



Report on Communication with Stakeholders in 2022



2022/11

Communication with Stakeholders

- According to Article 43 of the company's "Corporate Governance Best Practice Principles" : The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Communication Channels

Shareholder Relations

Joint Shareholders Service Office
SHS@walsin.com

Employee Relations

Human Resources Div.
Employee-Employer Meeting/
Attendance in Person...

Media Relations

Corporate Communication Dept.
PR@walsin.com

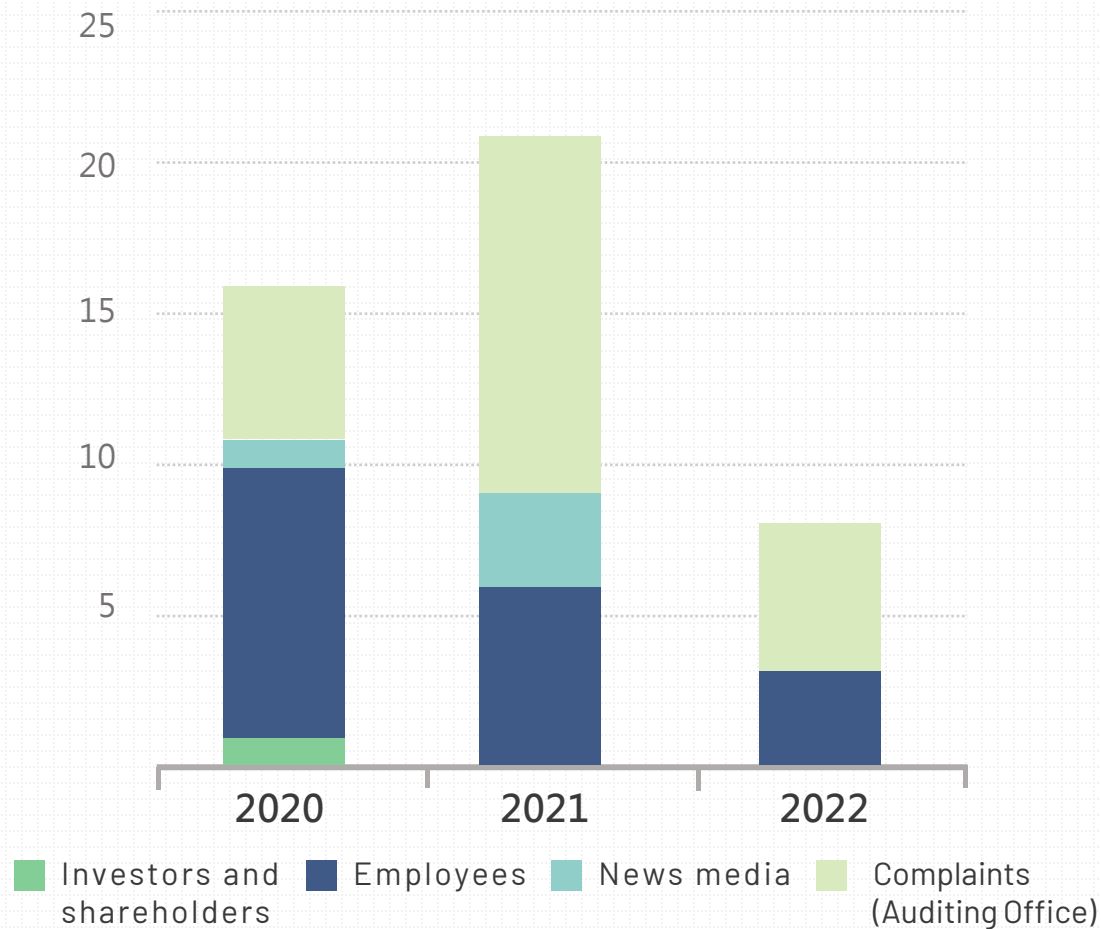
Business Conduct Reporting and Sexual Harassment Reporting

Auditing Office
opinion@walsin.com



Key Issue

■ Comparison of the total number of suggestions in the year



■ Cateogrt of key issue in 2022

01,

Labor Relations Improvement

A total of 3 suggestions
All processed and cases closed.

02,

Work Environment Improvement

A total of 2 suggestions
All processed and cases closed.

03,

Job Performance Improvement

A total of 1 suggestion
All processed and cases closed.

04,

Contract Dispute Management

A total of 1 suggestion
Processed with ongoing follow-ups

Material Issues of Stakeholders' Concern

- In order to identify material stakeholders, according to the five principles of the AA1000 SES Stakeholder Engagement Standard (Responsibility, Influence, Tension, Diversity of Perspectives, and Dependency) to examine 11 categories of major stakeholders.
- Established complete and comprehensive communication channels to fully understand the issues of stakeholders' concern to actively address such issues and seek improvement.

Steps of Implementation

STEP 1.

Identification of stakeholders and Compilation of Sustainability Issues

- ✓ Identification of 6 categories of stakeholders based on the AA 1000 Stakeholder Engagement Standard and questionnaire survey findings
- ✓ Compilation of 20 sustainability issues by referring to relevant international sustainability standards and communication processes

STEP 3.

Analysis of the Degrees of Business Impact

- ✓ A questionnaire survey of the degrees of impacts of sustainability issues among directors of the board and senior management
- ✓ Receipt of 24 valid questionnaire

STEP 5.

Conformation of Impacts and Disclosures

- ✓ An understanding of impact boundaries and the degrees of involvement
- ✓ Disclosure of management mechanism and its objective with commitment to confirmation of impacts and disclosures

STEP 2.

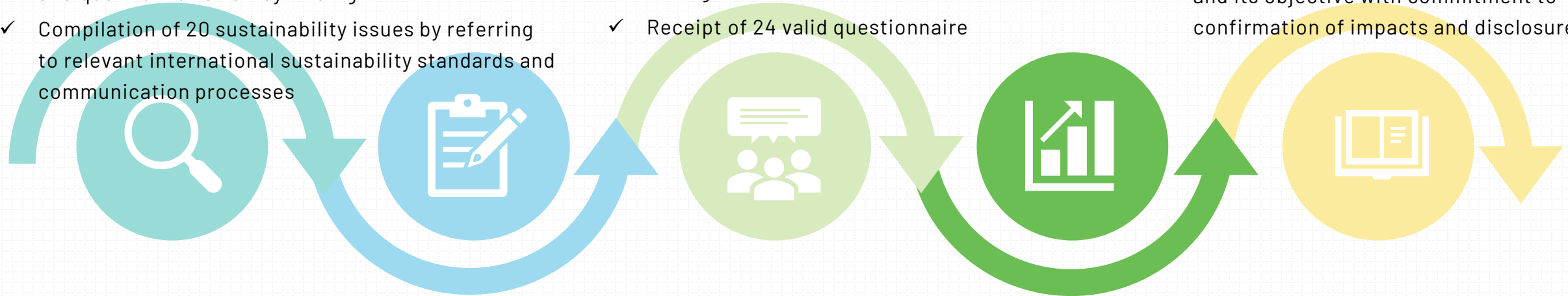
Survey of the Degrees of Stakeholders' Concern

- ✓ A questionnaire survey of the degrees of stakeholders' concern of sustainability issues
- ✓ Receipt of 372 valid questionnaires

STEP 4.

Conformation of Material Issues

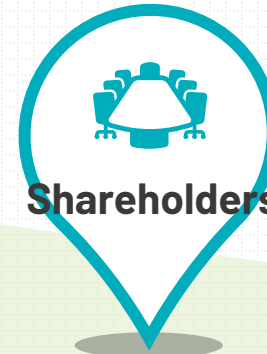
- ✓ Review and adjustment of STEP 2 and 3 based on the management team's recommendations
- ✓ Conformation of 9 material issues and 12 material topics



6 Categories of Material Stakeholders



Responsive Listening and
Interactive Communication



Identification and Analysis of Sustainability Issues

Material Issues

Materiality Matrix



Sustainability Issues List

Note: * 2021 Material Sustainability Issues



Environmental

- 1 Climate Action
- 2 Energy Management
- * 3 Waste Management
- 4 Water Management



Labor and Human Rights

- * 5 Health and Safety
- * 6 Labor Relationship
- 7 Training and Education
- 8 Hiring, Salary and Benefit

Social

- 9 Society and Community Involvement
- 10 Human Rights and Equality
- 11 Customer Service and Relationship



Governance, Commitments, and Engagement

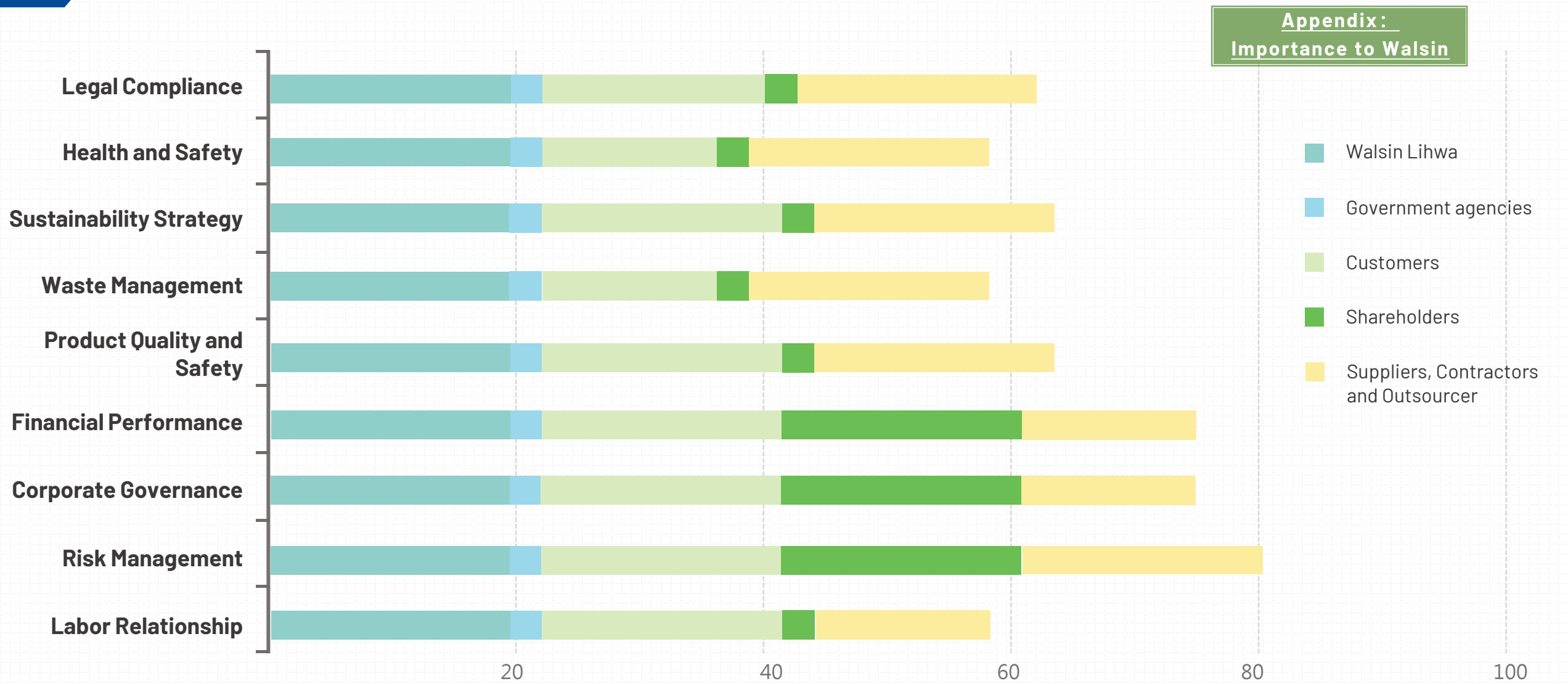
- * 12 Sustainability Strategy
- * 13 Corporate Governance
- * 14 Risk Management
- * 15 Legal Compliance
- 16 Information Security

Economic

- 17 Product Development and Technology Innovation
- * 18 Product Quality and Safety
- * 19 Financial Performance
- 20 Supplier Management

Material Sustainability Issues

Internal and External Impact Assessment Results



Material Sustainability Issues

Disclosure of Management Strategies

Financial Performance

- ✓ Management meetings on a regular basis: Sufficient communication and reports on day-to-day operation to keep the management updated on the progress of individual projects
- ✓ Ongoing enhancement of business performance through integration strategy implementation, digital transformation, and core competitiveness improvement

Objective Meet stakeholders' relevant expectations by comprehensive strategy development and effective management to achieve steady and sustainable growth.

Management Mechanism and Objective

Corporate Governance

- ✓ Continue reviewing recommendations from external assessment of board performance for ongoing improvement by prioritizing such recommendations;
- ✓ Strengthen the transparency of Chinese and English information on the company's website to achieve timeliness;
- ✓ Focus on the indexes in which the company did not score in the Corporate Governance Evaluation Indexes to agilely amend the company's governance regulations and improve disclosure.

Objective Effectively safeguard shareholders' rights and interests, treat shareholders equally and fairly, strengthen board structure and operation, improve information transparency, and better fulfill corporate social responsibilities.



Inventory and Adjustment of Sustainability Issues in 2022

Added Issue "Air Emission"

- ✓ Net zero is an important business objective in response to the 2050 net zero roadmap;
- ✓ In compliance with the TCFD framework, there are enactments of relevant energy management regulations and increases of greenhouse gas emission prices. Walsin Lihwa should proactively deal with relevant policy and law impacts; and
- ✓ The company's air emission management strategy should therefore include a greenhouse gas emission goal and related management measures while disclosing air pollution emissions.

Deleted "Labor Category"

- ✓ Given the recent pandemic and global climate change events, mankind should think of how to coexist with nature while businesses should also think of how to protect the Earth when pursuing revenue growth. Big companies have started to disclose ESG-related information. ESG data are not only static scores but also dynamic disclosures of financial management performance in the past and how to achieve corporate sustainability based on ESG goals.
- ✓ "Social" includes how to manage employees, customers, suppliers, work environments, and communities. Therefore, 4 sustainability issues in the labor category have been moved to "social."

 Health and Safety
  Labor Relationship
  Training and Education
  Hiring, Salary and Benefit

hank you



Appendix

Material Topics Table

Importance to Walsin

Legal Compliance	In response to government regulations, develop relevant compliance policies and measures to abide by them, and prevent the impact of illegal incidents on business sustainability, finance, etc.
Health and Safety	Effectively implement comprehensive occupational safety and health management measures and policies to strengthen employee health and safety.
Sustainability Strategy	Pursue sustainability through the Sustainable Development Committee’s sustainability promotion strategy development to set annual goals and action plans to enable effective ESG management.
Waste Management	Include consumption and recycling optimization statuses, pollution management, and environmental impact assessments into material and resource utilization strategy development.
Product Quality and Safety	<ol style="list-style-type: none"> 1. Ensure products and their materials meet relevant health and safety standards to continue improving product quality. 2. Develop and strengthen customer relations to understand customer needs and wants, improve service quality, and strengthen customer satisfaction.
Financial Performance	Ensure strategy comprehensiveness and sound management to strengthen business performance and achieve steady and sustainable growth.
Corporate Governance	Safeguard shareholders’ interests and rights, strengthen board structure and operation, improve information transparency, and better fulfill corporate social responsibilities.
Risk Management	Continue identification and monitoring of risks for countermeasure development to mitigate the impact and influence of internal and external risks.
Labor Relationship	Consider employees as a precious asset for business sustainability to take care of employees by providing good compensation and benefits, prioritizing employee health and safety, and enabling consensus building between the company and employees.