official website](#).

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 policies, systems, structures, and standards for the performance evaluation and remuneration of directors and managerial officers are determined and reviewed by the Remuneration Committee with reference to the Company's long-term and short-term development plans as well as industry standards. Plans are in place to incorporate ESG-related issues, such as the Company's economic, environmental, and people impacts, into future performance evaluations. 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

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.

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.



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 2024 annual report: "Three. Corporate Governance Report".



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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.

Board of Directors’ Continuing Education

In 2024, the total training hours for directors amounted to 72.5 hours, with each director receiving an average of approximately 10.3 hours of training. The courses covered a wide range of topics, including global political and economic trends and outlook, responses to new world dynamics, strategies for leveraging policy resources to connect Taiwanese local communities with corporate ESG, and new international net-zero technologies. This diversity of topics demonstrates the Board's broad concern and in-depth learning. For details, please refer to the Corporate Governance Report on pages 63 to 64 of the Annual Report. Looking ahead, we will progressively incorporate Walsin Technology’s material ESG topics more closely into the Board’s training courses to ensure that directors not only stay informed of the latest global development trends but also gain in-depth understanding and promote the Company’s responsibilities and development in environmental, social, and governance aspects, thereby achieving comprehensive and sustainable progress.

Board Procedures and Planning

When defining and counting major events for communication purposes, Walsin Technology refers to legal regulations and practical operations. General Board meeting proposals include matters that must be submitted by law, such as financial statements. Relevant departments prepare and submit these proposals in advance according to the scheduled Board meeting time. In addition, some proposals, while not legally required, are also included for Board discussion based on corporate governance evaluation requirements or internal management needs.

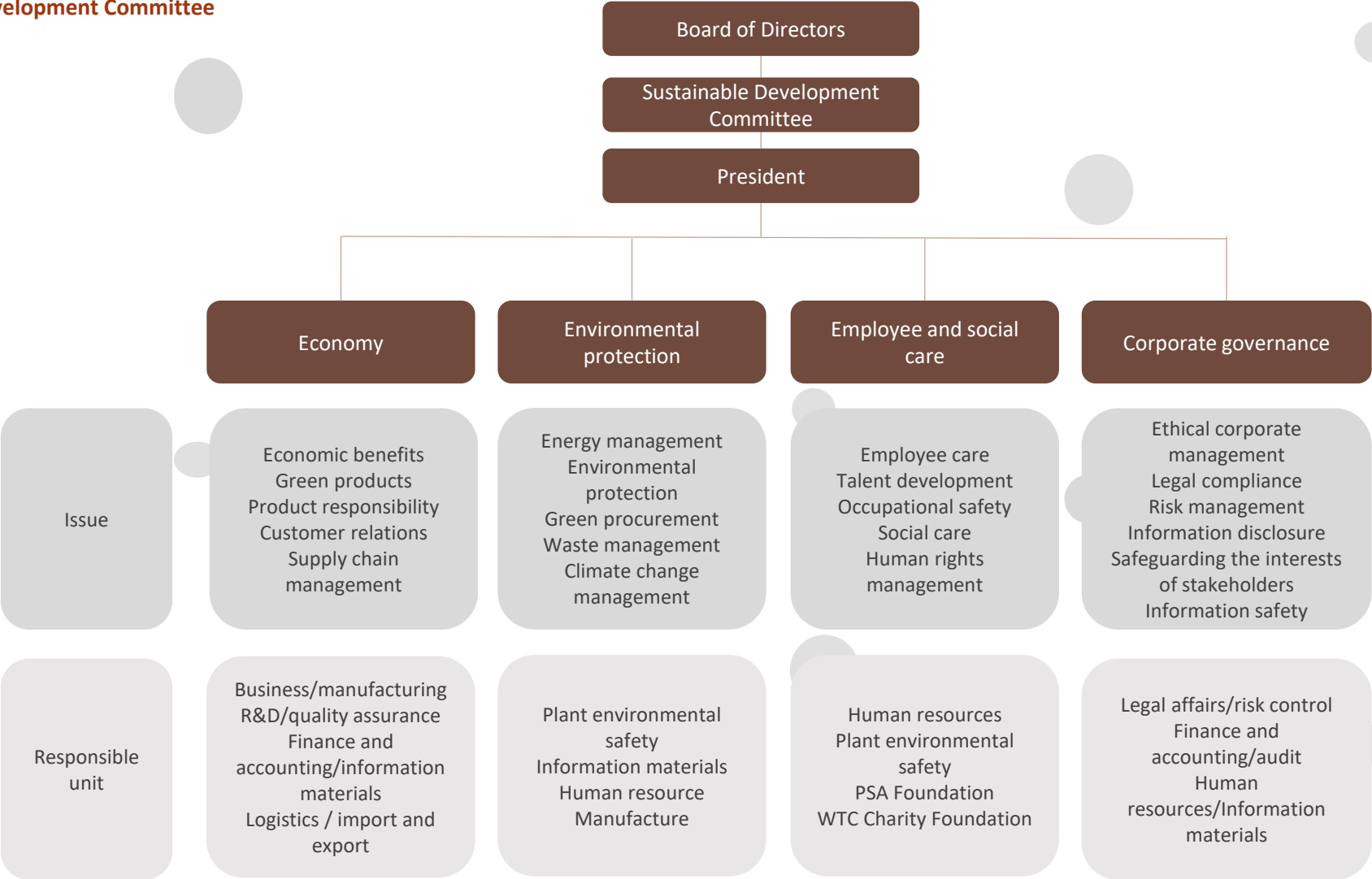
As for ESG-related matters, a total of three proposals were submitted to the Board in 2024, namely:

1. Quarterly greenhouse gas inventory progress reports
2. ESG report approved by Board resolution
3. Sustainable Development Committee report

The Corporate Governance unit determines whether a topic constitutes a major event for Walsin Technology based on whether it involves high-level decision-making, external evaluation indicators, or potential impact on the Company’s operations. Based on this, the number and nature of proposals actually reviewed by the Board are counted to ensure transparency in information disclosure and the completeness of overall governance effectiveness.

3-2 Governance Organization

Sustainable Development Committee



3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

Walsin Technology Corporation, as one of Taiwan’s leading passive component manufacturers, offers products that are widely used in the automotive electronics, consumer electronics, and industrial control sectors. With growing global concern over climate change, the Company fully recognizes the importance of climate-related risks and opportunities to business operations. Accordingly, this report follows the four recommended pillars of the Task Force on Climate-related Financial Disclosures (TCFD) to explain Walsin Technology’s actions and achievements in the areas of governance, strategy, risk management, and metrics and targets.

Governance

Walsin Technology has established a clear governance structure for climate-related issues, with the Board of Directors directly overseeing climate-related risks and opportunities. The Company established a Corporate Social Responsibility Committee in 2011, which was expanded into the Sustainable Development Committee at the end of 2021. On December 14, 2022, it was approved by the Board to become a functional committee under the Board. The committee is convened by an independent director and brings together mid- and senior-level managers from departments such as environment, R&D, and operations to jointly review the Company’s risks and strategies related to sustainability issues such as climate change. The Board authorizes senior management to implement related decisions. Through regular meetings, climate-related issues are identified and assessed for their impact on operations. Annual action plans are formulated and their implementation progress is tracked to ensure that climate response strategies are integrated into daily operations and properly executed. Implementation status is reported to the Board at least once a year, allowing the Board to effectively fulfill its governance responsibilities for climate issues.

Through the above governance mechanisms, Walsin Technology’s Board of Directors and management team each play their roles in addressing climate change: the Board provides oversight and decision-making, while management is responsible for implementation and response, ensuring a sound governance foundation for managing climate risks and opportunities.

Strategy

1. Industry Characteristics and Business Model:

- **Industry Characteristics:** Walsin Technology Corporation (WTC) is positioned in the midstream of the electronics industry supply chain and is a major manufacturer of passive components. Its main products include multilayer ceramic capacitors (MLCCs), chip resistors, and inductors. Key characteristics of the industry include:
 - **Technology- and capital-intensive:** Requires substantial investment in R&D and advanced production equipment (e.g., cleanrooms, precision sintering furnaces).
 - **Global supply chain:** Raw material sourcing, manufacturing sites, and customer base are all global.
 - **Driven by downstream demand:** Demand is highly correlated with the business climate of industries such as smartphones, automotive electronics, networking, IoT, and industrial control.
 - **Diverse and miniaturized product specifications:** Continuous development of smaller, higher-capacity, and higher-frequency products is required.
 - **Emphasis on yield and quality stability:** Given the large volume of passive components, yield and quality are critical to customers.
- **Business Model:** WTC primarily adopts a B2B model, selling its passive component products to electronic product manufacturers (OEMs/ODMs) worldwide. The core of its business model includes:
 - **Mastery of key manufacturing technologies:** Covers core process technologies from raw material formulation, powder preparation, forming, sintering, to electrode processing.
 - **Scaled production:** Mass production is used to reduce costs and meet customer demand.
 - **Global sales and service network:** Establishes comprehensive sales channels and technical support to serve global customers.
 - **Collaborative development with customers:** Works with customers on new product designs to develop passive components that meet their needs.
 - **Supply chain management:** Effectively manages upstream raw material suppliers and downstream logistics.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

2. Risks and Opportunities Brought by Climate Change in the Short, Medium, and Long Term:
Based on the above-mentioned industry characteristics and business model, climate change has a profound impact on Walsin Technology’s short-, medium-, and long-term operational strategies.

2.1. Transition Risks

Refers to risks associated with the transition to a low-carbon economy, which can be categorized as follows:

Risk	Description	Impact and Strategic Area for WTC	Potential Financial Impact
Policies and Laws	Governments in various countries may implement carbon pricing (carbon taxes, emissions trading), energy efficiency standards, green procurement requirements, or restrictions on the use of specific chemicals.	■ Operational Strategy and Energy Management: Energy is an important input in manufacturing, and carbon pricing will directly increase production costs. There is a need to invest in energy-saving equipment or switch to renewable energy. ■ Regulatory Compliance Strategy: Resources need to be allocated to ensure compliance with increasingly stringent environmental regulations. ■ Product Strategy: Customers may require product lifecycle carbon footprint information, which would affect product design and material selection.	■ Direct carbon emission costs (carbon taxes or purchase of emission allowances). ■ Capital expenditures required for regulatory compliance (e.g., pollution control equipment, energy efficiency upgrades). ■ Potential fines or litigation costs. ■ Higher energy costs.
Technology Risk	The development and application of low-carbon technologies may disrupt existing business models or product demand. Failure to adopt new technologies may result in a loss of competitiveness.	■ R&D Strategy: Invest in low-carbon production technologies, materials, or more energy-efficient products. ■ Capital Investment Strategy: Evaluate and invest in new green processes or equipment.	■ Capital expenditures for new technologies or equipment. ■ Risk of product obsolescence or loss of market share if technological advancements are not kept up with. ■ Additional R&D costs
Market Risk	Customer preferences may shift toward more environmentally friendly products and suppliers. The rise of green finance may also affect financing costs.	■ Sales and Customer Strategy: Major customers (e.g., Apple, Tesla) increasingly value ESG performance and carbon emissions within the supply chain. This could affect Walsin Technology’s ability to secure orders. The Company may need to provide product carbon footprint data or obtain relevant certifications. ■ Financial Strategy: Investment and financing decisions may be influenced by financial institutions’ assessments of climate risks.	■ Decrease in orders or bargaining power if customer green requirements are not met (revenue risk). ■ Increased operational costs to meet customer requirements (e.g., third-party certification fees, data collection costs). ■ Financing costs may vary depending on the Company's climate risk performance.
Reputational Risk	A company’s performance in addressing climate change may affect its brand image, attractiveness to employees, investor relations, and community relations.	■ Sustainable Development Strategy: Public and transparent disclosure of climate actions and performance (e.g., publishing sustainability reports, adopting the TCFD framework). ■ Human Resources Strategy: Influences the Company’s ability to recruit and retain talent. ■ Investor Relations Strategy: Institutional investors are placing increasing emphasis on climate risk management.	■ Loss of customers or difficulty acquiring new customers due to negative reputation (revenue risk). ■ Stock price volatility or increased financing costs. ■ Increased costs associated with attracting and retaining top talent.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

2. Risks and Opportunities Brought by Climate Change in the Short, Medium, and Long Term:
Based on the above-mentioned industry characteristics and business model, climate change has a profound impact on Walsin Technology’s short-, medium-, and long-term operational strategies.

Physical Risks

Refers to the direct physical impacts related to climate change, which can be categorized as follows:

Risk	Description	Impact and Strategic Area for WTC	Potential Financial Impact
Acute Physical Risk	Caused by the increasing intensity and frequency of extreme weather events, such as:	■ Operational strategy and site selection: If production sites (such as those in Taiwan, China, etc.) or areas where key suppliers are located face increased occurrences of extreme weather events like typhoons, floods, droughts, or earthquakes, it may result in damage to plants and equipment, affecting normal production. Extreme high temperatures may affect equipment operating efficiency or increase cooling costs. ■ Supply chain strategy: If upstream raw material suppliers or key transportation nodes are affected by physical risks, it may lead to supply disruption or delays. ■ Human Resources Strategy: Employee commuting difficulties or disasters affecting their residences may impact attendance.	■ Repair or reconstruction costs for damaged assets. ■ Revenue loss due to production interruptions. ■ Additional procurement costs or shipping fees due to supply chain disruptions. ■ Increased insurance premiums. ■ Additional investment or operational costs required to address water shortages or high temperatures (such as water recycling systems, cooling equipment upgrades).
Chronic Physical Risk	Caused by long-term changes in climate patterns, such as:	■ Operational strategy and resource management: Water resources are critical for the semiconductor/electronics manufacturing industry. Long-term water shortages may limit production capacity or increase water costs. Rising sea levels may threaten coastal production sites or logistics facilities. ■ R&D and technology strategies: It is necessary to develop products or processes that can withstand extreme temperature and humidity changes. ■ Investment strategy: Evaluate long-term climate risks when selecting locations for new plants.	■ Increased water resource costs or production limitations caused by water shortages. ■ Asset devaluation due to location in high-risk areas (asset stranding). ■ Long-term capital expenditures required to adapt to chronic changes.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

WTC’s Assessment of Future Short-, Medium-, and Long-Term Outlooks –

In the short term (3–5 years)

The main transition risks include tightening carbon emissions regulations and requirements for energy transition. For example, the government may introduce carbon fee/carbon tax systems and regulations requiring major electricity users to increase their share of renewable energy use. If not addressed in a timely manner, it is estimated that by 2030, these factors could have a cost impact of approximately 0.3% to 4% on the Company’s revenue. To mitigate such impacts, WTC has incorporated carbon emission reduction into its operational strategy, including improving energy efficiency in processes and introducing renewable energy, to reduce the burden of future carbon costs. In addition, the frequency of extreme weather events has increased in the short term, such as typhoons and heavy rainfall, which may disrupt power supply and logistics at plants in Taiwan and overseas. Therefore, the Company has strengthened its operational resilience to ensure uninterrupted production.

Medium-term assessment (the next 5–10 years)

Market transitions driven by climate change will bring both risks and opportunities. On one hand, carbon emissions regulations in various countries will become increasingly stringent, and international customers are placing greater emphasis on supply chain carbon footprints. This requires the Company to continue investing in net-zero transition efforts, such as upgrading production equipment to reduce energy consumption and developing low-carbon process technologies. On the other hand, the global trend toward carbon reduction will accelerate the development of green industries such as electric vehicles, renewable energy, and smart grids. These industries will see a significant increase in demand for high-quality passive components. WTC assesses this as a major growth opportunity. In recent years, the Company has actively expanded its production capacity for automotive-grade MLCCs to seize new opportunities in the electric vehicle market. It plans to increase monthly capacity to 2.5 to 3 billion units to meet the growing demand for components from automotive and industrial electronics customers. This move also strengthens the Company’s market position in the low-carbon economy.

In the long term (after 2030)

WTC will continue to adjust its corporate strategy with climate change trends as a core consideration. With the global goal of achieving net-zero emissions by 2050, the Company has also formulated a corresponding long-term vision and transformation pathway to gradually move toward the net-zero goal. This includes several aspects:

- (1) **Energy Transition:** Gradually increase the proportion of renewable energy usage year by year to reduce dependence on traditional fossil fuels. In 2023, the Company participated in the investment and establishment of a green energy company, planning to gradually increase the share of renewable electricity through self-built solar power generation, external purchase of green electricity, and procurement of renewable energy certificates, thereby comprehensively reducing operational carbon emissions.
- (2) **Process Innovation:** Invest in the R&D of low-carbon manufacturing technologies and equipment upgrades to reduce energy consumption and waste heat in production processes, and improve production efficiency. The Company has already launched carbon reduction plans for production and facility equipment, aiming to achieve emission reductions through more efficient machinery and optimized processes.
- (3) **Products and Market:** Develop new products that meet the needs of the green economy, such as high-reliability, low-power consumption passive components, to support applications in electric vehicles, 5G, renewable energy equipment, and more, seizing market opportunities arising from climate action. At the same time, the Company closely monitors the potential impact of climate change on the supply chain to ensure a stable supply of raw materials and compliance with environmental requirements (e.g., all raw materials comply with RoHS, REACH, and other environmental regulations).

At a fundamental level, the physical and transition risks of climate change have multifaceted strategic impacts on manufacturing companies such as Walsin Technology, spanning all aspects from raw materials, production, and sales to operational management. The financial impacts may be reflected in increased costs (operational, capital), reduced revenue, asset impairment, and changes in investment and financing conditions. Effective climate risk management and sustainable development strategies are crucial to WTC’s long-term stable operations.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3. Impact of Climate-Related Risks and Opportunities on WTC’s Business, Strategy, and Financial Planning:

3.1. Financial Impact of Physical Risks and Opportunities:

Risk Type: Transition Risk	Specific Risk Items	Financial Impact
		Due to increasingly stringent policies/regulations, the cost of implementation is expected to rise. This impact is estimated using the formula: (Increased Cost Expenditure / Operating Revenue) × 100%.
Policies/Regulations	- Carbon inventory required for entities regulated by the Ministry of Environment - Carbon fee - Renewable energy regulatory requirements - Setting net-zero carbon emission targets for the Group (including subsidiaries)	- According to Ministry of Environment regulations, entities with annual carbon emissions exceeding 25,000 metric tons must conduct reporting and verification procedures in accordance with the "Greenhouse Gas Emissions Inventory Registration and Verification Management Regulations." Since the verification procedure must be carried out by third-party verification companies, this will increase the Company’s expenses. It is estimated that the increase in operating costs accounts for approximately 0.002% of operating revenue. - In response to the carbon fee charging regulations announced by the Ministry of Environment in August 2024, it has been confirmed that two of the Company’s plants are subject to regulation and charges by the Ministry, resulting in increased expenditures. It is estimated that the increase in operating costs will account for approximately 0.02% of operating revenue. - To comply with renewable energy regulations and meet stakeholder expectations in the future, the Company may need to implement energy-saving guidance and introduce the ISO 50001 Energy Management System, continuously improving energy efficiency to reduce dependence on energy. This will increase expenditures, with an estimated increase in operating costs accounting for approximately 0.16% of operating revenue. - In response to domestic and international net-zero carbon emission trends, the Company will need to set net-zero carbon targets for the Group (including subsidiaries). If stakeholders require the submission of targets to SBTi, this will lead to increased expenditures, with an estimated increase in operating costs accounting for approximately 0.03% of operating revenue.
	- ESG Sustainability Report Preparation and Assurance - Carbon Fee/Carbon Neutrality Policies	In response to government promotion of related policies, the Company must invest additional resources in employee education and training, hiring consultants, and implementing relevant certifications. This is estimated to account for approximately 0.01% of revenue.
Market	Aggravated climate change may cause financial losses for customers, increasing the risk of bad debts, resulting in an increase in bad debt expenses and higher accounts receivable insurance premiums.	An increase in the number of insured customers and higher premium rates for high-risk customers results in cost increases estimated to account for approximately 0.01% of revenue.
	Supply Chain Rerouting (e.g., longer routes, switching to air freight)	Due to supply chain rerouting, freight costs are expected to increase by 10% to 20%, resulting in an estimated increase in cost ratio of approximately 0.03% to 0.07%.

* The following financial impact estimates are limited to physical locations in Taiwan and do not include entities in China or overseas. It is estimated that starting in 2026, the financial impacts of physical locations in China and overseas will be gradually disclosed.

3.1. Financial Impact of Physical Risks and Opportunities:

Risk Type: Transition Risk	Specific Risk Items	Financial Impact Due to increasingly stringent policies/regulations, the cost of implementation is expected to rise. This impact is estimated using the formula: (Increased Cost Expenditure / Operating Revenue) × 100%.
Reputation	■ Insufficient climate change response actions fail to meet stakeholder expectations, resulting in a decline in brand reputation. ■ Failure to meet the needs of customers/market consumers leads to a decrease in corporate brand image value.	■ To enhance corporate reputation, the Company will improve sustainability rating scores and participate in related sustainability competitions to increase visibility and establish a positive image. However, the estimated financial impact on WTC is an increase in operating costs of approximately 0.009% of operating revenue.
		■ Damage to the employer brand leads to increased recruitment costs. Additionally, due to a rise in turnover rate, indirect costs related to replacement, training, and handover increase. The estimated additional cost is NT\$3 million, accounting for approximately 0.0182% of revenue. ■ Failure to effectively supply customer needs results in decreased revenue, with an estimated revenue loss of 5%–8%.
Technology	■ Use of low-carbon energy ■ Improvement of energy conversion efficiency ■ Low-carbon product development	■ Selection of raw materials or process development for new product development must consider carbon emissions and energy consumption. ■ In material design, continuously develop new low-temperature sintering material formulas to reduce the sintering temperature required for product manufacturing, and reduce the content of organic compounds in formulas to achieve the goal of energy saving, carbon reduction, and greenhouse gas reduction. ■ Use of new raw materials and changes in processes result in increased costs, estimated to account for approximately 0.06%–0.12% of revenue. ■ Replacement of energy-consuming equipment and development of low-carbon products is estimated to increase cost ratio by approximately 0.12%.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3.2. Financial Impact of Physical Risks and Opportunities:

Risk Type: Physical Risk	Specific Risk Items	Financial Impact
		Due to increasingly stringent policies/regulations, the cost of implementation is expected to rise. This impact is estimated using the formula: (Increased Cost Expenditure / Operating Revenue) × 100%.
Flooding caused by heavy rainfall	■ Employees unable to report to work, commuting obstructed	■ Flooding caused by heavy rainfall results in work stoppages, leading not only to reduced production capacity but also continued payment of employee wages. At the same time, to maintain uninterrupted critical operations, it is necessary to provide employees with remote work equipment and resources. In addition, disaster preparedness training and drills must be strengthened to enhance overall response capabilities. The estimated additional cost accounts for approximately 0.024% of revenue. ■ Sudden heavy rainfall causes flooding, resulting in water-damaged equipment and factory recovery costs, leading to increased costs estimated to account for approximately 0.06% of revenue.
	■ Remote work equipment and emergency support	
	■ Post-disaster recovery, disaster preparedness training and drills for employees	
Typhoons	■ Factory flooding or equipment damage	■ The impairment and repair of buildings and assets result in increased costs, accounting for approximately 0.06% of revenue. ■ Production line shutdowns and supply chain disruptions result in one-time losses estimated at approximately 0.086%–0.143% of revenue.
	■ Operational disruption	
	■ Impairment of the value of buildings and assets	
High temperatures	■ Repair costs for buildings and assets	■ Increased cooling and air conditioning costs for machinery and equipment result in higher costs, estimated at approximately 0.03% of revenue. ■ Cooling costs in the production process increase. Originally, electricity and water expenses accounted for 2%; due to extreme weather, these costs have increased by 20%.
	■ Operational interruption	
	■ Cost to restore normal operations	
	■ Cooling and air conditioning costs for machinery and equipment	
	■ Heat affects production yield, increasing scrap rate	
	■ Compensation costs related to occupational safety and health due to heat-related worker injuries	

3.3. Scenario Analysis

Walsin Technology's climate change scenario analysis is divided into two categories: “transition scenario” and “physical scenario.” The following provides a description and disclosure:

3.3.1. Transition Scenario:

3.3.1.1. Scenario Selection and Assumptions

Selected scenario: International Energy Agency (IEA) “Net Zero Emissions by 2050 Scenario” (NZE 2050 Scenario)

- The goal of this scenario is to limit the global average temperature increase to within 1.5°C above pre-industrial levels.
- This is a highly ambitious transition scenario, in which rapid and profound structural changes are expected in the global energy system.

Key assumptions under this scenario:

- Widespread adoption and rising prices of carbon pricing mechanisms: Governments may implement stricter carbon taxes, carbon fees, or cap-and-trade systems, leading to increased carbon emission costs for enterprises.
- Significant increase in the share of renewable energy: The power generation structure will shift toward renewable energy. In the short term, this may cause electricity price fluctuations or investment needs, while in the long term, it will help reduce Scope 2 emissions.
- Stricter energy efficiency standards: Higher energy efficiency requirements for industrial processes and products.
- Acceleration of transportation electrification: The electric vehicle market will grow rapidly, driving a surge in demand for specific passive components.
- Development of emerging green technologies: Such as energy storage systems, hydrogen energy, and carbon capture technologies, which may stimulate demand for new components.
- Regulatory and policy changes: Stricter environmental regulations, emission standards, and climate-related disclosure requirements.
- Shifting consumer and market preferences: Strengthened preferences for low-carbon products and sustainable companies.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3.3.1.2. Financial Impact Assessment

The following analyzes the potential transition risks and opportunities under the IEA NZE 2050 scenario and their possible financial impact on Walsin Technology.

Transition Risks and Their Potential Financial Impacts

Risk Category	Risk Drivers (IEA NZE 2050 Scenario)	Potential Impacts on Walsin Technology	Potential Financial Impact Items	Estimated Impact Level	Time Frame
Policy and Regulatory Risks	1. Carbon pricing (carbon tax/carbon fee/ETS) 2. Stricter emission standards 3. Enhanced energy efficiency regulations	1. Increase in production costs (direct and indirect carbon costs) 2. Need to invest in process improvements or low-carbon technologies to comply with regulations Failure to meet standards may lead to fines or operational restrictions	● Increase in Operating Expenditures (OPEX): Carbon tax/carbon fee expenses, rising energy costs. ● Increase in Capital Expenditures (CAPEX): Investment in energy-saving equipment, process upgrades, carbon capture technology (if applicable). ● Potential increase in fines and compliance costs.	Medium to High	Short to Medium-Long Term
Technology Risk	1. Slow transition to low-carbon technologies 2. Impairment of existing high-carbon emission assets	1. Failure to timely adopt energy-saving or low-carbon production technologies results in reduced cost competitiveness 2. Existing high-energy-consuming equipment faces accelerated phase-out or asset impairment pressure	● Increase in Capital Expenditures (CAPEX): For adopting new technologies or replacing old equipment. ● Asset impairment: If the economic benefits of existing high-carbon emission or high-energy-consuming assets significantly decline due to the transition. ● R&D expenditure increases: Investment in the development of more energy-efficient production technologies or alternative materials.	Medium	Medium-Long Term
market risk	1. Increased customer demand for low-carbon products 2. Enhanced carbon footprint requirements within the supply chain 3. Competitors accelerating low-carbon transition	1. Failure to provide low-carbon products or meet customer carbon footprint requirements may result in order loss 2. If raw material suppliers pass on carbon costs, procurement costs will rise	● Revenue may decrease: If the Company fails to meet market demand for low-carbon products ● Market share may decline. ● Increase in Operating Expenditures (OPEX): Procurement costs for raw materials may increase (if suppliers pass on carbon costs). ● R&D expenditure increases: Development of low-carbon footprint products.	Medium to High	Medium-Long Term
Reputation al Risk	Insufficient climate response actions	Lower evaluations of the Company by investors, customers, employees, and the public, affecting brand image and financing conditions	● Cost of capital may increase: Investors may demand higher risk premiums for companies with high climate risks. ● Brand value impaired. ● Increased difficulty in talent recruitment and retention.	Medium	Medium-Long Term

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

Transition Opportunities and Their Potential Financial Benefits

Opportunity Category	Opportunity Drivers (IEA NZE 2050 Scenario)	Potential Opportunities for WTC	Potential Financial Impact Items	Estimated Impact Level	Time Frame
Resource efficiency	- Improved energy efficiency - Optimization of raw material usage - Introduction of circular economy models	- Reduce energy consumption and waste during the production process - Improve raw material usage efficiency and reduce waste	- Operating expenditures (OPEX) decrease: Savings in energy costs, reduction in raw material costs, and lower waste treatment expenses. - Capital expenditures (CAPEX) may initially increase: Investments in equipment for energy efficiency improvements or circular economy technologies.	Medium to High	Medium-Long Term
Energy	- Adoption of renewable energy - Construction of self-owned renewable energy facilities	- Reduce Scope 2 emissions and lower carbon costs - Obtain more stable or lower-cost green electricity supply - Enhance corporate green image	- Operating expenditures (OPEX) may decrease in the long term: Reduce electricity costs and carbon taxes/fees through power purchase agreements (PPAs) or self-generation for own use. - Capital expenditures (CAPEX) may initially increase: Investment in solar panels and other self-owned renewable energy facilities. - Financing opportunities: May obtain green financing or subsidies.	Medium	Medium-Long Term
Products and services	- Rapid growth of the electric vehicle market - Widespread adoption of 5G infrastructure - Increased demand for green energy facilities (solar, wind, energy storage) - Development of smart grids and the Internet of Things (IoT)	- Substantial increase in demand for passive components such as ceramic capacitors, chip resistors, and inductors, especially for applications in electric vehicle powertrains, charging stations, renewable energy inverters, and energy storage systems. - Development of niche products suitable for emerging applications (e.g., high frequency, high power, high temperature resistance).	- Revenue increase: Benefit from high-growth markets such as electric vehicles, renewable energy, and 5G. - Market share may increase: If key components that meet market demand can be provided. - Profit margin may improve: High value-added products. - R&D expenditure increases: Develop new products to capture market opportunities.	High	Mid- to long-term
Market	- Customer preference for sustainable supply chains - Green procurement trend	- Become the preferred supplier for sustainable brands - Enter niche markets with high environmental performance requirements	- Revenue increase: Win orders from customers who value sustainability. - Customer loyalty increases. - Brand value increases.	Medium	Medium-Long Term
Resilience	Enhance operational resilience through climate risk management	- Reduce operational disruptions or losses caused by climate-related risks - Improve supply chain stability	- Losses from operational disruptions decrease. - Insurance costs may remain relatively stable or decrease (long-term). - Investor confidence increases.	Medium	Medium-Long Term

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3.3.1.3. Qualitative Description of Financial Impacts

Under the IEA NZE 2050, a highly ambitious transition scenario, the main financial challenges faced by WTC come from:

- Rising costs: Carbon pricing, initial costs of energy transition, capital expenditures on process improvements and low-carbon technologies, and research and development expenses.
- Asset impairment risk: High-energy-consuming or high-carbon-emitting assets may face pressure of accelerated obsolescence.
- Intensified market competition: Failure to meet the demand for low-carbon products may affect revenue and market share.

However, this scenario also presents significant development opportunities for WTC:

- Revenue growth potential: The rapid development of markets such as electric vehicles, renewable energy, and 5G will significantly drive the demand for high-performance passive components.
- Cost-saving potential: In the long term, improving energy efficiency and using renewable energy can reduce operating costs.
- Market position consolidation: Proactive climate action and investment in sustainable development help enhance brand image and become the preferred choice of customers.

3.3.1.4. Climate Resilience

To address the aforementioned risks and seize opportunities, WTC will strengthen the following measures to enhance its resilience to climate change:

- Strengthen carbon inventory and management: Accurately grasp its own carbon emissions (Scope 1, 2, and 3), and set science-based carbon reduction targets (SBTi).
- Invest in low-carbon technologies and process improvement: Continue R&D investment, improve energy efficiency, and explore alternative materials and low-carbon production technologies.
- Increase the proportion of renewable energy use: Through purchasing green electricity, signing Power Purchase Agreements (PPA), or building renewable energy facilities in-house.
- Deepen supply chain cooperation: Promote carbon reduction jointly with suppliers to enhance the green resilience of the overall supply chain.
- Develop green products: Develop high-performance, low-carbon-footprint passive components for emerging markets such as electric vehicles, energy storage, and 5G.
- Enhance transparency of climate information: Follow international frameworks such as TCFD and regularly disclose climate-related risks, opportunities, and response strategies.
- Incorporate climate factors into corporate decision-making: Fully consider the impacts of climate change in areas such as investment, R&D, and operations.

3.3.2. Physical Scenario

3.3.2.1. Scenario Selection and Assumptions

- **Selected scenario:**
- **RCP2.6 (Low Emission Scenario):** Represents aggressive global emission reduction efforts, striving to keep the global average temperature increase within 2°C (compared to pre-industrial levels), and even aiming for 1.5°C. Under this scenario, physical risks still exist, but their frequency and intensity are relatively lower.
- **RCP8.5 (High Emission Scenario):** Represents the baseline pathway where greenhouse gas emissions continue to rise. Under this scenario, the world is expected to face more frequent and intense extreme weather events and significant long-term climate pattern changes.
- **Core Comparison Point:** This report aims to compare the extent of physical risks and their financial impacts that WTC may face under these two vastly different emission pathways.

3.3.2.2. Comparison of Physical Risks and Their Potential Financial Impacts

The following provides a comparative analysis of major acute and chronic physical risks that may arise for WTC under the RCP2.6 and RCP8.5 scenarios, as well as the differences in their potential financial impacts.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3.3.2.2.1. Acute Physical Risks and Comparison of Their Potential Financial Impacts

Type of Physical Risk	Potential General Impact on WTC's Operating Sites / Supply Chain (Risk factors are the same; scenario determines the intensity and frequency)	Potential Financial Impact Items and Magnitude under RCP2.6 Scenario	Potential Financial Impact Items and Magnitude under RCP8.5 Scenario	Time Frame
Severe Typhoon/Cyclone	Damage to plants and equipment; production interruption; power and communication outage; employee safety threats; supply chain disruption.	● Asset Impact: Localized damage, repair costs (low to medium). ● Operational Impact: Short-term shutdown, revenue impact (low). ● Cost Impact: Cleanup costs (low), moderate increase in insurance premiums (low).	● Asset Impact: Widespread or severe damage, high replacement costs (medium to high). ● Operational Impact: Long-term shutdown, severe revenue loss (medium to high). ● Cost Impact: High cleanup and reconstruction costs (medium to high), insurance becomes difficult to obtain or premiums extremely high (high).	Short to Medium-Long Term
Extreme Rainfall/Flooding	Flooding of plant sites, damage to equipment and inventory; production interruption; transportation disruptions, delayed logistics.	● Asset Impact: Equipment and inventory slightly damaged (Low). ● Operational Impact: Brief production interruption, revenue impact (Low). ● Cost Impact: Drainage and cleanup costs (Low), maintenance of waterproofing facilities at plant sites (Low).	● Asset Impact: Severe damage or scrapping of equipment and inventory (Medium to High). ● Operational Impact: Longer production interruption, revenue loss (Medium). ● Cost Impact: Large-scale drainage and cleanup (Medium), major waterproofing renovation or relocation assessment needed at plant sites (High).	Short to Medium-Long Term
Extreme Heat/Heatwaves	Decline in employee health and productivity; increased cooling system load, higher energy consumption; risk of equipment overheating and failure.	● Operational Impact: Slight productivity decline (Low). ● Cost Impact: Moderate increase in cooling energy consumption (Low), slightly increased frequency of equipment maintenance (Low).	● Operational Impact: Significant productivity decline, possibly requiring work hour adjustments (Medium). ● Cost Impact: Substantial increase in cooling energy consumption (Medium to High), higher equipment failure rate, increased maintenance costs (Medium), possible intermittent shutdowns due to power restrictions.	Mid- to long-term
Drought	Insufficient supply or rising cost of process water; restricted or interrupted production activities.	● Operational Impact: Regional, short-term water shortage risk with limited operational impact (Low). ● Cost Impact: Short-term fluctuation or moderate increase in water bills (Low).	● Operational Impact: Frequent or prolonged severe water shortages may significantly reduce capacity or cause production shutdowns (Medium to High). ● Cost Impact: Significant rise in water bills, need to invest in expensive alternative water sources or water treatment technologies (High).	Medium-Long Term

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

3.3.2.2.2. Chronic Physical Risks and Comparison of Their Potential Financial Impacts

Type of Physical Risk	Potential General Impacts on WTC Operating Sites/Supply Chain (Risk factors are the same; the scenario determines the severity)	Potential Financial Impact Items and Magnitude under RCP2.6 Scenario	Potential Financial Impact Items and Magnitude under RCP8.5 Scenario	Time Frame
Average Temperature Rise	Long-term increase in energy consumption for plant air conditioning; impact on the stability of certain processes; impact on employee comfort and health.	● Cost Impact: Cooling energy consumption continues to moderately increase (Low to Medium). ● Capital expenditure: Regular upgrades to high-efficiency temperature control systems (Low).	● Cost Impact: Cooling energy consumption continues to significantly increase (Medium to High). ● Capital expenditure: Requires investment in more advanced and large-scale temperature control and plant insulation systems (Medium); feasibility of processes may need to be re-evaluated in certain regions.	Long term
Sea Level Rise	Coastal plants or infrastructure face risks of inundation and seawater intrusion; port operations affected.	● Asset Impact: Protection assessment required for certain low-lying coastal plants, with potential reinforcement costs (Low). ● Supply Chain Impact: Slight impact on efficiency of certain ports (Low).	● Asset Impact: Significant threat to coastal plants and infrastructure, potentially resulting in asset write-offs or requiring massive relocation/protection costs (High). ● Supply Chain Impact: Frequent disruptions to major port operations, leading to a substantial increase in logistics costs (Medium to High). ● Insurance: Insurance for related assets becomes difficult or extremely expensive.	Long term
Changes in Water Resource Patterns	Uneven rainfall, long-term instability or reduction in water supply in certain regions.	● Cost Impact: Moderate fluctuations or increases in water acquisition costs (Low). ● Capital expenditure: Investment in basic water-saving equipment and rainwater harvesting systems (Low).	● Cost Impact: Significant increase in water acquisition costs and highly unstable supply (Medium to High). ● Capital expenditure: Requires investment in advanced and expensive water treatment technologies, seawater desalination (if coastal and feasible), or finding extreme alternative water sources (High). ● Operational Risk: Long-term exposure to operational uncertainty due to water shortages (Medium).	Medium-Long Term

3.3.2.3. Summary Comparison of Financial Impacts

Financial Impact Aspect	RCP2.6 Scenario	RCP8.5 Scenario
Asset Damage and Impairment	Mild to moderate, mainly repairable damage; some high-risk area assets require preventive investment.	Moderate to severe, frequent and serious asset damage; some assets may be completely written off or require costly relocation/reconstruction, with a high risk of asset impairment.
Operational Disruptions and Efficiency	Occasional, short-term operational disruptions with limited impact on overall production capacity; slight fluctuations in production efficiency.	Frequent, long-term operational disruptions causing significant blows to production capacity and significant declines in production efficiency.
Operating Expenses (OPEX)	Moderate increases in energy, water resources, maintenance, insurance, etc., within a controllable range.	Substantial and sustained increases in energy, water resources, maintenance, insurance, etc., severely eroding profits.
Capital Expenditures (CAPEX)	Mainly preventive and adaptive investments, such as equipment upgrades and reinforcement of basic disaster prevention infrastructure; amounts are relatively controllable.	Requires massive capital investment for post-disaster reconstruction, plant relocation, and fundamental infrastructure overhaul (e.g., water conservancy projects, flood control facilities), posing significant pressure on the Company's cash flow.
Supply Chain Stability	Occasional supply chain disturbances that can be managed through contingency plans and diversification strategies.	Frequent and severe supply chain disruptions, difficulty in obtaining materials, soaring logistics costs, severely impacting order fulfillment and customer relationships.
Market and Financing	Enterprises with better climate resilience performance may gain favor in the market and among investors; limited impact on financing costs.	Enterprises poorly managing climate risks will face market loss, investor divestment, and a significant increase in financing costs.

3.3.2.4. Climate Resilience

- **Common Strategies:**
- Continuously conduct climate risk assessments and integrate them into the corporate risk management system.
- Improve energy and resource use efficiency.
- Establish a comprehensive Business Continuity Plan (BCP).
- **Adaptation Focus under the RCP2.6 Scenario:**
- Focus on enhancing operational resilience to respond to occasional extreme weather events.
- Invest in cost-effective adaptation measures, such as basic disaster prevention infrastructure at plant sites and early warning systems.
- Gradually optimize the climate resilience of the supply chain.
- **Adaptation Focus under the RCP8.5 Scenario:**
- More fundamental and large-scale adaptation actions are required, which may include reassessing the long-term suitability of plant site locations.
- Invest heavily in infrastructure reinforcement, relocation, or construction of high-standard protective engineering.
- Actively seek diversified and climate-resilient water and electricity supply solutions.
- Conduct a comprehensive vulnerability assessment and restructuring of the supply chain to establish contingency mechanisms for extreme scenarios.
- Treat climate change as a major challenge to corporate survival and development, and respond to it at the strategic level.

3.3.2.5. Statement

Walsin Technology Corporation conducted a comparative analysis based on the assumptions of the IPCC RCP2.6 and RCP8.5 scenarios. These scenarios describe two possible future climate pathways, and the actual occurrence and extent of physical impacts remain uncertain. This report aims to provide a forward-looking comparative framework to help Walsin Technology understand the potential financial risk differences under various climate scenarios. It does not serve as a precise prediction of future actual losses. Detailed quantification of financial impacts requires more granular internal company data and vulnerability assessments for specific locations.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

Risk Management

WTC has established a systematic risk management procedure to identify, assess, and respond to climate-related risks. We have incorporated climate change risks into the overall corporate risk assessment scope. This assessment covers major production sites in Taiwan and China, including subsidiaries such as Dongguan WTC, Suzhou WTC, and Pan Overseas (Guangzhou) Electronic Co. Through an annually updated corporate risk inventory, the Company has identified two major categories of risks brought by climate change:

Transition Risks	Regarding risks related to regulatory and market changes, the Company closely monitors developments in domestic and international climate policies, such as the implementation progress of carbon fees, carbon taxes, and customer requirements for carbon footprint disclosures. To manage such risks, the Company has first strengthened its greenhouse gas inventory system. Since 2009, it has established a comprehensive carbon emissions inventory mechanism and continues to ensure data accuracy through third-party verification under ISO 14064-1. Having detailed emissions data allows the Company to respond early to carbon fee costs and identify reduction opportunities. In addition, the Company has formulated a carbon reduction strategy, which includes an annual goal of reducing energy intensity by at least 1% and a plan to gradually adopt renewable energy. These measures help mitigate potential financial impacts under a scenario of rising carbon pricing. At the same time, the Company has also established a regulatory compliance mechanism to ensure timely compliance with government energy transition requirements (e.g., renewable energy ratio requirements for major electricity users), and incorporates climate risks into financial planning to proactively assess the impact of major transition risks on operating costs and the supply chain. Regular management meetings and sustainability committee discussions allow each department to share information on climate-related risks and develop cross-departmental risk response solutions.
Physical Risks	To address the direct impacts of extreme weather and environmental changes, WTC has established comprehensive risk management and business continuity plans. During the prevention phase , each plant has established “Emergency Response Procedures” and regularly conducts drills, equipment inspections, and disaster prevention team training to enhance employees' disaster response capabilities. Before typhoon season, the environmental safety unit collaborates with plant engineering teams to pre-inspect drainage and flood prevention facilities and prepare protective materials such as sandbags. During the monitoring phase , in the event of extreme situations such as typhoons, heavy rain, or earthquakes, the Company assigns dedicated personnel to stay on duty at each plant, conduct real-time inspections of equipment safety, and coordinate with on-site security and management staff to ensure the safety of personnel and property. Through the above measures, disruptions to production and operations caused by natural disasters can be minimized. In the post-event response phase, the Company also pays attention to the status of its supply chain and customers affected by disasters: if a major customer’s location is severely impacted by a climate disaster, the business unit will proactively contact the customer to understand the operational impact and assess the risks associated with that customer’s orders and accounts receivable, taking early action to reduce financial risk. For example, if a customer halts operations due to a disaster and this leads to order delays or inability to make payments, WTC will accordingly adjust its production and sales plans or initiate insurance claims procedures to minimize losses. It is worth noting that although the Company has not yet conducted a complete quantitative scenario analysis of climate scenarios (e.g., based on TCFD-recommended scenario analysis), it has effectively managed foreseeable current climate risks through the substantive measures described above. In the future, as internal capabilities improve, the Company plans to gradually introduce more forward-looking scenario assessment tools to enhance the analysis of medium- and long-term climate change impacts and further strengthen the forward-looking nature of risk management.

Overall, WTC’s risk management integrates climate-related risks into its existing framework, categorizes risk types at different levels, and implements corresponding control measures. At the same time, senior management regularly reviews the effectiveness of climate risk management to ensure that related measures are effective and continuously improved to protect the Company’s operational stability and asset security.

3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)

Metrics and Targets

To effectively measure and manage climate-related risks and opportunities, Walsin Technology Corporation has established a comprehensive system of indicators and targets to regularly monitor key environmental performance and disclose it externally. The main climate-related indicators and management targets are as follows:

Greenhouse Gas Emissions: Since 2009, the Company has conducted annual inventories of greenhouse gas emissions from each of its operating sites, including direct emissions (Scope 1) and indirect emissions from purchased electricity (Scope 2).

Since 2019, the Taiwan plants have passed third-party verification of the ISO 14064-1 greenhouse gas inventory every year. The Dongguan subsidiary in China has also obtained the verification certificate since 2021. This ensures the completeness and reliability of WTC’s carbon emissions data. Please refer to the above sections for relevant greenhouse gas emissions figures, available to investors and stakeholders for reference.

Carbon Reduction Targets: WTC has set clear phased targets:

The short- to mid-term target (2021–2030) is to reduce carbon emissions by approximately 1.5% annually, with a mid-term goal of a 15% reduction by 2030; the long-term goal follows the global trend of net-zero emissions by 2050, aiming to align with international trends before 2050.

Energy Use and Renewable Energy: The energy efficiency indicator is an important metric for the Company’s climate performance.

The Company annually compiles data on total electricity consumption and energy consumption per unit of product at each plant, with a minimum improvement target of “1% energy savings per year.” In 2024, through measures such as optimizing air conditioning systems, upgrading to LED lighting, and improving the efficiency of production equipment, the Company achieved its goal of reducing annual electricity intensity compared to the previous year. At the same time, the Company is actively expanding the proportion of renewable energy usage as one of the key indicators for measuring progress in transition. With the launch of its green energy business investment in 2023, the Company plans to gradually increase its self-built solar power generation capacity over the next few years and enhance its green electricity usage ratio by signing renewable energy power contracts or purchasing renewable energy certificates. This year, the Company has completed evaluations and installation planning for solar equipment on the rooftops of some plants and expects power generation to begin next year. In the long term, the Company will gradually increase the share of renewable energy in accordance with government regulations (e.g., meeting the green electricity ratio requirements under the major electricity user provisions for 2025 and 2030) and will include the volume of green electricity used and its proportion of total energy as indicators for regular disclosure.

Water Resources and Other Environmental Indicators:

In addition to carbon and energy, WTC also focuses on other climate change-related environmental resource indicators, including water usage and waste reduction. The Company compiles statistics on the total water withdrawal and water recycling rate at each site every year to evaluate water resource use efficiency. In response to water resource risks (such as the impact of drought on water supply), the Company has formulated water-saving measures and emergency dispatch contingency plans, and set the **management goal** of “improving water use efficiency year by year and ensuring zero interruption during emergencies.”

In terms of waste management, the Company adheres to the principles of “reduction” and “resource utilization,” continuously improving the resource recovery rate of waste, and has set the vision of “zero pollution from final disposal.” Since 2019, the Company has actively procured recycled raw materials to replace part of the virgin materials, increasing the monetary value of recycled materials used, and has consecutively received the Outstanding Green Procurement Unit Award from the Taoyuan City Government. In the future, the Company will further quantify indirect emissions from the supply chain and the environmental footprint of product life cycles to enhance its climate-related indicator system.

Information Disclosure and Transparency: WTC is committed to transparent disclosure of climate-related performance data and progress.

The Company publishes an annually third-party verified sustainability report, disclosing in detail in the “Environmental Protection” chapter data such as greenhouse gas emissions, energy usage, water consumption, and waste treatment, as well as the energy-saving and carbon reduction measures taken during the year. At the same time, the Sustainability section of the Company’s official website also publishes information such as environmental policies and goals, and carbon verification certificates. To ensure data quality, the Company has established a comprehensive internal data collection and review process, conducts quarterly reviews of the progress of various environmental indicators, and has the Sustainability Development Committee confirm the content disclosed externally. In addition, the Company closely monitors international trends in climate information disclosure, such as the IFRS sustainability standards, and will optimize its indicator system and enhance disclosure depth as appropriate to meet the growing information needs of investors and stakeholders.

Through the management of the above indicators and targets, WTC is able to timely track climate-related performance, assess the effectiveness of risk responses, and drive continuous improvement. The Company firmly believes that clear quantitative targets and transparent performance disclosure will help strengthen stakeholder confidence in WTC’s climate actions. We will continue to strengthen climate performance management, move toward a low-carbon and sustainable operational model, and prepare for the long-term vision of achieving net-zero emissions.

3-3 Risk Management – Departmental Responses

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.
Operational management and market risks	Multilayer Ceramic Capacitor Business Unit, Chip Resistor Business Unit, RF Component Business Unit, Safety Component Business Unit, International Business Business Unit, Greater China Business Business Unit, Product Marketing Business Unit	In line with the Company's strategic objectives, strategies, and related high-level goals, these units execute product research and development, manufacturing, sales, and production technology improvements to enhance quality and reduce costs.
Operation of risk management	Business Management and Risk Control Division	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	Business Management and Risk Control Division	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	Finance Division	Interest rate and exchange rate hedging, bank limit management and relationship maintenance, and monitoring of overseas funds.
Supervision of subsidiaries	Global Accounting Division – Investment Management Department	Supervision of financial information and accounting systems of overseas subsidiaries.
Environmental safety and plant management risks	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 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 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 risks	Data Security and Personal Data protection 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.

3-4 External Participation

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
EcoVadis Global Corporate Sustainability Evaluation Platform	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 Plant
Dongguan Hi-Tech Industry Association	Member	Dalang
Dongguan Precursor Chemical Management Association	Member	Dalang
Dutch Organization for Electric Transport (DOET)	Member	The Netherlands
Taiwan Business Association (TBA) in the Netherlands	Member	The Netherlands
RBA ONLINE Platform	Member	Taiwan, China, Malaysia

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 2024.



3-4 External Participation

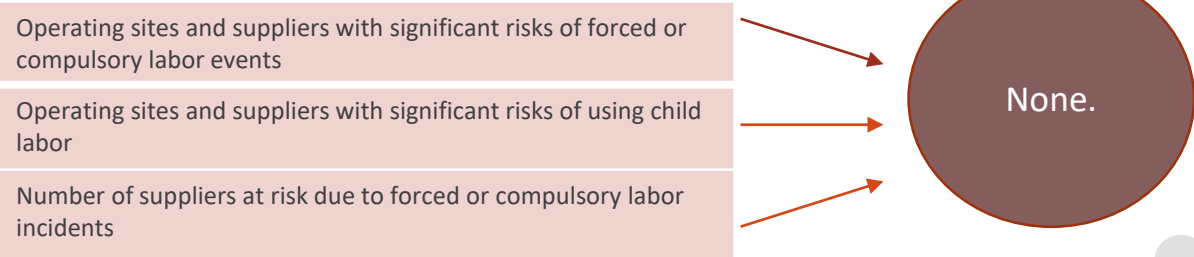
Government subsidies

Subsidized items	Amount (NTD)	Plant/country
Career Stability Bureau support grant	60,403	Japan
Employment adjustment subsidy from the Bureau of Employment and Vocational Stability	1,736,830	Japan
2023 National Taxation Bureau tax payment handling fee refund	7,065	Guangzhou
2024 one-time employment expansion subsidy from the Guangzhou Municipal Government	4,454	Guangzhou
Government special subsidy for new equipment investment and technological transformation from 2021 to 2023	10,326,612	Guangzhou
2024 one-time employment expansion subsidy from the Guangzhou Municipal Government	13,362	Guangzhou
2023 job stabilization expense rebate	318,913	Guangzhou
Government employment expansion subsidy received	6,681	Suzhou
One-time employment subsidy from the government received	26,724	Suzhou
Job stabilization allowance from the government received	467,779	Suzhou
2024 one-time new employment subsidy	111,348	Dalang
2023 job stabilization incentive	812,903	Dalang
2024 Dongguan City vocational skill level reward and subsidy	178,157	Dalang
2024 one-time job expansion subsidy	17,816	Dalang
Employment subsidy for hiring individuals from impoverished backgrounds – township funds	89,079	Dalang
2024 one-time job expansion subsidy	71,263	Dalang
Adjustment subsidy for employment of persons with disabilities from the organization supporting employment of elderly and disabled job seekers	331,897	Japan
Compensation for road improvement project losses (December), Miyakonojo City, Miyazaki Prefecture	196,717	Japan
Adjustment subsidy for employment of persons with disabilities	12,292	Japan

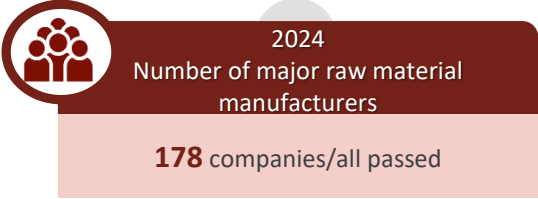
3-5 Supply Chain Management

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, including new suppliers, were evaluated and reviewed in 2024 based on environmental and social standards. Relevant management measures were established for assessment and control. For key raw material suppliers that have already been introduced, audit cycles are determined based on risk levels, ranging from one to three years. Continuous advocacy and encouragement are provided to suppliers in areas such as environmental protection, safety, hygiene, human rights, and conflict minerals, urging ongoing improvement. This aims to jointly pursue sustainable corporate operations and growth, establish a green supply chain, and fulfill corporate social responsibility in the pursuit of sustainable corporate operations and growth.

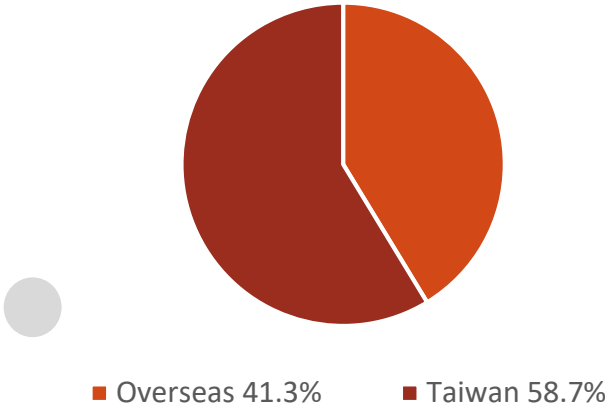
Total number of suppliers in 2024: 1,268



In 2024, there were a total of 193 key raw material suppliers. As some suppliers were categorized as not requiring annual audits, 178 suppliers (accounting for 92%) were randomly selected for evaluation of social impact, and all passed.



Supplier distribution ratio



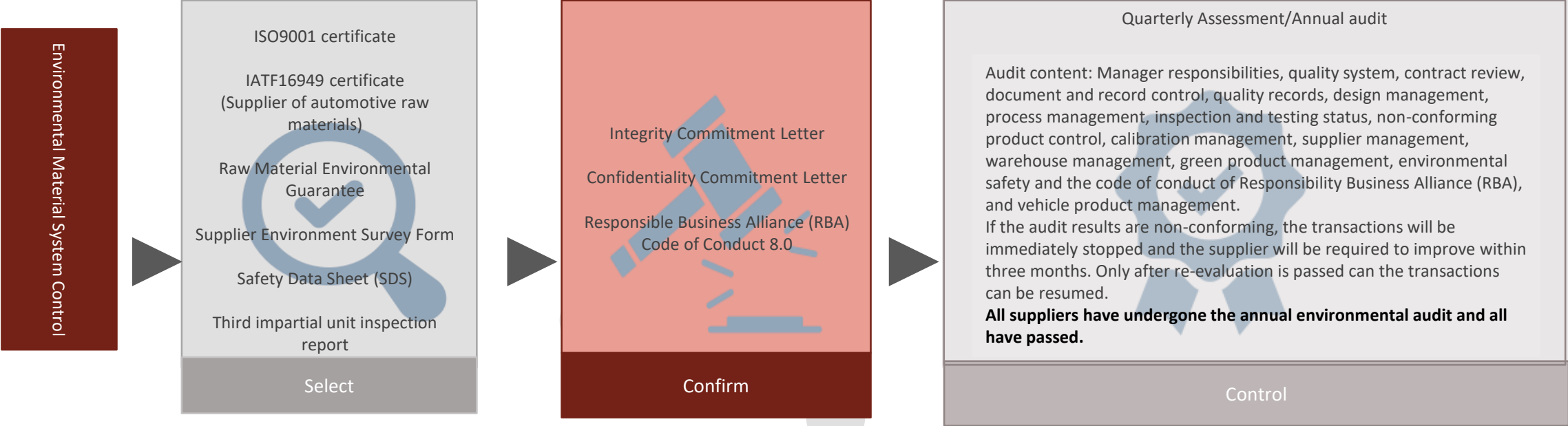
Material Consumption and Recycling

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 the Company’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. In addition, the usage of raw materials and packaging materials was statistically analyzed across each plant. In 2024, the accumulated usage in both Taiwan and overseas plants totaled 17,078,611 KG.

3-5 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 2024, 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.



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.

3-5 Supply Chain Management

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. The social impact spot checks for 2024 have been completed (a total of 178 suppliers), and there are currently no specific actual or potential negative human rights impacts among the suppliers.



Conflict Mineral Response

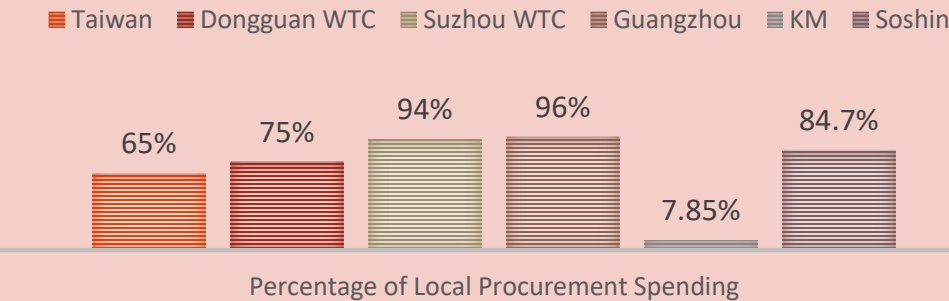
Walsin Technology Co., Ltd. has implemented policies on the sources of tantalum (Ta), tin (Sn), tungsten (W), gold (Au) and cobalt (Co) in its products, and conducted due diligence on procurement in "conflict affected and high-risk areas" to reasonably ensure that their sources comply with the responsible 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 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.

Procurement spending in Taiwan is 65% sourced from within Taiwan; Dongguan WTC’s procurement spending is 75% sourced from mainland China; Suzhou WTC’s procurement spending is 94% sourced from mainland China; Guangzhou WTC’s procurement spending is 96% sourced from mainland China. KM’s procurement spending is 7.85% sourced from Malaysia; Soshin’s procurement spending is 84.7% sourced from Japan.



3-6 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.

In 2024, all management system progress achieved 100% certification for customers' quality management and production systems, and the test results for hazardous substances in products fully complied with all international standards and customer requirements, thereby protecting the environment and ensuring a safe and healthy environment.

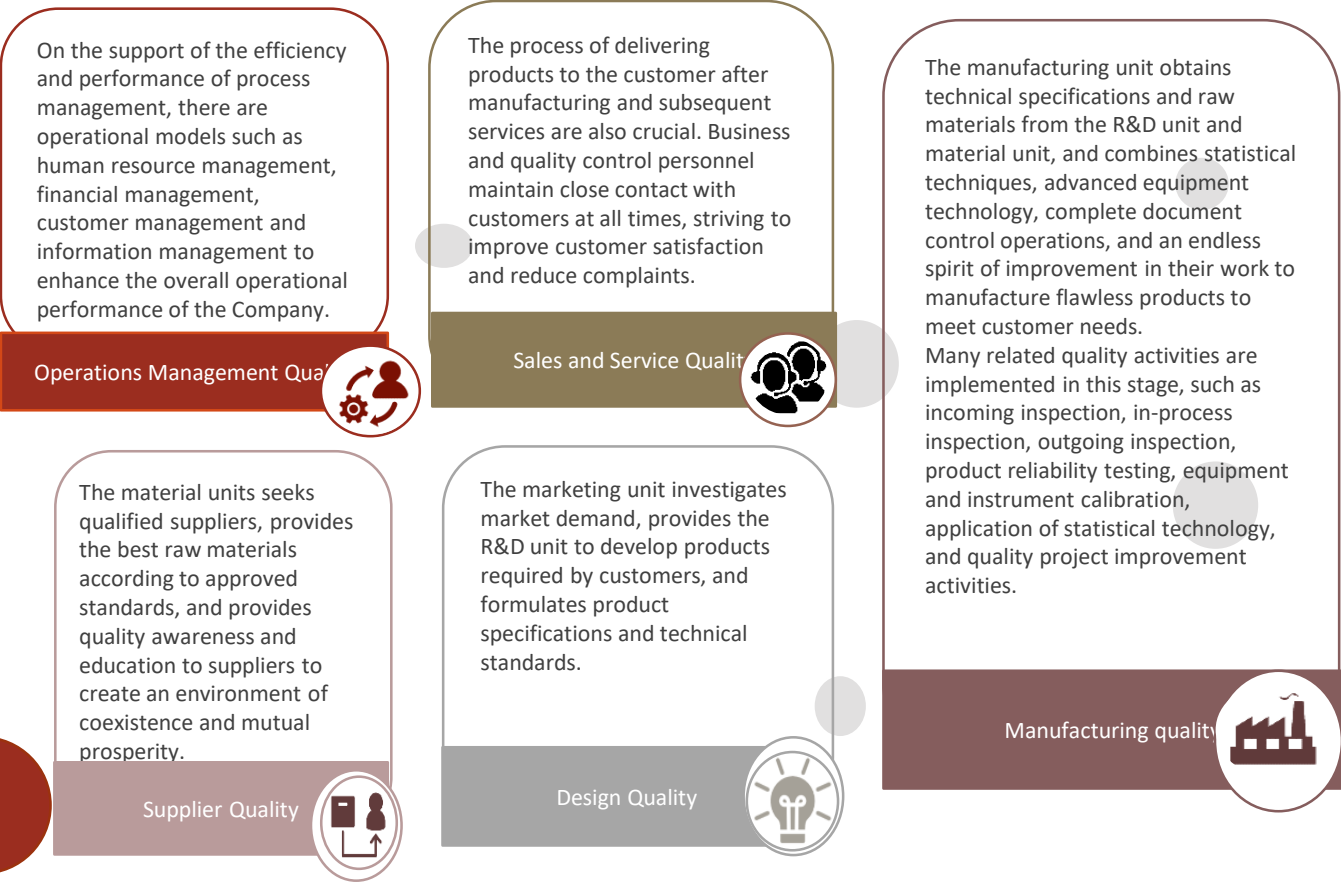
Quality Policy

Providing products and services that satisfy customers.

Compliance with customer and regulatory requirements and requirements for environmental substance management.

Uphold the commitment to continuous quality improvement activities and effective management of environmental substances to achieve the ultimate goal of zero product defects.

Quality System and Responsible Unit



Quality and Management System 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 Automobile Industry Quality Management System	Ⓢ	Ⓢ	Ⓢ
ISO/IEC 17025 Laboratory Quality Management System	Ⓢ		
IECQ QC080000 Hazardous Substance Process Management System	Ⓢ	Ⓢ	Ⓢ
SONY GP Green Partner	Ⓢ	Ⓢ	Ⓢ
RoHS & REACH Product Compliance	Ⓢ	Ⓢ	Ⓢ

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.

Tax Management

The Company upholds a corporate culture of ethical management, requiring all business activities to comply with local laws and regulations, and is committed to implementing tax governance to fulfill its corporate social responsibility:

- Comply with tax laws and regulations of various countries and international tax standards, honestly file tax returns and pay taxes in full, adhere to routine transactions, and refrain from engaging in transactions for the purpose of tax avoidance.
- Tax disclosures are handled in accordance with relevant regulations and standards.
- Internal control mechanisms and management measures are in place to ensure compliance with tax laws.
- Tax risks and impacts are taken into account in major decisions and transactions.
- The Company is capable of promptly assessing the impact of and responding to changes in tax regulations, and formulating corresponding strategies.
- A relationship of mutual trust and respect is maintained with tax authorities, with timely communication and consultation on tax issues.

Key products	Unit	2022			2023			2024		
		Production capacity	Yield	Net sales	Production capacity	Yield	Net sales	Production capacity	Yield	Net sales
Capacitance	million units	654,656	298,867	15,542	655,989	327,913	14,512	667,989	380,108	15,380
Chip resistance	million units	707,566	447,695	8,045	665,749	449,757	6,805	680,165	534,748	7,655
RF components	million units	5,783	2,037	5,263	5,801	2,984	5,183	5,779	3,184	5,974
Protective elements	million units	20,000	15,027	2,690	26,000	16,911	2,833	26,000	20,950	2,940
Dielectric ceramic powder	Ton	4,862	2,324	289	5,370	2,377	257	5,370	2,567	247
Others	million units	653	432	3,468	512	247	3,208	306	169	2,559

	2022	2023	2024
Operating revenue (NT\$ million)	35,297	32,798	34,755
Gross profit from operations (NT\$ million)	6,300	5,837	6,481
Income net of tax (NT\$ million)	1,651	1,986	3,829



For the consolidated financial report of Walsin Technology, please refer to "Six. Financial Overview" of Walsin Technology's 2024 annual report.



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

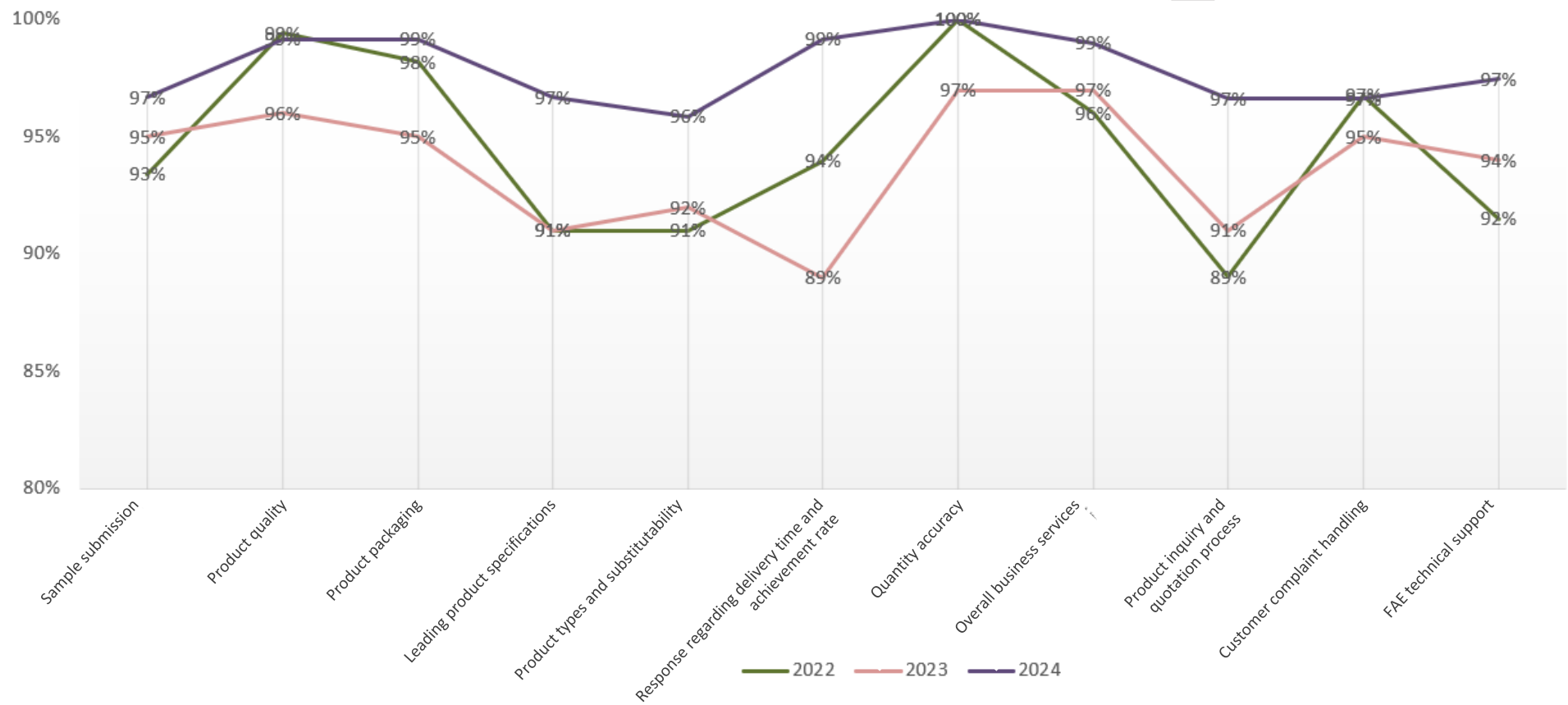
3-7 Operational Performance

Unit: NT\$ million

Item	Amount
Operating revenue Please refer to the “Consolidated Statement of Comprehensive Income” in the Annual Report	\$34,755
Non-operating income Please refer to the “Consolidated Statement of Comprehensive Income” in the Annual Report	\$2,782
Direct economic value generated (A)	\$37,537
Operating costs (costs + expenses) – (employee salaries and benefits) Please refer to the “Consolidated Statement of Comprehensive Income” in the Annual Report	\$24,981
Employee salaries and benefits (personnel expenses) Including salary expenses, employee remuneration, labor and health insurance, pensions, etc. Please refer to the Annual Report “Employee Benefits Incurred During the Year”	\$7,591
Payments to providers of capital (shareholder dividends) The 2024 dividend is NT\$2.4 per share	\$1,166
Payments to government (income tax expense) Please refer to the “Consolidated Statement of Comprehensive Income” in the Annual Report	\$1,135
Community investments	\$1
Distributed direct economic value (B)	\$33,707
Retained economic value (A-B)	\$3,830

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.




**2024
average overall
customer
satisfaction
98%**

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 the 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 internal and external material topics 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. An information security management system was also established, and in 2024, the Company obtained ISO 27001:2022 information security certification on December 13. All operating procedures are in compliance with internationally recognized information security management standards.

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.



2024 Information Security Implementation Results

- Implemented threat detection and monitoring via Trend Micro DDI+ERD
- Passed ISO 27001:2022 upgrade and recertification
- Fully implemented two-factor authentication at all three plants in Taiwan and China
- Upgraded legacy systems: Notes version upgraded from 9 to 12. Upgraded VM versions. Reduced vulnerabilities
- Strengthened network architecture at China plants to defend against hacker intrusions; implemented input method software management, file operation log management, and social engineering drill projects at China plants
- Completed revisions of 7 information security regulations and 4 information security forms
- A total of 465 indirect personnel completed online information security training courses
- A total of 422 participants completed 3 professional information security training courses
- A total of 548 participants joined social engineering drills
- Conducted 7 disaster recovery drills
- Promoted information security policies 8 times
- Continued participation in 2 information security joint defense organizations

Customer privacy

Infringement of customer privacy	Complaints from regulatory authorities	Information leakage, theft, or loss of customer data incidents
No occurrence in 2024.		In 2024, there was one major information security incident.
In October 2024, at Walsin Technology's Kaohsiung/Yangmei/Suzhou plants, the file server/mail server/AD host were encrypted, resulting in some information systems being attacked by hackers via cyberattacks, and a material information announcement was issued.		

Immediate information security improvement measures:

1. Immediately inventoried and verified domain management accounts; revoked unnecessary domain administrator privileges.
2. Reviewed firewall ACL settings to ensure access policies are appropriate
3. Enhanced deployment rate of anti-malware protection
4. Implemented network traffic behavior detection
5. Implemented endpoint attack behavior detection and strengthened key system areas
6. Centralized storage and management of system logs
7. Enhanced website source code security

4

Environmental Protection

4-1 Climate-related Leading Actions

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4-2 Waste management

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4-3 Water Resources Management

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4-4 Air Pollution Control Management

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4-5 Sustainability Costs

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4-6 Biodiversity

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4-1 Climate Leadership

Walsin Technology deeply recognizes that fulfilling environmental protection at every stage of corporate activity and enabling sustainable development of the Earth is an unshirkable mission. Therefore, since its establishment, the Company has always placed great importance on environmental protection. Even amidst financial crises, the European debt crisis, and the current volatile economic environment coupled with increasingly stringent environmental, health, and safety regulations, the Company has remained true to its original intention. Furthermore, it has listed “fulfilling the civic responsibility of a green Earth” as one of its corporate missions and reviews the implementation effectiveness of related action items at monthly senior management meetings. Additionally, the Company continues to turn crises into opportunities. As climate change becomes increasingly severe, it seeks opportunities in low-carbon energy and provides low-carbon solutions to the entire market.

Relevant system certifications

Walsin Technology, based on its social responsibility to care for the Earth, also places great emphasis on relevant system certifications. It promotes continuous improvement of related management programs through the P-D-C-A management model. In addition to regulatory requirements, such as greenhouse gas inventory, which is conducted beyond domestic standards using the international ISO 14064-1:2018 version, the Company also requires other plant sites to establish certification planning goals to meet the compliance needs of domestic and international customers or regulations.

Relevant system certifications	ISO14001 Environmental Management System	ISO50001 Energy Management System	ISO46001 Water Resource Efficiency Management System	ISO14064-1:2018 Greenhouse Gas Inventory	ISO45001 Occupational Safety and Health Management System
Walsin Technology Taiwan Plant	★	-	-	★	★
Walsin Technology overseas plants	★	-	-	★	★

Note: ★ indicates certified; – indicates still under planning and development.

Environmental Policy

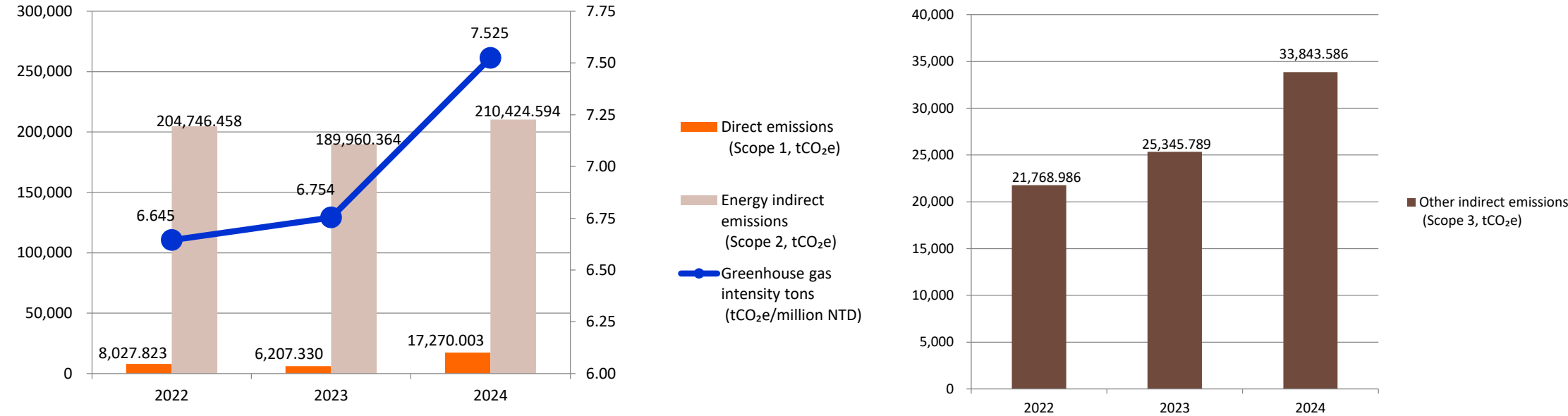
Walsin Technology is moving toward becoming the world’s number one brand in passive component manufacturing. We deeply recognize that in every aspect of corporate activity—such as R&D, production, marketing, and customer service—environmental protection and the sustainable development of the Earth are unshirkable responsibilities. We commit to:

- 1.To reduce the environment impact by operations, we do energy plant 1.5% per year, in line with the international net-zero carbon 2050 emission trend.
- 2.Waste reduction and zero pollution.
- 3.To achieve zero penalty target by complying with all environmental regulations and other legal requirements.
- 4.To continuously promote the certification of environmental management system and improve its performance to lead the industry by example .

4-1 Climate-related Leading Actions

Greenhouse Gas Emissions and Management

Climate change caused by global warming has directly or indirectly affected natural ecosystems. Governments around the world have placed great importance on the issue of greenhouse gas control. As a result, increasingly stringent international carbon emission regulations and conventions (e.g., carbon fees, CBAM) are becoming trade barriers for businesses. Comprehensive evaluations to replace energy-intensive equipment and reduce greenhouse gas emissions through green products are necessary to gain public support. 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 14064-1:2018, 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. In 2024, Walsin Technology's greenhouse gas inventory calculated total emissions for Scope 1, Scope 2Note 1, and Scope 3 as approximately 260,000 tCO₂eNote 2. Scope 3 currently covers emissions from fuel- and energy-related activities, waste generated in operations, and employee commuting. In 2024, transportation emissions from waste were newly included. The Company continues to work with upstream and downstream suppliers to collect original data for other carbon inventory categories and has also begun planning for suppliers to conduct greenhouse gas and product carbon footprint inventories, aiming to identify carbon reduction hotspots and develop actionable reduction strategies.



Notes: 1. Emission calculations use local electricity emission factors specific to each plant site.
2. Global Warming Potentials (GWP) are sourced from IPCC AR6.
3. 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.
4. Calculations are based on the Environmental Protection Administration Climate Change Administration's Greenhouse Gas Emission Factor Management Table 6.0.4.
5. The Taiwan plant uses an electricity emission factor of 0.494 during carbon inventory verification, with electricity emissions accounting for approximately 92.42% of the total.
6. All plant sites underwent third-party verification in 2024. The Kaohsiung East 15 Plant and South 1 Plant were subject to regulation by the Ministry of Environment in 2023. Additionally, transportation emissions from waste were included in Scope 3 this year, resulting in significant differences in total emissions.
7. The intensity metric covers the entire scope of emissions.

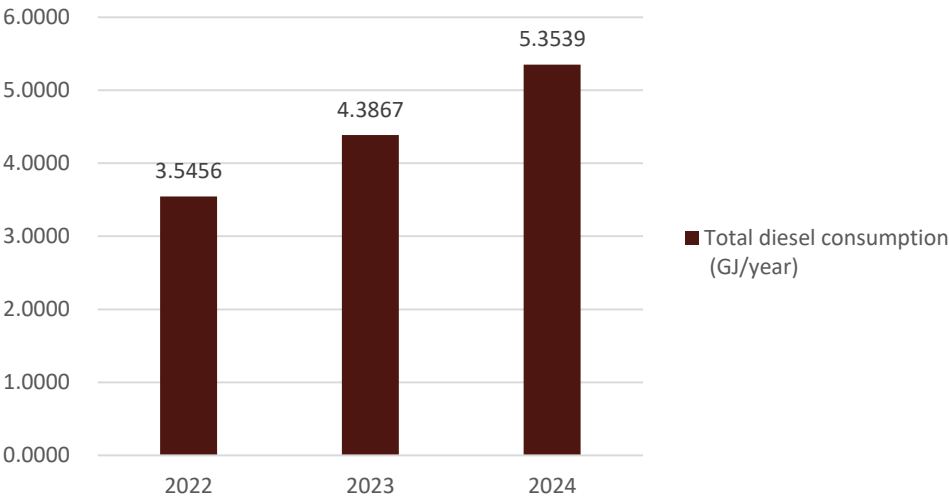
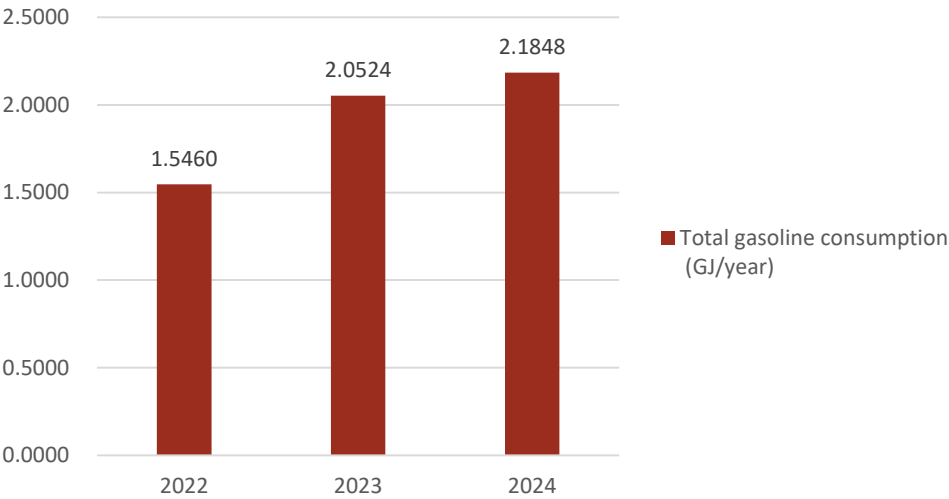
4-1 Climate-related Leading Actions

Renewable Energy Planning

As the primary source of emissions for the industry is electricity consumption, in addition to continuously improving energy efficiency, we invested in the establishment of Boder Green Energy Co., Ltd. in 2023. With sustainable development, net-zero carbon emissions, and green renewable energy as its core values, and with low-carbon and energy transition as its goals, the Company will carry out planned investments, development, construction, and operation and maintenance of renewable energy. It will also assess procurement through the green trading platform. Moreover, the Company is planning to enhance grid resilience and safety through the construction of energy storage facilities. A comprehensive green transformation initiative has been launched to achieve 100% renewable energy usage by the Company. It is hoped that the proportion of renewable energy used will gradually increase based on the market maturity of global operational sites. At present, the Company plans to install solar panels at the Kaohsiung Branch and Kaohsiung Plant, with an estimated total site capacity of 3,406 kWp. All self-generated solar power is planned to be sold to Taipower.

Direct Energy

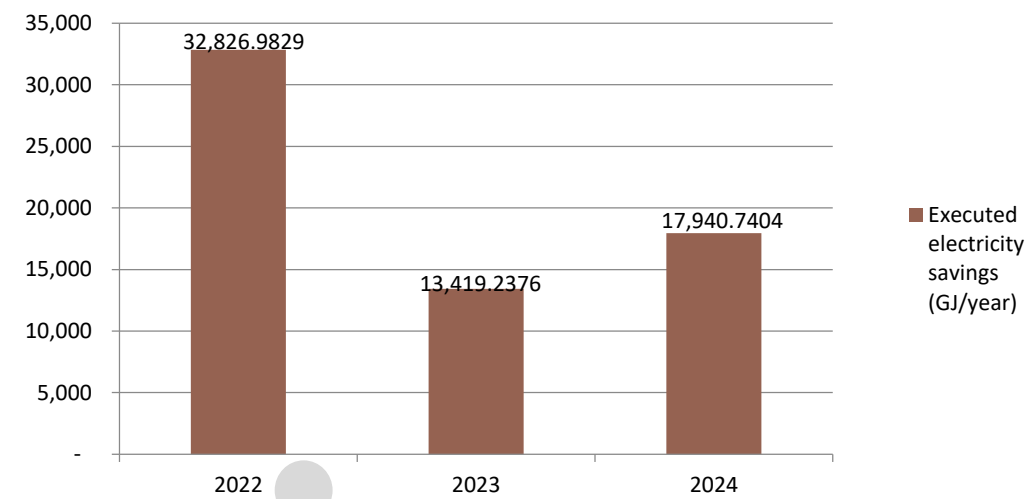
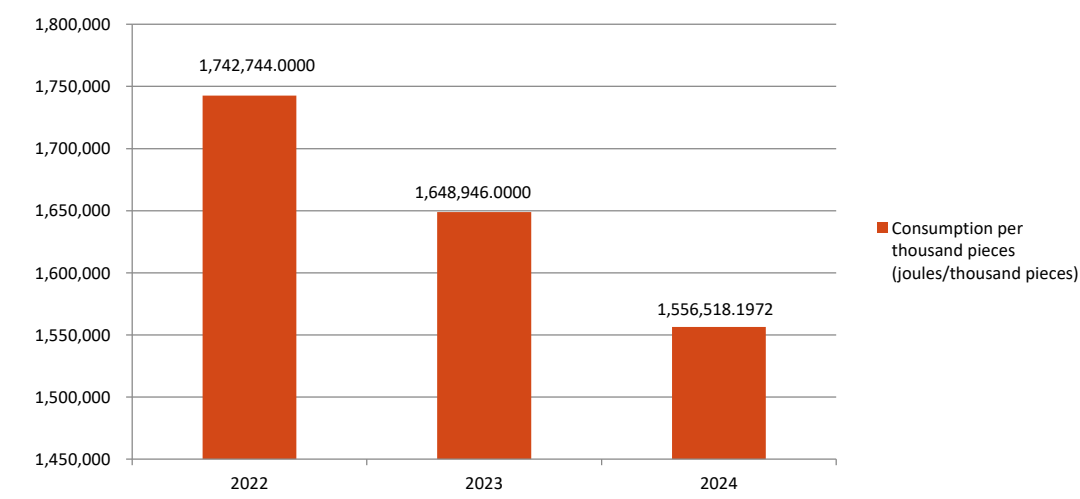
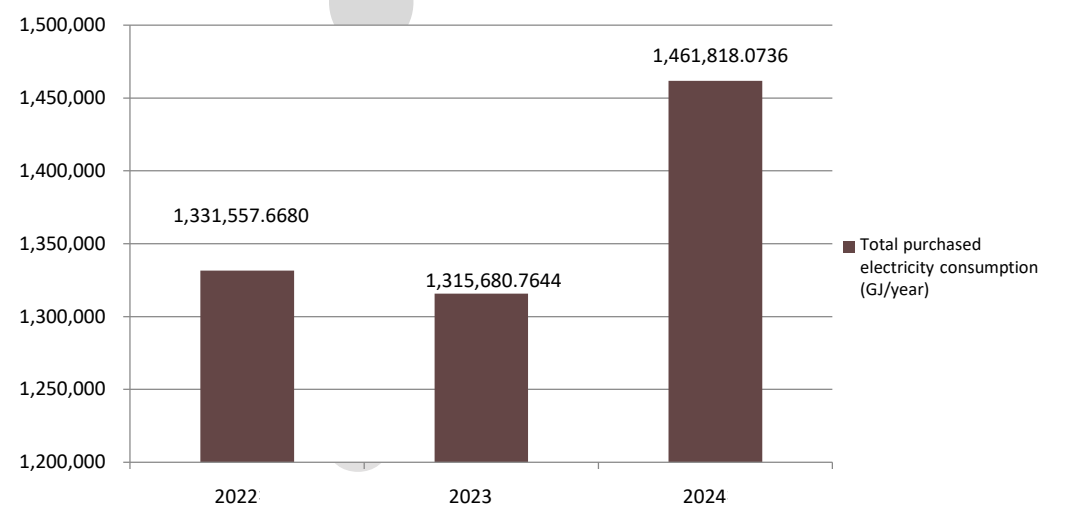
The direct energy used by Walsin Technology includes diesel and gasoline, mainly used for emergency generators, forklifts, trucks and automobiles. There is no combustion process in the production part, and direct energy only accounts for less than 3% of the overall energy consumption.



4-1 Climate-related Leading Actions

Indirect Energy

Walsin Technology’s indirect energy primarily comes from purchased electricity. The energy used in 2024 was all non-renewable energy. The increase in purchased electricity consumption this year was due to increased production capacity.



Notes: 1. Energy heat value: Electricity heat value: 3.6 GJ/1,000 kWh;
1-1. Heat values for energy sources at Taiwan sites are based on the 6.0.4 coefficient table:
Gasoline heat value: 7,800 kcal/L; Diesel heat value: 8,400 kcal/L;
1-2. Heat values for energy sources at China sites refer to the "General Principles for Calculation of Comprehensive Energy Consumption" (GB/T 2589-2020)
Gasoline heat value: 33,421,100 J/L; Diesel heat value: 35,872,200 J/L;
2. Calculate at 4.1868 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. Corrected 2022 total electricity consumption.
5. Corrected erroneous electricity usage figures in 2022.
6. Energy usage statistics include electricity, gasoline, diesel, and electricity consumption per 1,000 pieces.

4-1 Climate-related Leading Actions

Carbon Reduction Project Management

In 2024, a total of 23 projects were implemented, achieving carbon reduction benefits of 2,461.86 tCO₂e. Walsin Technology Group also participated in technical seminars to bring back and share relevant technologies within the Company, hoping to encourage plant investment in energy-saving improvements, manage operations in an integrated manner, and reduce operational carbon emissions.

Type	Energy saved (Kwh)	Carbon Reduction (tCO ₂ e)	Reduction Scope
Facility Energy Conservation	4,972,964	2,456.64	Scope2
Lighting equipment	10,575	5.22	



Facilities

- ◆ Kaohsiung B9 Plant: Replacement of cooling tower heat dissipation fins
- ◆ Kaohsiung A2 Plant: Adjustment of air compressor operating frequency from full frequency 60Hz to automatic variable frequency
- ◆ Kaohsiung S1A Plant B1F: Chilled water secondary pumps changed from 2 to 4 pumps operating in parallel for energy saving
- ◆ Kaohsiung S1A Plant B1F: Chiller setpoint raised to 11°C for energy saving
- ◆ Kaohsiung S1B Plant 7F: Chiller setpoint raised to 11°C for energy saving
- ◆ Kaohsiung S1B Plant 1F: Supply fan SF101 variable frequency operation for energy saving
- ◆ Kaohsiung S4 Plant: Hitachi air compressor frequency adjustment from 60Hz to 45Hz
- ◆ Kaohsiung S4 Plant: Air handling unit frequency adjustment
- ◆ Kaohsiung A15 Plant: Chiller setpoint raised to 11°C for energy saving
- ◆ Kaohsiung A15 Plant 6F: Air handling unit energy-saving variable frequency improvement
- ◆ Kaohsiung A15 Plant 2F: Air handling unit energy-saving variable frequency improvement
- ◆ Dongguan: Replacement of cleanroom air handling unit with permanent magnet motor
- ◆ Dongguan: TECO permanent magnet motor energy saving – fan
- ◆ Dongguan: High-efficiency motor energy saving for exhaust fan
- ◆ Suzhou: Variable frequency improvement for air compressor
- ◆ Suzhou: Reduction of air compressor output pressure
- ◆ Suzhou: Replacement of old chiller with modular unit
- ◆ Suzhou: Humidifier renovation
- ◆ Guangzhou: Contract capacity adjustment to appropriate levels based on calculation
- ◆ Guangzhou: Maintaining capacitor power factor above 95%



Lighting

- ◆ Suzhou: Energy-saving lighting improvement
- ◆ Kaohsiung Science Park Branch: Replacement of 50 fluorescent lights



Others

- ◆ Guangzhou Plant Dormitory: Changing 24-hour hot water supply to time-segmented supply

4-2 Waste management

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.

(unit: ton/year)

Year	Waste category	Total output (Taiwan + Overseas)	Total disposal volume (Taiwan + Overseas)	Taiwan plants							Overseas plants	
				Total disposal volume	Disposal method						Disposal transfer volume	Direct disposal volume
					Solidification burial	Reuse	Incineration	Physical	Chemical	Heat treatment		
2022	Hazardous	3,667.99	3,557.10	2,642.10	61.50	1,314.80	155	417.74	577.10	115.90	800.30	116.9
	Non-hazardous	5,212.89	6,407.60	4,225	0	0	1,248	2,977.90	0	0	353.40	2,181.70
2023	Hazardous	3,463.33	3,453.744	2,732.85	87.45	1,433.37	68.88	390.73	646.80	105.62	1.27	720.89
	Non-hazardous	5,553.04	5,358.751	3,207.47	0.	2.07	971.88	2,233.52	0.00	0.00	189.85	2,151.28
2024	Hazardous	4,027.74	3,935.48	2,953.32	47.27	1,547.04	33.65	444.78	738.97	141.61	982.16	65.90
	Non-hazardous	5,050.11	4,922.12	3,364.36	0	5.99	889.29	2,469.07	0	0	1,557.77	144.18

- Notes: 1. The Taiwan Plants include Kaohsiung Plant, Kaohsiung Science Park Branch and Yanggeei Plant.
2. 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.
3. 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. The final disposal methods for overseas transferred waste are incineration and resource recovery (UPS lead-acid batteries).

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.

Water intake source

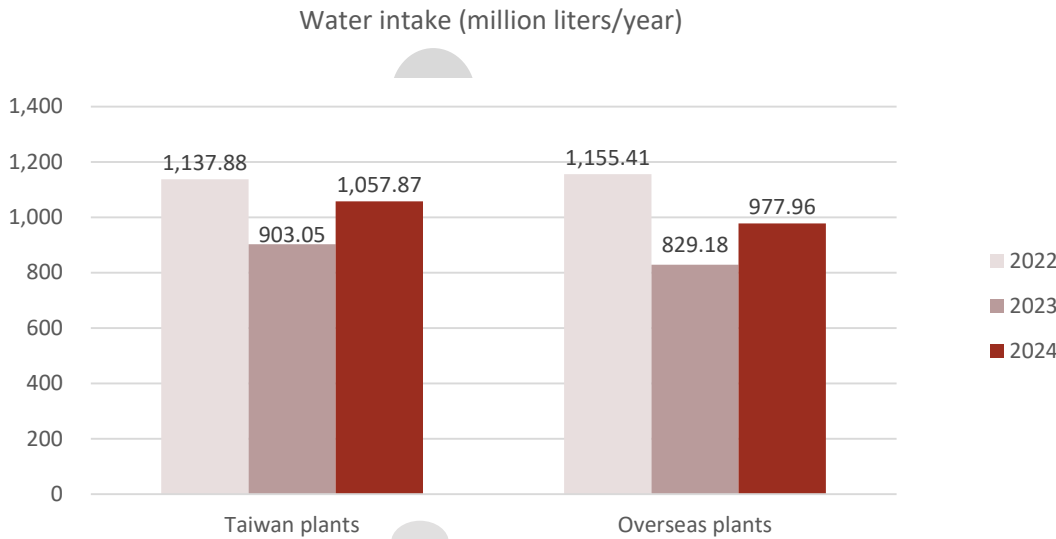
All Walsin Technology plants are located in export processing zones or industrial zones. Water for domestic use and process operations is sourced from water utilities; no surface water, groundwater, seawater, or produced water is used. Water withdrawal has not been identified as having a significant impact on water sources. 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). The Suzhou plant has no major production processes, so product manufacturing is unaffected. To date, the overseas plants have not experienced any water scarcity; water sources are sufficient, and water trucks are used as backup supplies.

Wastewater Discharge

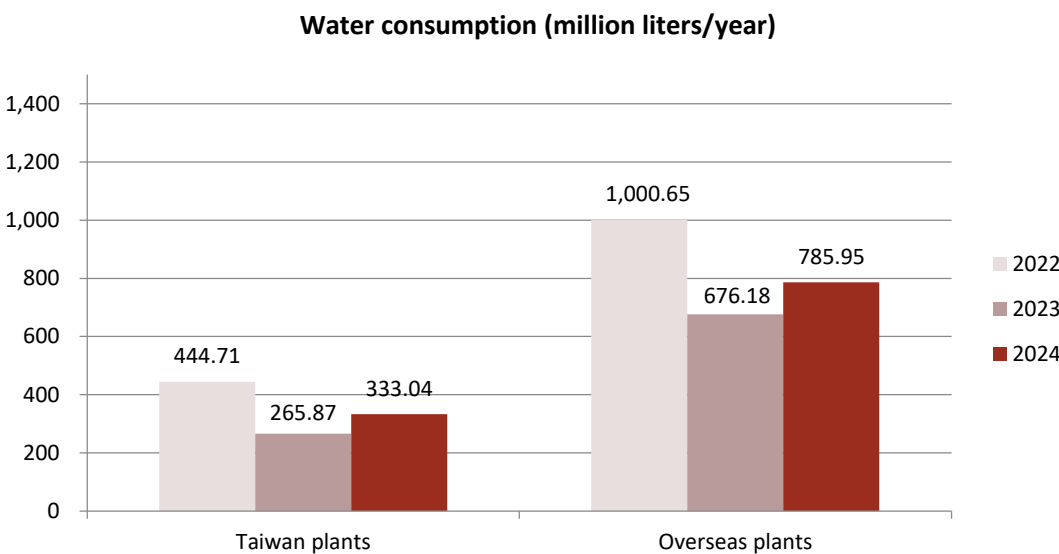
The Yangmei, Suzhou, and Guangzhou plants generate no process wastewater. The Kaohsiung plant and the Science Park Branch discharge wastewater to the Kaohsiung Zhongzhou Wastewater Treatment Plant and the Kaohsiung Science Park Wastewater Treatment Plant after chemical precipitation. At the Dalang plant, 60% of wastewater is treated via resin exchange and reused in processes; the remainder undergoes chemical precipitation to meet standards and is then piped to the Dalang Songshan Lake South Wastewater Treatment Plant. PAC is added to remove heavy metal ions. All other effluents are treated in wastewater facilities or discharged directly to sewers in accordance with regulations, with effluent quality meeting competent authority requirements. There is no significant ecological impact. In 2024, wastewater discharge volumes were 717.7 million liters/year for Taiwan plants and 192 million liters/year for overseas plants.

4-3 Water Resource Management

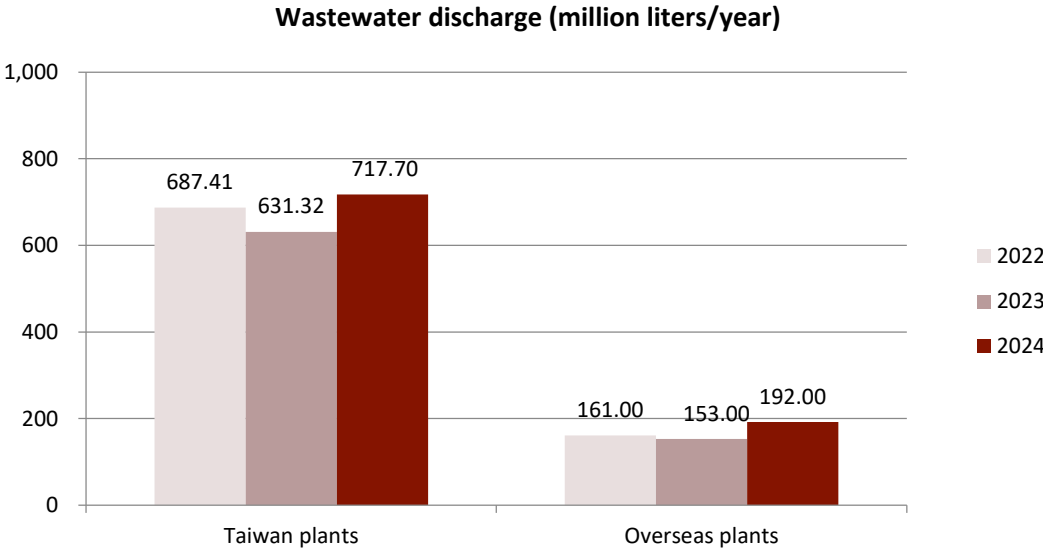
1. Water intake (million liters/year)



2. Water consumption (million liters/year)



3. Wastewater discharge (million liters/year)



4-4 Air Emission Management

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. According to actual test results over the years, the concentrations of air pollutant emissions from Walsin Technology have all met the emission standards stipulated by the competent authorities. Air pollutant emissions include VOCs, SOx, NOx, and particulate pollutants. Process gases are treated and emission concentrations are controlled through various pollution control devices such as wet scrubbers and zeolite concentrator–thermal oxidation systems. Starting in 2023, statistics include the Kaohsiung Science Park Branch in Taiwan and the plants in mainland China. As operations may continue to expand in the future, the emission management plan will be continuously implemented and reviewed in addition to the existing control equipment.

Item (Note)	2022	2023	2024
Particles (Par)	266	3128	237
NOx	2,449	3,286	3,266
VOC	461,931	500,813	459,368
Sulfur dioxide (SO ₂)	-	1,023	0.17

Unit: tons/year

Note: The Yangmei Plant and the Suzhou Plant are not included in the statistics due to the absence of air pollution control equipment.

Air Pollution Management Measures

Item	Content	Expected benefit
Regenerative Incinerator (RTO)	Regular maintenance of control equipment is conducted to maintain the removal efficiency of air pollutants. High-concentration exhaust gas from the RTO is treated using pollution control equipment with higher removal efficiency.	The total removal rate of Volatile Organic Compounds (VOCs) is expected to exceed 93%; the removal efficiency for particulate matter is over 65%; approximately 70% of air pollution fees can be offset each quarter.
Regenerative Catalytic Oxidizer (RCO)	High-concentration exhaust gas treatment	Total VOC removal rate is expected to reach 70%.
Washing tower	Regular cleaning and replacing the consumables for the Rasch ring.	Stable maintenance of washing tower removal efficiency.
Activated Carbon	Activated carbon is replaced regularly.	Enhances the adsorption capacity of activated carbon to reduce VOC emissions in exhaust gases.
Electrostatic Precipitator	Electrostatic precipitators are cleaned monthly.	Stabilizes oil removal efficiency of the electrostatic precipitator.

4-5 Environmental Expenditures

Environmental expenditures serve as an important basis for environmental management and business decision-making. Environmental expenditures are calculated and analyzed quarterly. To ensure data accuracy and promote more effective cost-benefit assessments, Walsin Technology Group will continue to improve its environmental management.

Environmental Protection Expenditures

Walsin Technology Group has not incurred any significant fines or non-monetary penalties due to violations of environmental regulations (referring to penalties involving orders from relevant authorities to suspend operations, shut down, terminate business, revoke or cancel pollution-related permits, or single-event fines totaling over NT\$1 million).

Significant fines and non-monetary penalties for violations of environmental laws and/or regulations	2022	2023	2024	2024 Fine Amount (NT\$)
Taiwan plants	None.	2 cases	None.	—
Overseas Plants (excluding Malaysia)	None.	None.	None.	—

Unit: NT\$ thousand

Environmental Protection Expenditure Items	2022	2023	2024
Procurement and maintenance of pollution control equipment, chemical dosing for wastewater treatment, and environmental testing	59,126	53,535	102,367
Expenses for entrusted disposal of waste	52,185	55,349	58,341
Total	111,311	108,884	160,708

Biodiversity Commitment

In 2015, the United Nations announced the “2030 Sustainable Development Goals” (SDGs), among which SDG 15 is one of the key indicators for maintaining global biodiversity. The plants of Walsin Technology Group 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. If, due to unavoidable value chain activities, areas involving biodiversity or ecological conservation zones are affected, actions will be taken to eliminate, mitigate, restore, or offset the loss of future species diversity and ecosystem diversity. Walsin Technology Group will further protect and stabilize biodiversity and commits to following SDG 15 to conserve terrestrial ecosystems. In the future, both Tier-1 and non-Tier-1 suppliers will also be progressively required to fulfill this commitment, in alignment with international emphasis on ecological and environmental protection. Since the establishment of its factories, Walsin Technology Group has not received any complaints regarding impacts on ecological zones.

No Deforestation Commitment

Forests are undeniably important carbon sinks and provide natural habitats for flora and fauna. Walsin Technology Group will formulate and simultaneously require cooperation from Tier-1 and non-Tier-1 suppliers to develop long-term goals aligned with the United Nations Sustainable Development Goals: Goal 7 – Affordable and Clean Energy, Goal 13 – Climate Action, and Goal 15 – Life on Land. For example, continuously raising awareness among stakeholders (employees, customers, suppliers, partners) regarding the importance of biodiversity and forest conservation. If its operations involve land use changes, including factory construction, adjustments to plant site land configuration and usage, or use of idle land, the potential ecological value loss should be assessed, and mitigation measures should be implemented to compensate and achieve No Net Loss. The Group aims to realize supply chain traceability, reduce negative impacts on the ecological environment, avoid deforestation, promote the positive value of environmental ecology and biodiversity, and drive and implement these efforts through the Sustainability Committee to ensure its products are environmentally friendly.

5

Best Workplace

5-1 Human Resources Policy

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5-2 Employee Status

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5-3 Training and Performance

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5-4 Security Practice

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5-5 Salary and Benefits

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5-6 Employee Care and Communication

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5-7 Employee Health and Care

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5-8 Safe and Healthy Work Environment

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5-1 Human Resources Policy Content

Walsin Technology follows the Responsible Business Alliance (RBA) Code of Conduct, as well as labor laws and regulations of its operating locations, the International Labour Organization’s Fundamental Principles and Rights at Work, and gender equality-related regulations. The Company has established human rights protection and labor policies, which are publicly announced to all employees, in order to jointly create a high-quality working environment of mutual prosperity and coexistence with its employees. As of 2024, the Company’s operations have not been involved in any human rights-related cases concerning discrimination, 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.

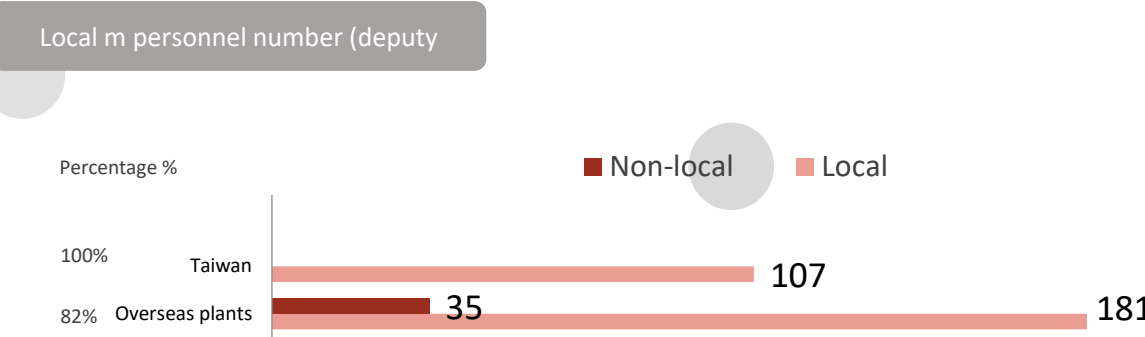
Trade Union Protection

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.

Adoption of local management

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.



5-2 Employee Status

All employees at each Walsin Technology plant are regular (permanent) employees; no temporary, part-time, or other fixed-term contract personnel are employed. However, due to local legal requirements, employees at the plants in China are hired on three-year fixed-term contracts, which are deemed non-fixed-term contracts starting in the sixth year. Their salaries and benefits are identical to those of non-fixed-term employees. The number of employees shows no significant fluctuation compared with 2023.

Category		Age	Total a	Number of new employees b	Number of resignations	Newcomer ratio b/a	Turnover rate
Taiwan	Male	Under 29 years old	508	283	238	56%	47%
		30~50 years old	642	110	137	17%	21%
		Over 51 years old	79	2	12	3%	15%
		Subtotal	1229	395	387	32%	31%
	Female	Under 29 years old	434	220	170	51%	39%
		30~50 years old	838	171	212	20%	25%
		Over 51 years old	182	1	15	1%	8%
		Subtotal	1454	392	397	27%	27%
	Total		2683	787	784	29%	29%

Category		Age	Subtotal	Number of new employees	Number of resignations	Newcomer ratio	Turnover rate
Overseas	Male	Under 29 years old	1376	2178	1139	158%	83%
		30~50 years old	1127	535	1051	47%	93%
		Over 51 years old	84	1	4	1%	7%
		Subtotal	2587	2714	3299	105%	85%
	Female	Under 29 years old	1333	1168	737	88%	47%
		30~50 years old	1197	331	333	28%	25%
		Over 51 years old	27	1	2	4%	11%
		Subtotal	2557	1500	878	59%	36%
	Total		5144	8428	1950	164%	36%

Note:

1. The statistical period is from January 1, 2024 to December 31, 2024.
2. The total number of people is based on the data on December 31, 2024.
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. The number of overseas personnel includes all plants in China and Kamaya Electric Co., Ltd. (Malaysia plant).

Category	Name	Dalang Plant	Guangzhou Plant	Suzhou Plant
Number of fixed-term contract employees	Male	891	101	113
	Female	498	162	170
Number of non-fixed-term contract employees	Male	451	40	18
	Female	439	70	36

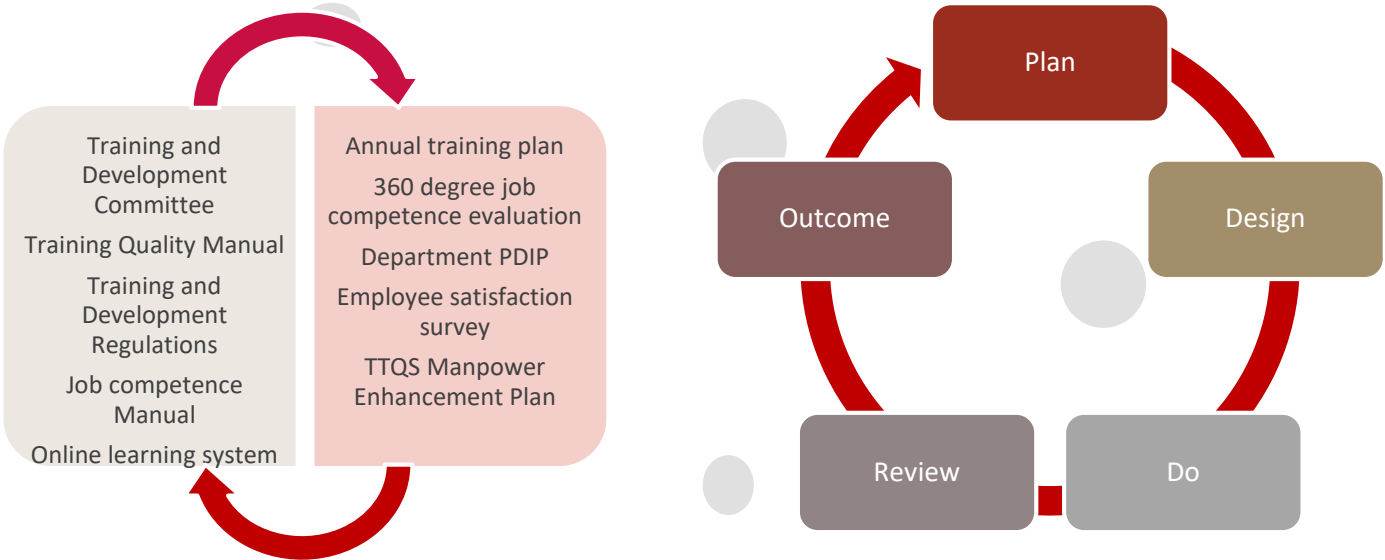
5-3 Training and Performance

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. In 2024, the planned course implementation rate for the Taiwan and China plants was 95%.



2024 Training Hours

Plant	Gender	Total number of people	Total training hours
Taiwan Plants	Male	946	17,804
	Female	1,366	27,156
Overseas plants	Male	3,168	49,016
	Female	3,380	30,457

※ The headcount statistics cover the period from January 1, 2024, to December 31, 2024.

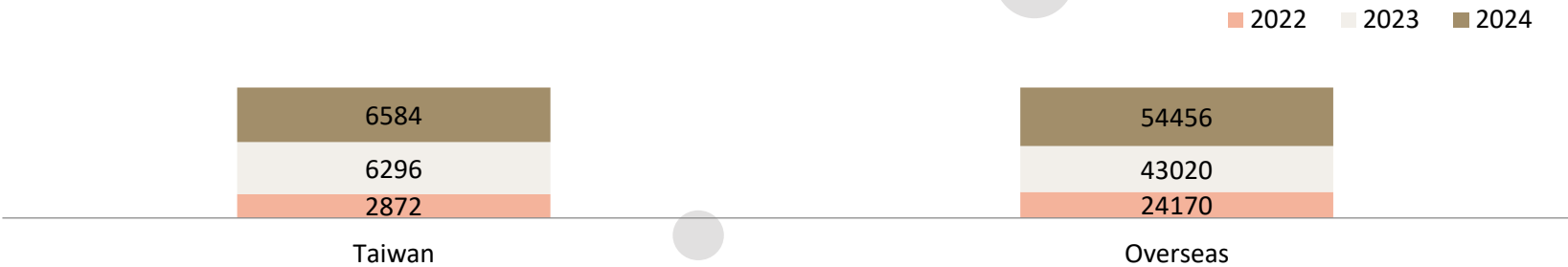
※ All trainees were full-time employees.

5-3 Training and Performance

Operations Related Procedure Training

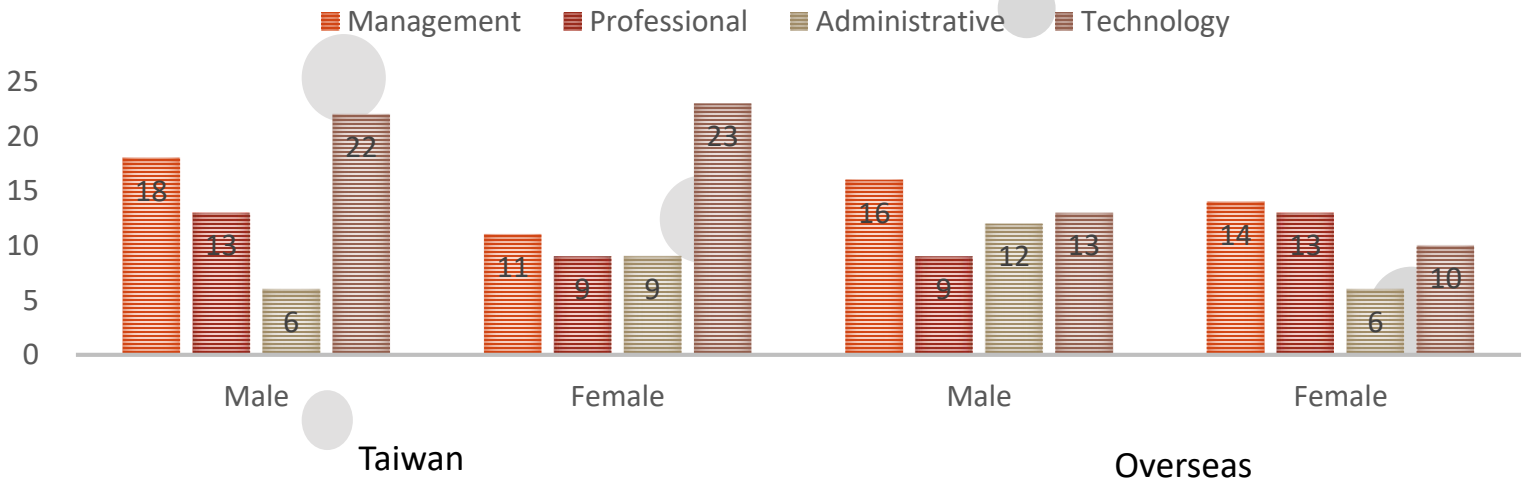
Walsin Technology and its employees are required to comply with business related laws and policies. Employee training is one of the most important projects in our compliance plan. In addition to new employee training, relevant training courses are regularly offered every year to keep employees informed 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.

Training hours for new employees



Average training per new employee: 9 hours

Average training hours by category



Note: There is a slight difference in employee training hours between genders, mainly because training for R&D and process-related positions is more frequent, and the proportion of male employees in these roles is relatively higher, resulting in an overall average gap. However, Walsin Technology upholds the principle of gender equality in the allocation of training resources. For employees of the same position and rank, male and female employees receive exactly the same training content and hours. Training arrangements are never influenced by gender.

5-4 Security-Related Policies 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.

Training Content for Security Personnel of Each Plant

Plant	Contract type	Number of security personnel	Name and duration of human rights-related training courses provided by the security company	Name and number of hours of relevant human rights training courses provided by the Company to security personnel
Taiwan Plants	Outsourced	98 people	1. 8 hours of training for newcomers. 2. 1 hour of instructions for on-site security personnel.	1. 1 hour of foreign invasion drill. 2. 2 hours of fire safety training. 3. First aid training for 2 hours
Overseas plants	Outsourced	39 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.

Non-employees	Security personnel	Cleaners	Cooks	Total number of people	Total hours
Taiwan Plants	98	32	10	140	700
Overseas plants	39	0	0	39	270

※ Overseas plants do not include the Malaysia Plant.

5-5 Remuneration Evaluation and Benefit Policy

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 follows the Company's "Personnel Promotion Regulations," using the annual performance evaluation as the basis to select outstanding talents from each unit, encouraging employees to enhance their job knowledge and value performance. After accumulating a certain number of years of service, employees may be promoted in position or rank based on the professional competencies recognized by their direct supervisors.

- Automatic Promotion: Employees with outstanding performance evaluations will be promoted automatically by the HR department unless the business unit supervisor disagrees with the promotion.
- Reported Promotion: Promotion proposals must be submitted before the end of March each year. The HR department compiles the data and submits it to the Personnel Review Committee for deliberation. Approved promotions take effect on April 1 of the same 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	143	61	204	70%	30%
		General positions	296	216	512	58%	42%
	Direct	Supervisors	45	107	152	30%	70%
		General positions	559	927	1,486	38%	62%
Overseas	Indirect	Supervisors	145	114	259	56%	44%
		General positions	214	424	638	34%	66%
	Direct	Supervisors	169	153	322	52%	48%
		General positions	1405	1593	2998	47%	53%

5-5 Remuneration Evaluation and Benefit Policy

Remuneration 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.

	2022	2023	2024
Total salaries (NTD thousand)	1,607,475	1,402,184	1,910,626
Total benefit amount (NTD thousand)	366,163	333,504	395,900

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

	2022	2023	2024
No. of people	2479	2026	2195
Total salaries (NT\$ thousand)	1,436,983	1,330,592	1,649,746
Average salary (NT\$ thousand)	580	657	752
Median salary (NT\$ thousand)	486	595	650

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.

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

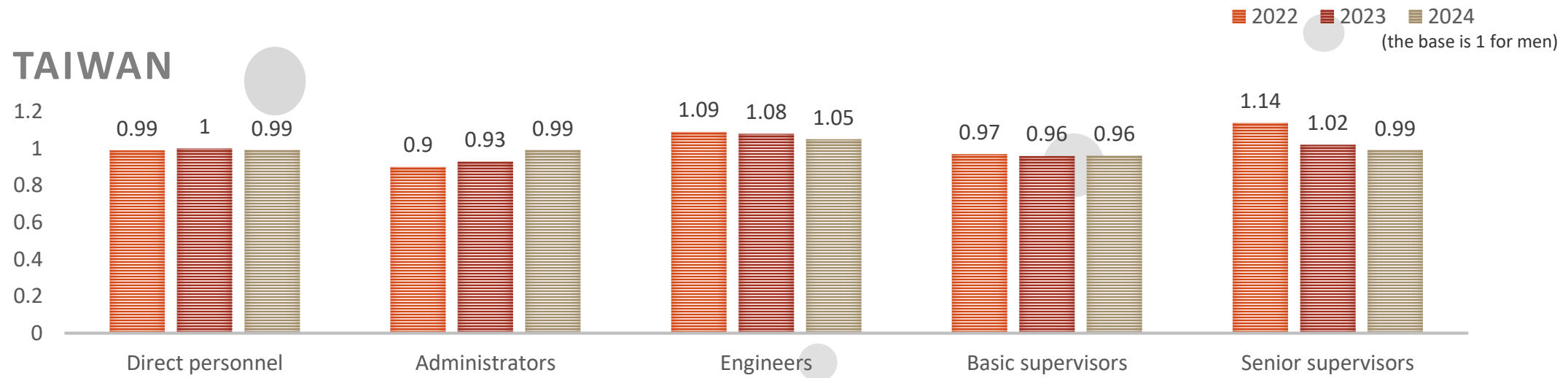
Year	Ratio between the highest individual total annual remuneration and the median (A/B)	Percentage increase in the highest individual total annual remuneration	Percentage increase in the median
2024	18.8	38%	9%

※The median refers to all employees, excluding the highest individual compensation.

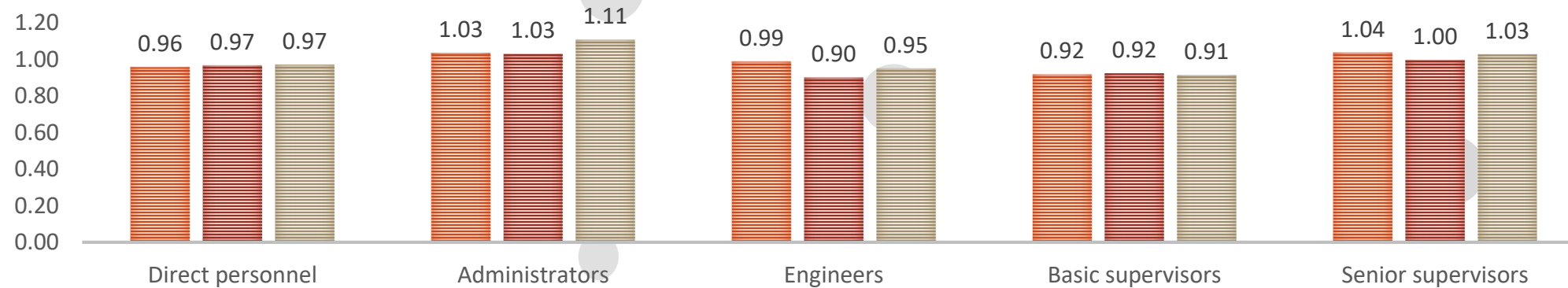
5-5 Remuneration Evaluation and Benefit Policy

Salary ratio of women to men (comparison among 2022, 2023 and 2024)

TAIWAN



OVERSEAS



5-5 Remuneration Evaluation and Benefit Policy

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.



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	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	188	228	416	205	255	460	221	276	497
Actual number of applying for for parental leave	9	5	14	24	4	28	15	6	21
Number of employees to be reinstated in the current year - a	12	2	14	17	3	20	8	4	12
Actual number of employees reinstated in the current year - b	9	2	11	15	3	18	7	3	10
Reinstatement rate % (b/a)	75%	100%	79%	88%	100%	90%	88%	75%	83%
Number of employees still in service one year after taking parental leave (c)	3	1	4	5	2	7	11	3	14
Retention rate% (c/b of previous year)	75%	100%	80%	56%	100%	64%	73%	100%	78%

Perfect Retirement System

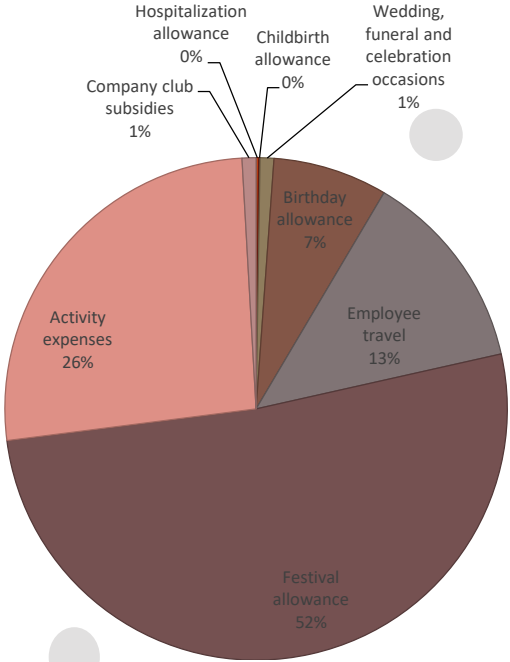
Walsin Technology Taiwan plants have established retirement regulations in accordance with the relevant provisions of the Labor Standards Act, and the "Labor Pension Reserve Supervision Committee" to regularly monitor the allocation of pension reserves and be responsible for reviewing retirement application 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. In addition, as the Company has operations in China, it complies with the local "unified account system" of enterprise pension insurance. The Company contributes 16% of employees' monthly salary to the social pooling fund, while employees contribute 8% of their salary to their individual pension accounts. The relevant funds are managed by the government in a unified manner. In Malaysia, in accordance with the Employees Provident Fund (EPF) system, the Company makes a monthly contribution of 13% of local employees' salary toward retirement savings to support employees in their retirement planning.

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 2024 (unit: NTD)	
Hospitalization allowance	56,000
Childbirth allowance	29,000
Wedding, funeral and celebration occasions	296,400
Birthday allowance	2,464,310
Employee travel	4,340,390
Festival allowance	17,221,982
Activity expenses	8,734,858
Company club subsidies	299,689
Total expenses	33,442,629



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 (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 Company’s greatest asset. Walsin Technology Group is committed to creating a healthy workplace environment. In terms of health management, this includes employee health examinations, on-site health services provided by attending physicians, the promotion of a smoke-free workplace, and the organization of various types of health promotion activities.

Regular health check ups

In addition to requiring new employees to undergo general labor health examinations, Walsin Technology Group also provides regular health checkups for employees who have been employed for one year and conducts special health examinations in accordance with legal requirements. The Company carries out health screenings and manages health risks, and further provides health care and relevant health information or referral assistance to employees whose health examination results are abnormal.

Location	General health check	Health check for special operations	Health check for senior managers/expatriates	Non-occupational medical care
Taiwan plants	Every 2 years	Every 1 years	Every 1 years	Health insurance payment (plus self-payment amount)
Overseas plants (Excluding Malaysia)	Every 1 years	Every 1 years	Every 1 years	Medical insurance

On-Site Physicians

In accordance with the staffing and on-site service frequency requirements stipulated in the Labor Health Protection Regulations, Walsin Technology Group has assigned occupational health nurses and physicians to each plant to provide on-site services. These services include various types of medical consultations for employees, on-site inspections and assessments of the working environment, execution and follow-up of health examinations, planning and implementation of health promotion activities, and emergency medical services, offering employees timely care and support.

Promotion of Non-Smoking Workplace

Walsin Technology Group 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 Employee Health and Care

Health Promotion Activities Walsin Technology Group organizes various health promotion activities each year based on the analysis of employees’ health examination results. Health seminars are held to enhance employees’ knowledge and awareness of self-health management, and health point collection activities are used to encourage employees to take good care of their health while working.

Location	Date	Name of Event	Number of Participants
Taiwan plants	March–May 2024	Weight Loss Competition	15 people
	March and June 2024	Tobacco Hazard Prevention Seminar	41 people
	March and June 2024	How to Prevent Metabolic Syndrome	36 people
	April–September 2024	“Health Dragon Arrives” – Point Collection Activity	50 people
	May–June 2024	Walking Activity – The More You Walk, the Healthier You Get	46 people
	April 22, 2024	Dementia-Friendly Workplace	16 people
	May 23, 2024	CPR+AED	68 people
	June 11, 2024	“Roll Up Your Sleeves with Love” – Blood Donation Activity	45 bags
	July 17, 2024	First Aid Training	49 people
	August 13, 2024	Add a Natural Touch, Enjoy a Green Life	57 people
	September 26, 2024	Special Operation Hazard Course	20 people

Location	Date	Name of Event	Number of Participants
Overseas plants (Excluding Malaysia)	March, June, and September 2024	On-site Free Clinic by Dalang Town Public Health Center	450 people
	April 21, 2024	Company-Wide Spring Outing	230 people
	July 02, 2024	Two Cancer Awareness Activities for Female Employees	220 people
	December 08, 2204	Company-Wide Barbecue Activity	390 people
	December 2024	2024 Annual Health Examination	180 people

Healthy Workplace Certification Walsin Technology is committed to promoting workplace tobacco hazard prevention and health promotion, actively implementing smoke-free workplace and health promotion measures to establish an excellent healthy working environment. Since 2011, the Company has been certified by the Health Promotion Administration, Ministry of Health and Welfare, as meeting the criteria for the Healthy Workplace Certification – Health Promotion Label.

5-8 Safe and Healthy Work Environment

Walsin Technology Group cares about employees’ health and working environment. All plant sites have passed the ISO 45001 Occupational Health and Safety Management System certification, with 100% of all workers included. Hazard identification is conducted annually, followed by risk assessments and effective control measures to reduce the occurrence of occupational accidents. The establishment and maintenance of this system not only fulfill safety and health responsibilities but also ensure that all employees and non-employees working in Company-controlled workplaces enjoy a safe and comfortable work environment, effectively implementing occupational safety and health management.

Occupational Safety and Health Policy

- To obtain zero harm target,prevent the occurrence of industrial diseases and occupational injuries.
- To continuously promote the OH&S management system and improve its performance to lead the industry by example.
- To achieve zero penalty target by complying with all OH&S regulations and other legal requirements

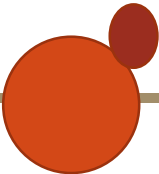
Occupational Safety and Health Committee

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.

To ensure effective occupational safety and health control, each plant shall hold meetings at least once every quarter.

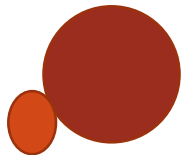
Responsibilities of Occupational Safety and Health Committee			
◆ Provide suggestions on the occupational safety and health policies formulated by the employer.	◆ Review the automatic inspection and safety and health audit matters of business units.		
◆ Coordinate and recommend occupational safety and 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.		

Organizational Charter of the Occupational Safety and Health Committee					
Location	Establishment of the Occupational Safety and Health Committee	Chairperson of the Occupational Safety and Health Committee	Members of the Occupational Safety and Health Committee	Worker representative members	Meeting frequency
Taiwan plants	Yes	Management representative	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.	>1/3	Quarterly
Overseas Plants (excluding Malaysia)	Yes	Management representative		>1/3	Quarterly



Safety and Health Measures

Environmental Safety Manual and Occupational Health and Safety Work Guidelines	Occupational health and safety manuals are prepared in the working language of employees in each work area, specifying safety management matters for employees to follow.
Occupational Safety and Health Management Unit	In accordance with the Occupational Safety and Health Act, the Company has established an occupational safety and health management unit. A first-level supervisor concurrently serves as the head of occupational safety and health affairs. Each plant, in compliance with regulations, assigns full-time personnel including occupational safety engineers, occupational hygiene engineers, occupational safety and health officers, fire prevention managers, first aid personnel, and occupational health nurses. A safety and health performance report is submitted monthly.
Facility Safety	All production equipment is equipped with safety protection devices, such as ball mills with guards, coating machines, laminators with safety doors, cutting machines with safety guards, and noise areas with earplugs. 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. All safety and health training is conducted in accordance with legal regulations and operational needs.
Zero Disaster Campaign in the Workplace	Zero Accident Cumulative Work Hour Targets: Suzhou Plant, 800,000 work hours; Kaohsiung Plant, 3,000,000 work hours; Luzhu Plant, 180,000 work hours; Yangmei Plant, 1,000,000 work hours; Guangzhou Plant, 1,000,000 work hours; and Dalang Plant, 3,000,000 work hours. Plants that met the targets include Luzhu Plant, Yangmei Plant, Guangzhou Plant, and Dalang Plant. Plants that did not meet the targets include Suzhou Plant and Kaohsiung Plant (please refer to page 99). ※ The Malaysia plant is not included.
Contractor Management	At the time of signing project contracts, contractors are informed in writing of safety and environmental protection matters that require attention. Additionally, hazard information is explained to the contractors before they begin construction work.



5-8 Safe and Healthy Work Environment

Safety and Health Related Training

Walsin Technology Group places great emphasis on employee occupational health and safety training. All personnel involved in occupational safety and health are required to complete refresher training and general safety and health education in accordance with the relevant regulations. General employees also receive training such as AED+CPR first aid courses and general hazard education (Chemical Hazard SDS). In addition, fire safety drills and emergency evacuation drills are held regularly every year. The table below lists the number of designated personnel and specialized workers engaged in hazardous operations who are legally required to undergo occupational health and safety training.

WTC Group has obtained the certification of ISO45001 occupational safety and health management system. In accordance with the Occupational Safety and Health Act and related laws and regulations, the Company has established a Contractor Management Guideline. Before entering the plant, contractors must sign the Contractor Occupational Safety and Health Management Commitment, and the EHS unit must review and verify the contract content for compliance before permitting entry. This ensures that all work conducted within the plant complies with relevant occupational safety and health regulations. Prior to plant entry, contractors are informed of hazards to remind them of relevant safety and health precautions during operations. Supervision is conducted throughout the construction period. If contractors fail to comply with the relevant operating standards, deductions are made based on the Company's contractor penalty standards for violating safety and health management regulations, to emphasize the importance of safety and health during construction.

Occupational Safety and Health Training								
Location	Occupational Safety and Health Business Supervisors	Occupational Safety (Health) Managers	Occupational Safety (Health) Administrators	Fire Prevention Administrators	First Aid Personnel	Organic Operations Supervisors	Radiation work	Training participation rate
Taiwan plants	5 persons	4 persons	4 persons	10 persons	104 persons	67 persons	39 persons	100%
Location	Safety and Health Business Supervisors	Chief Safety Manager / Occupational Health Officer	Safety / Occupational Health Administrator	Firefighting Equipment Operator	First-Aid Personnel	Organic Operations Supervisors	Radiation work	Training participation rate
Overseas plants (Excluding Malaysia)	3 persons	3 persons	7 persons	8 persons	105 persons	Not required to establish	18 persons	100%

5-8 Safe and Healthy Work Environment

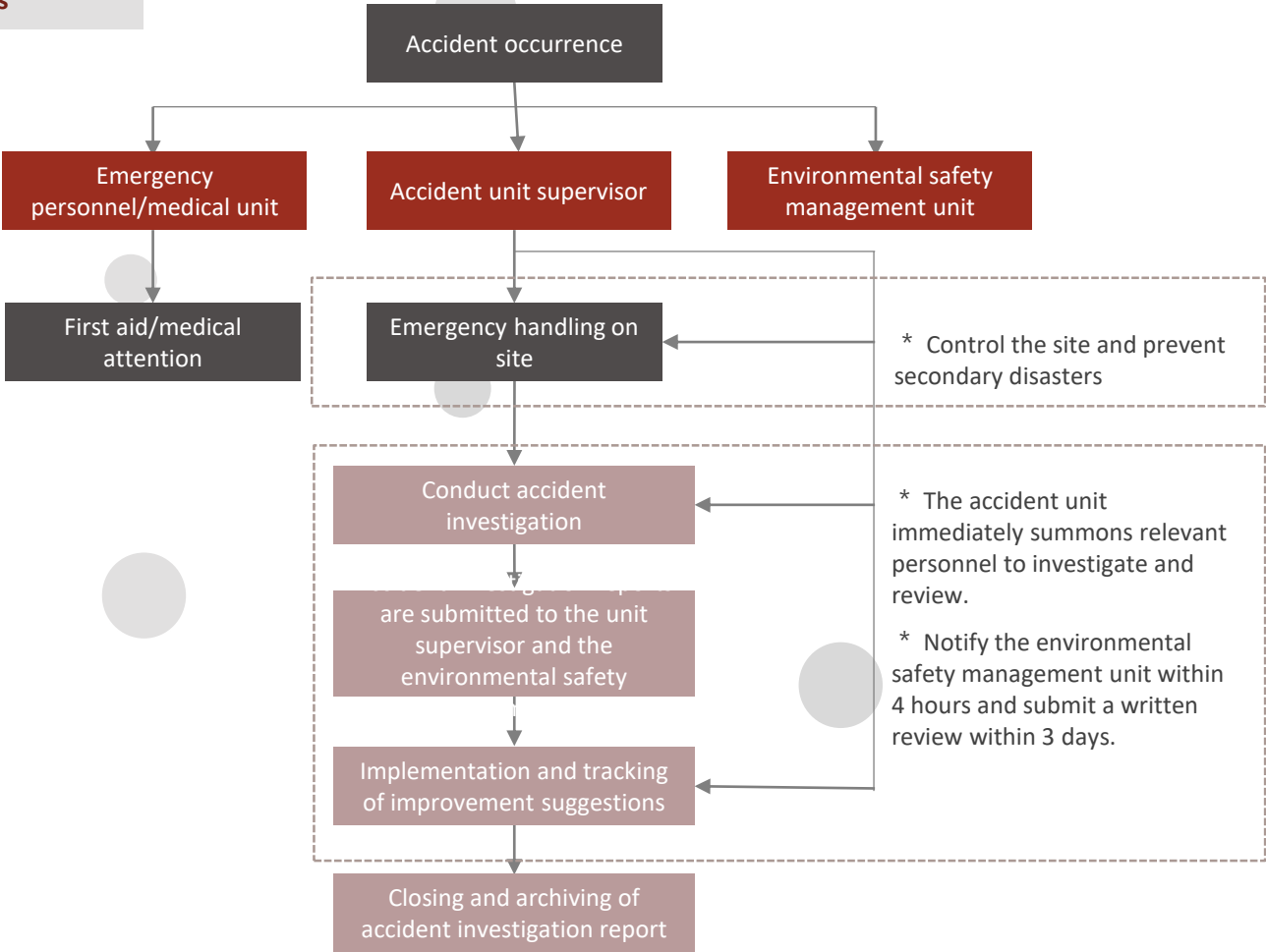
Hazard Identification and Risk Assessment

To effectively prevent the occurrence of occupational accidents, Walsin Technology Group conducts regular annual hazard identification and risk assessments. The subjects of identification include employees, visitors, resident vendors, and contractors. For all routine or non-routine activities that may cause injury or accidents, the Occupational Safety and Health Management Department takes the lead, and personnel qualified in hazard and risk identification from each unit carry out comprehensive operational hazard identification. Based on the exposure frequency, occurrence frequency, and severity of hazardous events, a tiered management system is established. Priority is given to managing and improving high-risk areas. Through monthly EHS audits, supervisors and employees are made aware of the importance of occupational safety and environmental practices, working together to enhance plant safety and reduce operational risks.

Safety and health hazard identification management process



Accident investigation and handling process



Emergency Response Mechanism and Training

To protect employee safety and health, Walsin Technology Group has established the “Occupational Safety and Health Management Regulations” to conduct employee occupational safety and health training, regular health checkups, and install first-aid kits. In accordance with the “Labor Health Protection Rules” and other relevant regulations, the Company has formulated the “Health Examination Management Measures” and conducts detailed risk assessments concerning health and safety by establishing the “Occupational Safety Hazard Identification and Risk Assessment Management Regulations” to evaluate the potential impacts of hazards on personnel safety and health, and regularly updates the risk assessments. Further, appropriate procedures are adopted to anticipate health and safety risks resulting from operational changes (such as new business activities or changes in operations). Referring to the “Personal Protective Equipment Management Regulations,” personal protective equipment and emergency response gear cabinets are installed onsite to prevent harm caused by physical and chemical factors, and protective equipment is provided free of charge to all affected employees. Workplace environment monitoring is conducted every six months to assess employee exposure to hazards. Each year, special hazardous health operations are arranged for specific hazardous workstations, and general employee health examinations are conducted every one to two years. Based on the health examination results, tiered management is implemented.

In accordance with the Occupational Safety and Health Management Regulations, the Company has formulated the “Factory Safety and Autonomous Inspection Plan Regulations.” An annual autonomous inspection plan is scheduled, with equipment units responsible for inspections and occupational safety reviews to ensure equipment safety and to reduce personnel safety risks caused by equipment failure.

All Walsin Technology Group employees and contractors follow the “Occupational Safety and Health Code of Practice.” If employees discover abnormal conditions while working, they are required to immediately report to their supervisors to prevent occupational hazards. If the Company identifies any immediate danger in the workplace, it will immediately suspend operations and evacuate all personnel to a safe area. 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					
Location	Environmental testing to identify potential health hazards	Health check for special operations to confirm if employees are contaminated by hazardous factors	Prevention of musculoskeletal diseases caused by repetitive tasks	Prevention of diseases caused by abnormal workloads such as shifts, night work and long working hours	Prevention of physical or mental harm caused by the actions of others
Taiwan plants	Every 6 months	Every 1 years	Continuously implemented.	Continuously implemented	Continuously implemented
Overseas plants (Excluding Malaysia)	Every 1 years	Every 1 years	Continuously implemented	Continuously implemented	Continuously implemented

Occupational Diseases and Injuries

To cope with various emergency events that may occur, Walsin Technology Group 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:

- Emergency response plans are formulated in response to potential emergency situations. After an incident occurs, investigation and analysis are conducted, and preventive improvement measures are proposed.
- Through various methods, internal safety awareness is promoted irregularly to ensure that employees possess professional knowledge of occupational safety and health.
- Fire drills and emergency evacuation drills are conducted regularly each year to ensure that in the event of a fire, fires can be quickly extinguished, and correct evacuation procedures can be followed to minimize damage.
- 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.
- 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.

Location	Emergency Response
Taiwan plants	Every 1 years
Overseas plants (excluding Malaysia)	Every 1 years

5-8 Safe and Healthy Work Environment

Occupational Diseases and Injuries

Over the years, Walsin Technology Group has had no work-related illnesses or fatal incidents, nor any cases classified as Level 4 in special health examinations. Regarding occupational injuries, Walsin Technology Group conducts public injury incident investigations and analysis reports for all occupational injury cases, re-identifies occupational safety and health hazards, and formulates and implements improvement plans. Units with a higher incidence of occupational injuries and specific types of injuries are statistically analyzed on a regular basis. Those with relatively high severity, a higher number of incidents, cross-unit involvement, or recurring nature are designated as key focuses for training and management. The Company continues to strengthen safety awareness in the workplace and incorporates these into environmental and occupational safety and health program management to reduce the occurrence and harm of occupational injury incidents.

2024 Occupational Safety and Health Regulation Compliance and Occupational Injury Statistics

During the reporting period, Walsin Technology Group reported no occupational injuries or occupational diseases among employees or non-employees (contractors, outsourced workers), and there were no major fines or non-monetary sanctions due to violations of relevant regulations.

Location	Total working hours	Number of recordable occupational injuries	Number of serious occupational injuries	Number of days lost	Recordable occupational injury rate	Serious occupational injury rate	Occupational injury fatality rate
Taiwan plants	4,839,181	10	0	162	2.07	0	0
Overseas plants (Excluding Malaysia)	13,364,927	9	0	313	0.67	0	0

- 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 cases (including serious occupational injuries but excluding traffic accidents)
4. Recordable occupational injury rate: recordable number of occupational injuries in the workplace/working hours * 1,000,000.
5. Serious occupational injury rate: Number of serious occupational injuries in the workplace (excluding deaths)/working hours * 1,000,000.
6. The occupational injury fatality rate includes both employees and non-employee workers.

Occupational Injury Type Statistics Table	2022		2023		2024	
Occupational Injury Type	Number of cases	Proportion	Number of cases	Proportion	Number of cases	Proportion
(1) Fall from height / tumble						
(2) Slip / trip / fall (on the same level)	3	16%	3	25%	6	32%
(3) Collision	2	11%			1	5%
(4) Falling object			1	8%		
(5) Object collapse / cave-in						
(6) Struck by (impact)	2	11%	3	25%		
(7) Cut / laceration / abrasion	2	11%	1	8%		
(8) Caught in or between / entanglement	4	21%	2	17%	6	32%
(9) Stepped on / trampled						
(10) Drowning						
(11) Contact with high or low temperature	1	5%	2	17%	1	5%
(12) Contact with harmful substances	1	5%				
(13) Electric shock	1	5%			2	10%
(14) Explosion						
(15) Object rupture						
(16) Fire						
(17) Improper action	3	16%			3	16%
Total	19	cases	12	cases	19 cases	

Number of People Entering the Plant for Work Every Day

Location	Total number of employees	Number of non-employees whose work and/or workplace is controlled by the organization (resident outsourced contractors)	Number of non-employees whose work and/or workplace is controlled by the organization (contractors)	Total number of employees (proportion %)	Number of non-employees whose work and/or workplace is controlled by the organization (resident outsourced contractors)	Number of non-employees whose work and/or workplace is controlled by the organization (contractors) (proportion %)	Total
Taiwan plants	2,735	78	234*	90%	3%	8%	3,047
Overseas plants (excluding Malaysia)	2,524	52	77	95%	2%	3%	3,653

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

100

6-2 Social Care Related Activities Over the Years

P 101- 103

6-1 Internal Public Welfare Organizations

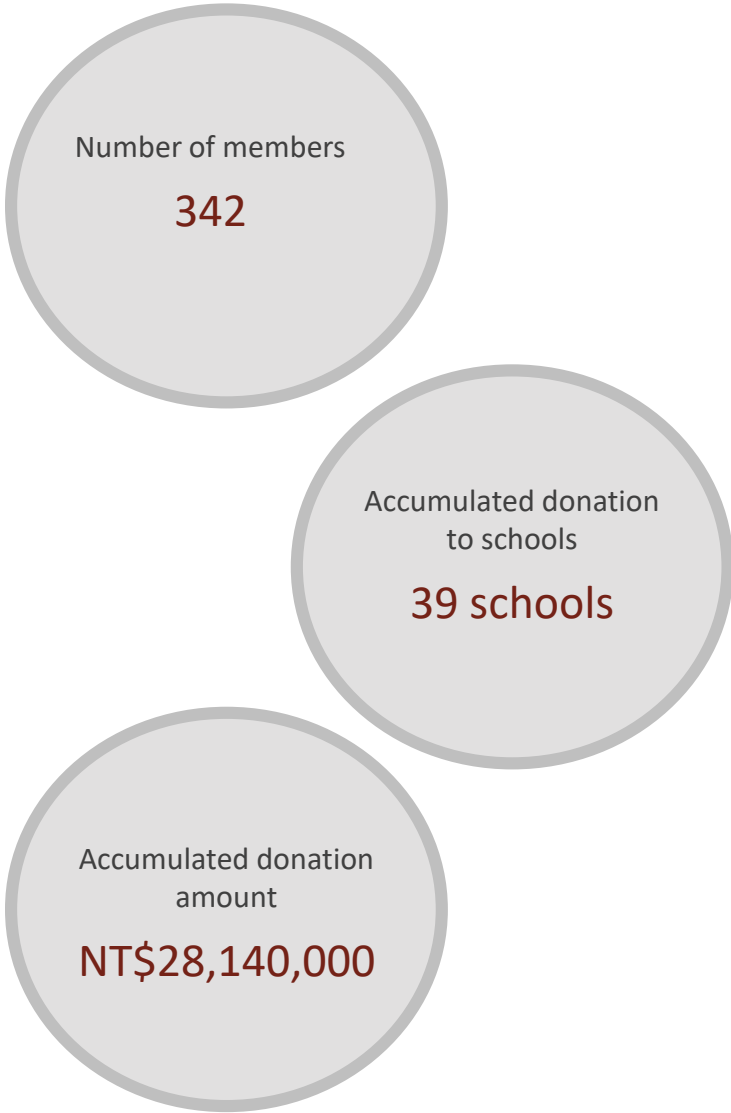
After participating in the donation for the 921 earthquake in 1999, Walsin Technology’s employees discovered that there were still many disadvantaged children and elderly people in Taiwan who needed long-term assistance through organized groups. Therefore, they spontaneously established the "WTC Charity 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, Hualien 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 342 members in 2024. From 2007 to 2024, over this 17-year period, the WTC Charity Foundation received a total of NT\$28.14 million in donations (with 92% of the expenditures primarily allocated to support disadvantaged elementary school students, and 8% donated to social welfare organizations).

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.

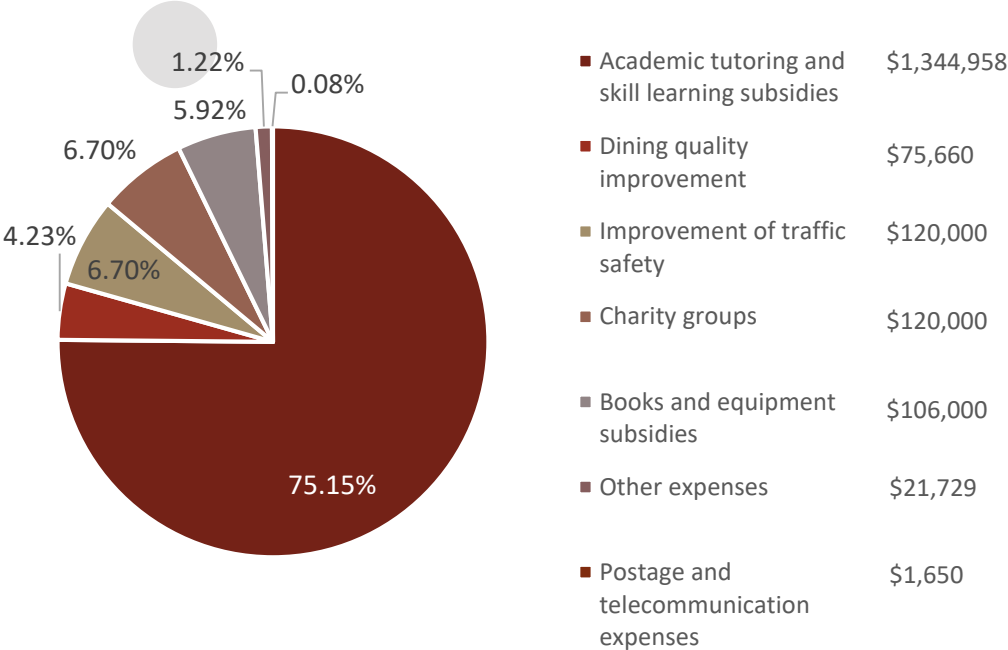


6-2 Social care related activities over the years

Total Subsidy Amount in 2024: NT\$1,789,997

External Subsidy Recipients		
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	Leho Primary School, Hualien County
Family Support Center	Palette Association	Manchou Primary School, Pingtung
Bengang Elementary School, Taoyuan City	Lunping Elementary School, Taoyuan City	-

Unit: NTD



Charity group: Taiwan Fund for Children and Families.

Other expenses: Collection and payment for employee calendar purchases and calendar gifts to members, NT\$13,529 + collection and payment for blood donation event at Kaohsiung Plant, NT\$8,200.

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.

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, .



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.



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.

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.



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.

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.



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 fare 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.

Appendices

Appendix 1	Comparison Table of SASB Standards Indicators	P 105
Appendix 2	Sustainability Disclosure Indicators	P 106
Appendix 3	GRI Content Index Table	P 107 - 112
Appendix 4	External Assurance	

Comparison Table of SASB Standards Indicators

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	4-1 Climate-related Leading Actions	65-69
Hazardous Substance Management	Recycling percentage of hazardous waste generated	RT-EE-150a.1	Fixed quantity	4-2 Waste management	70
	Recycled quantity and total amount that can be reported and disclosed	RT-EE-150a.2	Fixed quantity	Walsin Technology Corporation adopts a B2B business model and this standard does not apply.	-
Product Safety	Number and total quantity of recalls issued	RT-EE-250a.1	Fixed quantity	Walsin Technology Corporation adopts a B2B business model and this standard does not apply.	-
	Total monetary losses caused by legal proceedings related to product safety	RT-EE-250a.1	Fixed quantity	3-1 Business Philosophy and Regulatory Compliance 3-2 Governance Organization	30-34
Product Life Cycle Management	Percentage of products classified by revenue which contain IEC 62474 declarable substances	RT-EE-410a.1	Fixed quantity	4-2 Waste management	70
	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 2023.	-
Raw material procurement	Description of risk management related to the use of critical materials	RT-EE-440a.1	Discussion and analysis	3-5 Supply Chain Management	56-58
Business ethics	Description of policies and preventive measures regarding (1) corruption and bribery and (2) anti-competitive behavior	RT-EE-510a.1	Discussion and analysis	3-1 Business Philosophy and Regulatory Compliance	30
	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	30
	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	30

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	60
	No. of employees	RT-EE-000.B	Fixed quantity	5-2 Employee Status	78

No.	Indicator	Type of Indicator	Disclosure Section	Page No.	Unit
I.	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantification	4-1 Indirect Energy	68	gigajoules (GJ), percentage (%)
II.	Total water withdrawal and total water consumption	Quantification	4-3 Water Resources Management	72-73	Thousand cubic meters (1000 m³)
III.	Weight of hazardous waste generated and recycling percentage	Quantification	4-2 Waste management	70-71	Metric tons (t), percentage (%)
IV.	Description of occupational injury categories, numbers, and rates	Quantification	5-8 Safe and Healthy Work Environment	98	Percentage (%), quantity
V.	Disclosure of product life-cycle management: weight of discarded products and electronic waste, and the percentage recycled (Note 1)	Quantification	Walsin Technology Corporation adopts a B2B business model and this standard does not apply.	-	Metric tons (t), percentage (%)
VI.	Description of risk management related to the use of critical materials	Qualitative description	3-5 Supplier Management	56-58	Not applicable
VII.	Total monetary losses arising from legal proceedings related to anti-competitive behavior regulations	Quantification	3-1 Business Philosophy and Regulatory Compliance	30	Reporting currency
VIII.	Major product output by product category	Quantification	3-7 Operational Performance	60	Varies by product type

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
General Disclosure			
GRI 2 : General Disclosure 2021	2-1 Organizational Details	1-2 Company Introduction	7-10
	2-2 Entities Included in Organizational Sustainability Reporting	About This Report	2
	2-3 Reporting Period, Frequency and Contact Information	About This Report	2
	2-4 Re-compilation of Information	About This Report	2
	2-5 External Guarantee/Assurance	About This Report	2
		Appendix 2	To be filled by
	2-6 Activities, Value Chain and Other Business Relationships	1-3 Products and Brands	12
		3-5 Supply Chain Management	56-58
	2-7 Employees	5-2 Employee Status	79
	2-8 Non-employee Workers	5-4 Security-related Human Rights Policy and Procedures Training	82
	2-9 Governance Structure and Composition	3-2 Governance Organization	31-34
	2-10 Nomination and Selection of the Top Governance Unit	Refer to pages 7-8 of the Company's annual report.	
	2-11 Chairman of the Top Governance Unit	3-2 Governance Organization	31-34
	2-12 Role of the Top Governance Unit on the Supervision of Impact Management	3-2 Governance Organization	31-34
	2-13 Person in Charge of Impact Management	3-2 Governance Organization	31-34
	2-14 Role of the Top Governance Unit on Sustainability Reporting	3-2 Governance Organization, About This Report	31-34
	2-15 Conflict of Interest	3-2 Governance Organization	2, 31-34
	2-16 Communicate Key Major Events	3-2 Governance Organization	31-34

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
General Disclosure			
GRI 2 : General Disclosure 2021	2-17 Group Intelligence of the Top Governance Unit	3-2 Governance Organization	32
	2-18 Evaluation of the Performance of the Top Governance Unit	3-2 Governance Organization	32
	2-19 Compensation Policies	3-2 Governance Organization	33
	2-20 Compensation Decision Process	3-2 Governance Organization	31-34
	2-21 Annual Total Compensation Proportion	5-5 Remuneration Evaluation and Benefit Policy	83
	2-22 Statement of Sustainable Development Strategy	Message from the Chairman	3-4
	2-23 Policy Commitments	5-1 Human Resources Policy Content	77
	2-24 Inclusion into Policy Commitments	3-5 Supply Chain Management	56-58
	2-25 Procedure for Remedying Negative Impacts	5-1 Human Resources Policy Content	77
		2-1 Stakeholder Identification and Communication	17
		3-1 Business Philosophy and Regulatory Compliance	30
		5-1 Human Resources Policy Content	77
	2-26 Mechanism for Seeking Advice and Raising Doubts	5-8 Safe and Healthy Work Environment	91
		2-1 Stakeholder Identification and Communication	17
		3-1 Business Philosophy and Regulatory Compliance	30
	2-27 Regulatory Compliance	4-2 Waste management	70-71
		5-1 Human Resources Policy Content	77
	2-28 Membership of Public Associations	3-3 External Participation	53
	2-29 Stakeholder Engagement Policy	2-1 Stakeholder Identification and Communication	17
		2-2 Identification of Major Issues	18
	2-30 Group Agreement	5-1 Human Resources Policy Content	77

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
Major issue			
GRI 3: Material Topics 2021	3-1 Process for Determining Major Issues	2-2 Identification of Major Issues	18-19
	3-2 List of Major Issues	2-2 Identification of Major Issues	18-19
	3-3 Major Issue Management	2-2 Identification of Major Issues	20-28
Major Issue: Economic performance			20-27
GRI 201 Economic performance 2016	201-1 Direct Economic Value Generated and Distributed by the Organization	3-7 Operational Performance	60
		5-5 Salary and Benefits	82-86
	3-3 Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)	Risk Management – Task Force on Climate-related Financial Disclosures (TCFD)	35-53
	201-4 Financial Subsidies from the Government	3-4 External Participation	54
Major Issue: Taxation			20-27
GRI 207: Tax	207-1 Approach to tax	3-7 Operational Performance	60
Major Issue: Waste			20-27
GRI 306 Waste 2020	306-1 Generation of Waste and Significant Impact Related to Waste	4-2 Waste Recycling	70
	306-2 Management of significant waste-related impacts	4-2 Waste Recycling	70
	306-3 Waste generated	4-2 Waste Recycling	70
	306-4 Waste diverted from disposal	4-2 Waste Recycling	70
	306-5 Waste directed to disposal	4-2 Waste Recycling	70

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
Major issue			
Major Issue: Customer privacy			20-27
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	63
Major Issue: Water and discharge water			20-27
GRI 303 Water and Discharged Water 2018	303-1 Mutual Influence of Shared Water Resources	4-3 Water Resources Management	72
	303-2 Management of Impacts Related to Discharged Water	4-3 Water Resources Management	72
	303-3 Water Intake Volume	4-3 Water Resources Management	72
	303-4 Displacement	4-3 Water Resources Management	72
	303-5 Water Consumption	4-3 Water Resources Management	72
Major Issue: Discharge			20-27
GRI 305 Emissions 2016	305-1 Direct (Category I) Greenhouse Gas Emissions	4-1 Climate-related Leading Actions	65-69
	305-2 Indirect (Category II) Greenhouse Gas Emissions	4-1 Greenhouse Gas Emissions and Management	69
	305-3 Other Indirect (Category III) Greenhouse Gas Emissions	4-1 Greenhouse Gas Emissions and Management	69
	305-4 Greenhouse Gas Emission Intensity	4-1 Climate-related Leading Actions	65-69
	305-5 Reduction of GHG emissions	4-1 Carbon Reduction Project Management	69
Major Issue: Anti-corruption			20-27
GRI 205 Anti-corruption 2016	205-1 Operating Sites Undergoing Corruption Risk Assessment	3-2 Organization Structure	32
Major Issue: Child labor			20-27
GRI 408: Child Labor 2016	408-1 Operating Sites and Suppliers with Significant Risks of Using Child Labor	3-5 Supply Chain Management	56-58
		5-1 Human Resources Policy Content	77

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
Others: General Topics			
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	82-86
	202-2 Proportion of local residents employed as high-level management	5-1 Human Resources Policy	77
GRI 203 Indirect Economic Impact 2016	203-1 Development and Impact of Infrastructure Investment and Support Services	6-1 Internal Public Welfare Organizations	100
GRI 204 Procurement Practice 2016	204-1 Proportion of Procurement Expenses from Local Suppliers	3-4 Supply Chain Management	56-58
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	30
GRI 302 Energy 2016	302-1 Energy Consumption within the Organization	4-1 Climate-related Leading Actions	66-70
	302-3 Energy Source Density	4-1 Climate-related Leading Actions	66-70
	302-4 Reduction of Energy Consumption	4-1 Climate-related Leading Actions	66-70
GRI 308 Supplier Environmental Assessment 2016	308-1 Using Environmental Standards to Screen Suppliers	3-5 Supply Chain Management	57-59
	308-2 Negative Impact of Supply Chain on the Environment and Actions Taken	3-5 Supply Chain Management	57-59
GRI 401 Labor Relations 2016	401-1 New employee hires and employee turnover	5-2 Employee Status	80
	401-2 Benefits Provided to Full-time Employees (Excluding Temporary and Part-time Employees)	5-5 Employee benefits and diversified activities	84-88
	401-3 Parental Leave	5-5 Parental leave	88
GRI 404 Training and Education 2016	404-1 Average Number of Training Hours per Employee per Year	5-3 Training and Performance	81-82
	404-2 Improvement of Employee Job Competence and Transition Assistance Plans	5-3 Training and Performance	81-82
	404-3 Percentage of Employees Undergoing Regular Performance and Career Development Reviews	5-5 Remuneration Evaluation and Benefit Policy	84-88

GRI Content Index Table

Declaration of Use	Walsin Technology follows the GRI Standards in publishing the 2024 Sustainability Report; data cover the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Standards	None.

GRI Standards	Items disclosed	Related chapters and sections	Page No.
Others: General Topics			
GRI 405 Employee Diversity and Equal Opportunities 2016	405-1 Diversification of Governance Units and Employees	3-2-2 Board of Directors	33
		5-2 Employee Status	80
GRI 409 Forced or Compulsory Labor 2016	409-1 Operating Sites and Suppliers with Significant Risks of Forced or Compulsory Labor Events	3-5 Supply Chain Management	56-58
GRI 410: Security Practices 2016	410-1 Training on Human Rights Policy and Procedures for Security Personnel	5-4 Security-related Human Rights Policy and Procedures Training	81
GRI 414 Supplier Social Evaluation 2016	414-1 New Suppliers Screened Using Social Standards	3-5 Supply Chain Management	56-58
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	3-5 Supply Chain Management	56-58
GRI 415 Public Policies 2016	415-1 Political Donation	3-4 External Participation	54-55
GRI 416 Customer health and safety 2016	416-1 Evaluation of the Impact of Product and Service Categories on Health and Safety	3-5 Supply Chain Management	56-58
		3-6 Quality Management	59
		4-1 Climate-related Leading Actions	65-69
GRI 403 Occupational Safety and Health 2018	416-2 Violations of Health and Safety Regulations Related to Products and Services	No major violations in 2024	
	403-1 Occupational Safety and Health Management System	5-8 Safe and Healthy Work Environment	99
	403-2 Hazard Identification, Risk Assessment and Accident Investigation	5-8 Occupational Diseases and Injuries	98
	403-3 Occupational Health Services	5-7 Employee Health and Care	91
	403-4 Worker participation, consultation, and communication on occupational health and safety	5-8 Safety and Health Related Training	95
	403-5 Worker training on occupational health and safety	5-8 Safety and Health Related Training	95
	403-6 Promotion of worker health	5-7 Employee Health and Care	90
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5-8 Safety and Health Related Training	92-93
	403-8 Workers covered by an occupational health and safety management system	5-8 Number of People Entering the Plant for Work Every Day	98
	403-9 Work-related injuries	5-8 Occupational Diseases and Injuries	96-97
	403-10 Work-related illness	5-8 Occupational Diseases and Injuries	96-97

Appendix 4 External Assurance

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獨立保證意見聲明書

華新科技股份有限公司 2024 年永續報告書

英國標準協會與華新科技股份有限公司(簡稱華新科)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 2024 年永續報告書進行評估和查證外,與華新科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 2024 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科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,將由華新科一併回覆。

查證範圍

華新科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 2024 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 應用類型評估華新科遵循 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 2024 年永續報告書內容,對於華新科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、華新科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。我們相信有關華新科的環境、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科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。我們認為就華新科所提供之足夠證據,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科政策進行訪談,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 7 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

2024 年報告書反映出華新科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科之包容性議題。

重大性

華新科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科之重大性議題。

回應性

華新科執行來自利害關係人的期待與看法之回應。華新科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科之回應性議題。

衝擊性

華新科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。華新科已建立監督、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科之衝擊性議題。

GRI 永續性報導準則

華新科提供有關依循 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科的永續性主題。

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,為華新科負責人所有。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。本查證團隊係由具專業背景,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-786574
2025-06-16

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INDEPENDENT ASSURANCE OPINION STATEMENT

Walsin Technology Corporation 2024 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 2024 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 2024 ESG Report provides a fair view of the WTC sustainability programmes and performances during 2024. 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 assurors 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.
- 7 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.

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 sustainability 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 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:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-786574

2025-06-16

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