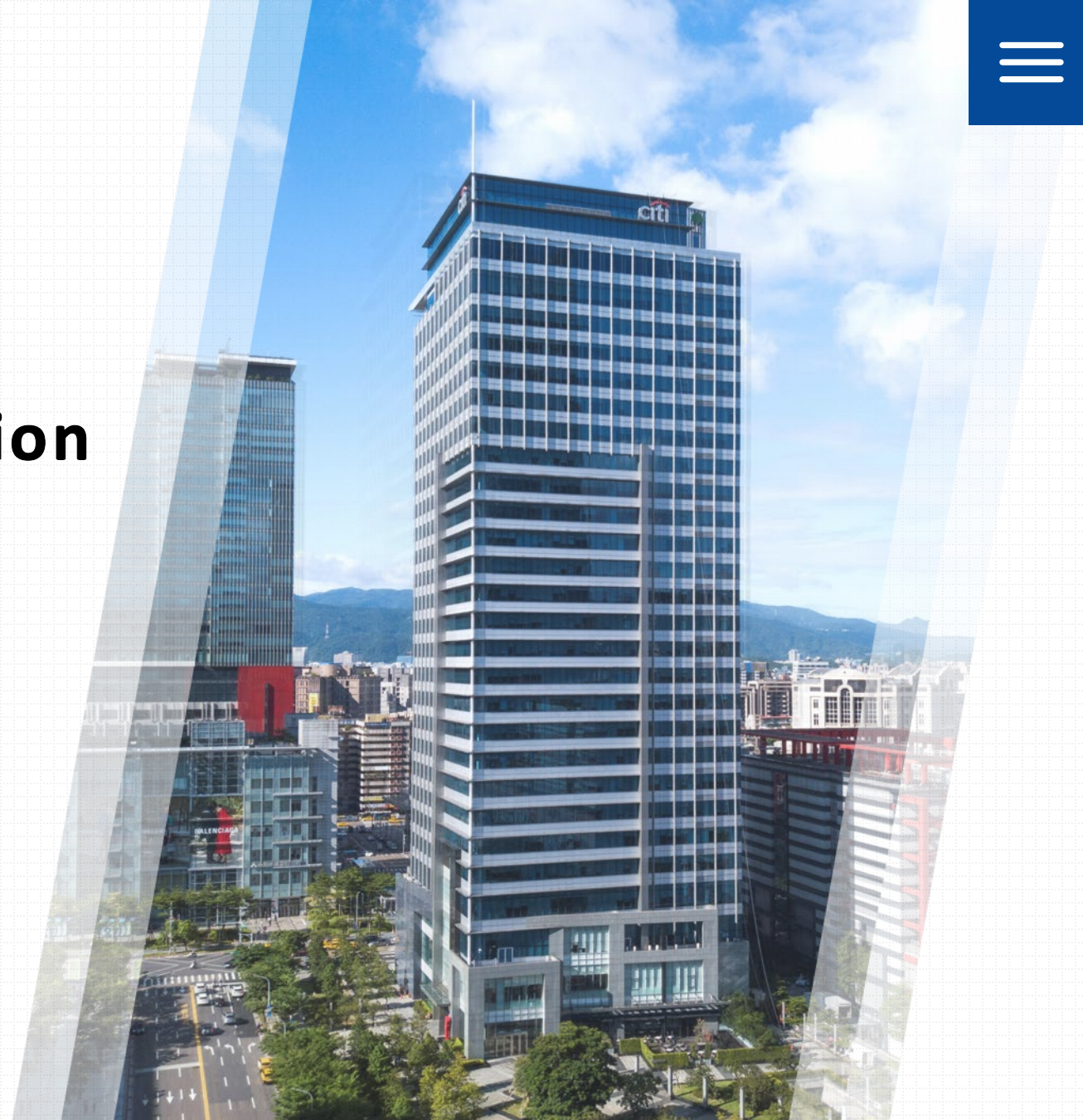


Status of Business Integrity Promotion in 2024

CONFIDENTIAL



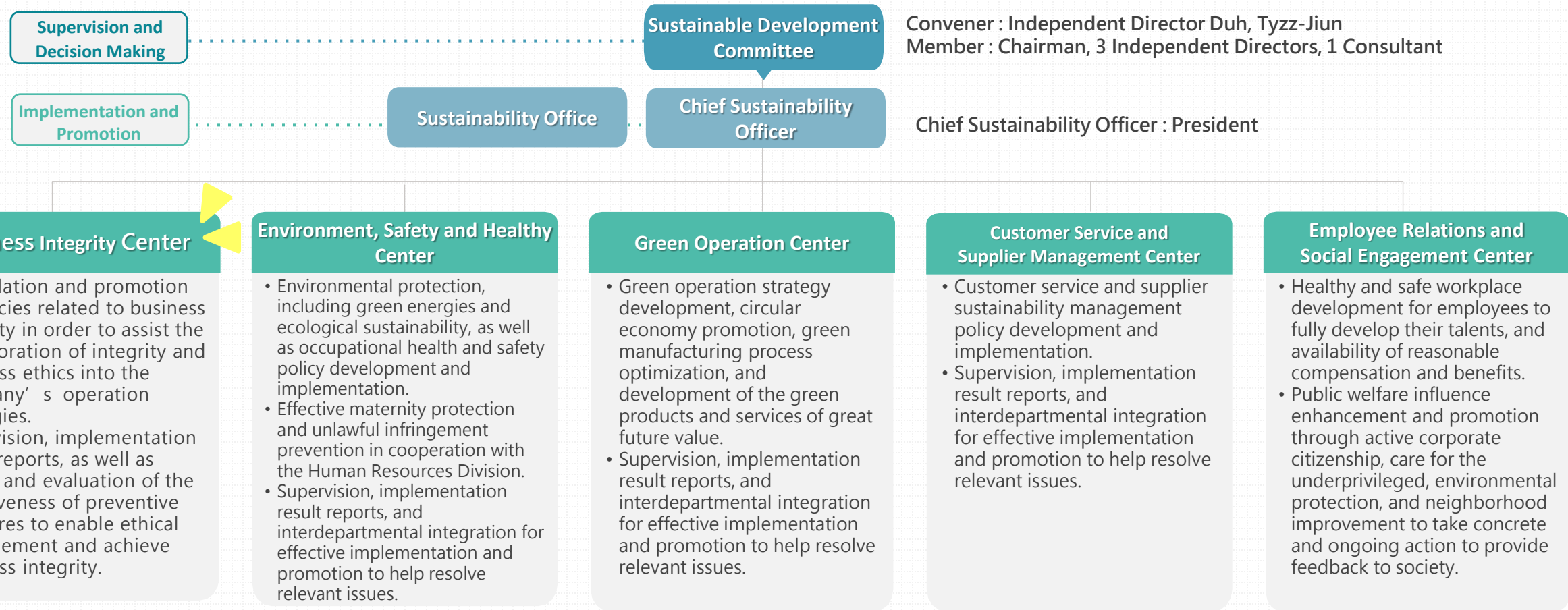
01

Overview of Business Integrity Center

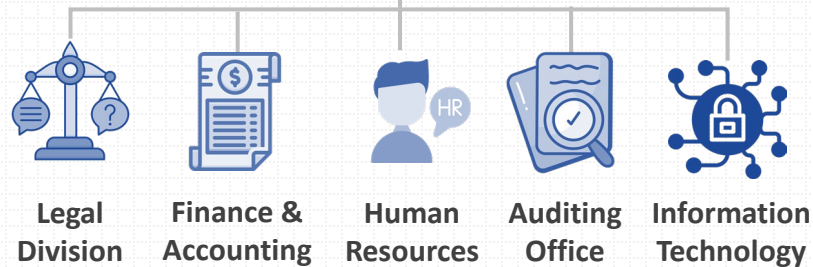
2025.1.13

Sustainable Development Committee Organization

Walsin Lihwa has a three-tier sustainable governance structure. The first tier is the Sustainable Development Committee responsible for supervision and decision-making. An independent director is the committee convener, and Chairman, Vice Chairman, and all independent directors of the board are members on the committee. The second tier is the Sustainability Office led by the Chief Sustainability Officer responsible for offering assistance to sustainable development strategy development. The third tier includes five promotion centers under the committee, which are the Business Integrity Center, Environment, Health, and Safety Center, Green Operation Center, Customer Service and Supplier Managements Center, and Employee Relations and Social Engagement Center for sustainable development strategy and action plan development and implementation



Members and Status of the Business Integrity Center



The Corporate Governance Director of Walsin Lihwa is in charge of the Company's Business Integrity Center.



Risk Management

Identify the potential risks facing the company and its industries for effective to ensure steady business operation.



Internal Audit and Control

Strengthened internal control by improving relevant review and test measures.



Legal Compliance

Comply with authorities and regulations, establish internal rules, and promote implementation for operational compliance



Business Integrity Ideas

Continue to promote and implement and ethical management ideas such as refraining from bribe giving and/or taking, seeking illegal benefits for others, hindering others' interests while committing to promotion of information transparency to ensure fair and open operation.



Sustainability

Strengthened corporate governance effectiveness in response to climate change risks and opportunities, further improved communication with stakeholders, and promoted sustainable development to enable long-term value creation.

02

Operating Status of the Business Integrity Center in 2024

2024.1.13

Foci of Implementation in 2024



Effective Platform Implementation

Information Transparency Enhancement

Developed tax information, legal compliance, intellectual property, and other relevant platforms to ensure operational integrity by strengthening corporate compliance and data transparency while avoiding high-risk practices.



Follow-Ups on a Regular Basis to Strengthen Management

Quarterly meetings and reporting to the senior management

Ensured the progress of implementation in line with what was scheduled by the Promotion Center's each quarterly meeting, tracked the status of implementation while discussing the annual plan and reporting governance and sustainable development goals to the Sustainable Development Committee and the Board.



Enhancement of Education and Training

Concurrent Internal and External Promotion

Strengthening the knowledge of business integrity and ethical management as well as protection of trade secrets and intellectual property rights among employees and business partners to increase all their awareness of compliance through in-house training, public announcements, and external promotional events.



Optimization of System Implementation

Intellectual Property Right Management and Confidentiality Mechanism

Enhanced the implementation of intellectual property rights (IPR) management, including risk assessment as well as protection of intellectual property rights and infringement management, took inventory of confidential documents on a regular basis while optimizing confidentiality regulations, and promoted systemization of trade secret management and relevant incentives.

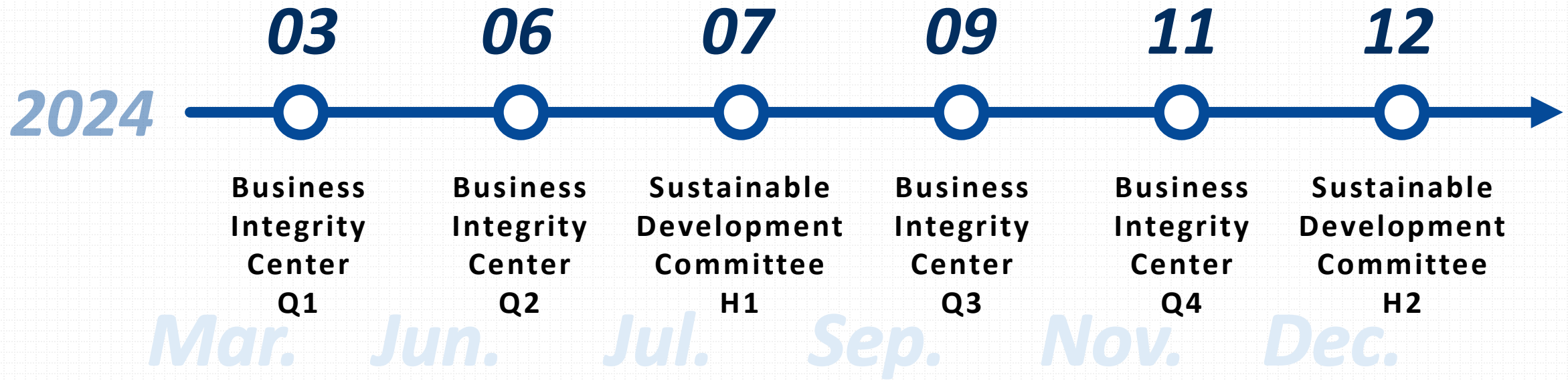


Risk Monitoring and Control

Unethical Conduct Risk Assessment and Second-Degree Relative Databank Development

Expanded the scope of unethical conduct risk assessment, completed the assessment of Hangzhou Walsin Power Cable & Wire to develop a risk management plan there, and established a databank on 2nd degree relatives, which is expected to go online in the 1st quarter of 2025.

Follow-Ups on a Regular Basis to Strengthen Management



Enhancement of Education and Training

External Promotion – Supplier Partner Exchange Meeting

Site	Date	Status of Attendance
TICC	2024/09/06	98
Yantai	2024/10/25	120

Note 1: Participants in the supplier conference in Taipei International Convention Center: Supplier to the Taipei head office, Hsinchuang plant, Yangmei plant, Taichung plant, and Yenshui plant.

Note 2: Participants in the supplier conference in Yantai, Shandong: Supplier to Yantai Walsin Stainless Steel, Jiangyin Walsin Specialty Alloy Materials, Changshu Walsin Specialty Steel, and Shanghai Walsin Power Wire & Cable.

Internal Promotion-Online/Offline Course

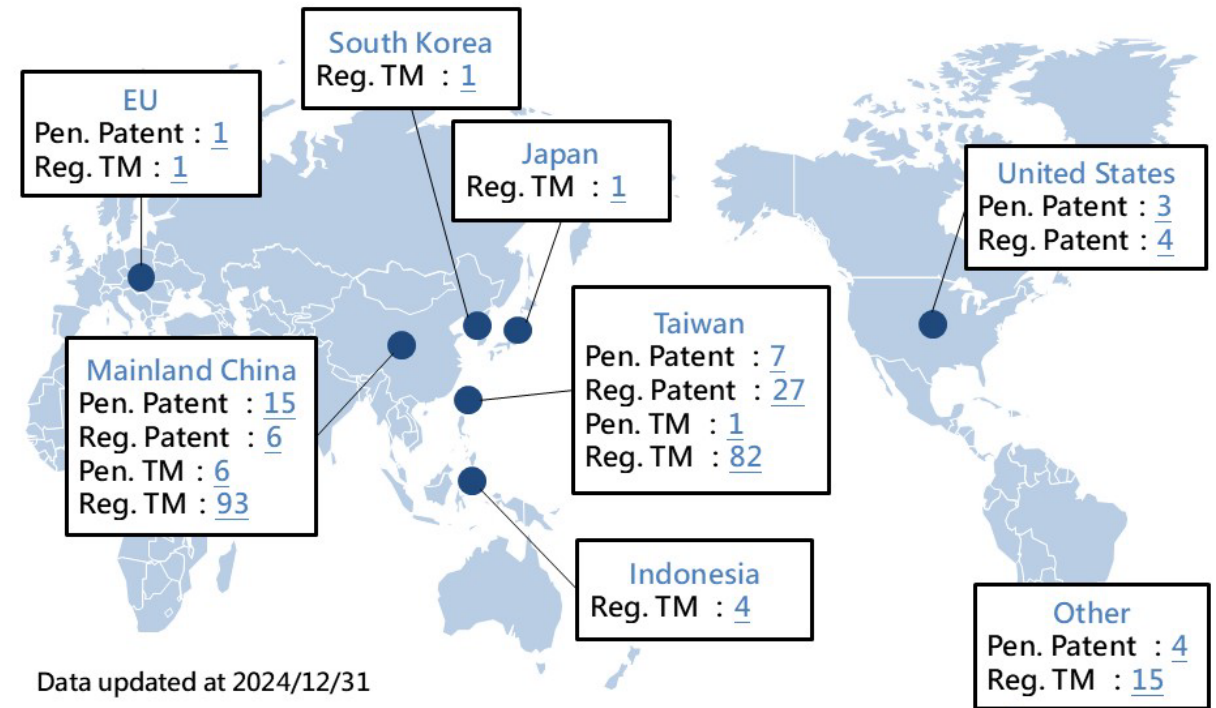
Required Attendees	Subject	Number of Attendees in 2024
All employees	Intellectual Property Rights (including TIPS)	2,254
All employees	Trade Secret	2,355
All employees	Prevention of Insider Trading	2,396
All employees	Ethical management	2,398
All employees	Raw material procurement process and legal risks associated with contract performance	1,127
All employees	Trends of ESG for sustainable development and sustainable governance	1,243
Directors of the board, senior executives, and other managerial officers	Promotion of the awareness of material information and insider trading, and friendly workplace development (including sexual harassment prevention)	25

Optimization of System Implementation

Optimization of Intellectual Property Management

- Since implementation of the Taiwan Intellectual Property Management System in 2020, the company has been engaging in exploration and protection of its patents, trademarks, and other intellectual property rights, providing incentives to innovations, conducting relevant education and training on a regular basis to help perfect the processes related to intellectual property management and contract reviews.
- In 2024, trade secret and copyright management were further perfected, and control units and confirmation checkpoints were added to the workflows of academia-industry cooperation and outsourced R&D projects to better support the company's automation and systematic process management and enable automatic information exchange among different plants to further perfect intellectual property management.

Achievements in Intellectual Property Acquisitions



Risk Monitoring and Control

Second-Degree Relative Databank Development

Effective avoidance of conflicts of interest related to second-degree relatives through systematic management



Unethical Conduct Risk Assessment and Management

NO	Types of Unethical Conduct
1	Acceptance and offering of bribes
2	Illegal political donations
3	Improper charitable donations or sponsorship
4	Offering or acceptance of unreasonable presents or hospitality, or other improper benefits
5	Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights
6	Engaging in unfair competitive practices
7	Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services

Step-by-step workflow improvement by assessing the risks associated with unethical conduct.

Year	Scope of Review
2024	Hangzhou Walsin
2023	Yantai Walsin
2022	Jiangyin Walsin
2021	Changshu and Shanghai Walsin
2020	Taiwan Plants

Identification of the potential risks facing ethical management and business integrity by taking comprehensive inventory of company bylaws and regulations in addition to self-assessment of risks.

THANK YOU