



Report on Communication with Stakeholders in 2024



May 2024

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 2022>

6 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

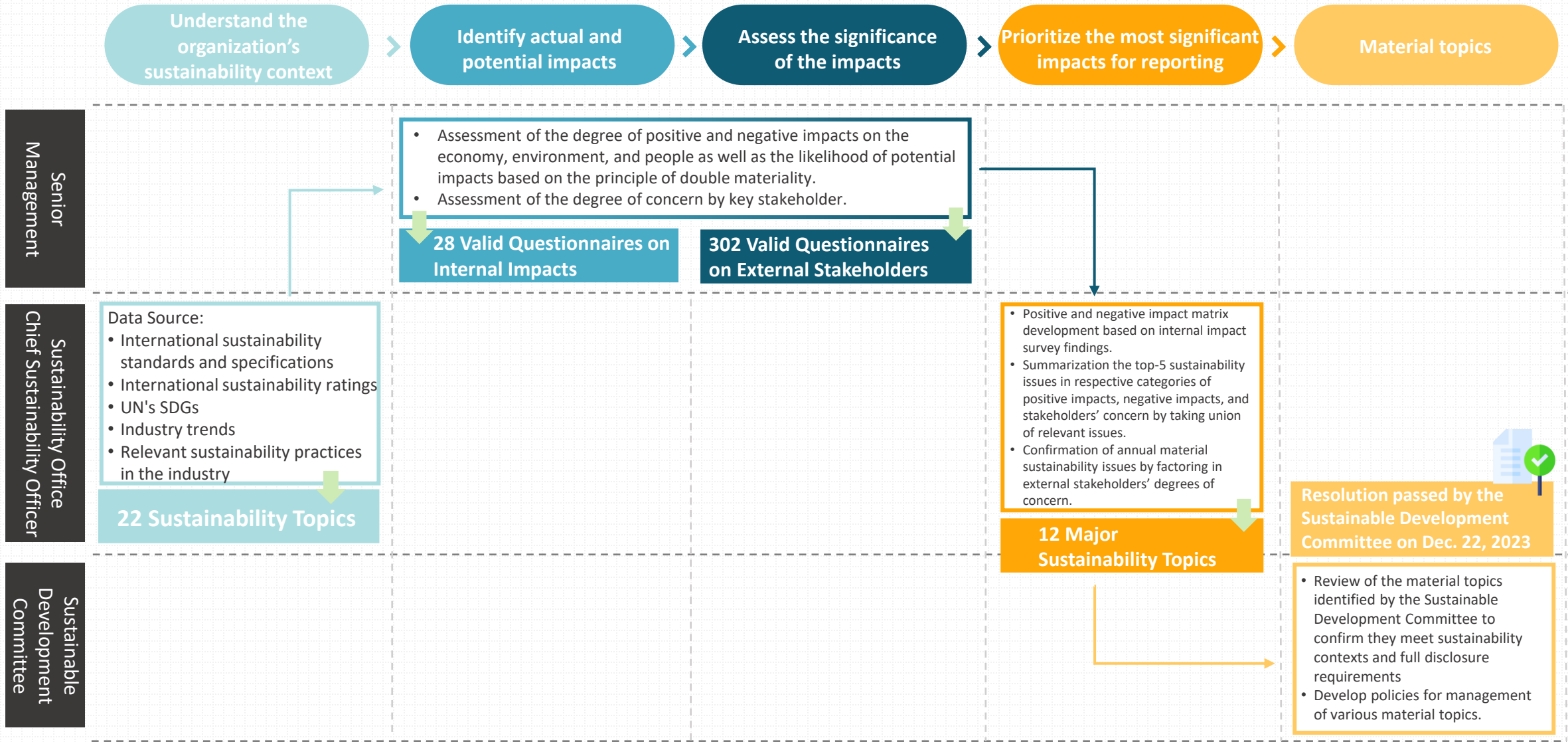


Suppliers, Contractors and Outsourcer



Banks

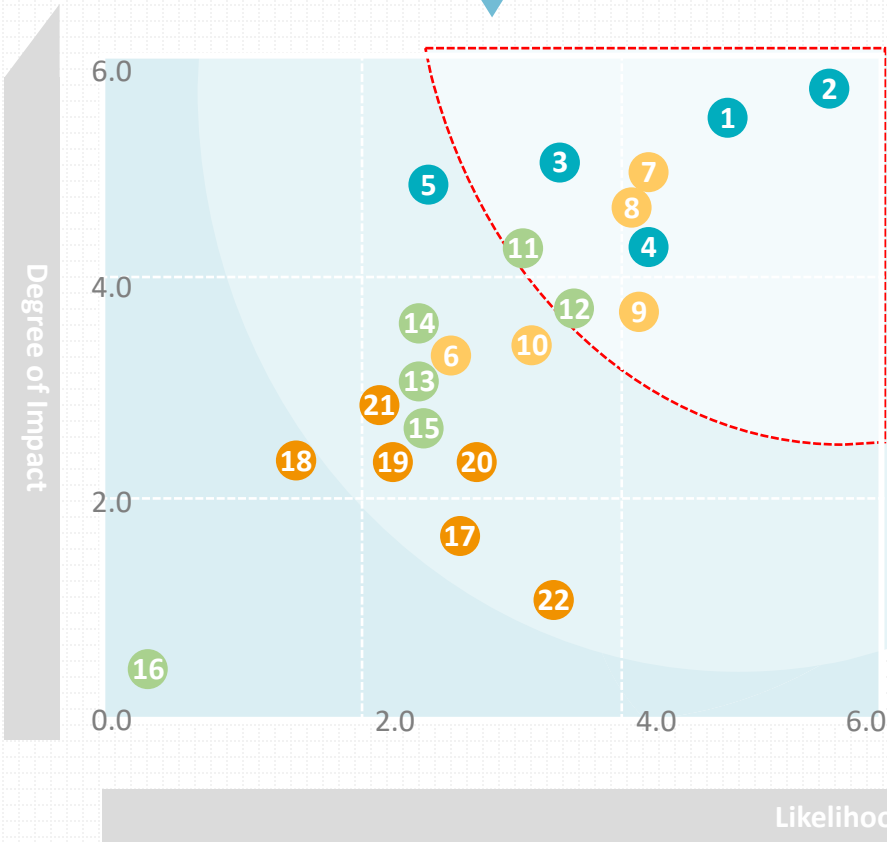
Material Topics Analysis



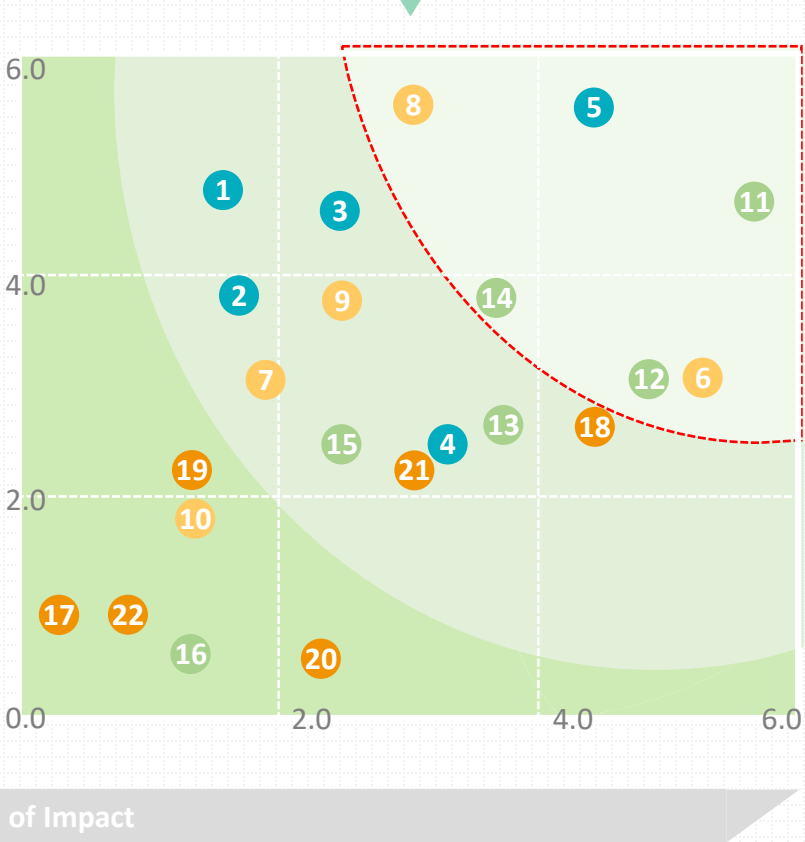
Identification of Sustainability Issues

Confirmation of 12 Annual Material Sustainability Issues by Taking Union of Relevant Issues and Factoring in Six Major Stakeholders' Degrees of Concern

Matrix of Level of Potential Positive Impact and Likelihood of Occurrence



Matrix of Potential Negative Impact and Likelihood of Occurrence



Sustainable Issues List

* is a material issue in 2022

Environment

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

Social

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

Governance

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

Economic

- 6 Product R&D and CleanTech Innovation
- 7 Product Quality and Responsibility
- 8 Financial Performance
- 9 Customer Service and Relationship
- 10 Sustainable Supply Chain Management

Note : “2. Corporate Governance” and “4. Legal Compliance” into one issue “Corporate governance & legal compliance”

Material Sustainability Issues

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



■ Implementation of 2023 Material Sustainability Issues and Difference Analysis

Analysis

- ✓ Addition of **“POSTIVE”** and **“NEGATIVE”** impact analysis
 - Positive impact: Assessment of whether the organization’s activities help contribute to sustainable development.
 - Negative impact: Negative impacts resulting from the organization’s activities.

Procedure

	Hierarchical decision of materiality	Responses to materiality
Execution month	December	May
2022	Task force team Confirmation of questionnaire analysis results	Report to the board
2023	Sustainable Development Committee Resolution passage	Report to the board

Implementation

Passage of the 2023 material sustainability issues by the Sustainable Development Committee on December 22, 2023

- Revision as needed Combination of corporate governance and compliance issues
- Addition Addition of “Energy Management” issues

Material Sustainability Issues → Actions and Goals

Environment

Climate Action

- Climate change opportunities and risks are assessed to propose coping strategies as well as various greenhouse gas emission prevention solution to help slow down the rise of global average temperature by value chain cooperation.

Assessment of financial impacts resulting from climate change

Greenhouse Gas Reduction

Goal

Strategy

Tracking

- Close attention to the relevant laws and regulations, and products inspections on a regular or as-needed basis to fulfill health and safety duties.
- Quality management system implementation and perfection to ensure customer satisfaction with product quality.

Quality management system establishment and promotion

Compliance with relevant regulations of hazardous substances in stainless steel products and passage of inspection

Economic

Product Quality and Responsibility

Social

Labor Relationship

- Through regular labor-management meetings and dedicated complaint channels, we promote communication between employers and employees to maintain harmony.

Actions: Quarterly labor-management meetings

Complaints: Employee complaints mailbox

Resources: Employee intranet and e-newsletter, electronic bulletin board

- Development of wind power generation, clean technology, and other green products to promote green economy development.
- Reinforcement of intellectual property management to protect R&D innovations.

NT\$292,565,000 investment in R&D

14 patent applications

Implementation of the TIPS with the TIPS certification

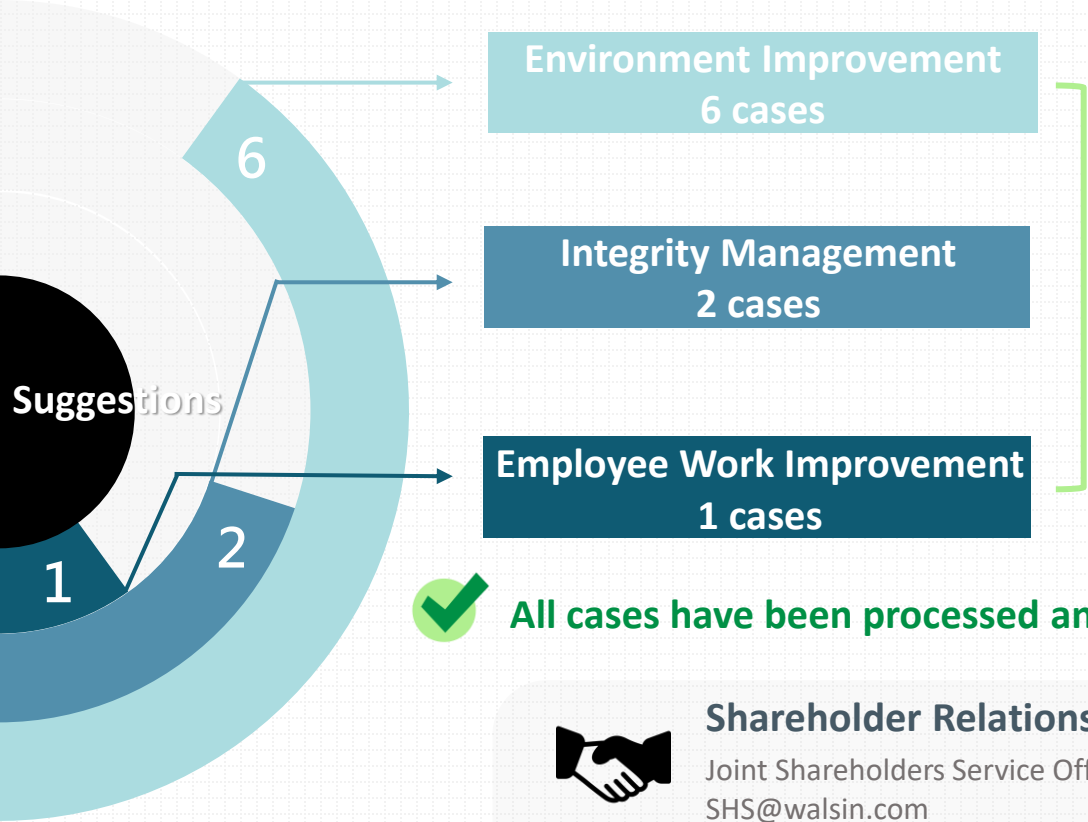
Economic

Product R&D and CleanTech Innovation

Increase as compared with 2022 NEW

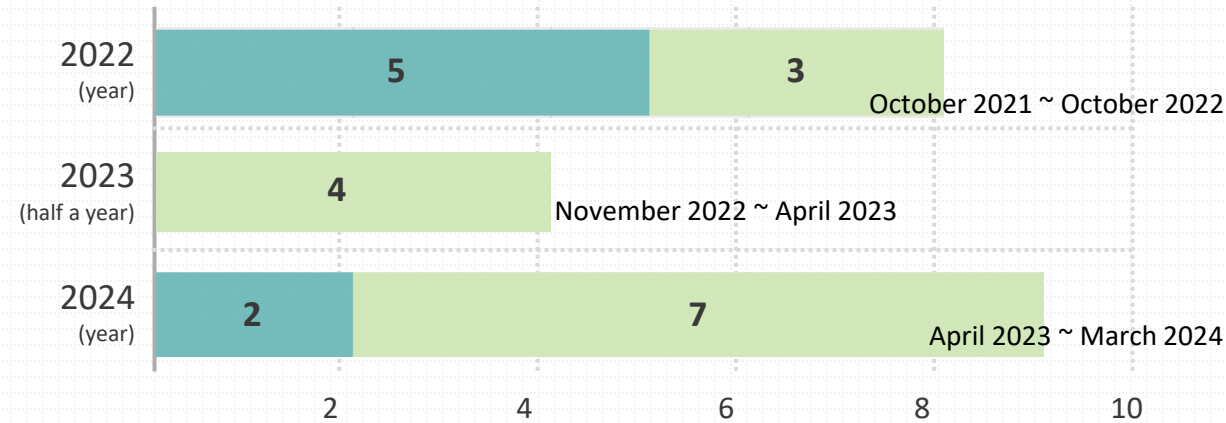
100%

Stakeholder Engagement → April 2023 ~ March 2024



✓ All cases have been processed and closed.

■ Comparison of the suggestions received



Shareholder Relations

Joint Shareholders Service Office
SHS@walsin.com



Sustainable Relations

Sustainability Office
ESG@walsin.com



Employee Relations

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



Business conduct reporting and Sexual harassment reporting

Auditing Office
opinion@walsin.com

hank you



Appendix

Management of Material Topics

Significance to Walsin

■ Governance
 ■ Economic
 ■ Environment
 ■ Social

Environment: Climate Action and Environment Management

Waste Management	Walsin's strategy for using raw materials and resources in operations, including consumables, improvement of recycling, pollution management, and environmental impact assessments.
Climate Action	Assessment of climate change risks and opportunities for response strategy development, reduction of energy consumption and cost, enhancement of energy management, and ongoing promotion and implementation of energy saving and carbon reduction to move towards green circular economy.
Energy Management	Development of green circular production by ongoing energy saving and carbon reduction to decrease energy consumption and costs while strengthening energy management.

Social: Friendly Workplace and Social Care

Occupational Health and Safety	Occupational health and safety are a cornerstone of sustainable development. Therefore, the future of Walsin Lihwa lies on its safe work environment, enhanced safety awareness among employees, and safety competencies to effectively prevent occupational risks.
Labor Relationship	Talents are key to the success of a company. Therefore, how to select, hire, cultivate, and retain good employees matters to long-term management to create a diverse, good work environment to grow together with employees.

Management of Material Topics

Significance to Walsin

■ Governance
 ■ Economic
 ■ Environment
 ■ Social

Governance: Sustainability Management and Value Innovation	
Corporate Governance & Legal Compliance	Walsin Lihwa ensures business sustainability by respecting stakeholder interests and rights, strengthening its board structure and operation, increasing information transparency, effectively implementing corporate sustainability criteria and measures, and complying with government regulations to develop relevant compliance policies and measures and abide them to prevent financial and other impacts resulting from illegalities.
Sustainability Strategy	To help realize Walsin Lihwa’s vision for sustainability, the Sustainable Development Committee is responsible for relevant strategy development and implementation to set up annual goals and action plans for effective ESG management.
Risk Management	To decrease the impacts of internal and external risks, Walsin Lihwa continues identifying relevant risks and planning for countermeasures to enable effective monitoring and control of risks.
Information Security Management	Walsin Lihwa commits to strengthening cyber security protection to improve its cybersecurity rating, meet customer needs and wants in cybersecurity, live up to the cybersecurity commitment to customers, shareholders, and other stakeholders.
Economic: High-Value Transformation and Smart Manufacturing	
Product Quality and Responsibility	Walsin Lihwa products are sold around the world. A wide variety of production sites and high quality products meet customer needs and wants.
Product R&D and CleanTech Innovation	Walsin Lihwa commits to strengthening cyber security protection to improve its cybersecurity rating, meet customer needs and wants in cybersecurity, live up to the cybersecurity commitment to customers, shareholders, and other stakeholders.
Financial Performance	Walsin Lihwa pursues business sustainability by ongoing and steadfast strategy improvement to provide high-value products, maintain its industry leadership, and facilitate economic development.