Report on Communication with Stakeholders in 2023

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Stakeholder Identification

Step 1.

Compilation

11 categories of stakeholders

17 valid questionnaires from management level

Step 2.

Analysis

5 principles of AA1000 stakeholder engagement

- ✓ Responsibility   ✓ Influence   ✓ Tension
- ✓ Diverse Perspectives   ✓ Dependence

Step 3.

Validation

6 categories of material stakeholders

<Unchanged as compared with those in 2021>

Six major categories of stakeholders

Complete and comprehensive communication channels with stakeholders have been established to effectively stay on top of the issues of their concern as well as their specific opinions to enable active responsiveness, review, and improvement.

| Customers | Employees | Government agencies | Shareholders | Suppliers, Contractors and Outsourcer | Banks |

Material Topics Analysis

Understand the organization's sustainability context

- Compilation of 21 sustainability issues by referring to international sustainability norms and standards

Assess the significance of the impacts

- A survey of the board of directors and senior managerial officers on the degrees of severity of sustainability issues with a total of 25 valid questionnaires

Disclosure

- Disclosure of management mechanisms and objectives

Step 1.

Step 2.

Step 3.

Step 4.

Step 5.

Identify actual and potential impacts

- The senior management's assessment of the degree of positive and negative impacts on the economy, environment, and people as well as the likelihood of potential impacts based on the principle of double materiality.

Prioritize the most significant impacts for reporting

- Topics based on "the degree of sustainability issues positive and negative impacts on the economy, environment, and people' as well as 'the likelihood of potential impacts".
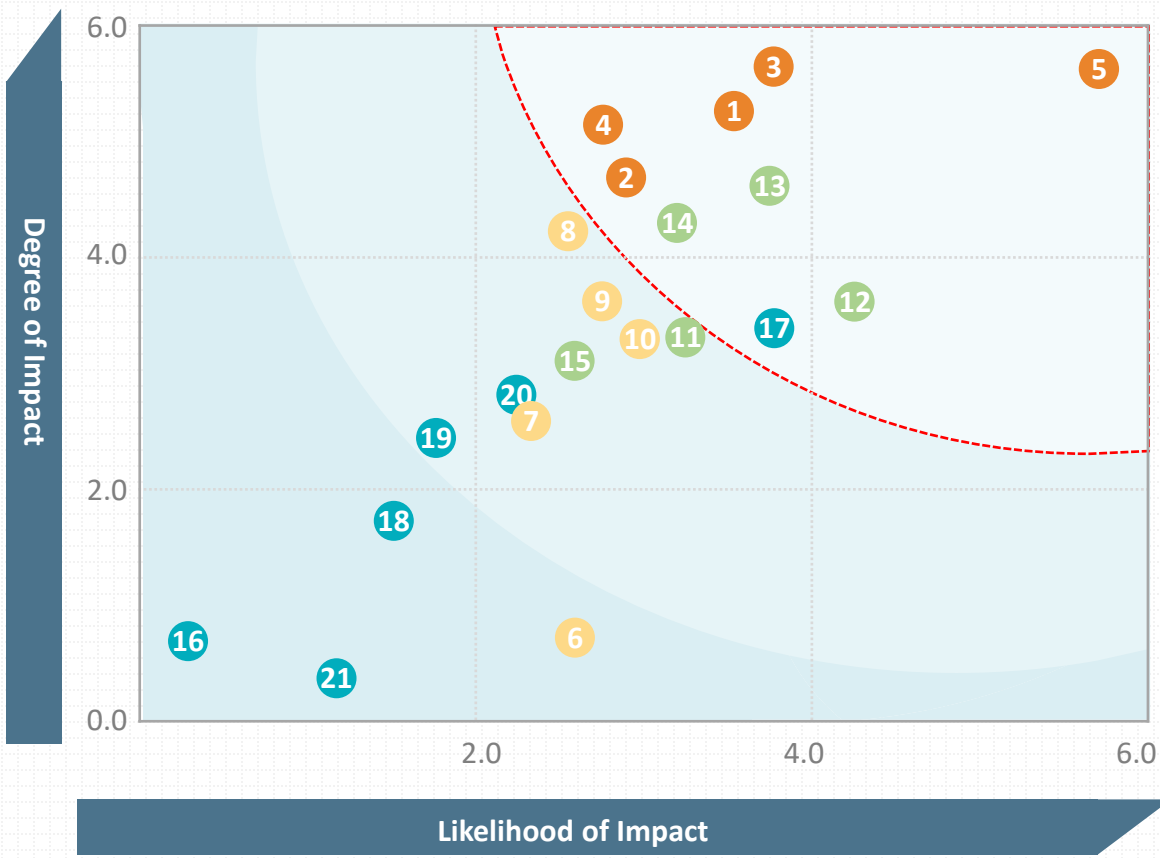- 9 major sustainability topics

Identification of Sustainability Issues

■ Materiality Matrix

Degree of Impact (Y-axis): 0.0, 2.0, 4.0, 6.0

Likelihood of Impact (X-axis): 2.0, 4.0, 6.0

■ 2022 CSR Issues List

Note: * 2021 Material Sustainability Issues

Environmental Performance

- 11 Climate Action
- 12 Energy Management
- 13 Air Emissions
- * 14 Waste Management
- 15 Water Management

Governance Performance

- * 1 Sustainability Strategy
- * 2 Corporate Governance
- * 3 Risk Management
- * 4 Legal Compliance
- 5 Information Security Management

Social Performance

- 16 Human Rights and Equality
- * 17 Occupational Health and Safety
- * 18 Labor Relationship
- 19 Training and Education
- 20 Hiring, Salary and Benefit
- 21 Society and Community Involvement

Economic Performance

- 6 Product Development and Technology Innovation
- * 7 Product Quality and Responsibility
- * 8 Financial Performance
- 9 Customer Service and Relationship
- 10 Supplier Management

Material Sustainability Issues

■ **Comparison of the percentages of individual material sustainability issues of the year**

- Governance Performance
- Economic Performance
- Environmental Performance
- Social Performance
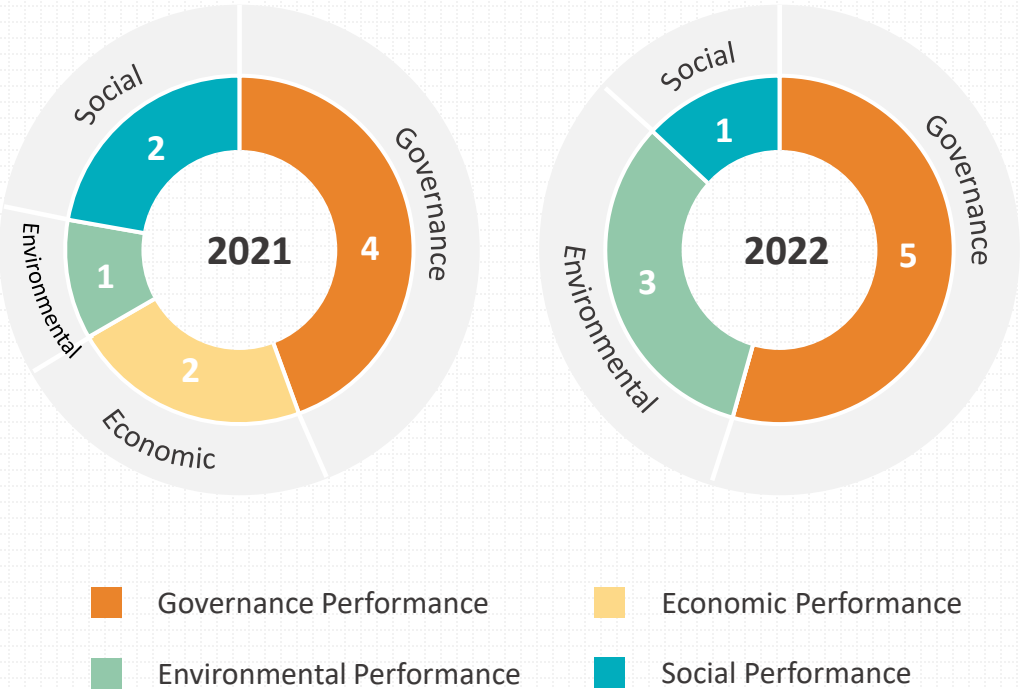
■ **Material sustainability issues in 2022 and value at risk (VAR)**

VAR = Degrees of impact (1~6) x Probability of occurrence (1~6)

Material Topic	VAR
NEW ■ Information Security Management	**34.1**
■ Risk Management	22.8
■ Sustainability Strategy	21.0
NEW ■ Air Emissions	16.5
NEW ■ Energy Management	15.9
■ Legal Compliance	14.0
■ Water Management	14.0
■ Corporate Governance	13.5
■ Occupational Health and Safety	12.5

Material Sustainability Issues

Actions and objectives

Information Security Management
Governance

Information security plan development to promote information security year by year, information security system implementation including relevant processes and specifications, and ongoing optimization of information security protection measures and technologies

Energy Management
Environmental

Utilization of various systems and tools to help decrease energy consumption and costs while strengthening energy management effectiveness

Air Emissions
Environmental

Ongoing collection and calculation of individual plants' greenhouse gas emissions, quarterly reviews of greenhouse gas emission management, and dynamic adjustment of energy management planning to help adapt to climate change challenges

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ISO 27001 implementation & certification

Information security management system development

Confidentiality

availability

integrity

ISO 14000 Environmental Management System

ISO 14064 Greenhouse Gas Inventory and Validation

ISO 50001 Energy Management System

Green supply chain promotion

Greenhouse gas inventory and validation

Solar power generation implementation and management

Five-year energy management plan

Environment, health, and safety information platform implementation

1.5% annual power saving

1.5% annual carbon reduction

Communication channels with stakeholders

Comparison of the numbers of suggestions received over the years

Chart: Horizontal stacked bar chart, X-axis 5, 10, 15, 20, 25

- **2021:** 6 | 3 | 12
- **2022:** 3 | 5
- **2023 (half year):** 4

▶ November, 2022 ~ April, 2023
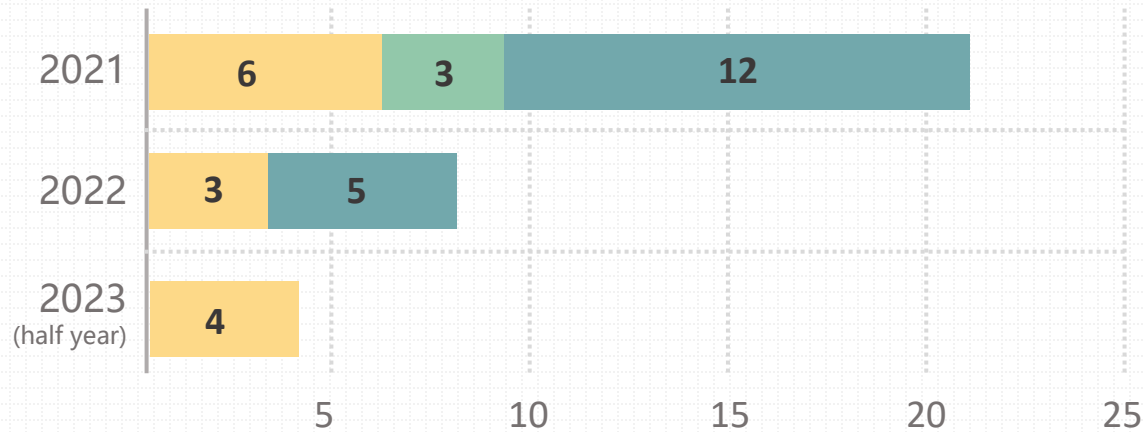
Major categories of the issues communicated with stakeholders

01,
Employee job improvement

A total of two suggestion
All processed and cases closed

02,
Work environment improvement

A total of two suggestion
All processed and cases closed

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 & Sexual Harassment Reporting
Auditing Office
opinion@walsin.com

Thank you